

## **Progress Report ForestFinance 2019/2020**

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



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### Cover:

This sloth made itself comfortable on a cacao tree of our Finca Rio Uyama in Panama in February 2020

Foto: ForestFinance

# Introduction



## ForestFinance is building forests – since 1995

What began 25 years ago as a green idea in Bonn has grown into an international company that offers direct investments in ecological reforestation and sustainable agricultural projects for private and institutional investors worldwide.

All forestry and agroforestry investment products are based on sustainable forestry and agriculture and pursue the goal of making investments with high ecological standards profitable for all parties involved - for nature and people. Thus, when implementing projects at ForestFinance, the preservation or promotion of biodiversity is inextricably linked to the business idea itself and is therefore an inherent part of every investment product.

Despite the close links with the business approach, ForestFinance strives to continuously improve its efforts to protect biodiversity and to shed more light on the influences on biodiversity. For this reason, ForestFinance decided in 2010 to actively participate in the "Biodiversity in Good Company" initiative in order to work and learn together with companies from various industries on solutions and practical approaches to the protection of biodiversity in everyday business life.

In the following, we report on the progress we have made over the past few years in the area of biodiversity protection, following the seven points of the Leadership Declaration to which we are committed.

### Leadership-Declaration:

All signatory companies acknowledge and support the three objectives of the international „Convention on Biological Diversity“:

- Conservation of biological diversity
- Sustainable use of its components
- Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources

and commit themselves to:

1. Analyzing corporate activities with regard to their impacts on biological diversity;
2. Including the protection of biological diversity within their environmental management system;
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;
7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.

# 1. The impact of corporate activities on biodiversity



Diversity is beautiful. All of these seeds come from native tree species planted by us in our sustainably managed forests in Panama.  
Photo: ForestFinance

The protection and promotion of biodiversity are integral parts of the ForestFinance Group business concept. This means that the company's products and projects shall have positive impacts both on the environment and biodiversity in particular.

ForestFinance is committed to orienting itself towards the principles of sustainability in all its corporate activities. All three pillars of sustainability, i.e. the achievement of social, economic and ecological goals, should stand side by side 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 opportunity of a green investment that creates social and ecological values as well as economic ones. The slogan "We are building forests" already emphasizes that ForestFinance aims to create ecologically valuable mixed forests instead of monocultures with few species, as is largely the case in conventional or yield-maximized tropical forestry.

ForestFinance "builds forests" in order to be able to harvest sustainable and ecologically certified tropical precious woods and tree fruits such as fine cocoa, organic dates and olives for its investors. The timber is harvested selectively and without clear-cutting.

The reforestation of fallow, former pasture land with site-appropriate, predominantly native mixed forest shall directly contribute to the protection of biodiversity at the project sites. ForestFinance has been following this reforestation model for a quarter of a century at the project site in Panama. Further forestry projects have existed for ten years in Colombia, Peru (fine cocoa), Vietnam and since 2018 also in Morocco.

In Vietnam and Colombia, ForestFinance takes over existing acacia plantations and transforms them into a site-appropriate and near-natural ecosystem with predominantly native species, thus realizing the common goal of all ForestFinance forestry concepts worldwide: to create a sustainable 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 site is located in Morocco, where the company has been cultivating olives and dates according to the guidelines of organic farming since 2018. In the future, the cultivation of almonds is also planned at the same location.

## 1.1 The impact of corporate activities on biodiversity: example Panama

Panama is located where Central and South America meet and forms a biodiversity hotspot that is rarely found on earth. The rainforests of Central America are among the richest in species in the world.

Every tenth species on our planet occurs here, most of them endemic. Towards the end of the 19th century, settlers began to clear large areas of primeval forest to gain pasture and farmland. This process accelerated in the following decades and has not come to a standstill until today. It was only in areas that were difficult to access, such as the mountains or in swampy lowlands, that the primary forest was 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. The ecological benefit is far greater than that of a monoculture due to the reforestation in mixed culture with predominantly native tree species, which are optimally adapted to the local conditions. In addition, only degraded areas such as fallow former cattle pastures, which would not naturally regenerate into a forest system, are afforested.

In five of the country's nine provinces – both on the Caribbean and Pacific sides of Panama – ForestFinance employees have been planting seedlings of mainly indigenous tree species such as Amarillo, Caoba and Zapatero every year since 1995. ForestFinance has already afforested more than 8,000 hectares worldwide with over ten million trees.

The province of Chiriquí was the starting point for ForestFinance projects. It is home to the oldest forests, some of which are 25 years old. Many of our forests are in their twenties and are home to numerous animal and plant species that otherwise have difficulties finding protected habitats. Together with our customers, we have been able to create retreats for native species, noticeably improve soil quality and protect water and the climate. Above all, wetlands and areas bordering rivers are consistently protected, as they are habitats for many amphibian species, among others. Existing primary forest remains within the fincas are also preserved as protected areas and are thus protected from human access.

The important connection of individual forest segments through afforestation additionally leads to regeneration and linking of the original forest area(s) and creates stepping stone biotopes. The newly emerging forest provides the preferred habitat for reptiles and insectivorous birds. These animals are at the same time 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 large number of native tree species and the reforestation as a mixed culture offer perfect living conditions for insects, birds and mammals.



Finca „Metetí I“ in Panama: forest remnants (in the front) are supplemented through the reforestation of fallow and degraded areas (in the middle), forming a new, bigger forest habitat for animals and plants. Photo: ForestFinance



Aerial photograph showing the before and after effect: bleak pasture land borders a reforested area in Panama. Photo: ForestFinance

