



Progress Report ForestFinance 2021/2022

**On the Leadership Declaration of the
'Biodiversity in Good Company' Initiative**



Table of contents

Introduction	3
1. The impact of corporate activities	4
1.1 The impact of corporate activities: example Panama	5
2. Inclusion in the environmental management system	8
2.1 For a sustainable and fair future: SDGs at ForestFinance	8
2.2 Guaranteed sustainable: projects with certified quality	12
2.2.1 Colombia: Vichada Climate Reforestation Project	14
2.2.2 Panama: CO ₂ OL Tropical Mix	14
3. Appointing a responsible individual within the company	15
4. Defining measurable objectives	16
4.1 Our goals in Morocco: project objective organic certification for second project "Oasis 2"	16
4.2 Our goals in Peru: project objective organic certification and planting of "GiftTrees" ("GeschenkBäume")	17
4.3 Our goals in Colombia: creating the basis for new mixed forest	19
4.4 Our goals in Panama: organic certification for overall project	21
4.4.1 A treasure trove of nature: the ProtectionForest ("WaldSchützer")	22
4.4.2 Biodiversity monitoring: wildlife observations in our forests	24
4.4.3 Interview with scientist Natalie Ferro	26
4.5 Our goals in Germany: primeval forest of tomorrow – WildeBuche project target stage achieved	28
5. Publishing activities and achievements in the biodiversity sector	29
6. Integration of suppliers	30
6.1 Cooperation with forestry service providers	31
7. Cooperations	32

Cover:

This capuchin howler monkey was photographed by ForestFinance Managing Director Jan Fockele in the Gamboa Rainforest Reserve. Capuchin monkeys are also at home on our fincas and protected forest areas.

Photo: ForestFinance/Fockele

Introduction



ForestFinance: building forests since 1995

What began almost 30 years ago as a green idea in Bonn has grown into an international group of companies whose corporate purpose is consistently oriented towards sustainable business. The ForestFinance Group operates projects with investments from more than 27,000 customers, mostly from Germany. These include ecological reforestation for the production of timber and CO₂ certificates, among other things, the organic cultivation of cocoa, dates, olives and almonds as well as projects in the extended value chains of forest and agriculture. Furthermore, the ForestFinance Group is active in the financing and distribution of climate protection projects and, as of 2021, also in the implementation and further development of climate technology in Germany. Further projects at the locations in Panama and Colombia are to follow soon.

All forestry and agroforestry projects are based on the principles of sustainable forestry and agriculture and pursue the goal of extending the benefits of investments for investors to the environment, climate and people. In doing so, profitability and returns are to be combined on an equal footing with high ecological and social standards. Thus, in the implementation of ForestFinance projects, the preservation or promotion of biodiversity is inextricably intertwined with the business idea itself and thus an inherent part of every product.

ForestFinance's business approach includes the endeavour to continuously improve with regard to the protection of biodiversity and to shed more light on the influences on biodiversity. For this reason, ForestFinance decided in 2010 to actively participate in the initiative "Biodiversity in Good Company" in order to work and learn together with companies from different sectors on solutions and practical approaches for the protection of biodiversity in everyday business.

In the following, we report on the progress we have made in recent years in terms of species conservation, guided by the seven points of the Leadership Declaration to which we are committed.

Leadership Declaration:

The signatories recognise and support the three objectives of the international "Convention on Biological Diversity":

- Conservation of biological diversity
- Sustainable use of its components
- Equitable sharing of the benefits arising out of the utilisation of genetic resources and commit themselves to:

1. analyse the impact of the company's activities on biodiversity;
2. include the protection of biodiversity and sustainable use into the environmental management system;
3. establish a responsible body within the company, to manage all activities in the area of biodiversity and to report to management;
4. set measurable and realistic targets for improved protection of biodiversity and its sustainable use, which are reviewed and adjusted every two to three years;
5. publish all activities and achievements in the area of biodiversity in the annual, environmental or sustainability report;
6. inform suppliers about their biodiversity goals and gradually involve them;
7. explore cooperation with potential partners such as nature conservation organisations, scientific or governmental institutions in order to deepen the expertise and further develop the management system.

A progress report is submitted to the initiative every two years as proof of the ongoing commitment.

1. The impact of corporate activities



Diversity can be this beautiful! All these seeds come from native tree species that we plant in our sustainably managed forests in Panama.
Photo: ForestFinance

The protection and promotion of biodiversity is an integral part of the ForestFinance Group's corporate concept. This means that all products and projects of the Group's companies should have a positive impact on the environment and biodiversity in particular.

ForestFinance is committed to adhere to the principles of sustainability in all its corporate activities. In doing so, all three pillars of sustainability, i.e. the achievement of social, economic and ecological goals, should be on an equal footing and work together. As a socially responsible company, ForestFinance contributes to improving the working and living conditions of the rural population at the project locations, for example with integrated social programmes and close involvement of the local population. At the same time, ForestFinance offers its customers the possibility of a green investment that creates social and ecological values in addition to economic ones. Even the slogan "We make forest" emphasises that ForestFinance aims to create ecologically valuable mixed forests instead of species-poor monocultures, as is largely the case in conventional or yield-maximised tropical forestry.

ForestFinance "makes forest" in order to be able to harvest sustainably and ecologically certified tropical precious woods and tree fruits such as cocoa, organic dates, olives and almonds for its investors. Timber harvesting is always carried out selectively and without clear-cutting.

The reforestation of fallow, former pasture land with site-appropriate, predominantly native mixed forest is intended to contribute directly to the protection of biodiversity at the project sites. ForestFinance has been pursuing this reforestation model for a quarter of a century at the project location in Panama. Other forestry projects have existed for ten years in Colombia, Peru, previously also in Vietnam and since 2018 in Morocco.

ForestFinance operates acacia plantations in Colombia with the aim of improving the soil quality with the help of pioneer trees, so that the areas can be transformed – as was previously the case in Vietnam – into site-appropriate and near-natural ecosystems with predominantly native species.

For companies, ForestFinance offers itself as an experienced partner in the planning and implementation of afforestation projects to support corporate climate protection up to the Net Zero strategy. With ecological forest projects, which exclusively serve climate and species protection, high-quality CO₂ certificates are generated, which companies can use for their own compensation after avoiding emissions.

In this way, the common goal of all ForestFinance forestry concepts worldwide is implemented: to create permanently site-appropriate forest. With the forest cemetery "Rest in Trees" and the forest reserve WildeBuche, ForestFinance has also initiated two pure forest protection projects in Germany without any timber production.

The latest project location is in Morocco, where the company has been growing organic olives and dates since 2018, and soon also organic almonds.

1.1 The impact of corporate activities: example Panama

Panama is located where Central and South America meet, forming a biodiversity hotspot rarely found on earth. The rainforests of Central America are among the most species-rich in the world. Every tenth species on our planet is found here, many of them endemic. Towards the end of the 19th century, settlers began clearing large areas of primeval forests to gain pasture- and farmland. This process accelerated in the following decades and has not come to a halt until today. Only in areas that are difficult to access, such as the mountains or swampy lowlands, has the primary forest been spared and with it biodiversity.

Through reforestation, we promote biodiversity in the project regions and create new, near-natural secondary forests in the long term. Reforestation in mixed culture with predominantly indigenous tree species that are optimally adapted to the local conditions has a far higher ecological benefit than planting monocultures. Only degraded areas, such as fallow former cattle pastures, which would not naturally regenerate into a forest system, are afforested.

In five of the nine provinces of Panama – both on the Caribbean and the Pacific side – ForestFinance employees have been planting seedlings of predominantly native tree species such as amarillo, caoba and zapatero every year since 1995. In total, ForestFinance has already reforested around 8,000 hectares with more than ten million trees worldwide.

