

Progress report ForestFinance 2017/2018

Regarding the leadership
declaration of the
'Biodiversity in
Good Company' initiative



Table of contents

Introduction	3
1. The impact of corporate activities on biodiversity	4
1.1 The impact of corporate activities on biodiversity: example Panama	5
2. Inclusion in the environmental management system	7
2.1 Award for special sustainability in the supply chain: German CSR Award 2018	7
2.2 For a sustainable and fair future: SDGs at ForestFinance	8
2.3 Guaranteed sustainable: projects with certified quality	12
2.3.1 Colombia: Vichada Climate Reforestation Project	13
2.3.2 Panama: CO ₂ OL Tropical Mix	13
3. Appointing a responsible individual within the company	15
4. Defining measurable objectives	16
4.1 Our goals in Morocco: organic agriculture	16
4.2 Our goals in Peru: project objective UTZ certification achieved	17
4.3 Our goals in Colombia: creating the basis for new mixed forests	18
4.4 Our goals in Vietnam: promote sustainable forestry management	20
4.5 Our goals in Panama: creating the ForestFinance ProtectionForest	21
4.5.1 A treasure trove of nature: the ForestFinance ProtectionForest	21
4.5.2 Biodiversity monitoring: animal observations in our forests	23
4.5.3 Dream team for more plant diversity: vanilla and cocoa from ForestFinance forests	24
4.6 Our goals in Germany: The jungle of tomorrow - project goal milestone "Wild Beech" achieved	26
5. Publishing activities and achievements in the biodiversity sector in reports	27
6. Integration of suppliers	28
6.1 Co-operation with forestry service providers	29
7. Cooperations	30
7.1 Joint event with the United Nations Environment Programme and BPM	32
7.2 Panamanian Minister for Environment visits our offices	32

Cover:

This impressive specimen of an anteater roamed the acacia forest in Colombia in the summer of 2018. The forests there serve as stepping stone corridors between natural forests for endangered animals. Photo: ForestFinance

Introduction



ForestFinance is building forests – since 1995

What began almost 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 utilisation of genetic resources

and commit to:

1. analysing 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 co-operation with scientific institutions, non-governmental organisations (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 emphasises that ForestFinance aims to create ecologically valuable mixed forests instead of monocultures with few species, as is largely the case in conventional or yield-maximised 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 native mixed forest suitable for the site is to contribute directly to the protection of biodiversity at the project sites. ForestFinance has been pursuing this reforestation model for more than two decades at the Panama project site. Other forest projects have been existing for several years in Colombia, Peru (fine cocoa) and Vietnam.

In Vietnam and Colombia, ForestFinance takes over existing acacia plantations and transforms them into a site-specific and near-natural ecosystem with predominantly native species.

This is how the common goal of all ForestFinance forestry concepts is implemented worldwide: to create permanent forests suited to the location. With the forest cemetery "Rest in Trees" and the forest reserve WildeBuche ("WildBeech"), ForestFinance has also initiated two conservation projects in Germany without timber production. The latest project location is in Morocco, where the company has been cultivating olives and dates according to organic farming guidelines since 2018.

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 almost 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 "Meteti 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.