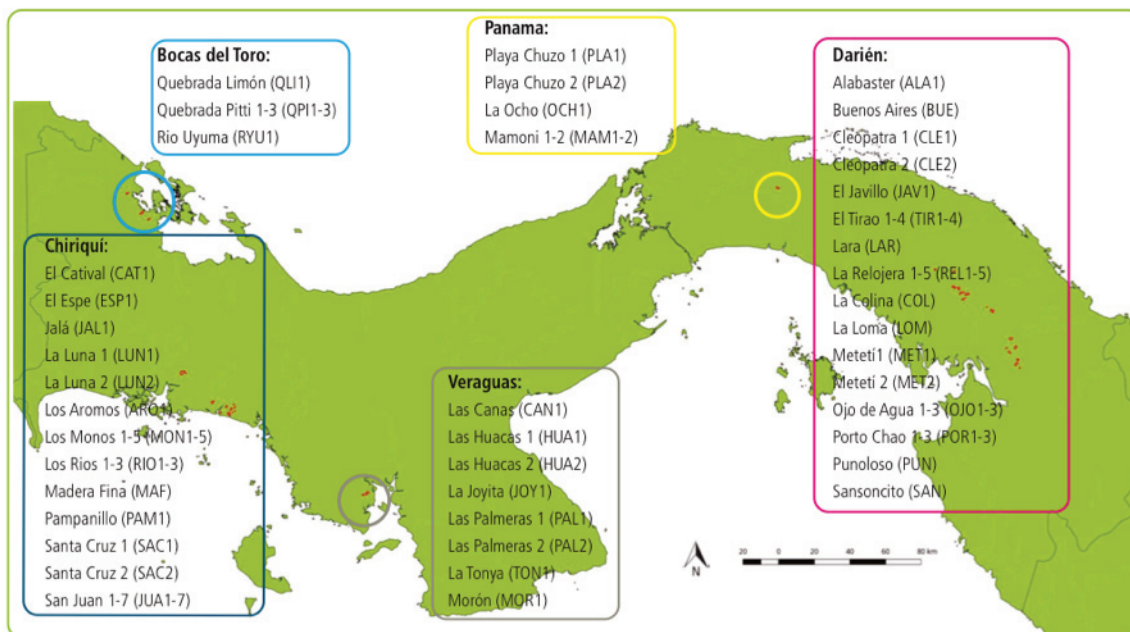


In 2017, the new product SchutzWald was added to the project site in Panama. In the heart of Panama lies the protection forest "Los Monos": a living, species-rich rainforest in the province of Chiriquí (read more in chapter 4.5.2). The protection forest not only offers a home for capuchin monkeys, mangrove trees and numerous parrot species, but thanks to its age it is also a particularly effective and thus important climate protector. Together with us, ForestFinance customers can protect valuable forest for at least 50 years - from cultivation, clearing and natural risks.

Mangrove forests form a very special ecosystem, in which a number of animal species have specialized. With their imposing roots, the mangroves on the Finca Los Monos look as if they would steal away at any moment. Photo: ForestFinance/Katrin Spanke

## 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 province of Bocas del Toro, the cacao areas are certified according to UTZ and Gold Standard, and the Rio Uyama finca is certified according to the organic guidelines of the European Union (EU).



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



### 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.

### Forest is our most effective carbon store

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.



# Your investments protect environment & climate



For 25 years we have been building forests together with our customers and have achieved a lot - even if Corona 2020 has put a spoke in our wheel and prevented a lot of work on the fincas that would have turned your commitment into green returns. However, the ecological impact of our projects remains and becomes stronger with each year.

## 2. Inclusion in the environmental management system



The 17 Goals for Sustainable Development.  
Photo: Screenshot von [sustainabledevelopment.un.org/sdgs](https://sustainabledevelopment.un.org/sdgs)

### 2.1 For a sustainable and fair future: SDGs at ForestFinance

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

There are 17 Sustainable Development Goals in total – all of which are not binding and yet they serve as guidelines for sustainability-oriented companies such as ForestFinance. It has become clear since the first targets were set in 2000: these goals cannot be achieved without the commitment of non-state actors from the private sector as well as from research and society. Whether in our project countries or at our location in Bonn: sustainability is the core of the ForestFinance corporate philosophy and we have been committed to numerous SDGs for years. We would like to introduce some of them to you.

Goal 1: End poverty in all its forms everywhere

Only in cooperation with the local population is it possible to successfully create real forests with ecological added value in the long term, which are more than just a fast profit-promising fast-rotation plantation. This starts with the selection of the land: who owns the land?

A fair balance of interests implies that ForestFinance contributes to improving the working and living conditions of the local population, including land sellers in Panama – through the creation of long-term and socially secure jobs, but also through accompanying social programmes and close involvement of the local population. Our employees also receive a fair salary that is higher than the minimum wage in the state. Child labour is taboo.

Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

ForestFinance relies on a social and environmentally friendly agroforestry system for the management of its cocoa plantations. In addition to cocoa trees, various indigenous tree species and banana plants grow on the forest areas. We are also experimenting with sustainable agroforestry on our forest areas; we are planting vanilla between the trees on an experimental basis. We largely refrain from using chemical agents.



### Goal 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, health checks, vaccinations and additional insurance cover. In family emergencies, for example, we provide unbureaucratic help with microcredits. Our corporate philosophy reflects the basic principles of the International Labour Organization ([www.ilo.org](http://www.ilo.org)). This includes the fact that we are guaranteed to produce without child labour and that we take fundamental action against it. In the field, we invest in protective clothing and the safe use of machines. But it is also important for us to make office space and the working environment attractive.

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

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

No matter whether in Germany or in the tropics: further training is part of it for our employees, from literacy to computer courses. All forest workers acquire expertise in the sustainable management of mixed forests, innovative forest technologies and monitoring systems. This ensures an important transfer of know-how for regional development and a permanent exchange of knowledge with the forestry departments abroad and in Germany. 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. But we also do not remain inactive when it comes to environmental education: tropical forest conservation is only effective if the local population is involved. ForestFinance is therefore committed to providing environmental education at Panamanian schools and has opened a public forest nature trail in Las Lajas.

#### Goal 5: Achieve gender equality and empower all women and girls

ForestFinance is committed to equal rights: in the contribution of ideas, but also between men and women. More than 60 percent of our workforce are women, many of them in management positions.

#### Goal 12: Ensure sustainable consumption and production patterns

In 2014, ForestFinance established its own wood processing center in Panama, where the locally produced wood is sawn, dried and processed into furniture directly and without long transport routes. The center 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 in Panama directly into chocolate products for the local and international market. In Germany, ForestFinance cooperates with the chocolate manufacturer Georgia Ramon, who handcrafts cocoa from ForestFinance ForestFinance forests into high-quality chocolates by hand and stands for sustainable production and consumption.

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

The greenhouse gas CO<sub>2</sub> has a global effect, regardless of where it originated on earth and was released into the atmosphere. A CO<sub>2</sub> emission that arises in Europe can be offset by a climate protection project on the other side of the globe. 1.5 hectares of tropical ForestFinance forest thus offset the lifelong CO<sub>2</sub> emissions of an average German.

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

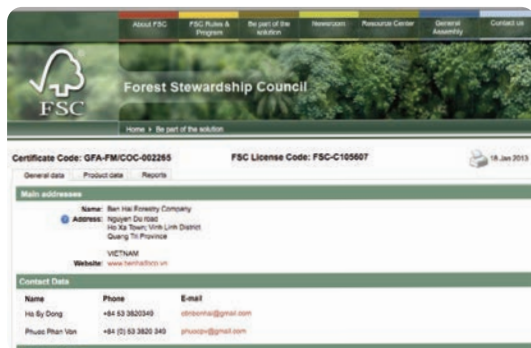
More than 25 percent of our land is used exclusively for nature conservation. Existing natural forests within the fincas are preserved and protected. Together with the reforested fallow areas, these nature conservation areas form stepping stone biotopes for many rare animal and plant species. In Colombia, we specifically plant acacias that enrich the soil with nutrients and thus prepare it for later mixed forest planting. We have also taken active steps against desertification and have started a desert greening project with DesertTimber in Egypt, in which wastewater is used for irrigation. Our new investment product Oasis 1 in Morocco (read more in Chapter 4.1) also counteracts desertification.



