The Generation Forest

IMPACT REPORT 2024

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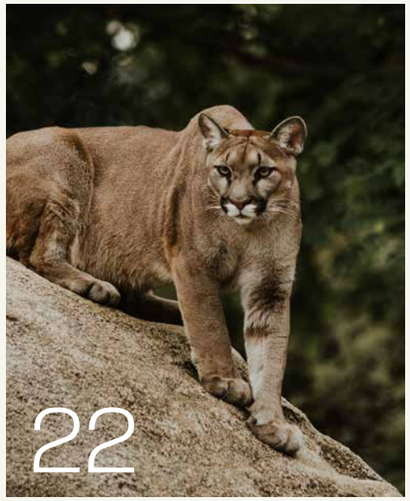
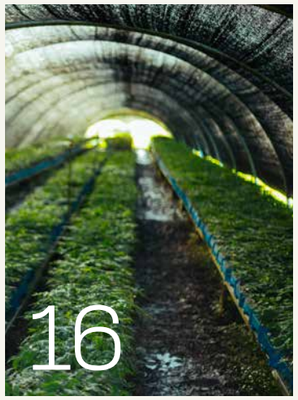




HOPE **TAKES ROOT** **IN** ACTION

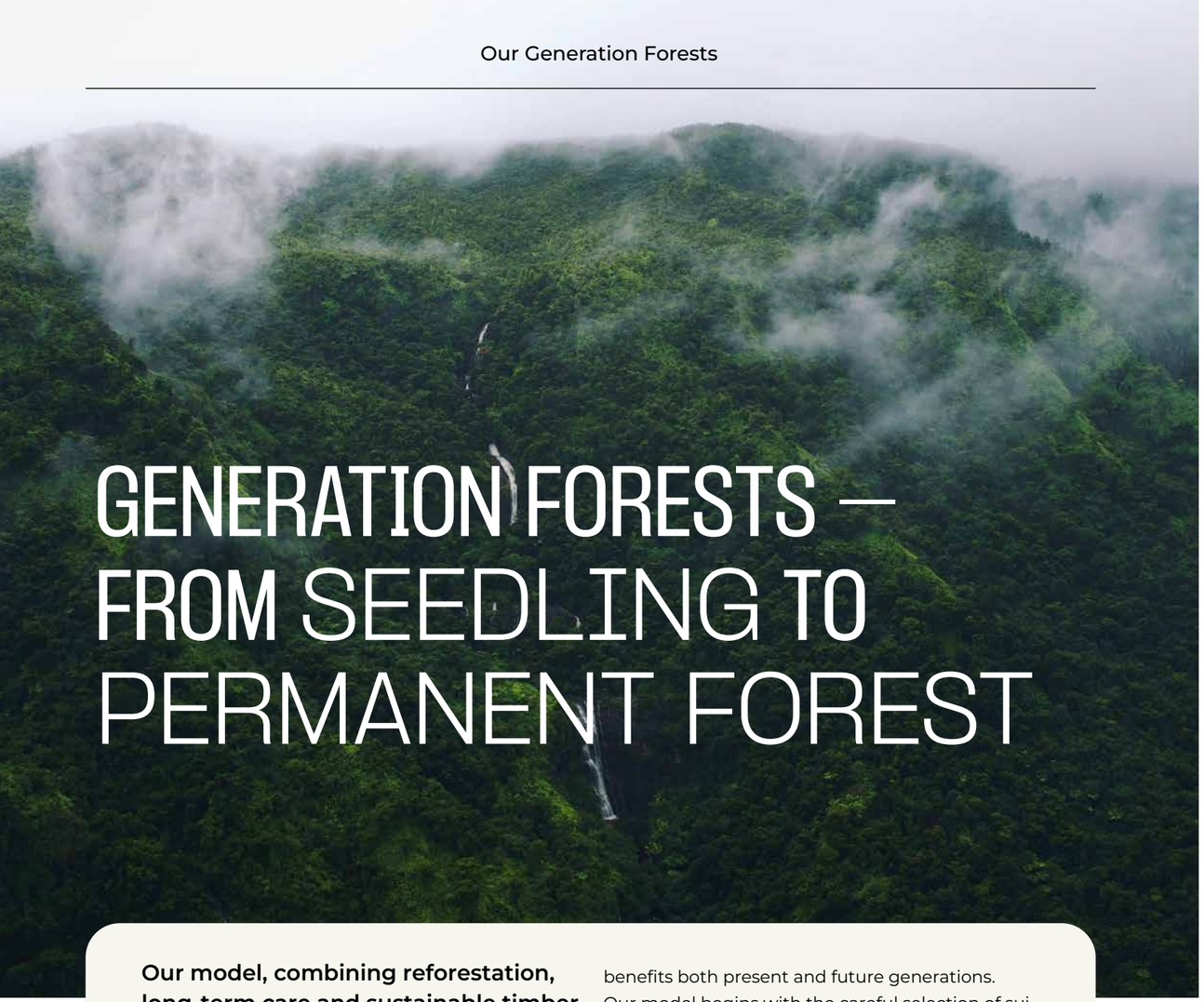
We're tired of having to say it over and over again: The climate crisis continues to advance relentlessly. Record heat, droughts, natural disasters – and political setbacks. The news is alarming, but standing still is not an option.