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

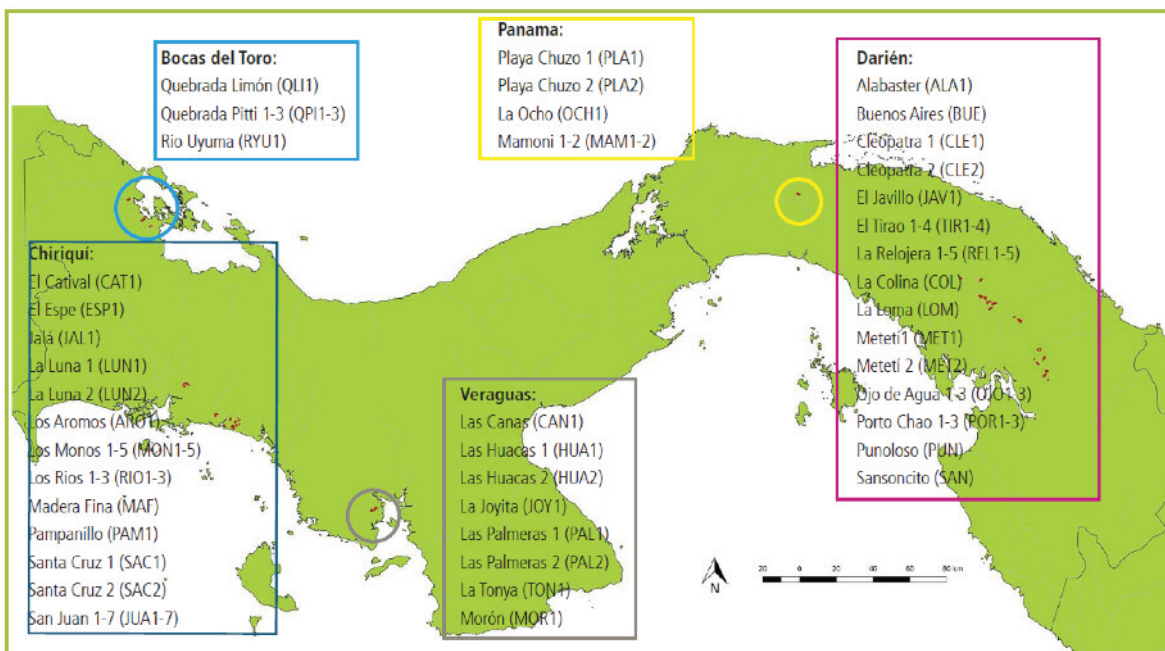
Photos: ForestFinance



In 2017, the product ProtectionForest was added to the Panama project site. In the heart of Panama lies the ProtectionForest "Los Monos": a living, species-rich rainforest in the province of Chiriquí (read more in chapter 4.5.1). The ProtectionForest not only provides a home for capuchin monkeys, mangrove trees and numerous parrot species, it is also a particularly effective and thus important climate protector thanks to its age. Together with us, ForestFinance customers can protect valuable forest for at least 50 years – from cultivation, clearing and natural risks.



Our forests are a real paradise for birds such as this insect hawk (top) and lesser kiskadee on our Finca Buenos Aires in Panama. Photos: Ovidio Jaramillo



A current overview of our forest locations in Panama (as of 2018). Illustration: ForestFinance

As already 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 furniture. In 2018 the company was awarded the German CSR Prize in the "Global Responsibility" category for this outstanding commitment.

2.1 Award for special sustainability in the supply chain: German CSR Award 2018

Harry Assenmacher accepted the award for ForestFinance on 8 October 2018 in Stuttgart in the presence of over 300 guests of honour from business, politics, science, civil society and media representatives. "It is something very special when our business idea is honoured in this way. For more than 25 years, we have been using our business model to create a consistently sustainable impact - for everyone involved. This includes first and foremost nature, the people in our project countries worldwide and of course our investors, without whom the whole thing would not be possible. We create win-win-win situations with forests, cocoa and agroforestry. A great tribute also for the whole team", explained Assenmacher.

Jury recognises professional concept of sustainability with CSR Award

Jury Chairman Phillip Keil, Managing Director of the foundation Entwicklungs-Zusammenarbeit Baden-Württemberg (SEZ), emphasised in his explanation that ForestFinance had stood out due to its convincing concept, which involved the supply chain from start to finish in a very transparent manner and was consistently focused on Corporate Social Responsibility (CSR) in the individual production steps. The jury also stated that the Bonn company's application had already shown understanding and a correspondingly professional concept of sustainability (e.g. the triad of economy, social affairs and ecology described above).

The award ceremony took place as part of the German CSR Forum. The German CSR Award recognises companies and similar institutions that assume social responsibility and distinguish themselves through sustainable business practices.

2. Inclusion in the environmental management system



ForestFinance founder and Managing Director accepted the CSR Award together with Nina Rattay, Head of Communications, in Stuttgart. Photo: ForestFinance



The 17 objectives for sustainable development.

Photo: screenshot of sustainabledevelopment.un.org/sdgs

2.2 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 co-operation. 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 co-operation 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). 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 Co-operation 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

ForestFinance is a member of the International Producer Organisation. Together with the other members of this cooperative, we want to bring products directly from the producer to the buyer and give both of them the opportunity to get to know each other. We can already guarantee all buyers: whether cocoa from the fincas in Panama or Peru or timber from the forests of Vietnam – everything is produced and processed fairly, in solidarity and in harmony with nature.