The mark of responsible forestry



ForestFinance forests have been certified by the Forest Stewardship Council (FSC) certification body Rainforest Alliance until 2013 and since February 2014 by SCS Global Services.



In Vietnam, the forest areas of our forestry service provider are FSC-certified.

## 2.2 Guaranteed sustainable: projects with certified quality

The ForestFinance project areas are certified and validated by independent third-party organisations on a regular basis to secure the quality of the forest and reforestation projects and their positive impact on biodiversity in particular. The following internationally renowned quality standards for forest projects are applied:

### Forest Stewardship Council® (FSC®) Standard

The mission of the Forest Stewardship Council (FSC) is to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests. The independent non-profit NGO was founded in 1993 as a result of the United Nations (UN) Conference on Environment and Development in Rio de Janeiro.

The FSC Standard ensures a responsible management of the global forest resources by defining and monitoring the adherence to environmental and social standards of forestry management. Therefore, timber and timber products that carry the FSC logo stand for a forestry management that is environmentally appropriate, socially beneficial and economically viable.

The FSC standards are based on ten principles and 56 criteria of forestry management. Forests that are managed according to these standards can be FSC-certified. Only companies adhering to the strict criteria of the FSC are allowed to use the FSC logo on their products. Independent third party certification bodies verify the use of FSC standards every year. The FSC is supported by numerous environmental organisations and unions.

All forests of the Forest Finance Panama S.A. that are reforested and maintained in Panama are reforested and maintained according to the guidelines of the Forest Stewardship Council (FSC). In the provinces of Chiriquí, Veraguas, Darién and Panama, Forest Finance Panama S.A. maintains 2,100 hectares. All mixed forests on this area used for timber production are certified under the FSC certification number SCS-FM/COC-004871. This applies to our products GiftTree, TreeSavingsPlan and ForestSavingsPlan as well as to the no longer sold products WoodStockInvest and CacaoInvest (mixed forest part). FSC-certified until 2013 by the Rainforest Alliance, since February 2014 by SCS Global Services.

Our product GreenAcacia Vietnam is FSC-certified through our forestry service provider. You can find more information at: [www.forestfinance.de/fsc-greenacacia-vietnam](http://www.forestfinance.de/fsc-greenacacia-vietnam)

Please note: FSC and SCS Global Services are not responsible for and do not endorse any financial claims on returns on investments.

More information at: [www.fsc-deutschland.de](http://www.fsc-deutschland.de) und [www.fsc.org](http://www.fsc.org)

### UTZ-certified

At ForestFinance, we believe in fair working conditions and a direct involvement of the local population. About 100 employees are permanently employed in Panama alone, many of whom belong to the indigenous Ngöbe-Buglé.

We actively fight child labour. The improved working conditions are also certified by independent third parties in the frame of the UTZ programme. The UTZ programme enables farmers to learn sustainable farming methods, improve working conditions and take better care of their children and their environment. This shows consumers that working condition standards according to the ILO (International Labour Organization) are met. ForestFinance cocoa forests have therefore been UTZ-certified in Panama since 2014 and in Peru since 2018. We also strive for a certification of our cocoa forests in Peru and already meet all requirements.

### Gold Standard

The Gold Standard certification is the most internationally renowned quality standard for carbon offset projects. It was developed in 2003 by several environmental organisations, meeting all requirements. Since 2006, the Gold Standard also exists in the frame of the voluntary carbon market. Gold Standard certified carbon offset projects do not only aim at the reduction of greenhouse gases, but also to support the sustainable development of the respective countries. Only projects that involve the local population in the decision-making process receive the Gold Standard certificate. Moreover, the certification proves that Gold Standard projects are real additional projects that would not have happened otherwise. The goals are similar to those of the Clean Development Mechanism in the frame of the Kyoto Protocol.

ForestFinance is part of the implementation, maintenance and forest management of two carbon forestry projects with the aim of contributing to mitigation of climate change. The projects are located in Central and South America. Both projects include and manage different tree species, which are planted according to weather and soil conditions. Reforestation will increase biomass of the planting areas and sequester carbon dioxide (CO<sub>2</sub>), which is one of the main Greenhouse Gases (GHG); and according to the Intergovernmental Panel on Climate Change (IPCC), one of the responsible gases causing global warming.

The projects CO<sub>2</sub>OL Tropical Mix in Panama and Vichada Climate Reforestation in Colombia are part of the Gold Standard, one of the most recognised carbon standards worldwide, since 2013 and 2015 respectively. "Established in 2003 by WWF and other international NGOs as a best practice benchmark for energy projects developed under the UN's Clean Development Mechanism (CDM), Gold Standard was set up to ensure that projects delivered genuine emission reductions and long-term sustainable development."  
(source: [www.goldstandard.org](http://www.goldstandard.org))

In the following we present both projects with regard to the standards mentioned above and their impact on biodiversity.



ForestFinance cocoa forests in Panama are UTZ-certified since 2014 and in Peru since 2018. The UTZ programme stands for sustainable agriculture.



**Gold Standard**  
for the Global Goals

This logo marks the internationally most renowned quality standard for CO<sub>2</sub> compensation projects – the Gold Standard.



Just before Christmas, we received the official organic certificate for our areas in Morocco.

### Organic certificates for cacao, olives and dates

A cacao forest in Panama and the olive and date groves in Morocco have successfully received organic certification in 2020. With the organic certification of the cocoa forest "Rio Uyama" by the certifier Bio Latina, ForestFinance now has an offer for buyers who rely on certified organic raw materials.

The most recent project of ForestFinance is located in Morocco: It involves the establishment of an agroforestry system with olives and dates, the cultivation of which was planned on an organic basis from the beginning. "With the certificate we can now document that we do not leave it to just an idea. We consider organic certification to be an important competitive advantage in the distribution of harvested products," says Harry Assenmacher.

The certification of the area for the cultivation of olives and dates also plays an important role for the distribution of the direct investment "Oasis 1", through which the project is financed. This is because demand for impact investments, for which compliance with ecological and social standards is a prerequisite, is particularly high in the current environment. The area under cultivation in Morocco is certified by Kiwa, one of the world's 20 leading providers of testing, inspection and certification.

