

Company Profile

Headquarters: Bonn, Germany
Major products: Forest direct investments
Further information: www.forestfinance.de

The ForestFinance Group, with subsidiary companies in Germany, Panama, Vietnam, Peru and Colombia, disposes of many years of experience in the development of forest investments. The ideal symbiosis of profitable investments and ecologically meaningful activities is the underlying concept of all ForestFinance Group products. ForestFinance offers a variety of investment products, all related to reforestation and sustainable forest management. To date, more than 10,000 customers in Germany alone have placed their trust in ForestFinance's investment products and the company manages forest investments worth more than € 35 million. These investments amount to over 16,000 hectares of forest in Panama, Vietnam, Peru and Colombia.

ForestFinance's employees in its head offices in Bonn, Germany and Panama City, Panama are mainly responsible for customer service and contract handling. In addition, there are several hundred forest workers occupied with the afforestation and maintenance of the ForestFinance forests.

Challenges and How ForestFinance Takes Responsibility

One of the best ways to put a stop to the loss of plant and animal species and to fight climate change is to re-forest fallow land to restore ecosystems and habitats. However, simply planting trees is not enough. Monocultures destroy the hydrological balance and are no kind of forest at all. By contrast, sustainably managed forests have a direct, positive effect on biodiversity. Sustainable forest management means for example that plantations must consist of native tree species planted in mixed cultures, and that existing forest remnants are preserved. ForestFinance adheres to these principles, creating permanent, near-natural forests on formerly depleted grassland that provide new living space for many animals and plants.



Fields of Action

- Sites and facilities
- Supply chains, commodities and materials
- Product
- Production and manufacturing processes
- Transport and logistics
- Personnel



Best Practice: ForestFinance Forests

The Issue

Once primary forests and rainforests have been clear-cut they are irrecoverable and the habitats of numerous species are lost forever. Therefore, the few still-existing rainforests must be rigorously protected and new forests have to be planted. The production of certified, sustainably produced timber can take some of the trade pressure from primary forests and at the same time create new living space for endangered animals. However, timber plantations do not always benefit nature. Monocultures do more damage than good to the soil and biodiversity. This is why ForestFinance plants mixed forests and manages them in a sustainable way.

The Response

As a company engaged in forestry, ForestFinance adheres to strict ecological principles, planting and managing mixed forests consisting mainly of native tree species on fallow and pasture land. Sustainable forest management means that shrubs and other vegetation are not generally cut and that only selected trees are harvested without resorting to clear cuts. In this way, permanent, near-natural forests are created on formerly depleted grassland which provides new living space for many animals and plants and improves the overall soil quality. More than 15 % of ForestFinance areas become natural reserves. Together with the reforested former pasture land, they form stepping stones for the recovery of many rare animal and plant species.

The Results

Studies from such institutes as the Technical University of Munich and the University of Panama have proven the positive influence of the ForestFinance forests on biodiversity. Scientists from these universities have identified ten plant species from Panama's Red List, amongst them eight orchids, in one of the oldest ForestFinance forests, the finca Los Monos. Among the observed animal species were fifteen Red List species, including an endangered monkey.

However, sustainable forest management also offers economic advantages. Mixed forests are less vulnerable to pests and diseases than monocultures. As a result, little or no pesticides are required in mixed forest cultures.

Moreover, investments in sustainably managed mixed forests provide additional benefits for investors: mixed forest cultures consisting of a great variety of different tree species can be handled more flexibly when it comes to selling timber on the market.