The good news is: more and more people are taking responsibility and taking action. We, too, continue to grow – not only in terms of forest area, but also in our impact. Our reforestation work is not a short-term project, but a long-term commitment. Every tree we plant is cared for over many years until the forest can sustain itself. The first five years are especially critical and resource-intensive. That's why we focus not just on growth, but on long-term sustainability. Due to the extreme drought and heat brought to Central America by the El Niño climate phenomenon, we had to adapt our reforestation plans. The survival rate of young trees is significantly lower under these conditions. As a result, we temporarily reduced the number of trees planted, prioritized drought-resistant species, and intensified our care measures to safeguard the future of our forests.

In the coming years, we aim to increase our reforestation efforts once again. But to do that, we need you. Our cooperative thrives on engagement, support, and community. It lives through people who increase their shares, who talk about us and recommend us to others, and who walk this path alongside us. Let's move forward together – for the forest, for the climate, for the future.

THANK YOU FOR BEING PART OF THIS!

Charline Joost & Dr. Mathias Hein
Board of
The Generation Forest



GENERATION FORESTS — FROM SEEDLING TO PERMANENT FOREST

Our model, combining reforestation, long-term care and sustainable timber use, demonstrates how climate protection, biodiversity and social inclusion can interweave into a lasting, effective cycle.

Between parched pastures and untouched rainforest, a new ecosystem is emerging in Panama: generation forests that sequester CO_2, shelter endangered species and strengthen local communities economically.

Generation forests are more than simple reforestation projects – they are a holistic, nature-based solution that unites climate protection, biodiversity and social development in a seamless approach. By transforming degraded cattle pastures and monocultures into vibrant, diverse mixed forests, we lay the foundation for a resilient ecosystem that benefits both present and future generations.

Our model begins with the careful selection of suitable land – typically grazing areas that have been exhausted by decades of extensive agriculture and now lack organic matter or biological activity. By purchasing these areas, we create the legal and practical basis for their ecological restoration.

Together with Indigenous communities and local families, we collect seeds from native tree species and raise them into small but resilient saplings in the nursery run by our forestry partner Futuro Forestal. This phase also creates valuable local jobs – especially for women, who gain access to fair income opportunities close to home while contributing their traditional knowledge to our work. This ancestral knowledge of resilient, site-adapted seeds is essential to establishing a stable, climate-resilient forest.

CO_2-Storage

The environment benefits from additional forest areas that compensate large amounts of CO_2 and help counteract global warming.

Social Responsibility

Our forests contribute to the restoration of nature and offer economic opportunities for local communities.

Biodiversity

Our generation forests are designed to last forever, making them an important habitat for a wide variety of animal and plant species.

First come the plants, then the animals

As soon as the rainy season begins, we plant the young trees in carefully prepared planting pits. In the first years, planting and maintenance cycles accompany their growth: weed control, staking, and early thinning measures. Every step is designed to give the forest the best possible conditions to thrive.

