

## Corporate Social Responsibility Policy of Cercarbono

### Objective

The objective of this policy is to establish Cercarbono's commitment to Corporate Social Responsibility (CSR), grounded in the principles of the United Nations Global Compact and the ISO 26000 standard. This policy reflects our dedication to sustainable practices that benefit society, the environment, and all stakeholders.

### Scope

This policy applies to all partners, executive officers, staff members, consultants and service providers of the organization and other stakeholders within Cercarbono's value chain.

### Responsibility

The application and enforcement of this policy are the joint responsibility of Cercarbono's CEO and the Chairman of the Board of Directors (BoD), ensuring its integration across the organization and its stakeholders.

### Sustainability Strategy

Corporate Social Responsibility (CSR) has been defined as “*the practices of the corporation that explicitly seek to avoid damage and promote the well-being of stakeholders by complying with current rules and regulations as well as voluntarily going beyond those requirements*”<sup>1</sup>. In the context of Cercarbono, this refers to the comprehensive set of instruments (including policies, operational practices, management strategies, and programs) that guide our activities. These instruments are rooted in a commitment to ethics, environmental protection, community and human development, human rights, and transparency.

Cercarbono is committed to societal well-being, and we require our entire value chain to adhere to this policy in all interactions and activities. Our CSR initiatives are designed to project a positive image of Cercarbono, demonstrating our commitment to objectives that extend beyond financial sustainability to create positive social, environmental, and economic impacts.

### Evaluation and Monitoring

Cercarbono shall evaluate its CSR-related performance on an annual basis by means of an ad-hoc CSR evaluation committee formed as outlined in Cercarbono Governance Overview. Key dimensions of this evaluation include:

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<sup>1</sup> Vives, A. (2004). *The role of multilateral development institutions in fostering corporate social responsibility*. Development magazine (2004) 47(3), (45-52). Retrieved from: <https://www.cumpetere.com/wp-content/uploads/2018/02/Multilaterals.pdf>.

- **Organizational Alignment:** ensuring that all standards and procedures align with Cercarbono's leadership-guided principles and values, consistent with those applicable to its professional activities and products.
- **Corporate Well-Being:** promoting a friendly, safe, open, inclusive, equal-opportunity, and healthy work environment, where compensation is commensurate with the responsibility of each staff member and providing all required training, tools, and otherwise technical aids required to perform specific activities. We emphasize strong, open communication among staff members and human-oriented personnel management practices, including maintaining a zero-tolerance policy for discrimination cases related to gender, age, ethnicity, nationality, education degree, impaired condition, sexual preferences or personal choices, as well as for any kind of harassment, corruption or violence.
- **Environment-Friendly Culture Fostering:** by promoting resources and materials' rational use, reuse and recycling, and by making environmentally-oriented decisions on purchases, travel and work environment policies (e.g., by compensating travel carbon footprint, choosing devices and equipment having reduced or compensated carbon footprints, minimizing water, fossil fuel and non-renewable power consumption, etc.).
- **Community Involvement:** by direct action or by promoting or participating in initiatives improving life quality, health, inclusion and opportunities for the less fortunate in Cercarbono locations' areas of influence. Currently, Cercarbono promotes real-life work experiences and training for students from Colombian universities by integrating them into work teams allowing them to gain skills, confidence and knowledge they could use later in their benefit.
- **Global Well-being Commitment:** by continuously adapting and revising its regulatory framework, procedures, products, and actions. This commitment involves implementing, maintaining, and assessing best practices according to its Protocols, ensuring the “no net harm” principle, and encouraging the active participation of all relevant stakeholders. Additionally, Cercarbono ensures that all certified activities comply with the Global Compact Principles in human rights, labor, environment, and anti-corruption, which must be upheld by all participating projects and programs.

## Alignment with UN Sustainable Development Goals (SDGs)

Cercarbono is firmly committed to the UN SDGs, focusing our efforts on the following goals:

- ***Goal 3: Ensure healthy lives and promote well-being for all at all ages***

By assuring all employees have access to quality healthcare as they must be affiliated to the country's health system or equivalent when collaborating with Cercarbono.

By ensuring all staff members take their full vacation periods each year and providing flexibility according to staff needs as much as possible.