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

The greenhouse gas CO₂ has a global effect, regardless of where it originated on earth and was released into the atmosphere. A CO₂ 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 life-long CO₂ 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

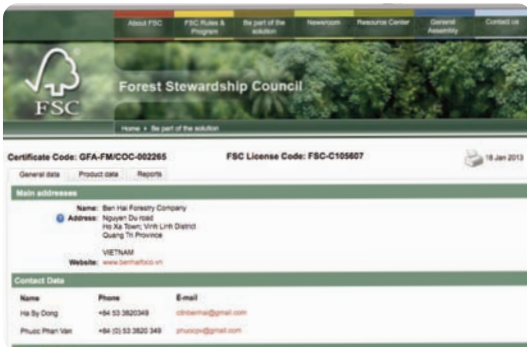
More than 25 percent of our land is used exclusively for nature conservation. Existing natural forests within the fincas are preserved and protected. Together with the reforested fallow areas, these nature conservation areas form stepping stone biotopes for many rare animal and plant species. In Colombia, 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



This seal stands for the audit of our forests by the Forest Stewardship Council (FSC), the independent, non-profit non-governmental organisation represented by national working groups in over 80 countries. ForestFinance forests have been certified by the 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.

2.3 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 3,399 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

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.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 (CO₂), 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 CO₂OL 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)

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 CO₂ compensation projects – the Gold Standard.



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

Photo: ForestFinance



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

Photo: Roger Gonzalez/ForestFinance

2.3.1 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.

2.3.2 Panama: CO₂OL Tropical Mix

Location: various provinces in Panama

Total area: 3,399 hectares

Gold Standard-certified in 2015 and 2016: 2,305 hectares

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

More than 250 hectares in the province of Bocas del Toro are managed as a cocoa agroforestry project with UTZ certification. 80 hectares of it form a protected area.

A total of one quarter of the total area of CO₂OL 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.

3. Appointing a responsible individual within the company

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.



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

4. Defining measurable objectives



Regions, in which the olives and dates are growing



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

4.1 Our goals in Morocco: organic agriculture

In August 2018 ForestFinance introduced the new project "Oasis 1". A careful market analysis and a thorough search for suitable areas and managers were followed by the decision to grow organic olives and dates in Morocco. In doing so, we are also responding to a frequent customer request to offer an investment in organic products.

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.

WHAT WE ARE DOING IN MOROCCO:



We will reforest 400 hectares



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



Currently four employees work for the project in France and in Morocco



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

4.2 Our goals in Peru: project objective UTZ certification achieved

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 180 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 160 hectares of fine cocoa here. A further 20 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 1,800 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.



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

WHAT WE DID IN PERU:



Approximately 160 hectares of cocoa forest afforested



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



Approximately 10 hectares put under protection



The cocoa forests have provided 40 employees with permanent jobs



32,895 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.



White-tailed deer between acacias in the ForestFinance area.
Photo: ForestFinance

WHAT WE DID IN COLOMBIA:



Approximately 2,520 hectares afforested



About 5 million trees planted



1,129 hectares put under protection



GreenAcacia has provided 40 permanent jobs for employees



1,910,756 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



3,926,222 euros paid out to GreenAcacia Vietnam customers

4.5 Our goals in Panama: creating the ForestFinance ProtectionForest

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 CO₂, protecting soils from erosion, promoting biodiversity and creating valuable jobs.

4.5.1 A treasure trove of nature: the ForestFinance ProtectionForest

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.



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





"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

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.



Visitors have the opportunity to explore part of the ProtectionForest on a nature trail without disturbing the flora and fauna.

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.

WHAT WE DID IN PANAMA:



Approximately 2,323 hectares afforested, including 162 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 79 employees with permanent jobs



Since 2011 around 484,000 euros paid out thanks to timber and cocoa yields from Panama

4.5.2 Biodiversity monitoring: animal observations in our forests

As early as 2016, independent biologists determined that both the ForestFinance forests in the Mamoni Valley and our conservation forest are High Conservation Value forests (the results of the associated biodiversity monitoring can be found in the previous progress report). We are working with Kaminand to learn more about biodiversity. Kaminand is a non-profit organisation that studies the status and migration of jaguars in the Mamoni Valley Preserve using wildlife cameras and GPS collars. The aim is to learn more about prey populations and the other four cat species in the area. Kaminand's declared goal is to support the local population through alternative income and environmental education to raise awareness and promote sustainable practices to halt the alarming loss of habitat.

In-house we also document encounters with animals in our forests. However, they cannot always be clearly identified. Some of the recent sightings include the following species:



This ocelot was recorded by a wild camera of the Kaminand organisation in our forest in the Mamoni valley.