### 2.2.1 Colombia: Vichada Climate Reforestation Project

**Location:** Vichada, Colombia

**Total area Finca La Paz:** 11.800 hectares

**Gold Standard-certified in 2015:** 3.276 hectares

The Gold Standard guidelines and criteria are consistent with the United Nations Sustainable Development Goals (SDG). The project has a major impact on points 13, 14 and 15 of this target agreement, namely climate protection, underwater life and life on land. An important initiative of the WWF 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 protection area in Colombia. The Bitá River crosses part of the project area and our staff are actively working with the WWF and other regional stakeholders to develop conservation strategies. In the project, we have planned a buffer of at least 15 metres along the river banks as a protection zone. Biodiversity monitoring to track relevant changes is part of the project.



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

Photo: ForestFinance



### 2.2.2 Panama: CO<sub>2</sub>OL Tropical Mix

**Location:** Various provinces in Panama

**Total area:** 13.242 hectares

**Thereof ForestFinance area:** 2.418 hectares

**CO<sub>2</sub> on ForestFinance area certified until 2019:** 462.625 tons CO<sub>2</sub>

The CO<sub>2</sub>OL Tropical Mix project has already been certified with the Gold Standard since 2014. Thus, in 2015, it was the first land use project to generate verified CO<sub>2</sub> certificates in this way.

Around 157 hectares in the province of Bocas del Toro are managed as a cacao agroforestry project with UTZ and Gold Standard certification. One of the project's three fincas has also been certified organic since 2020. Connected to the agroforestry project are 147 hectares of protected area, which are also part of the Gold Standard certification.

A total of one quarter of the total area of CO<sub>2</sub>OL Tropical Mix is classified as High Conservation Value.

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

The project areas in Darién are also of particular importance for biodiversity. More than 2,000 hectares are protected here. The area has been classified as a biodiversity hotspot by Conservation International. As such, it must contain a high number of endemic plants and be endangered. For this reason, the Darién was also on the WWF Global 200 list of regions with a high conservation priority.



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

Photo: Roger Gonzalez/ForestFinance

### 3. Appointing a responsible individual within the company



Julissa Dominguez has gained experience at the Smithsonian Tropical Research Institute and with several companies. "ForestFinance is known for its leadership and innovation in reforestation and sustainability," says the 31-year-old. "I believe in sustainable development and the use of resources without harming the environment. It is also a great opportunity for me to broaden my knowledge, accompanied and supported by a solid administrative and technical team. I like the quality of the services ForestFinance provides to investors, while supporting local communities and jointly developing projects."

Photo: Stephanie Holzmann/ForestFinance

Since our previous biodiversity officer Sabine Wischnat has moved to another company of the ForestFinance Group, we are pleased to welcome Julissa Dominguez as a new team member in Panama. Since 2018 she has regularly reported to us on the progress of biodiversity in our forests. We asked her about her career and other tasks at ForestFinance.

#### **Julissa, why did you decide to study environmental management after graduating in geography?**

After finishing my university career, I decided to study environmental management to obtain knowledge in the administration of resources. Often we handle technical concepts but forget how to allocate and move our resources to be efficient.

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

At the STRI, I did research on the sea level rise due to climate change, on the islands of the Coiba National Park. I was part of the team for about a year, contributing ideas and creating simulated models of sea level rise supported by information systems programmes. Without a doubt, I learned to work with a multidisciplinary team (biologists, botanists, landscapers, etc.), how to express my ideas and listen to others.

#### **How did you find out about ForestFinance?**

It is difficult not to know them being in this economic market segment. ForestFinance is a model company in Panama, in the business of green investments and environmental services have presented great experiences of contribution to the country. One of the first articles I read about the company was in a local newspaper, where the importance and impact of planting native species on a large scale (something that few had tried before) was explained.

#### **What are your tasks at ForestFinance?**

Currently I am responsible for the support of quality control in the forestry and agroforestry department (cocoa).

#### **What do you like about working in the forest?**

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



#### 4.1 Our goals in Morocco: Project goal organic certification achieved.

In August 2018, ForestFinance launched the new project "Oasis 1". A careful market analysis and thorough search for suitable land and managers was followed by the decision to grow organic quality olives and dates in Morocco. In this way, we also meet a frequent customer request to offer an investment in organic products. The cultivation area in Morocco is certified by Kiwa, one of the world's 20 leading providers of testing, inspection and certification. Solar panels supply the project area with green electricity.

#### Project location Morocco

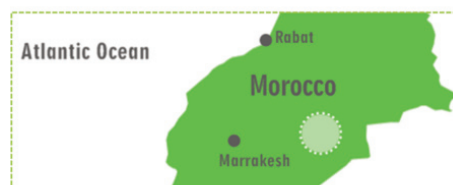
Morocco wants to become greener. To achieve this, the country is initiating many reforms that focus on sustainability. ForestFinance is also benefiting from this. We are setting up the olive-date agroforestry system in the province of Errachidia, in the Moroccan Drâa-Tafilalet region. It is located in the southeast of the kingdom and is famous for its palm oases, which the state wants to protect with a sophisticated and above all ecological water supply system. The people of Errachidia live from the cultivation of palm oases and are experts in both date and olive cultivation. The weather is excellent because it rarely rains and the sun ensures that the fruits ripen quickly.

#### Barrier against desertification

In the sparsely populated desert regions, oases where mainly date palms are planted are the basis of human life. This also applies to the Errachidia region south of the mountains of the High Atlas, which offers water and vegetation, food and work only in the oases on the river Oued Ziz. It is not by chance that the long-lived date palm is also called the "tree of life" in the Bible. For thousands of years they have been closely linked to the culture of the country. At the same time, they form a natural barrier against progressive 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. Just as important as oases are agricultural enterprises for Morocco – and all other African states. ForestFinance is starting out by setting up an organic farm in a region of Morocco in which many people with farming experience are looking for work.

## 4. Defining measurable



● Regions, in which the olives and dates are growing



An oasis in Drâa-Tafilalet, with the Atlas Mountains in the background. Photo: ForestFinance



Drip irrigation provides moisture to olive seedlings.  
Photo: ForestFinance

### Impact of the Corona pandemic on the project

Our local team managed to complete all project-related infrastructure work by March 2020, the month in which the government changed a curfew that had initially been limited to cities into a nationwide one. The plan was to start planting the cultivated olive tree seedlings on a total of 200 hectares in April 2020. At the same time, work on the power grid and irrigation system was to be completed. There were delays here due to Corona-related curfews; however, both could still be implemented in 2020.