- ***Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all***

Cercarbono actively promotes and supports the professional development of its staff by offering flexible work hours to accommodate further academic advancement, providing paid training when appropriate, and encouraging participation in networking and technical events. Additionally, Cercarbono has established a program that allows undergraduate and graduate students to gain experience, knowledge, and skills in a training-friendly environment focused on climate change, biodiversity, and circular economy. This initiative offers students emerging opportunities beyond the standard academic curriculum.

- ***Goal 5: Achieve gender equality and empower all women and girls***

Cercarbono is committed to gender equality in hiring, actively encouraging women to apply for any open position within the organization. Since its founding, Cercarbono's staff has been predominantly composed of women at all levels, and we are proud to maintain this as a hallmark of our organization.

- ***Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all***

Cercarbono is a law-abiding organization that fully complies with all labor-related regulations. We provide all necessary tools, equipment, and facilities to create the best possible working environment for our staff. Our strict implementation of a zero-tolerance policy helps prevent any situations that could threaten our commitment to inclusive, sustainable, and productive employment and decent work.

- ***Goal 12: Ensure sustainable consumption and production patterns***

Cercarbono's purchasing and contracting decisions prioritize the sustainability performance of all goods and services. We prefer those with the best performance among equivalent options and seek to compensate for their impacts whenever possible.

- ***Goal 13: Take urgent action to combat climate change and its impacts***

Cercarbono's core business focuses on facilitating and promoting the implementation of climate change mitigation initiatives according to best practices. As an organization dedicated to addressing climate change, we support and drive action in this area.

Our efforts include providing educational newsletters, hosting publicly accessible webinars, and offering various resources to train professionals, inform stakeholders about our activities and impacts, and advance climate change mitigation efforts.

- ***Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development***

Cercarbono's core business involves facilitating and promoting the conservation and recovery of coastal and marine ecosystems. We achieve this through various programs designed to implement initiatives that protect biodiversity and ensure the sustainable use of marine resources.

- ***Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss***

Cercarbono's core business includes facilitating and promoting terrestrial ecosystems' conservation and recovery, through different programs aiming to facilitate implementation of related initiatives which in turn result in sustainable forest management, halting or reversing land degradation and conserving or enhancing biodiversity.

- ***Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development***

Cercarbono actively and continuously seeks participation in global, regional, and national initiatives and partnerships to enhance the quality and integrity of its products, thereby contributing to global environmental goals.

This involvement necessitates a full commitment to implementing best practices, advanced MRV technologies, and validation and verification systems that adhere to the most recognized global standards. These measures ensure the effectiveness of certified environmental results in accordance with our regulatory framework.

## **Alignment with UN Global Compact Principles**

Cercarbono's business practices are aligned with the ten principles of the UN Global Compact across four focus areas:

### **Focus Area 1: Human Rights**

#### **Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights**

Cercarbono is committed to supporting and promoting the protection of human rights, adhering to all applicable regulations for everyone associated with our organization. As such, freedom of expression, equality of opportunities, open access to corporate authorities, among others, are assured.

**Principle 2: Businesses should make sure that they are not complicit in human rights abuses**

Cercarbono is committed to requesting all participating activities, projects and programs in their different programmes, complying with all applicable regulations and applying best practices as related to human rights respect.

Before any situation Cercarbono is aware or made aware of, representing potential breaches to such policy or human rights abuses, Cercarbono is committed to further investigate and take proportional actions, including suspending delinquent or delinquent-suspected activities from further participation and taking all measures at its reach to revert or communicate such situations to competent authorities.

**Focus Area 2: Labour**

**Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**

Cercarbono fully respects freedom of association and the right to collective bargaining. Participating projects are not subject to any differential treatment based on their adherence to these rights, and we ensure that these principles are upheld without restrictions.

**Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour**

Cercarbono is firmly against all forms of forced and compulsory labor and maintains a zero-tolerance policy for such practices within our own operations and throughout our value chain.

This policy extends to participating projects, programs, and activities, which will be treated in accordance with the same standards outlined in Principle 2 if they are found to implement such practices.

**Principle 5: Businesses should uphold effective abolition of child labour**

Cercarbono repudiates all forms of child labor and maintains a zero-tolerance policy for such practices throughout our value chain.

This policy extends to participating projects, programs, and activities, which will be treated in accordance with the same standards outlined in Principle 2 if they are found to implement such practices.