The province of Chiriquí was the starting point of the ForestFinance projects. This is where the oldest forests are located, some of which are more than 25 years old. Many of our forests are in their twenties and thus harbour numerous animal and plant species that otherwise have a hard time finding protected habitats. Together with our clients, we have been able to create refuges for native species, significantly improve soil quality and protect water and climate. In particular, we consistently protect wetlands and areas bordering rivers, as they are important habitats for many amphibian species, among others. In addition, we maintain existing primary forest segments within the fincas as protected areas and thus protect them from human intervention.

The important connection of the partly individual forest segments to coherent forests is created by ForestFinance reforestation. The merging of existing forest and new afforestation leads to a regeneration of the original forest area(s) and creates stepping stone biotopes. The newly created contiguous forest provides a preferred habitat for, among others, reptiles and insectivorous birds. At the same time, these animals provide natural protection against pests for the young forests, which are ecologically controlled in this way.

In addition, the project promotes the natural succession and regeneration process by protecting the afforested areas. The variety of native tree species and the reforestation as a mixed culture provide perfect living conditions for insects, birds and mammals.



Finca "Metetí I" in Panama: Remaining forest corridors (front) are connected through the reforestation of fallow and degraded areas (centre) and merge into a continuous forest habitat for animals and plants.

Photo: ForestFinance



Aerial photo with before/after effect: barren pastureland borders one of the reforestation areas in Panama.

Photo: ForestFinance



Mangrove forests form a very special ecosystem that is a nursery for many insects, amphibians and fish species. With their imposing roots, the mangroves on the finca Los Monos look as if they would tick away at any moment.

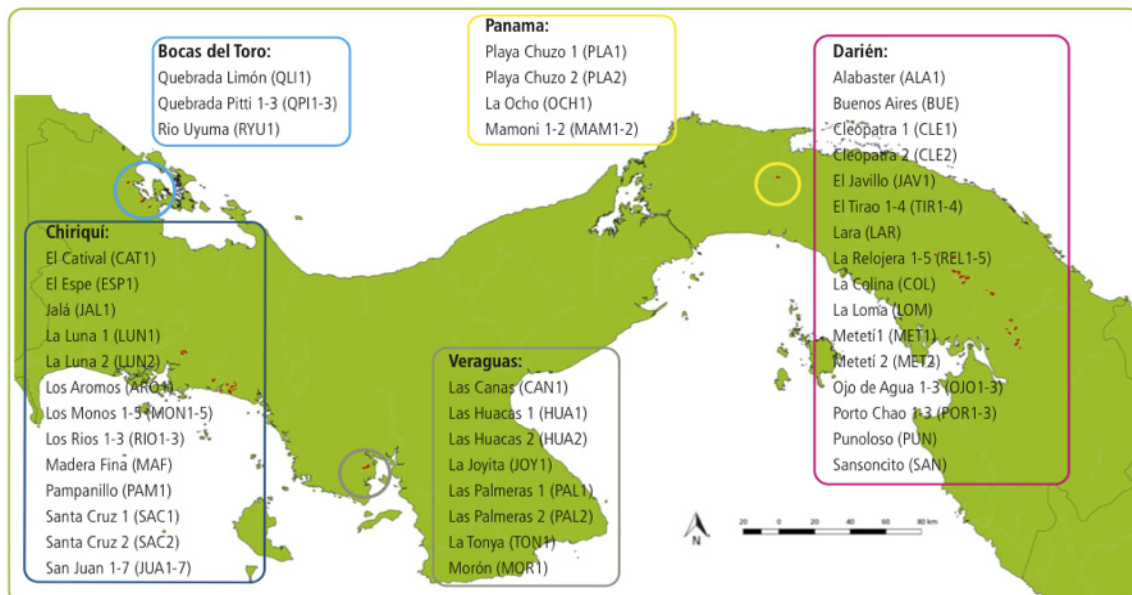
Photo: ForestFinance/Spanke

Since 2017, ForestFinance in Panama has been protecting and preserving valuable primary forests in Panama with a special offer. In the heart of Panama lies the forest "Los Monos", which is particularly worthy of protection: a living, species-rich rainforest in the Chiriquí province (read more in chapter 4.5.2). Our "WaldSchützer" ("ForestProtector") project not only protects a home for capuchin monkeys, mangrove trees and numerous parrot species, but also the climate. Thanks to its great age, Los Monos is a particularly effective and thus important climate protector. According to scientific studies, at least 19 kilos of carbon dioxide (CO₂) are bound in the forest per square metre.

Here, ForestFinance customers can work with us to protect valuable forest for at least 50 years – from cultivation, clearing and natural risks.

Panama: provinces and fincas

In the provinces of Veraguas, Panama, Darién and Chiriquí, all mixed forest areas are both FSC® and Gold Standard certified. In the Bocas del Toro province, all cocoa areas of the three fincas have been certified according to the European Union (EU) organic standards since 2022.



A current overview of our forest sites in Panama (as of 2020). Chart: ForestFinance

Investments that protect the environment & climate



Forest is our most effective carbon store

Experts estimate that reforestation is three times more effective in the tropics than in temperate latitudes. Forests in the tropics grow faster and thus sequester more carbon in their biomass. Around 2.8 billion tons of CO₂ are stored annually by primary and secondary forests as they grow. Ecological impact of our projects remains and becomes stronger with each year.

Mangroves are particularly valuable



According to Deutsche Welle, they store billions of tons of carbon dioxide in Panama alone and thus make an important contribution to the fight against climate change. They form a protective shield against storms and tsunamis and thus also for human settlements. Mangroves also contribute to erosion control by preventing land from breaking away in coastal regions.

Reforestations are stepping stone biotopes

They promote gene flow between spatially separated animal populations and enable repopulation and new habitat colonization. These can be hedges, rows of trees or embankments, but also areal or selective landscape elements such as groups of trees and shrubs, small bodies of water and individual trees. Our reforestations in Panama have been proven to serve as stepping stone biotopes, creating new habitat for species.



Forest promotes biodiversity

Various studies, including one by the Technical University of Munich, have confirmed that our mixed forest reforestations have been proven to increase biodiversity. For example, more than 100 bird species live on our oldest finca, Madera Fina.

Forests serve species protection

Our forests and protection forests serve the protection of species. As part of the Gold Standard certification in Panama, it was proven that at least 15 animal species on the Red List for endangered species live in our reforestations and protection forests in Panama.



Forests are climate protectors

One hectare of our ProtectionForest in Panama stores around 188,600 kilograms of CO₂ in 20 years.



Forest promotes sustainable development

The United Nations Sustainable Development Goals (SDGs) point the way to a sustainable future for their signatories, and forests play a central role in this. Our forests in Panama promote several SDGs at once – as evidenced by Gold Standard certification.



Bee colonies on the area contribute to the promotion of biodiversity with their pollination performance.



2. Inclusion in the environmental management system

As explained under point 1, the corporate concept itself already includes the positive impact of all our activities on the environment. At ForestFinance, this includes the entire supply chain from seed to finished piece of furniture. For this outstanding commitment, ForestFinance Service GmbH has already been awarded the German CSR Prize in the category "Global Responsibility" in the past.

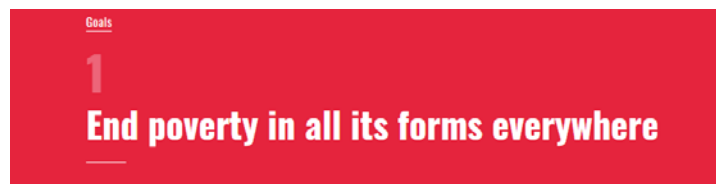
2.1 For a sustainable and fair future: SDGs at ForestFinance

In September 2015, the Sustainable Development Goals (SDGs) were adopted at the United Nations General Assembly in New York. They are the successors to the so-called Millennium Development Goals – a kind of roadmap for international development cooperation. The goals adopted here are to be implemented by 2030, and more and more organisations and companies are committing to the goals and working on their implementation.