## WHAT WE ARE DOING IN MOROCCO:



About 200 hectares planted with olive trees; 200 hectares soon to be planted with date palms



For "Oasis 1", around 347,800 date palms and olive trees are planted



For "Oasis 1" we installed a modern drip irrigation system on 400 hectares



Soon more than 50 employees will have secure and well-paid jobs thanks to "Oasis 1"

## 4.2 Our goals in Peru: Harvest despite Corona

ForestFinance has been managing several fine cocoa fincas in the San Martín Andes region since 2012. We started out with 80 hectares, now we manage about 210 hectares sustainably for our investors.

San Martín is not only famous for its cocoa cultivation, but is also one of the most important coffee-producing regions in the country. Both coffee and cocoa are Peru's export hits. We cultivate 186 hectares of fine cocoa here. A further 14 hectares are protected areas and areas on which buildings such as the processing station and paths are located. On the cocoa areas we first plant fast-growing shade plants, usually banana plants, which we remove again after about five years when the cocoa trees growing underneath are no longer light-sensitive. Up to 1,100 cocoa trees and 70 shade trees grow per hectare on a finca.

**Goal achieved: UTZ-certified – since 2018**

The UTZ label, which by the way is pronounced "Utz" and not U-T-Z, is not easy to get. It is an old Mayan word and means good coffee when it says "utz kapeh". Originally it was developed for coffee cultivation and only later adapted for cocoa and tea production. In order to receive the UTZ label, agricultural practices and farm management are reviewed and checked to ensure that working conditions are safe, that there is no child labour and that the environment is protected.

Since January 2018, we have been allowed to use the label we have been using for our Panamanian cocoa since 2014. UTZ certification is now an important criterion for achieving good prices for fine cocoa. Many chocolate producers insist on it before buying the valuable raw material. As part of the certification process, we held several workshops in Peru on topics such as ecology, education and labour law, but also on children's rights, discrimination/racism and equality between men and women. The training courses were conducted by experts commissioned by us and were received with great interest by our employees.

**The Corona crisis in Peru**

We were not able to carry out all activities on the fincas as planned. We had to avoid large gatherings of people and work in a reduced team. In this way, we can ensure that the social distancing rules are observed and that our employees do not work together closely - there is enough space for this across the areas. Also when we eat together on the finca, everyone keeps their distance from each other. To ensure that the plants do not suffer during this time, we have prioritised the activities. The most important thing is disease control. Protective goggles, masks, gloves and hygiene measures have been part of our daily routine for a long time. We also addressed the issue of digitalisation at an early stage and familiarised our employees with it long ago. We have been communicating via video calls and coordinating activities remotely for years - doing exactly what the Corona crisis is now demanding of us.



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

**WHAT WE DID IN PERU:**



Approximately 180 hectares of cocoa forest afforested



Almost 350,000 trees planted, including cocoa trees, banana trees and timber



Approximately 14 hectares put under protection



The cocoa forests have provided 40 employees with permanent jobs



81,320 euros paid to CacaoInvest customers from harvest yields in Peru



This impressive specimen of an anteater roamed the acacia forest in Colombia in the summer of 2018. Photo: ForestFinance

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

Since 2012 ForestFinance has been working together with its 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 *jatropha*. Long-term goal: 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.

Colombia is aware that more and more valuable nature, especially forests, is being lost and wants to counteract this development. On the one hand with the establishment and expansion of nature reserves such as the world-famous Serranía del Chiribiquete National Park, which lies between the Andes, Orinoco and the Amazon. And on the other hand, by promoting companies and initiatives that reforest forests. The government has granted them tax breaks, removed bureaucratic hurdles and passed a law to promote energy from renewable sources. The plantation wood that is promoted is also intended to help protect valuable rainforests from deforestation. ForestFinance's projects are part of this.



Our *Acacia mangium* forests in Colombia are a popular home for bees. They like to place their honeycombs in the branches of the acacia trees, but they also live in currently 600 hives and produce acacia honey. On average, 27 kilograms of honey are harvested per hive. Photo: ForestFinance

#### Bees for more biodiversity

The ForestFinance acacia forests have been a popular home for bees for years (we reported in the last [progress report](#)). The first bee colonies have been established with our partner. Meanwhile, the entire region is developing into an increasingly important honey producer within Colombia.

In 2013 ForestFinance initiated the first experiments and studies on the topic of honey production in acacia forests in Vichada. Since 2018, around 600 beehives have been producing several tons of honey each year, which our local forestry partner markets on the local market. Currently we expect a total harvest of 30 tons of honey. The leading beekeeper John Rodriguez, who has worked in recent years to improve the production and vitality of the hives on the ForestFinance areas, is also training residents from the region around Puerto Carreño on the subject of honey production and hive care. The ForestFinance partner "Reforestadora La Paz" is making its facilities and areas available so that course participants can learn beekeeping in a real honey project. The advantage: every bee contributes to pollination and plant diversity and strengthens biodiversity in the region.

## Rio Bitá under protection

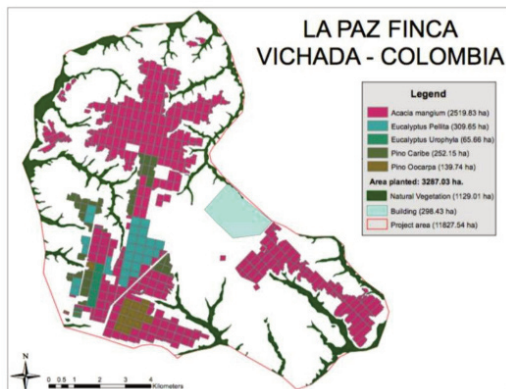
The Rio Bitá flows leisurely along the ForestFinance acacia trees. The vegetation on its banks is lively and noisy, reminiscent of the jungle, Orinoco and the mighty Amazon that everyone flows towards. Otters, caimans, pink river dolphins – they are all at home here and can stay here. In 2015, the Alexander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

The project area of Finca La Paz in Vichada comprises a total of 12,000 hectares of land. More than 3,000 hectares of it have been reforested by ForestFinance for investors. Of the total area, 1,130 hectares are designated as protected areas. On the map you can recognize these protected areas, which mainly extend along smaller river courses, by the dark green coloring. The pink plots are reforested with acacias, and you can recognize other species by the lighter shades of green.



White-tailed deer between acacias in the ForestFinance area.

Photo: ForestFinance



## WHAT WE DID IN COLOMBIA:



Approximately 3,075 hectares afforested



About 5 million trees planted



1,129 hectares put under protection



GreenAcacia has provided 40 permanent jobs for employees



2,317,375 euros paid out to GreenAcacia Colombia customers



The seedlings for the reforestation projects in Vietnam are grown in tree nurseries. The investments in the ForestFinance product GreenAcacia create many jobs that are extremely welcome in the rural regions. Photo: develoPPP.de/Vostry

#### 4.4 Our goals in Vietnam: promote sustainable forestry management

We started the first GreenAcacia project in 2010 and reforested 1,573 hectares of land with *Acacia mangium* at two locations in Vietnam. After two severe exceptional storms that destroyed parts of the forests, our forestry partners provided us with replacement areas and reforested them in 2014.