**Principle 6: Businesses should uphold elimination of discrimination in respect of employment and occupation**

Cercarbono is firmly committed to a zero-tolerance policy against all forms of discrimination —whether based on gender, age, ethnicity, nationality, education, disability, sexual orientation, or personal choices— as well as harassment, corruption, and violence, including those affecting employment and occupation conditions.

### Focus Area 3: Environment

#### **Principle 7: Businesses should support a precautionary approach to environmental challenges**

As part of its daily operations and in line with its regulatory framework, Cercarbono conducts due diligence for all participating activities, projects, and programs. This includes assessing, managing, and communicating risks while requiring adherence to the no-net-harm principle, regardless of economic consequences.

#### **Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility**

Cercarbono actively promotes greater environmental responsibility of participating projects, programs, and activities, by strengthening and enhancing its regulatory framework and continuously improving its methodological documents to assure conservativeness, additionality and reporting on non-climate change related variables to show commitment with the environment beyond greenhouse gas, biodiversity or circular economy initiatives.

#### **Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies**

Cercarbono continuously surveys environmentally friendly technologies and encourages the development of methodologies and projects that utilize them, provided they are well-supported and demonstrate reliable performance in addressing climate change, enhancing circular economy practices, or protecting biodiversity. To facilitate this, Cercarbono offers one of the lowest technical review fee structures, aiming to make these technologies accessible and affordable for project developers.

Our goal is not to generate profit from this process but to promote the adoption of effective solutions.

### Focus Area 4: Anti-Corruption

#### **Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery**

Cercarbono maintains a zero-tolerance policy toward any form of corruption across all processes and activities involving us or any stakeholder within our value chain.

We implement a due diligence “know your client” process to prevent money laundering and other irregular activities by any participant in activities, projects, or programs seeking certification of their environmental results.

Any detected corruption-related activity will result in the immediate ban of the involved project, program, activity, company, organization, or individual from any further interaction with Cercarbono, in addition to potential internal disciplinary actions or sanctions.

## Code of Ethics

The code of ethics establishes the norms and standards guiding the behavior of our organization. While it does not aim to cover every possible situation, it serves as a framework and guide for expected conduct, including the application of Cercarbono's CSR policy.

All Cercarbono staff members and stakeholders are expected to adhere to this code in relation to the following subjects:

- **Behavior according to ethical values**

Cercarbono's staff members and suppliers / service providers shall act and perform with the highest degree of good faith, honesty and integrity, when performing any activity in the premises or in behalf of Cercarbono.

- **Applicable regulations, laws and regulatory framework compliance**

Cercarbono's staff members and suppliers / service providers and clients shall strictly observe all applicable regulations, laws and regulatory framework provisions corresponding to their specific participation along Cercarbono's value chain. This includes compliance with regulations related to prevention of discrimination, harassment, bribery, corruption, money laundering, and to of privacy and security protection.

- **Equal opportunity, inclusion and diversity**

Cercarbono is an equal opportunity employer, promoting a safe, healthy and friendly work environment free of discrimination by any means. Hiring process is performed without any bias as related to gender, race, religion, sexual preference, gender identity, ethnicity, nationality, or impairment, but solely based on competence and alignment with job position profiles, which must not make any reference to such differences if not warranted by the specific position features.

- **Professional performance**

Cercarbono's team members shall have the highest degree of professional performance and behavior, collaborating to a friendly, safe and healthy work environment featuring friendly and professional relationships with other team members, suppliers, service providers, clients and general public, avoiding any improper action or disrespectful / unprofessional attitudes toward any Cercarbono's stakeholder at any place and by any communication or coexistence means.

- **Off-work behavior**

Illegal or otherwise inappropriate off-work intentional behavior by any staff member that may adversely affect Cercarbono's business interest, reputation or ability to perform their work is deemed as a breach to this Code and CSR policy.

- **Conflict of interest avoidance**

Cercarbono's team members and service providers must avoid any activity or contact that may pose a conflict of interest between them and Cercarbono's, potentially impairing such team members for performing objectively and efficiently as regarded to their work functions. This is particularly sensitive for situations that might influence in an unduly manner decisions or actions regarding a certain activity, project or program certification performed by Cercarbono.



## Document History

Version	Date	Comments or changes
1.0	04.09.2024	Initial version.