As the forest matures, the young trees develop into a dense, multi-layered rainforest that mimics natural forest structure: varying tree heights, shrub and herb layers, deadwood and leaf litter. At this stage, we begin gentle thinning to give the remaining high-value trees space to form their crowns and maximize their CO_2 sequestration. In parallel, numerous animal species (more on p. 23) begin to settle – species that find no habitat in open monocultures.

Selective harvesting for a green return

After several decades of balanced growth, we begin selective and sustainable harvesting: only mature, high-quality trunks are removed and sold, while the forest as a whole remains intact. In this way, the forest's economic value helps secure not only its ecological future but also the financial stability of local communities, our cooperative, and its members.

Through this closed cycle of restoration, growth, care and harvest, our generation forests create a long-term win-win: they reduce atmospheric CO_2, foster biodiversity, and provide sustainable income and development opportunities for the people who live in and with the forest. Generation forests are far more than a green investment – they are a living legacy we pass on to future generations.

Invest now in the future with cooperative shares at The Generation Forest!

Become a member:
thegenerationforest.com/en/join-us

Increase your shares:
thegenerationforest.com/en/increase-shares

TWO CRISES, ONE SOLUTION

The loss of biodiversity and climate change are the most urgent challenges of our time – and they will continue to shape the lives of generations to come. What we do today will determine the world we leave behind tomorrow.

1.5° Celsius – what was long considered a critical threshold is now reality – with far-reaching consequences: Rising temperatures not only bring more extreme weather but also threaten the survival of countless animal and plant species. The climate crisis and the biodiversity crisis are deeply interconnected – and forests play a key role in addressing both challenges at once.

The world is experiencing accelerated warming: In 2024, the global average temperature was 1.6°C above pre-industrial levels – surpassing the self-imposed 1.5°C limit for the first time. Record heatwaves and extreme weather events have become more frequent and continue to put pressure on ecosystems worldwide.

Now, a new report from authors of the Intergovernmental Panel on Climate Change (IPCC) warns: at the current rate of CO_2 emissions, it will be impossible to stay within the 1.5°C limit in just three years.

At the same time, the biodiversity crisis is worsening: It is estimated that around one million species are currently in the process of extinction – about one-third of all known species. Amphibians and insects are particularly affected, but so are many plants. The IUCN Red List documents tens of thousands of additional threatened species.

The climate crisis and biodiversity loss are not only directly connected – they also amplify each other. Researchers from the IPCC warn in their annual report that with just 2°C of global warming, an additional 20–30 percent of all species could face extinction. The destruction of natural habitats through deforestation and slash-and-burn agriculture is currently accelerating both problems: The loss of forest areas releases massive amounts of CO_2 and deprives countless species of their habitat.

To tackle both the climate crisis and biodiversity loss, natural ecosystems such as forests must be restored. Tropical rainforests are key ecosystems for both climate and biodiversity. Forests store immense amounts of carbon – about 861 gigatons globally, with roughly half of that stored in tropical forests. These forests are also home to millions of species that depend on them for survival.