The 17 Sustainable Development Goals.
Photo: Screenshot sustainabledevelopment.un.org/sdgs

There are 17 Sustainable Development Goals in total – none of them are binding and yet they serve as guidelines for sustainability-oriented companies like ForestFinance. Since the first goals were adopted in 2000, it has become clear: Without the commitment of non-state actors from the private sector as well as from research and society, these goals cannot be achieved. Whether in our project countries or at our location in Bonn: sustainability is at the core of ForestFinance's corporate philosophy and we have been committed to numerous SDGs for years. We would like to present the goals that ForestFinance can contribute to achieving.



Only in cooperation with the local population is it possible to successfully create long-term forest with added ecological value that is more than just a quick-profit, fast-growing plantation. This already starts with the selection of land: Who owns the land?

A fair balance of interests includes that ForestFinance contributes to improving the working and living conditions of the local population including the land sellers in Panama and Peru - by creating long-term and **socially secure jobs**, but also by accompanying **social programmes** and a **close involvement of the local population**. In the process, our employees also receive performance-based pay that is above the country's minimum wage. Child labour is taboo.

Goals

2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

ForestFinance relies on social and **environmentally friendly agroforestry** in the management of the fine cocoa areas. In addition to cocoa trees, various **indigenous tree species** and banana plants grow on the forest areas. With the **organic cultivation** of olives, dates and almonds, ForestFinance simultaneously promotes **sustainable agriculture and food security**. We largely avoid the use of chemicals and follow the guidelines of the certification standards.

Goals

3

Ensure healthy lives and promote well-being for all at all ages

Motivated, satisfied employees perform high-quality work that pays off for our customers. For this reason, we offer more than just a fair salary. In the project countries, we offer all employees health checks, vaccinations and additional insurance cover. In family emergencies, we provide unbureaucratic help in the form of micro-loans. Our corporate philosophy reflects the fundamental principles of the International Labour Organization (www.ilo.org). This includes that we guarantee to produce **without child labour** and take action against it as a matter of principle. In the field, we invest in protective clothing and the safe use of machinery. However, it is also important to us to provide attractive office space and to create an appealing work environment.

Certifications additionally ensure that we demonstrably meet our high standards. Many of our employees have found their first job and immediate responsibility with ForestFinance. Since then, most of them have accompanied the company with great motivation and commitment. With flat hierarchies, transparency in decision-making and strong co-determination, we involve everyone and create and create space for self-realisation.

Goals

4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The best example is a train-the-trainer programme on sustainable forestry that ForestFinance has developed in Vietnam with the support of the German Federal Ministry for Economic Cooperation and Development and other partners. We are also active in environmental education: tropical forest protection is only effective if the local population is involved. ForestFinance is therefore involved in **environmental education programmes** at Panamanian and Peruvian schools and has opened a public **forest nature trail** in Las Lajas, Panama.

Goals

5

Achieve gender equality and empower all women and girls

ForestFinance is committed to equality: in contributing ideas, but also between men and women. More than 60 percent of our staff in **management positions** are women. We promote the recruitment as well as training and further education of women at all locations. In the organic olive and date cultivation project in Morocco, we particularly promote the recruitment of women and create **safe working conditions** for all employees.

Goals

12

Ensure sustainable consumption and production patterns

In 2014, ForestFinance established its own **wood processing centre** in Panama, where locally produced wood is sawn, dried and processed into furniture directly and without long transport routes. The centre is considered a model project in the Chiriquí region and trains local people to become carpenters. The fair and sustainable wood products are mainly sold regionally, but also in Germany, thus promoting value creation and sustainable consumption locally in Panama.

The **cocoa from the fincas in Panama or Peru** is also produced fairly, in solidarity and in harmony with nature, and is partly processed directly in Panama into chocolate products for the local and international market. In Germany, ForestFinance works together with the chocolate manufacturer Georgia Ramon, that processes cocoa from ForestFinance forests by hand into high-quality chocolates and itself stands for sustainable production and consumption.

In Morocco, ForestFinance achieved its first olive harvest of nine tonnes in 2022. With this test harvest, samples were taken from olive oil producers in the country. The olive oil meets the highest quality standards on the one hand and stands for sustainable production and consumption on the other. In addition, ForestFinance is committed to further processing the olives in the country of production, thus promoting value creation in the country of cultivation. For 2023, higher harvest yields are expected for the first time and thus also a first sustainable production of olive oil for sale.

Goals

13

Take urgent action to combat climate change and its impacts

The greenhouse gas carbon dioxide has a global effect, regardless of where on earth it was created and released into the atmosphere. A CO₂ emission that occurs in Europe can be offset by a **climate protection project** on the other side of the globe. 1.5 hectares of tropical ForestFinance forest growing for at least 25 years thus compensate for the lifetime CO₂ emissions of an average German.

Climate protection projects such as ForestFinance's, in which **CO₂ is bound through reforestation**, i.e. actively removed from the atmosphere, are checked and audited by the internationally renowned certifier "The Gold Standard", among others. These CO₂ certificates from reforestation projects are considered to be of particularly high quality and are not only particularly suitable for companies to offset their own CO₂ balance, but also a particularly effective measure to combat climate change and achieve the 1.5 degree target.

With the ForestFinance Green Tech project in Eberswalde near Berlin, we are actively committed to climate protection: by carbonising biomass, we bind CO₂ in coal, but also in materials that can be used as plastic substitutes or in the construction industry. By processing the biomass, we prevent climate-damaging CO₂ from being released back into the atmosphere. This happens when wood waste rots or trees are burned. With this project, we want to show that doing business in a **climate-friendly** way is possible and that **measures to combat climate change** can also be profitable.

Goals

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

More than 25 percent of our land is used exclusively for nature conservation. Existing natural forests within the fincas are preserved and protected. Together with the reforested fallow land, these **nature conservation areas form stepping stone biotopes** for many rare animal and plant species. In Colombia, we specifically plant acacias to enrich the soil with nutrients and thus prepare it for later mixed forest planting.

We have also been active in combating desertification and have started a **desert greening project** with our partners DesertTimber in Egypt, using wastewater for irrigation. With two projects in Morocco, for the **organic cultivation** of olives and dates as well as almonds, we are also counteracting the spread of the desert.



The mark of
responsible forestry



This seal stands for the inspection of our forests by the Forest Stewardship Council® (FSC®), the independent, non-profit, non-governmental organisation that is represented in over 80 countries with national working groups. FSC® certified until 2013 through the Rainforest Alliance, since February 2014 through SCS Global Services.

2.2 Guaranteed sustainable: projects with certified quality

In order to ensure the quality of the forest and reforestation projects, especially with regard to their impact on biodiversity, ForestFinance has its project areas regularly audited and validated by independent third-party organisations. The following internationally recognised quality standards for forest projects are used for this purpose.

Forest Stewardship Council® (FSC®) Standard

The mission of the Forest Stewardship Council® (FSC®) is to promote environmentally sound, socially beneficial and economically viable management of forests worldwide. The independent, non-profit, non-governmental organisation was founded in 1993 as an outcome of the "Environment and Development" conference in Rio de Janeiro.

The FSC® standard stands for responsible use of global forest resources and achieves this by defining and auditing environmental and social standards in forestry management. Wood and wood products with the FSC® label thus stand for the use of forests in accordance with social, economic and ecological needs.

Behind the FSC® label lies the following process: ten principles and 56 indicators were developed on which the globally valid FSC® standards for forestry management are based. Forests that are managed according to these standards can be awarded FSC® certification. Only those who meet the FSC® criteria for responsible forestry management may label their products with the FSC® seal. Compliance is verified annually by external bodies. Numerous environmental protection organisations and trade unions support the FSC®.