Photo: Kaminand



Finca	Animal	Scientific name
Alabaster	Malachit (butterfly)	Siproeta stelenes
Meteti 2	Beetle	Taeniotes amazonum
Ojo de Agua 1	Zebra mosaic (butterfly)	Colobura dirce
Ojo de Agua 1	Cricket	Orphulella punctata
Playa Chuzo	Green iguana	Iguana iguana
Punuloso	Brilliant-Blue skipper (butterfly)	Paches loxus
Quebrada Limón	Three-toed sloth	Bradypus tridactylus
Quebrada Limón	Green and black poison dart frog	Dendrobates auratus
Quebrada Limón	Montezuma oropendola	Psarocolius montezuma
Quebrada Limón	White-tailed deer	Odocoileus virginianus
Quebrada Pitti	Keel-billed toucan	Ramphastos sulfuratus
San Juan	King swallowtail	Heraclides thoas
San Juan	Wasps	Polybia sp.

Butterflies of the *Anartia fatima* species, rodents of the *Agouti paca* species, snakes of the *Porthidium nasutum* species as well as monkeys of the *Alouatta palliata* species were sighted several times on different fincas.

A parrot snake (*Leptophis*) used this fence on the Finca Tiaro as a climbing aid in the summer of 2017.

Photo: Sabine Wischnat/ForestFinance



Our colleagues in Panama were also able to photograph some of the animal observations:



A three-toed sloth on a ForestFinance site in Panama. Especially in the cocoa forests, many of its kind are frequently seen.
Photo: ForestFinance



Busy leaf-cutter ants were on their way on our Finca Tiaro in the summer of 2017. Packed with delicate petals they are almost reminiscent of butterflies. Photo: Sabine Wischnat/ForestFinance



What looks like a branch here on our Finca Portochoa 3 is actually a common potoo. The name translates to "ghost mouth" and was given to this funny bird by locals because of its nocturnal cry.
Photo: Sabine Wischnat/ForestFinance



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

4.5.3 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

Bees for more biodiversity

Because of their pollination capacity, bees are of immense importance for biodiversity; at the same time they are exposed to numerous threats such as pests and environmental toxins. In Panama, the project started with twenty hives placed in the forest between the trees. Unfortunately, right from the start we suffered major losses caused by excessive rainfall, violent thunderstorms and attacks by other bee and ant colonies. Eventually, we were forced to change location.

It was also a challenge for us to find suitably trained employees. Beekeepers, as we know them in Germany, hardly exist in Panama. However, we succeeded in finding an expert who trained further staff for the project. At first, we also encountered suspicion among the employees and local residents who were afraid of bee attacks, which turned out to be unfounded. In the meantime, we have also found two employees who are happy to take care of the bees and honey harvest in the long term. An expert from the Panamanian Ministry of Agriculture advises us free of charge.



Andi Castillo and Augustin Rodriguez with the bees on El Catal in Panama. Photo: ForestFinance

Long-term commitment pays off

To change the location of the beehives turned out to be a stroke of luck in retrospect: since they are now close to the mangroves we had put under protection, we were able to harvest salty honey. This is not only a natural remedy against the Varroa mite, but also has positive health effects for humans. With the current seven bee colonies we were able to harvest 65 kilograms of honey at the last honey harvest in March 2018, which is sold in our Tropical Chocolate Café – a nice side effect to the positive effects on biodiversity.



Our forest cemetery in Hümmel. Photo: ForestFinance/Frameconcept

4.6 Our goals in Germany: the jungle of tomorrow – project goal milestone “Wild Beech” achieved

In 2018, we achieved one of our biggest goals in Germany with our nature conservation project WildeBuche (“WildBeech”): around 500 private and institutional forest conservationists committed themselves with small and large sums of money to the protection of a near-natural red beech forest in the Eifel community of Hümmel. In total, one hectare of forest will be placed under protection for 50 years thanks to the donations. In 2012, the forest reserve WildeBuche was honoured as one of the „365 Orte im Land der Ideen“ (“365 Places in the Land of Ideas”) by the “Deutschland – Land der Ideen” initiative. Due to the good response to the project, we are now planning to develop further ecologically valuable protected areas.

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 – FinalForest

We pursue the same goal with our forest cemetery “Rest in Trees.” Here we offer a forest cemetery in a natural beech or oak forest, which is also located in Hümmel, in the Eifel region. The Rest in Trees forest cemetery is divided into individual memorial groves. By renting a Rest in Trees forest burial place we guarantee that the forest can further grow in peace. Apart from the burials, this forest only undergoes the most necessary human interventions. This is extraordinary for German forests and forest cemeteries.