#### Sustainable afforestation recommended for imitation

In Vietnam, areas to be afforested are traditionally burned down. This is supposed to fertilise the soil and contain the competing vegetation. Unfortunately, the opposite usually happens: the vegetation that protects the soil from dehydration is destroyed and the nutrients of the ash are eroded by rain and wind. We are preparing the areas in Vietnam for reforestation by roughly crushing the plants growing on them and leaving their biomass in the forest. This protects the soil from drying out and stimulates the formation of humus. We also promote the formation of important microorganisms and at the same time create habitats for countless insects, reptiles and birds. The result proves us right with a significantly improved growth of our reforestations compared to the traditionally managed ones. The neighbouring forestry companies are taking note of this with interest and we hope that many imitators will follow suit.

### WHAT WE DID IN VIETNAM:



Approximately 1,600 hectares afforested



Around 2.4 million trees planted



Thanks to the GreenAcacia projects, around 15 employees of our forestry partners have permanent employment



5,000,000 euros paid out to GreenAcacia Vietnam customers

#### 4.5 Our goals in Panama: Project goal of organic certification achieved

Our first site for afforestation is known above all for the Panama Canal, the 82 kilometre long waterway that crosses the country and connects the Atlantic with the Pacific. But Panama offers more than that – it offers the best conditions for forest growth. The tropical climate and the soils are ideal for afforestation with fine woods and for the cultivation of fine cocoa. The native tree species Amarillo can reach a height of 40 metres after 20 years in a year-round warm climate. In European forests a comparable growth is not conceivable. In addition to the economic and climatic conditions, the political environment is also favourable. Because Panama's government is committed to actively fight the deforestation of rainforest and therefore has put more than 100 tree species on the list of the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

ForestFinance receives a lot of positive feedback here and our projects are also regarded as prime examples in the region. In the almost 25 years we have been active in the region, we have expanded our network and are delighted with the wide-ranging support we have received from a wide variety of sources. Meanwhile – thanks to our investors – our cocoa forests and forests are constantly growing, binding harmful CO<sub>2</sub>, protecting soils from erosion, promoting biodiversity and creating valuable jobs.

#### The Corona Pandemic in Panama

Luck of the draw: Forest can simply grow and does not lose its value even during the Corona crisis. Due to the Corona pandemic, some of the work in the forest was delayed. Developing and enforcing health standards, training staff on safety equipment, building housing for workers on the fincas, hiring staff to live in the project areas, away from cities and sources of infection - all helped a lot, though. "Working from home was something new for most of us; establishing good communication was crucial," reports Julissa Dominguez, responsible for quality management of the forestry and agroforestry projects. This means, for example, that the FSC audit was conducted entirely online. The organic certification of Finca Rio Uyama was also successfully completed.



From left to right: Cecilia Morales (employee of our forestry service provider Barca), Fidencio Abrego (foreman of Finca Rio Uyama) and Jaime Picado (auditor at Bio Latina). Photo: ForestFinance





We conducted the interview with Julissa Dominguez, who has been working in ForestFinance's forestry department since March 2018. Photo: ForestFinance

#### 4.5.1 Not only of high quality, but also organic: Julissa Dominguez on the certification of our Panama cocoa

It's finally done: Our fine flavoured cocoa from Finca Rio Uyama in Panama is certified organic! Julissa Dominguez, who is responsible for our forests there, told us what it took to get it. We are happy with our Panamanian colleagues and congratulate them! Our questions to Julissa:

##### What criteria must be met to be certified with Bio Latina?

Bio Latina certifies the organic production of coffee, beans, cotton ect. - and in our case, cocoa. The criteria we have to meet are those established in the EC Basic Regulation No. 834/2007 on Organic Agriculture and the EC Regulation No. 889/2008 (Rules for the Implementation of Regulation 834/2007). They essentially require the elimination of the use of chemicals and the use of 100 percent organic products. They also specify standards for the separation of organic and conventional products. Changes in infrastructure are required to manage cocoa separately from other farms.

##### What other steps did ForestFinance have to implement in the last few years to achieve this?

It took us about three years to get the certificate. The first year was an approach to and investigation of the organic criteria. The second and third years consisted of documenting the changes, training our staff and constantly looking for replacements or improvements to processes that could have an impact. For example, today we do not use chemicals for ant control, but a mixture of neen (Azadirachta indica tree), cloves and cinnamon. The same applies to plant fertiliser: a rich mixture of organic fertilisers.

##### Did the Corona pandemic outbreak complicate organic certification?

When the Corona virus emerged, we had already passed the auditors' certification, but we know that we have to continue to adapt to the new Corona reality. The farm now has to be run by groups that keep their distance from each other. It takes a certain amount of control to keep reminding ourselves of the new rules. The biggest challenge is undoubtedly the one that will come in the next few months. We expect the prices of agricultural products (materials and inputs) to rise and we must not reduce the quality of the farm.



From left: Fidencio Abrego (foreman of the Rio Uyama finca) and ForestFinance founder and managing director Harry Assenmacher. Photo: ForestFinance



### What does the work at the finca look like under the current hygiene requirements?

We had already decided on some changes, such as the use of masks in the fermentation areas to ensure that the product is not contaminated. What will certainly cost us more work now is the further development of activities such as fertilisation and harvesting, where we work in groups of three.

### What is planned for the future?

This certification opens a window to new buyers. Just like with the coffee sold in Panama, we want to develop aroma and fineness with the cocoa. The organic markets are more demanding than the conventional markets, but they are also good buyers and they appreciate (monetarily) the effort for this type of production.

#### 4.5.2 A treasure trove of nature: the ForestFinance protection forest

The ForestFinance ProtectionForest is located in Las Lajas, Panama, not far from beautiful white Caribbean sandy beaches. Some of the sunbathing tourists there might not suspect the species diversity in the immediate neighbourhood. Although Panama is only one fifth the size of Germany, there are more plant species there today than in North America and Europe combined. These include, for example, over 1,000 different tree and 300 orchid species. But this treasure is threatened: vast areas of Panama, once covered by forests, have fallen victim to cattle breeding. An ecological disaster, since 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 diversity of species that has hardly been recorded to date. One of ForestFinance's corporate goals is to safeguard and conserve them. This goal is reflected in the ProtectionForest project.