The forests in Panama are reforested and managed by Forest Finance Panama S.A. according to the FSC® guidelines. In the provinces of Chiriquí, Veraguas, Darien and Panamá, Forest Finance Panama S.A. manages a total area of around 2,100 hectares. All mixed forests on this area that are used for timber production are listed under the FSC® certification number SCS-FM/COC-004871. This applies to our products GiftTree, TreeSavingsPlan, ForestSavingsPlan, "WaldSparen" as well as WoodStockInvest and CacaoInvest products (mixed forest share), which have been phased out for some time. FSC®-certified until 2014 through the Rainforest Alliance, since February 2014 through SCS Global Services.

Our acacia forests in Colombia have also been FSC®-certified since the beginning of the project and are listed under the FSC® certification number GFA-FM/COC-004132.

Important note: FSC® and SCS Global Services are not responsible for and do not endorse claims of any financial nature regarding returns on investments.

More information: www.fsc-deutschland.de and www.fsc.org

Organic certifications for cocoa, olives, dates and almonds

The entire project for the cultivation of fine flavoured cocoa in Panama and 90 percent of the cocoa cultivated in Peru are certified organic. The organic certification thus replaces the previously valid UTZ certification at both locations.

In Morocco, our land has been certified organic by Kiwa BCS since the start of the project in 2020. By the middle of 2023, an organic project for the cultivation of almonds is to be established directly adjacent to the organic olive and date cultivation on about 50 hectares, which will also be planted according to the guidelines of organic farming.

Thus, since 2022, the majority of ForestFinance agricultural projects have been certified according to the EU organic standards. It is the company's goal to certify all cultivated products according to organic standards and to make cultivation as gentle as possible for soils and biodiversity.

Organic certification for the import of raw cocoa

In addition to the organic certification for cocoa cultivation in Peru and Panama, the parent company of the ForestFinance Group, Forest Finance Service GmbH, is also certified. Since 2020, the company has been certified for the import of raw cocoa in organic quality.

Gold Standard

The Gold Standard certificate is the most internationally renowned quality standard for carbon offset projects. It was developed in 2003 by several environmental organisations, which ensures that Gold Standard projects meet the highest standards within the framework of the Clean Development Mechanism (CDM). Since 2006, the Gold Standard has also existed in the context of voluntary offsetting. The goals for offset projects awarded the Gold Standard certificate are not only to reduce greenhouse gases, but also to promote sustainable development in the respective countries. The Gold Standard certificate is only awarded to projects in which the local population has been extensively involved in the decision-making process. Furthermore, it is ensured that the Gold Standard projects take place in addition to "business as usual" projects, i.e. in addition to the development that is taking place anyway. The objectives are the same as those of the CDM under the Kyoto Protocol.

ForestFinance maintains two forestry projects that have, among other things, the goal of contributing to climate protection. The projects are located in Central and South America. Both are reforestation projects with different tree species that are planted according to the water and soil conditions. The afforested forests bind carbon dioxide from the atmosphere, one of the most important greenhouse gases, which according to the Intergovernmental Panel on Climate Change (IPCC) is significantly involved in global warming.

The projects CO₂OL Tropical Mix Panama and Vichada Climate Reforestation in Colombia have been certified according to the Gold Standard, the highest quality standard for offset projects, since 2013 and 2015 respectively. In the following sections, we present both projects with regard to the standards mentioned and their impact on biodiversity.



PE-BIO-123
PA-BIO-123
MA-BIO-151
DE-BIO-123



Gold Standard
for the Global Goals

This logo identifies the most internationally renowned quality standard for carbon offset projects – the Gold Standard.



A green spot in the middle of the brown savannah: our acacia forest in Vichada, Colombia.

Photo: ForestFinance



Having fun at work: our forest engineers monitoring in Boca del Monte, Panama.

Photo: Roger Gonzalez/ForestFinance

2.2.1 Colombia: Vichada Climate Reforestation Project

Location: Vichada, Colombia

Total area finca La Paz: 11,800 hectares

Gold Standard certified in 2019: 3,276 hectares

Re-certification 2023: evaluation of the audit is currently in progress

The Gold Standard guidelines and criteria are in line with the Sustainable Development Goals (SDG) of the United Nations. The project has a major impact on issues 13, 14 and 15 of this goal agreement, namely climate protection, underwater life and life on land. An important WWF initiative is the protection of the Bitá River in Vichada. Due to its importance for biodiversity, it has become an environmental symbol of the Orinoco region where the project is located. It will become the first river conservation area in Colombia. The Bitá River crosses part of the project area and our staff are actively working with WWF and other regional stakeholders to develop conservation strategies. In the project, we have planned a buffer of at least 15 metres along the riverbanks as a protected zone.

2.2.2 Panama: CO₂OL Tropical Mix

Location: various provinces in Panama

Total area: 13,242 hectares

Of which ForestFinance area: 2,418 hectares

CO₂ on ForestFinance area certified until 2019: 462,625 tonnes

Re-certification 2023: evaluation of the audit is currently in progress

The CO₂OL Tropical Mix project has been Gold Standard certified since 2014. In 2015, it was the first land use project to generate verified CO₂ certificates in this way.

Around 157 hectares in the province of Bocas del Toro are managed as a cocoa agroforestry project with Gold Standard certification. Since September 2022, the project has also been fully certified organic. Adjacent to the agroforestry project are 147 hectares of protected area, which are also part of the Gold Standard certification.

Overall, a quarter of the total area of CO₂OL Tropical Mix is classified as conservation area (High Conservation Value).

The inclusion of the island of Cebaco in the project has shown that the positive effect of reforestation with native tree species is also noticeable there. Although the Pacific island was deforested 30 years ago, this self-contained ecosystem has recovered and still contains endemic species. These include some unique bird species that exist only on this island.

The projects in Darién are also of particular importance for biodiversity. ForestFinance has placed more than 500 hectares of forest under protection here. This area has been classified as a biodiversity hotspot by Conservation International. For this, it must have a high number of endemic plants. This is why Darién was also on the WWF Global 200 list of regions with a high conservation priority.

Our Biodiversity Representative is Julissa Dominguez. Since 2018, she has been reporting regularly on the progress of biodiversity in our projects in Panama. When she took up the position, we asked her about her career and her other tasks at ForestFinance.

Julissa, why did you decide to study environmental management after receiving your degree in geography?

After completing the first degree, I decided to take the second one in environmental management to gain knowledge in managing resources. We often deal with technical concepts, but forget that we can also improve our efficiency by using resources wisely.

What did you do and learn when you worked for the Smithsonian Tropical Research Institute (STRI)?

At STRI, I studied sea level rise due to climate change on the islands of Coiba National Park. I created simulated models of sea level rise, supported by information systems. Without a doubt, I learned to work with a multidisciplinary team (biologists, botanists, landscape planners, etc.), thus developed courage to contribute my ideas and listen to others.

How did you hear about ForestFinance?

In this market segment, it is difficult not to know the company! ForestFinance is known in Panama as a model company that has contributed a lot in the field of green investments and environmental services. One of the first articles I read about the company was in a local newspaper explaining the importance and impact of planting native species on a large scale (something few had tried before).

What are your tasks at ForestFinance?

Currently, I am responsible for supporting quality control in the forestry and agroforestry department (cocoa), among other things.

What do you like about working in the forest?

The work can be difficult: sun, mosquitoes, rain.... But it makes you happy to know that every tree you plant or care for contributes to improving the lives of other living beings (humans, animals, etc.). By developing investment products in forestry and agroforestry, we show that there can be a balance between production and conservation: sustainability.

3. Appointing a responsible individual within the company



Julissa Dominguez has gained experience at the Smithsonian Tropical Research Institute and several companies. She enjoys working at ForestFinance: "ForestFinance is known for its leadership and innovation in reforestation and sustainability", explains the environmental engineer "I believe in sustainable development and the use of resources without harming the environment. Moreover, it is a great opportunity for me to expand my knowledge base, accompanied and supported by a solid administrative and technical team. I like the quality of services ForestFinance offers to investors, while supporting local communities and developing projects together."