WHAT WE DID IN GERMANY



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



Serving more than 20,000 customers, managing their contracts and answering questions



2.86 million euros in harvest payouts calculated, allocated and transferred, in 2017-18 alone



12 project reports and 14 product brochures written, 5 sales prospectuses created, translations and more than 100 blog posts texted



Approximately 85 million euros in contract volume managed

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](#).

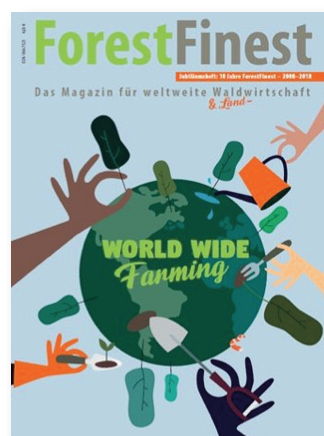
All previous German editions are available for download at:

www.forestfinance.de/mediathek/forestfinest-magazin

Biodiversity – directly from the forest to Instagram

We also exchange information internally on the subject of biodiversity and are happy to see animals in our forests. We have a WhatsApp group chat – and it 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 thirteen centimetres long, they pull out their smartphones, take photos or videos and send them to our group chat, so that the employees in the German office are also "live" on site. The group and also our Managing Director in Latin America, Petra Kollmannsberger, are very happy about this smart use of social media, especially because we also make it usable for customers: "We are happy that the smartphone helps us to bring biodiversity in the forests closer to our customers. Many forest workers are involved when it comes to capturing anteaters, sloths and monkeys in our customer forests with their cameras and making our social media pages even more up-to-date. Thanks to our communications team for that! 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



In our anniversary magazine 2018 (in German), we pursued a new concept that was very well received by our customers: we now report primarily on our own projects and depict the value chains.

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 (we reported in progress report 2011/2012). 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. Co-operations

Scientific forestry research is of great importance to ForestFinance and an integral part of the company's structure. Therefore, ForestFinance does not only co-operate scientifically with numerous renowned institutions, but has also developed new products and technologies on its own, which make for instance, harvest and monitoring easier. The annual investment in research amounts to approximately 25,000 to 30,000 US dollars. Amongst other institutions, ForestFinance co-operates scientifically with:

Smithsonian Tropical Research Institute, Panama:

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

Prorena Project/Smithsonian, Panama:

long-term monitoring of the development of native tree species

University of 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

Technical University of Munich:

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

Institute for World Forestry, Hamburg:

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

Autonomous University of Chiriqui, Panama:

field trials

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 Internacional 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.





Petra Kollmannsberger, Managing Director of ForestFinance Latin America (in the group picture on the far left) on site for us. Photo: BPM

7.1 Joint event with the United Nations Environment Programme and BPM

The United Nations Environment Programme and the Mesoamerican Alliance for Biodiversity (BPM) pledged in August 2018 to promote private sector participation in efforts to conserve and sustain biodiversity, which is exposed to numerous threats from climate change, environmental crime and unsustainable production practices in the region. The event, titled "Only with Biodiversity there is Sustainability", was organised by BPM, the Ministry of the Environment of Panama, the German Embassy in Panama, ForestFinance and UN Environment with the support of the DABio programme of the German Co-operation Agency GIZ based in Costa Rica. ForestFinance is one of the member companies of BPM.



ForestFinance put together a chocolate buffet for the event, naturally made from UTZ-certified Panama cocoa, served on sustainably produced precious wood – both products from the ForestFinance forests. Photo: ForestFinance

The Memorandum of Understanding was signed as part of a dialogue on biodiversity and the economy in which Panamanian trade unions and business leaders discussed the role of the private sector in the face of the challenges facing the Central American country's biodiversity and ecosystems.



7.2 Panamanian Minister for Environment visits our offices

Emilio Sempris (2nd from right), Panama's Minister for Environment, visited our office in Panama City in April 2018. Diego Dipieri, employee of our forestry service provider in Panama, BARCA, Carolina Mejia of ForestFinance and Petra Kollmannsberger, Managing Director of ForestFinance Latin America (from left to right), presented the business model behind the forestry and agroforestry projects to the politician. The close exchange with representatives from politics, science and industry is very important to us at all locations and we are pleased that this is met with approval.

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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 all areas of our operations.



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 projects for its forest and cocoa areas.



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