#### Numerous rare species ...

... live in our forest in Las Lajas, which has been classified as "High conservation value forest" in biodiversity studies and provides a home for many endangered animal and plant species. It is home to many rare reptile, amphibian and bird species as well as capuchin monkeys, sloths and ocelots. The name given by our staff in Panama to the ProtectionForest is no coincidence: "Los Monos" means "The monkeys". It mainly refers to the capuchin monkeys that are frequently found here, with two groups of them currently roaming the forest. In addition to species conservation, the forest also performs many other important ecosystem functions. The strong root penetration of the forest soil prevents erosion and makes a considerable contribution to the water balance and the supply of groundwater, as well as to climate protection, because the trees, some of which are already huge, absorb carbon dioxide from the atmosphere as they grow.



"Los Monos" means "The Monkeys". It mainly refers to the capuchin monkeys, which are often found here, with two groups currently roaming the forest.

Photo: Katrin Spanke/ForestFinance



### Man & Forest ...

... meet on 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 route there is a resting place with a view of the mangroves. These form particularly valuable and rare ecosystems.

There are 70 different kinds of mangroves, from low treelets to 60 metre high giant trees. Some of them are found in the ForestFinance forests and are strictly protected there. You can see the mangroves from the specially set up nature trail, which meanders through the species-rich tropical forest on the Finca Los Monos.  
Photo Katrin Spanke/ForestFinance



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

## WHAT WE DID IN PANAMA:



Approximately 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 put under protection



The cocoa forests have provided 80 employees with permanent jobs



Since 2011 around 700,000 euros paid out thanks to timber and cocoa yields from Panama

#### 4.5.3 Biodiversity monitoring: animal observations in our forests

Due to the Corona pandemic, we were unfortunately unable to carry out a complete biodiversity monitoring in 2020. This year, the visits to the forest areas were reduced to a minimum and focused on forest maintenance measures. Nevertheless, our staff succeeded in taking some photos of different animal species on the project areas, which prove the biodiversity. Sloths, like the one on the cover picture, are also seen very often.



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



A fork-tailed flycatcher (*Tyrannus savana*). Photo: ForestFinance



An indigo finch (*Passerina cyanea*) on the Finca La Relojera. Photo ForestFinance



Butterflies during reproduction. Photo: ForestFinance



A coati hides in this tree. Photo: ForestFinance



A gnawing flycatcher (Trogonidae) on the Finca La Relojera. Photo: ForestFinance



Take your time to grow: local vanilla plants on the ForestFinance cocoa finca in Bocas del Toro. Photo: ForestFinance

#### 4.5.4 Dream team for more plant diversity: vanilla and cocoa from ForestFinance forests

Vanilla and cocoa: both grow in the ForestFinance forests in Panama. On our cocoa finca in Bocas del Toro we have also been planting vanilla orchids since 2017. The project is still in an experimental stage: our plants will now grow in peace until around 2021, when they will probably be sold together with the cocoa to a chocolate manufacturer. He has been asking for fair ForestFinance vanilla since 2015. Project Manager Sabine Wischnat knows exactly: "Vanilla is one of those plants that are less and less cultivated, because the synthetic flavours are getting better and better and of course much cheaper. But for real gourmets this is of course not an option. So you can assume that the value will continue to rise as production decreases."

Depending on how the experiment proceeds, there may soon be Panama vanilla from ForestFinance. The varieties we grow are native species bred by IDIAP (a government research institute for agricultural production). Many orchid species are already threatened with extinction and the genetic diversity of plants is declining due to the high demand for certain varieties, which threatens the species as such in the future. This is why our plants are also a contribution to the preservation of biodiversity.



In 2018, the first successes are already visible and the vanilla plants are well established. Photo: ForestFinance

#### 4.5.5 Study by Anja Nölte

As a student at the University of Freiburg, Anja Nölte conducted a study on ForestFinance areas in 2019. Specifically, she visited fincas in the provinces of Darien (Punuloso, Alabaster, Meteti), Panama (Playa Chuzo, La Ocho, Mamoní) and Chiriquí (Los Monos, Los Ríos, Madera Fina, Santa Cruz).

Anja worked on the development of a growth model for species native to Costa Rica (species: Cebo) and Panama (species: Zapatero, Almendro, Amarillo, Coco-bolo). The aim of this study is to calibrate a growth model specifically for native species based on biological and climatic conditions as well as on the type of management.

The model is not only used to estimate growth, but also allows extrapolation under the influence of climate change. The other major advantage is the prediction of growth as a function of environmental conditions and management. Thus, it can be used to plan and optimise the forest management process. Predictions become more reliable because site conditions are included in the projections.

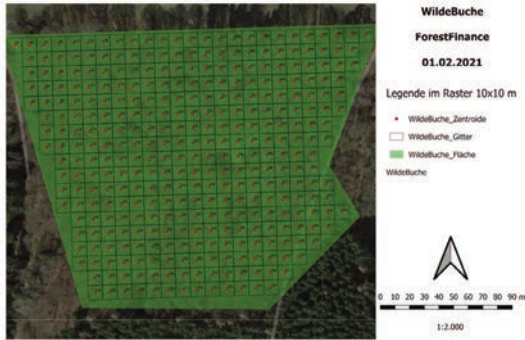
Anja Nölte has also benefited from the experience: "It was very interesting for me to see the plantations. The growth and development of the species are very diverse, for example: I can find trees of 20 years with a growth of ten centimetres in diameter and others with a growth of 40 centimetres in diameter. From this, the value of maintenance work such as thinning can be deduced in order to obtain high-quality results."



Anja Nölte and Yael Camacho in the sustainably managed ForestFinance mixed forest. Photo: ForestFinance



Yael Camacho, Forest Science Manager at ForestFinance, and Anja Nölte collect growth data. Photo: ForestFinance



The new WildeBuche areas. Graphic: ForestFinance

#### 4.6 Our goals in Germany: Jungle of tomorrow – WildeBuche project target stage achieved

In 2018, we achieved one of our biggest goals in Germany with our "WildeBuche" nature conservation project: 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, the donations will put one hectare of forest under protection for 50 years. In 2012, the "WildeBuche" forest reserve was named one of the "365 Landmarks in the Land of Ideas" by the Germany - Land of Ideas initiative. By the end of 2020, we will have achieved the goal stated in the last progress report of opening up new, valuable protected areas. The new edition of "WildeBuche" has been in place since March 2021 and interested parties can join us in protecting and preserving German forests.

#### Forest without forestry management

In the WildeBuche forest reserve, the commitment of ForestFinance and its customers means that an ancient beech forest in Rhineland-Palatinate is left to its own devices for at least 50 years, without the intervention of humans or forestry machinery. The aim of WildeBuche is to promote the development and preservation of old deciduous forests in Germany so that these forests can take over the functions of primeval forests again. In the ecosystem with an approximately 4,000 year old forest floor, beech trees up to three hundred years old grow – a refuge for numerous endangered native animal species such as wildcats, black woodpeckers and black storks.