Photo: ForestFinance/Stephanie Holzmann

4. Defining measurable objectives



The olive trees in Morocco in the Oasis 1 project stretch to the horizon. Next door, around 50 hectares will be planted with almond trees in summer 2023.
Photo: ForestFinance



Drip irrigation provides moisture to the olive seedlings.
Photo: ForestFinance

4.1 Our goals in Morocco: project objective organic certification for second project "Oasis 2"

In 2021, ForestFinance introduced the new project "Oasis 2" as a follow-up project to "Oasis 1". After the planting of the total of around 400 hectares of desert soil with organic quality olives and dates in Morocco was completed in June 2022 as part of "Oasis 1", the team on site directly prepared the adjacent 50 hectares of desert soil for the follow-up project. By June 2023, this area is to be planted with almond trees and organic certification is also being sought here. The olive trees and date palms growing in the neighbourhood have already been certified organic throughout since the beginning of the project. The area where the organic almond seedlings are planted is already certified organic. So are the almond tree seedlings ordered from a tree nursery.

Project location Morocco

Morocco wants to become greener. To this end, the country is initiating many reforms that focus on sustainability. ForestFinance also benefits from this. We are establishing the olive date agroforestry system in the province of Errachidia, in the Moroccan region of Drâa-Tafilalet. This lies in the south-east of the kingdom and is famous for its palm oases, which the state wants to supply and thus protect with a sophisticated and above all ecological water supply. The people in Errachidia live from the cultivation of the palm oases and are experts in both date and olive cultivation. The weather is ideal for this, as it rarely rains and the sun ensures that the fruits ripen quickly.

Barrier against desertification

In the sparsely populated desert regions, oases with mainly date palms are the livelihood of the people. This also applies to the cultivation region of Errachidia south of the High Atlas mountains, which only offers water, vegetation, food and work in the oases along the Oued Ziz river. It is not for nothing that the long-lived date palm is also called the "tree of life" in the Bible. For thousands of years it has been closely linked to the culture of the country. At the same time, they form a natural barrier against the advancing desertification.

Oases are the green islands of the desert and essential for human survival. Date palms are the most important component. Flora, fauna and all socio-economic structures of oases thrive in their protection. Farms are just as important as oases for Morocco and all other African countries. ForestFinance starts there and builds up an organic farm in a region of Morocco where many people with farming experience are looking for work.

WHAT WE HAVE ACHIEVED IN MOROCCO:



200 hectares each planted with olive trees and date palms; 50 hectares will soon be planted with almond trees



Both projects have been designed according to organic standards from the beginning and are certified throughout



For "Oasis 1" and "Oasis 2" we have installed a modern drip irrigation system on 450 hectares



Around 60 staff members have secure and well-paid jobs on site

4.2 Our goals in Peru: project objective organic certification and planting of "GiftTrees" ("GeschenkBäume")

Since 2012, ForestFinance has been managing several fine cocoa fincas in the Andean region of San Martín. San Martín is not only famous for cocoa cultivation, but is also one of the most important coffee producing regions in the country. Coffee and cocoa are among Peru's export hits.

In 2012, we started sustainable cocoa farming on around 80 hectares. Since then, we have around 210 hectares of land, 180 hectares of which we cultivate sustainably with cocoa for our investors. Another 14 hectares are protected areas and land where buildings such as the processing station and paths for cultivation are located. In the cocoa project, we first plant fast-growing shade plants, usually banana plants, which we remove after about five years, when the cocoa trees growing underneath are no longer sensitive to light. Per hectare, up to 1,100 cocoa trees and up to 70 shade trees each grow on a finca.

Since November 2022, we have added another product to the project in Peru. With the "GiftTree", we want to plant a climate forest together with our customers. With every purchase of a tree sponsorship, we plant a tree in the direct vicinity of the cocoa fincas. The planting concept is designed so that the forest that is created here has the greatest possible benefit for the climate, the environment and biodiversity. Moreover, the GiftTree forest is not managed, but only maintained. This means that no trees are harvested in the forest, only protected and preserved.

Goal achieved: certified organic – since 2022

Our project in Peru was awarded organic certification by the certifier Lacon in autumn 2022. This means that around 90 percent of the total cocoa harvest produced in Peru is now certified. The remaining 10 percent will follow as soon as the trees on the recently planted areas become productive.



In our agro-mixed forests, banana plants grow alongside cocoa trees. Photo: ForestFinance/Andres Espinosa

The criteria we have to meet for certification are those set out in the EC Basic Regulation No. 834/2007 on organic production of agricultural products and EC Regulation No. 889/2008 (Rules implementing Regulation 834/2007).

Essentially, they demand the renunciation of the use of chemicals and the use of 100 percent organic products. They also set standards for the separation of organic and conventional products. In our project in Peru, changes to the infrastructure were necessary to meet the standard.

Since we have not used chemical fertilisers since the beginning of the project, we have not had to make any major changes here. We want to further reduce the use of fertilisers to increase productivity as well as the means to control the cocoa pest *Monilia*. Therefore, we have started tests with wood vinegar in 2022 and are investigating the effect on the widespread disease *monilia* in cocoa cultivation on site.

WHAT WE HAVE ACHIEVED IN PERU:



Around 180 hectares of cocoa forest reforested



Nearly 350,000 trees planted, including cocoa trees, banana trees and commercial timber



Around 14 hectares of land placed under protection



The cocoa forests have provided permanent jobs for 40 employees



120,570 euros paid out to CocalInvest customers from harvest yields in Peru

4.3 Our goals in Colombia: creating the basis for new mixed forest

Since 2012, ForestFinance has been building forest together with the project partner "Reforestadora La Paz" in the northwest of Colombia, in Vichada. Since then, around 2,500 hectares have been planted with Acacia mangium and around 500 hectares with other tree species, including pine and jatropa. The long-term goal is to prepare the soil for the growth of mixed forests. We achieve this with the help of the planted acacias, which enrich the depleted soil with nitrogen.

The Colombian government is aware that more and more valuable nature, especially forests, disappear and wants to counteract this development. On the one hand, by establishing and expanding nature reserves such as the world-famous Serranía del Chiribiquete National Park, which lies between the Andes, the Orinoco and the Amazon. And on the other hand, with the promotion of companies and initiatives that reforest forests. The Colombian government grants them tax benefits, has removed bureaucratic hurdles and passed a law to promote energy from renewable sources. The produced plantation wood should also help to protect valuable rainforests from being cleared. ForestFinance's projects are part of this.

Bees for more biodiversity

The ForestFinance acacia forests have been a popular home for bees for years (see last **Progress Report** for reference). We established the first bee colonies with our partner. In the meantime, the entire region is developing into an increasingly important honey producer within Colombia.

In 2013, ForestFinance initiated the first experiments and research on honey production in acacia forests in Vichada. Since 2018, around 600 beehives have produced several tons of honey every year, which our forestry partner markets locally. The head beekeeper John Rodriguez, who has been working to improve the production and vitality of the hives on the ForestFinance areas over the past years, also trains people from the region around Puerto Carreño on the topic of honey production and care of the hives. The ForestFinance partner "Reforestadora La Paz" provides its facilities and land so that the course participants can learn beekeeping in a real honey project. The advantage: each bee contributes to pollination and plant diversity and strengthens biodiversity in the region.



The state of Vichada was once largely covered by tropical forest and is now predominantly savannah. Visible here in the background on the right is an intact primary forest. In the region, such forest corridors often border river mouths.

Photo: ForestFinance



Our Acacia mangium forests in Colombia are a popular home for bees. There are around 600 beehives distributed in the reforestation project. On average, 27 kilograms of honey are harvested per hive.

Photo: ForestFinance



The actual size of the reforestation project in Colombia can only be seen from the air. The trees extend to the horizon, where you can see a primary forest in the upper right-hand corner, which adjoins the reforestation area and is consistently protected by us and our partners.

Photo: ForestFinance

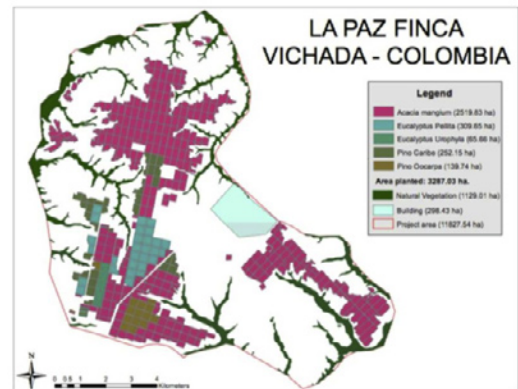
Rio Bitá under protection

The Rio Bitá flows leisurely along the ForestFinance acacias. On its banks, the vegetation is lively and noisy, reminiscent of a jungle, Orinoco and the mighty Amazon, which everything flows towards. Otters, caimans, pink river dolphins – they are all at home here and can remain so. In 2015, the Alexander von Humboldt Institute declared the Rio Bitá a nature reserve and with it the ForestFinance areas that border directly on the river. We were pleased about this, because we have been working together with Colombian nature conservation organisations and foundations, such as the Corporinoquia Organisation and the Omacha Foundation, the World Wide Fund for Nature (WWF) for years to protect this natural and valuable habitat.

The project area of Finca La Paz in Vichada covers a total of 12,000 hectares of land. ForestFinance has reforested more than 3,000 hectares for investors. Of the total area, 1,130 hectares are designated as protected areas. On the map you can recognise these protected areas, which mainly extend along smaller river courses, by their dark green colouring. The pink plots are reforested with acacias, other species can be recognised by the lighter shades of green.

The map on the right is an excerpt from the GIS system (Geographic Information System) and shows the area reforested with acacias in pink. The protected forest corridors are shown in dark green.

Map: ForestFinance



WHAT WE HAVE ACHIEVED IN COLOMBIA:



Around 3,075 hectares reforested



Around 5 million trees planted



1,129 hectares of land placed under protection



GreenAcacia has provided permanent jobs for 40 employees



2,612,780 euros paid out to GreenAcacia Colombia customers

4.4 Our goals in Panama: organic certification for overall project

Our first location for reforestation is mainly known thanks to the Panama Canal, the approximately 82-kilometre-long waterway that crosses the country and connects the Atlantic with the Pacific. But Panama offers more than that – namely the best growing conditions for forest. The tropical climate and soils are ideal for reforestation with precious woods and for the cultivation of fine cocoa. The native tree species amarillo, for example, can reach a height of 40 metres after 20 years in a climate that is warm all year round. Comparable growth is out of reach in European forests. In addition to the economic and climatic conditions, the political environment is also favourable. Panama's government is committed to combating rainforest deforestation and has put more than 100 tree species on the list of the Washington Convention on International Trade in Endangered Species.

ForestFinance receives a lot of positive feedback here and our projects are sometimes regarded as prime examples in the region. In over 25 years we have been active in the region, we have expanded our network and are pleased with the wide-ranging support we receive from various corners. Meanwhile, thanks to our investors, our cocoa forests and forests continue to grow, sequester harmful CO₂, protect soils from erosion, promote biodiversity and create valuable jobs.

Project goal organic certification achieved

As in Peru and Germany, we work together with the certification company Lacon in Panama. Most recently, in our last report for 2019/2020, we specified that one of the three cocoa fincas, finca Rio Uyama, was certified organic and the other two fincas were still in the conversion phase. We are pleased that the conversion has been completed since September 2022 and that all cocoa plantations, on a total of 157 hectares, have since been awarded the organic seal.



On the left in the picture is Julissa Dominguez, our Biodiversity Representative, together with two employees of the certification company at the organic audit of our cocoa forests in Bocas del Toro 2022.

Photo: ForestFinance



This baby sloth was discovered by Julissa in the summer of 2021 in the cacao fields in Panama. In the cacao forests in Panama, sightings of different animal species are very common and indicate that our forest projects are used as stepping stone biotopes.

Photo: ForestFinance



4.4.1 A treasure trove of nature: the Protection Forest ("WaldSchützer")

The forest, which is particularly worthy of protection, is located in Las Lajas, Panama, not far from dreamy white, Caribbean sandy beaches. Some of the sunbathing tourists may have no idea of the large number of species that can be found in the immediate vicinity. Although Panama is only a fifth of the size of Germany, it is home to more plant species than North America and Europe combined. These include, for example, more than 1,000 different tree and 300 orchid species. But this treasure is at stake: vast areas of Panama that were once forest have fallen victim to cattle breeding. An ecological disaster, because every extinct animal or plant species is irretrievably lost. Since the tropical rainforest is home to almost 75 percent of the world's animal and plant species, it harbours an enormous biodiversity that has hardly been recorded so far. Securing and preserving it is one of ForestFinance's corporate goals. This goal is reflected in the "WaldSchützer" project.

Numerous rare species ...



... live in our forest in Las Lajas, which has been classified as a "**high conservation value forest**" in biodiversity studies and is home to many endangered animal and plant species. Numerous rare species of reptiles, amphibians and birds as well as capuchin monkeys, sloths and ocelots can be found here. The name given to the forest by our staff in Panama is no coincidence: "Los Monos" means "The Monkeys". It refers primarily to the capuchin monkeys that are often found here and of which two groups are currently on the move in the forest. In addition to species protection, the forest performs many other important **ecosystem functions**. The strong rooting of the forest soil prevents erosion and makes a significant contribution to the water balance and groundwater supply as well as to **climate protection**, because the trees, some of which are already huge, bind carbon dioxide from the atmosphere as they grow.

"Los Monos" translates as "The Monkeys". It refers mainly to the capuchin monkeys that are often found here, of which, according to recent observations, two groups are on the move in the forest.

Photo: ForestFinance/Spanke

People & forest ...

... come together at our nature trail. Together with pupils from the local secondary school, we opened a **nature trail** in 2010: small wooden bridges lead over clear streams, past lianas and jungle giants. Signs tell interesting facts about native species and forest ecology. Halfway along the circular trail there is a rest hut with a view of the mangroves. These form particularly valuable and rare ecosystems.



There are as many as 70 different species of mangrove, ranging from low trees to 60-metre-high giants. Some of them are in the ForestFinance forests and are strictly protected there. The mangroves can be easily seen from the specially created nature trail that winds through the species-rich tropical forest on finca Los Monos.
Photo ForestFinance/Spanke

Visitors have the opportunity to explore part of the “WaldSchützer” on a nature trail without disturbing the flora and fauna.
Photo: ForestFinance/Spanke



WHAT WE HAVE ACHIEVED IN PANAMA:



Around 2,323 hectares afforested – including 157 hectares with fine cocoa



More than 2.5 million trees planted, including more than 178,000 cocoa trees



Almost 1,000 hectares of land placed under protection



The cocoa and mixed forests have provided permanent jobs for 80 employees



Payouts since 2011: around 700,000 euros thanks to timber and cocoa yields from Panama

**4.4.2 Biodiversity monitoring:
wildlife observations in our forests**

The ongoing restrictions and challenges in our project activities due to the COVID-19-pandemic made it difficult for us to carry out a complete biodiversity monitoring in 2021/2022. In this reporting period, the focus was again on maintenance measures in the forest and the organic certifications of the cocoa plantations. Nevertheless, our staff on site managed to take some photos of different animal species on the project areas, which prove the biodiversity on our project areas.