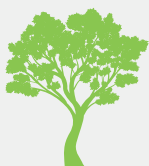
#### Our forest cemetery Rest in Trees

We pursue the same goal with our forest cemetery Rest in Trees. Here we offer a forest burial place in a natural beech or oak forest, which is also located in Hümmel, in the 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 DID IN GERMANY:



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



Serving more than 24,000 customers, managing their contracts and answering questions



8 million euros in harvest payouts calculated, allocated and transferred



Approximately 100 million euros in contract volume

We report on all our activities and achievements regarding biodiversity on a regular basis in various publications. Every year, we publish project reports and a detailed annual report for our customers, who can download them in the customer area on our website. In addition, you can read about our activities in our newsletter, on Facebook or other social media platforms.

Moreover, ForestFinance publishes a magazine in German that is sent to customers, business partners and other shareholders and deals with topics such as forestry, ecology and green investment. You can find our previous ForestFinest issues in our [media library](#).

All previous German editions are available for download at: [www.forestfinest.de/mediathek/](http://www.forestfinest.de/mediathek/)

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

## 5. Publishing activities and achievements in the biodiversity sector in reports



25 years of ForestFinance! In our anniversary magazine 2020 we have again reported from our own projects, looked into the company's past and into the future.

## 6. Integration of suppliers



An acacia tree growing in the forests of our forestry service provider in Vietnam. Photo: ForestFinance

ForestFinance administers the forestry management at the project locations mainly with their own forest units. At other locations, ForestFinance works together with service providers who implement the forestry management plan according to the specifications of ForestFinance and under strict supervision. All ForestFinance experts at the project locations are trained in our sustainable forestry management system.

At our project location in Vietnam, we were confronted with the reality that forestry experts were not sufficiently trained in sustainable forest management techniques. The commonly known forestry practice is still the out-of-date slash-and-burn technique, which does not only deplete the soil, but also does not offer any basis for new species to establish populations. For this reason, we have taken the initiative to develop a further education programme in sustainable forestry management in Vietnam. The further education guidelines ForestFinance worked on together with SEQUA and German Federal Ministry for Economic Co-operation and Development in the frame of the project have become mandatory for the whole province of Quang Tri, as decreed by the people's committee: a benchmark in the sustainable forestry related development of the country.

Apart from that, we consider it to be of utmost importance to raise awareness for species protection among our investors. For this reason, we use various media such as our newsletter or our customer magazine ForestFinest to inform our customers on a regular basis about the topics such as biodiversity and ecosystem forestry. Our website includes an area dedicated to ecology which also addresses the topic of biodiversity in order to explain our strategies and goals to our customers and business partners.



## 6.1 Co-operation with forestry service providers

Just like ForestFinance, our forestry service providers pay attention not only to the (ecological) quality of the planted forests, but also to the social conditions under which our forest employees work. This is guaranteed by our own supervising employees, who have long-term experience and by independent third-party organisations such as the SCS Global Services, who examine and certify our forest projects on a regular basis.

When required, ForestFinance organises trainings with its own forest experts for its external workers, regarding all relevant topics and techniques from safety at work to sustainable thinning methods.

### Quality, experience and synergy effects

The decision to let parts of our forests be managed by forestry service providers was made in order to benefit from synergy effects and to make growth possible. When choosing providers, criteria such as their experience with native species, social and ecological sustainability, the production of high-quality timber and the realisation of maximum yields for the forest owners play a major role. Of course, it is also of importance that the company meets the other ecological and social standards of the ForestFinance Group.

Part of the profit is directly re-invested in the improvement of infrastructure, schools and leisure facilities at the project location. Environmental education and social programmes are supported as well as the ongoing further education and professional development of the employees. The close co-operation with leading scientists in tropical forestry and the knowledge transfer among ForestFinance forest managers and engineers guarantee continuous technical development – which benefits our customers.



On the Finca Boca del Monte in Panama, ForestFinance employees measure the areas together with the employees of our forestry service provider



On the "Coastal Clean up Day", ForestFinance employees clean the beach of Las Lajas together with ANAM and pupils from a school in Chiriquí.

Photos: Silke Berger/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 number of renowned 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:**

permanent co-operation in research concerning the growth of native tree species

**Projekt Prorena/Smithsonian, Panama:**

long-term monitoring of the development of native tree species

**Universität Panama:**

student research projects, field tests

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

development of cacao plantations with a higher resistance to pests

**Technische Universität München:**

master theses, optimisation of agricultural forestry systems in economics and agriculture

**Institut für Weltforstwirtschaft, Bundesforschungsanstalt für Holzwirtschaft, Hamburg:**

risk assessment for forest investments, survey of valid growth data of native tree species in Panama

**Autonome Universität Chiriquí, Panama:**

field trials

Da wir darüber hinaus als Mitglied in zahlreichen Organisationen vertreten sind, können wir an dieser Stelle nur beispielhaft einige Kooperationen hervorheben:

As we are a member of numerous organisations, these are only some examples of our co-operations:



Together with the Rainforest Alliance, Aliarse, CATIE, Chiquita Brands, RUTA, REWE, GIZ, Corporacion Bananera Nacional, Universidad para la Cooperación International and other organisations, ForestFinance has founded the initiative **Biodiversity Partnership Mesoamerica**. Our biodiversity representative Sabine Wischnat represents ForestFinance in the organisational field. The initiative's goal is to promote biodiversity projects in Central America. Its members are going to initiate, develop, and fund projects in the region. In addition, the partnership will serve as a networking platform for all private, non-profit, and scientific institutions that are committed to species protection. These institutions and other members of the initiative will start at least three projects every year, focusing in particular on agroforestry, climate protection and the conservation of forest reserves for species protection.

ForestFinance is a member of the Ciudad del Saber, a non-profit foundation domiciled in Panama. The name of the foundation can be translated as “City of Knowledge”. Since 1995, the Ciudad del Saber offers a platform for a variety of projects, companies and their ideas, in order to support collaboration and progress and in particular concepts that represent sustainability, innovation and ecology. The foundation focuses on topics related to information technologies, biosciences, environmental management, and human development and co-operates with companies on the basis of sustainable management strategies.





Aussteller auf der

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ForestFinance was honoured with the German CSR Award 2018 in the "Global Responsibility" category. The judges acknowledged our concept and highlighted the transparent supply chain and our compliance with corporate social responsibility standards, which extends through



The Gold Standard is an internationally renowned climate protection standard which includes social and ecological aspects. ForestFinance is one of the first companies worldwide to receive Gold Standard certification for landuse



The Forest Finance Service GmbH was the first German company worldwide to receive the FSC Global Partner Award in the "Financial Services" category.