A Heliconius Callithomia hezia (“passion flower butterfly”) on our cocoa finca Quebrada Pitti.
Photo: ForestFinance



A green iguana (Iguana iguana) in our Quebrada Limon cocoa forest.
Photo: ForestFinance



This mantled howler monkey was spotted by Julissa Dominguez at our finca Meteti 1.
Photo ForestFinance



This South American bittern (Botaurus pinnatus) was seen by our staff at our finca Porto Chao 3 in Panama.
Photo: ForestFinance



A king boa (boa constrictor) meanders through the cocoa forest of our finca Quebrada Limon in Panama.
Photo: ForestFinance



A green poison frog at the cocoa finca Quebrada Limon in Almirante.
Photo: ForestFinance



Sloths regularly move around the cocoa fincas in Panama and we also frequently spot them in our protected forests.
Photo: ForestFinance



This poison dart frog was photographed by Jan Fockele, Managing Director of ForestFinance, during his visit to the so-called Red Frog Beach in Panama.
Photo: ForestFinance



Natalie Ferro and Ezequiel Santos from Bocas del Toro, Panama. He assisted the PhD student during the sampling in November 2021 at the different cocoa fincas.

Photo: private

4.4.3 Interview with scientist Natalie Ferro

Many studies have already taken place at our fincas. The current one is being carried out by Natalie Ferro, a young Panamanian scientist at our cocoa fincas in Panama, and she is doing her PhD with it at a Dutch university. She is studying aspects of cocoa genetics in relation to soil fungi in order to better understand the symbiotic relationship and use it for environmentally friendly crop protection. The interview was conducted by Julissa Dominguez.

Hello Natalie, we find it very exciting that you are conducting your research in our cocoa forests and would be happy to learn more about your study. Can we ask you a few questions about it?

I'd like that!

Where do you live?

I live and work in Gamboa. It's in the Panamanian province of Colón, near the famous Panama Canal. But I also spend several months a year in the Netherlands, in Wageningen, studying at the university there.

What are you studying?

I am currently working on my PhD and spend a large part of the year writing, analysing data and attending courses. My PhD is taking place in what is called a sandwich PhD programme. This means that I study in the country where my university is located, but my field and greenhouse experiments take place in my country of origin, Panama.

What are you researching at the moment and why is it of particular interest to you?

I am currently researching various aspects of cocoa genetics in relation to mycorrhizae. The soil fungi enter into a symbiosis with plants, provide elementary minerals for plant nutrition and improve plant defence mechanisms in exchange for sugars that the plants photosynthesise.

I am interested in this because conventional, industrialised agriculture has produced plant crops that are "self-sufficient", that is, you give them everything they need to grow quickly. This system is not sustainable because the plants do not take up fertilisers that are provided very well. In addition, the pesticides, herbicides and fungicides harm the ecosystem and affect biodiversity.

By promoting plant crops that naturally benefit from symbionts, we instead favour the symbiotic relationship already present in the environment and strengthen the plant in all its forms – starting from nutrition to disease and pest resistance. This is not only more environmentally friendly, but can also lead to better yields.

What exactly does your research in the field look like?

In the first phase of the PhD project, we took samples from the areas where most of the cocoa trees grow. These include 16 farms in Bocas del Toro, among others. With these samples, we can analyse the genetics of the cocoa trees on the different farms and the mycorrhizal community associated with them. To do this, we took leaves and soil samples with roots from five trees on each farm.

In this way, we can determine the genetics of the upper and lower parts of the plant to determine when they were grafted and identify the mycorrhizal community of the different plantations.

There is a lot of cocoa farming in Panama. Why are you interested in our projects?

I studied ForestFinance forests because part of the sampling plan was to look for forest areas that differ in terms of altitude and geographical extent. ForestFinance has cocoa fincas in key areas that are particularly interesting for this.

Furthermore, the ForestFinance forests are the best managed and highest yielding cocoa forests in the region, which were in the transition phase to organic certification at the moment of the study. This process of conversion to organic management is very valuable to protect and maintain the soil flora necessary for a good ecosystem.

We visited other forests in the region: Norteño, Nuevo Paraíso, Rio Oeste and Soledad. We visited two farms from each region, plus ForestFinance's three farms.

As a scientist, what do you think of ForestFinance's cocoa forests?

As far as I could observe, ForestFinance forests are professionally managed in terms of tree density per hectare and disease control, resulting in the best yields in the region. The forests I have seen are converting to organic farming and I know that it can be very difficult to control diseases and maintain yields at the same time. So I congratulate the company for their initiative to go down this path.

Have you already made any initial observations in your research that you would like to share with us?

At the moment I am still collecting and processing information. The only results I have at the moment are the physico-chemical samples of the soil that I will study at my university in the Netherlands.

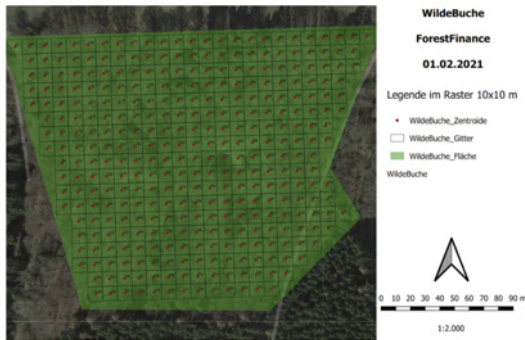
What do you want for your future/your studies?

I want to provide the scientific basis for growing vegetable crops that are self-sustaining and environmentally friendly. They require less attention from the farmer because nature provides the components for good development.



Natalie Ferro (on the right) and her academic colleagues and supervisors from the Netherlands: Thom Kuyper and Guusje Bonnema (from left to right) and Luis Ibañez, a cocoa farmer from Nuevo Paraíso.

Photo: private



The new WildeBuche areas.
Chart: ForestFinance

4.5 Our goals in Germany: primeval forest of tomorrow – WildeBuche project target stage achieved

In 2018, we achieved one of our biggest goals in Germany with our nature conservation project "WildeBuche" (Wild Beech): around 500 private and institutional forest conservationists donated small and large amounts of money to protect a near-natural red beech forest in the Eifel community of Hümmel. In total, one hectare of forest will be protected for 50 years thanks to the willingness to donate. In 2012, the "WildeBuche" forest reserve was awarded one of the "365 Orte im Land der Ideen" (365 landmarks in the land of ideas) by the "Initiative Deutschland - Land der Ideen." At the end of 2020, we had achieved the goal stated in the last progress report of opening up new, valuable protected areas. Interested parties should also be able to support us in the future in the protection and preservation of German forests.

Forest without forestry

In the "WildeBuche" forest reserve, an ancient beech forest in Rhineland-Palatinate will be left to its own devices for at least 50 years, without human intervention or forestry machinery, thanks to the commitment of ForestFinance and its customers. The aim of "WildeBuche" is to promote the establishment and preservation of old deciduous forests in Germany, so that these forests can once again take on the functions of primeval forests. Beech trees up to three hundred years old grow in the ecosystem with a forest floor that is around 4,000 years old – a refuge for numerous endangered native species such as the wildcat, black woodpecker and black stork.

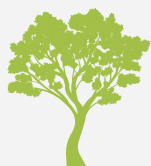
Our forest cemetery Rest in Trees

We pursue the same goal with our Rest in Trees forest cemetery. Here we offer a forest gravesite in a near-natural beech or oak forest, which is also located in Hümmel, Eifel. The Rest in Trees forest is divided into individual memorial groves. By leasing a Rest in Trees forest gravesite, people protect the valuable primeval forest soil for 99 years.



Our forest cemetery in Hümmel.
Photo: ForestFinance/Frameconcept

WHAT WE HAVE ACHIEVED IN GERMANY:



Around four hectares of forest protected in the Eifel – with "WildeBuche" and Rest in Trees



Served more than 27,000 customers, managed their contracts and answered questions



Payouts from harvest yields amounting to more than 10 million euros calculated, allocated and transferred



Around 100 million euros contract volume managed

5. Publishing activities and achievements in the biodiversity sector

We regularly report on all our activities and successes in connection with biodiversity in various media. For each of our projects, we publish a detailed **annual report** for our clients, which they can also download in the customer area of our website. We also report on our corporate activities through various other channels such as newsletters, blogs and social media.

ForestFinance also publishes a magazine which is sent to customers, business partners and other stakeholders and deals with topics related to global forestry, ecology and green money. All previously published ForestFinest issues can be found at:

www.forestfinest.de/en/media

We are currently working on a **ForestFinance Impact Brochure**, which will show the impact of our projects at the different locations in detail.

Internally, we also exchange information on the topic of biodiversity and are happy about **animal sightings** in our forests. We have a WhatsApp group – and it literally connects continents: our colleagues in Colombia and Panama are the main players here. When they go into the forest and see anteaters, sloths or even the occasional thirteen-centimetre-long caterpillar, they whip out their smartphones, take photos or videos and send them to our group so that the staff in the German office can also be there "live". We publish many of the photos and videos on Instagram and Facebook.



In our last magazine, we again reported from our own projects, looked into the company's past and future, and highlighted the importance of sustainability in agriculture and forestry.

6. Integration of suppliers

ForestFinance implements the forestry services at the project locations mostly with its own forestry units (Peru, Panama). At other locations, ForestFinance works together with service providers who carry out the forestry management according to ForestFinance specifications and under strict controlling. All ForestFinance experts on site are trained in our sustainable forestry methods.

At our location in Vietnam, we had to realise that there is a lack of skilled workers who have been sufficiently trained in sustainable forestry. Unfortunately, the common forestry practice here is often still the outdated "slash and burn" method (i.e. clear-cutting – burning – reforestation), which not only depletes the soil but also does not provide space for lasting biodiversity. For this reason, we have taken the initiative locally and developed a training programme on sustainable forestry.

The training guidelines developed within the project by ForestFinance in cooperation with sequa (Foundation for Economic Development and Vocational Qualification) and the German Federal Ministry for Economic Cooperation and Development (BMZ) have meanwhile become binding for the entire Quang Tri province by decision of the People's Committee: a milestone in the sustainable forestry development of the country.

Furthermore, we consider it important to raise awareness for biodiversity protection among investors. For this reason, we regularly inform our customers about the topic of biodiversity and the forest ecosystem in various media such as our newsletter and the customer magazine "ForestFinest". The ForestFinance website explicitly addresses the issue of biodiversity protection in order to inform customers and business partners about our strategies and self-image.



The team of our forestry service provider in Colombia.
Photo: Reforestadora La Paz

6.1 Cooperation with forestry service providers

Just like ForestFinance, our forestry service providers not only pay attention to the (ecological) quality of the reforested forests but also to the social conditions for the workers. This is ensured by our own employees, who have many years of experience, and is also regularly checked and validated by independent organisations such as SCS Global Services.

Where training is needed, ForestFinance organises on-site training for external employees by its own forestry experts on all relevant topics and methods, from occupational safety to sustainable thinning methods.

Quality, experience and synergies

The decision to manage parts of our forests externally was made to use synergies locally and make growth possible. Criteria such as experience with indigenous species, social and environmental sustainability, the production of high-quality timber and maximising returns for the forest owners play an important role in the selection of service providers. As does the question of whether the company meets further ecological and social standards of the ForestFinance Group.

Part of the local value added is reinvested directly in improving infrastructure, schools and recreational facilities. Environmental education measures and integrated social programmes are also supported in the project regions and the continuous education and training of the workforce is ensured. Close relations with leading scientists in tropical forestry and the exchange with ForestFinance foresters and forest engineers guarantee the technical development, which also benefits our customers.



The employees of the cocoa fincas in Bocas del Toro/Panama regularly attend first aid courses.

Photo: ForstFinance/Dominguez



Rinith Tuanama Perez has been working for ForestFinance as an agro-technician since 2019, with one interruption. In a staff interview, she says that she wants to continue attending courses related to her job in order to improve the harvest and ecological footprint of the cocoa forests in Peru. ForestFinance supports employees with further training where possible.

Photo: ForestFinance

7. Cooperations

Forest science research has a high priority at ForestFinance and is firmly integrated into the corporate structure. ForestFinance not only cooperates scientifically with a large number of recognised institutions, but has also developed new products and technologies itself, which, for example, facilitate timber harvesting and monitoring. ForestFinance cooperates scientifically with the following institutions, among others:

Smithsonian Tropical Research Institute, Panama:

Ongoing cooperation in research on the growth of native tree species

Prorena Project/Smithsonian, Panama:

Long-term monitoring of the development of native tree species

University of Panama:

Research work by students, various field trials

CATIE (Centro Agronómico Tropical de Investigación y Enseñanza), Costa Rica:

Development of cocoa plantations with higher resistance to insect pests

Technical University of Munich:

Master theses, optimisation of forest systems between economy and agriculture

Institute for World Forestry, Federal Research Centre for timber industry, Hamburg:

Assessment of forest investment risks and collection of valid growth data of native tree species in Panama

Autonomous University of Chiriquí, Panama:

Experiments on plots, carrying out field trials

As we are also a member of numerous organisations, we can only highlight a few examples of cooperation here:

Together with the Rainforest Alliance, Aliarse, CATIE, Chiquita Brands, RUTA, REWE, GIZ, Corporación Bananera Nacional, Universidad para la Cooperación International and other organisations, ForestFinance has founded the **Biodiversity Partnership Mesoamerica**. Our Biodiversity Representative Julissa Dominguez currently represents ForestFinance in the organisation. The goal of the association is to promote biodiversity projects in Central America. The members of the Biodiversity Partnership Mesoamerica support projects in the region - both technically and financially - and offer all committed institutions from business, research and environmental protection a platform where they can network. Thus, at least three projects are to be launched each year - especially in the areas of agroforestry and climate protection - but also those that create conservation forests and thus serve species protection as well as biodiversity.



ForestFinance is a member of **Ciudad del Saber**, a non-profit foundation based in Panama. The name of the foundation translates as "City of Knowledge". Since 1995, Ciudad del Saber has offered projects, companies and their ideas a platform for progress and collaboration and supports concepts that are oriented towards sustainability, innovation and ecology. Ciudad del Saber's areas of work include information technology, bioscience, environmental management, education and cooperation with companies based on sustainable management strategies.





Aussteller auf der

Woche der Umwelt 2021
So geht Zukunft!

Ausgewählt durch eine vom Bundespräsidenten
eingesetzte Fachjury



ForestFinance was invited to the "Woche der Umwelt" (Week of the Environment) by German President Frank-Walter Steinmeier and the German Federal Environmental Foundation (DBU). Under the motto "So geht Zukunft!" (This is how the future works), the 2021 exhibition was all about the protection of our planet and what humans have to do for it.



Gold Standard
for the Global Goals

The Gold Standard is the most respected international climate protection standard that includes both social and ecological aspects. ForestFinance was one of the first companies in the world whose forest and cocoa areas were awarded the Gold Standard for land use projects.

Published and responsible

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The mark of
responsible forestry

This seal stands for the inspection of our forests by the Forest Stewardship Council® (FSC®), the independent, non-profit, non-governmental organisation that is represented in over 80 countries with national working groups. Up until 2013, FSC® certified through the Rainforest Alliance, since February 2014 through SCS Global Services.

ForestFinance Service Centre

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The German CSR Forum awarded Forest Finance Service GmbH in the category "Global Responsibility", highlighting the convincing concept, the transparent supply chain and the attention to Corporate Social Responsibility (CSR) at every step of production.

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