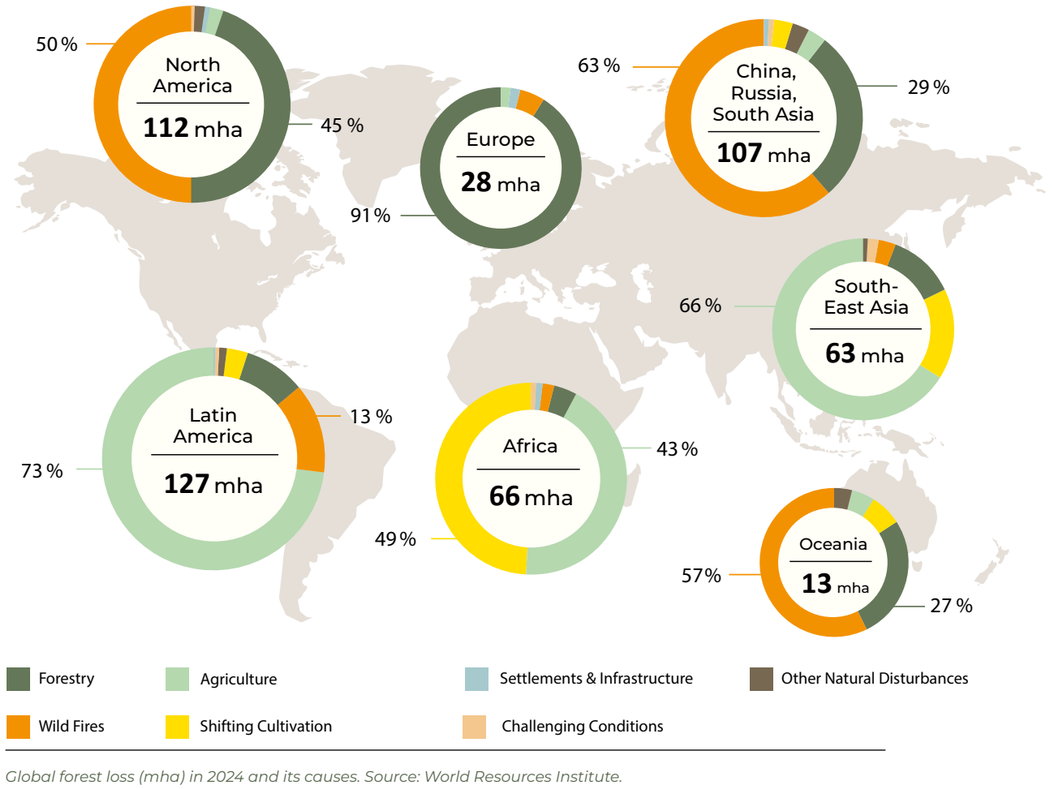
A study by researchers at LMU Munich shows that large-scale reforestation could reduce extreme temperatures and temperature peaks by the end of the century – and shorten the period during which global temperatures exceed the 1.5°C target.

Options for Action

Protecting existing forests:
Preserving intact ecosystems helps prevent annual losses and ensures that large amounts of carbon remain stored in the long term.

Reforestation and restoration:
Newly planted or naturally regenerating forests absorb additional CO_2 and create habitats – a potential emphasized in the latest IPCC report.

Local participation:
Involving local and Indigenous communities. Experience shows that active citizen participation can ensure the long-term protection of even small forest areas.



Global forest loss (mha) in 2024 and its causes. Source: World Resources Institute.

Deforestation on the Rise Worldwide – Tropical Forests Especially Affected

Global forest loss reached record highs in 2024, driven by a dramatic increase in wildfires. This is according to new data from the University of Maryland's GLAD Lab, published on the Global Forest Watch platform by the World Resources Institute (WRI). Loss of tropical primary forests alone amounted to 6.7 million hectares – nearly double that of 2023 and roughly equivalent to the size of Panama.

This figure is significantly above the annual limit needed to halt deforestation by 2030 – a goal agreed upon by over 140 countries at the 2021 UN Climate Conference in Glasgow. However, in 17 of the 20 countries with the largest areas of primary forest, deforestation has increased since that agreement.

For the first time since records began, fires – not agriculture – were the leading cause of tropical primary forest loss, accounting for nearly 50 percent of the destruction. While fires are natural in some ecosystems, they are mostly human-caused in tropical forests – often through slash-and-burn agriculture. In 2024, the hottest year on record, climate change and El Niño intensified the severity and uncontrollability of these fires. Although forests generally have the ability to regenerate, land use changes and ongoing climate change are increasingly hindering their recovery.

To meet global goals by 2030, annual forest loss would need to decline by 20 percent each year. Instead, it rose by 80 percent in 2024. What's needed: improved fire prevention, deforestation-free supply chains, stronger trade regulations, and increased funding – especially for Indigenous-led initiatives.

"This level of forest loss is unlike anything we've seen in over 20 years of data. It's a global red alert – a collective call to action for every country, every business and every person who cares about a livable planet. Our economies, our communities, our health – none of it can survive without forests."

Elizabeth Goldman
Co-Director,
WRI's Global Forest Watch

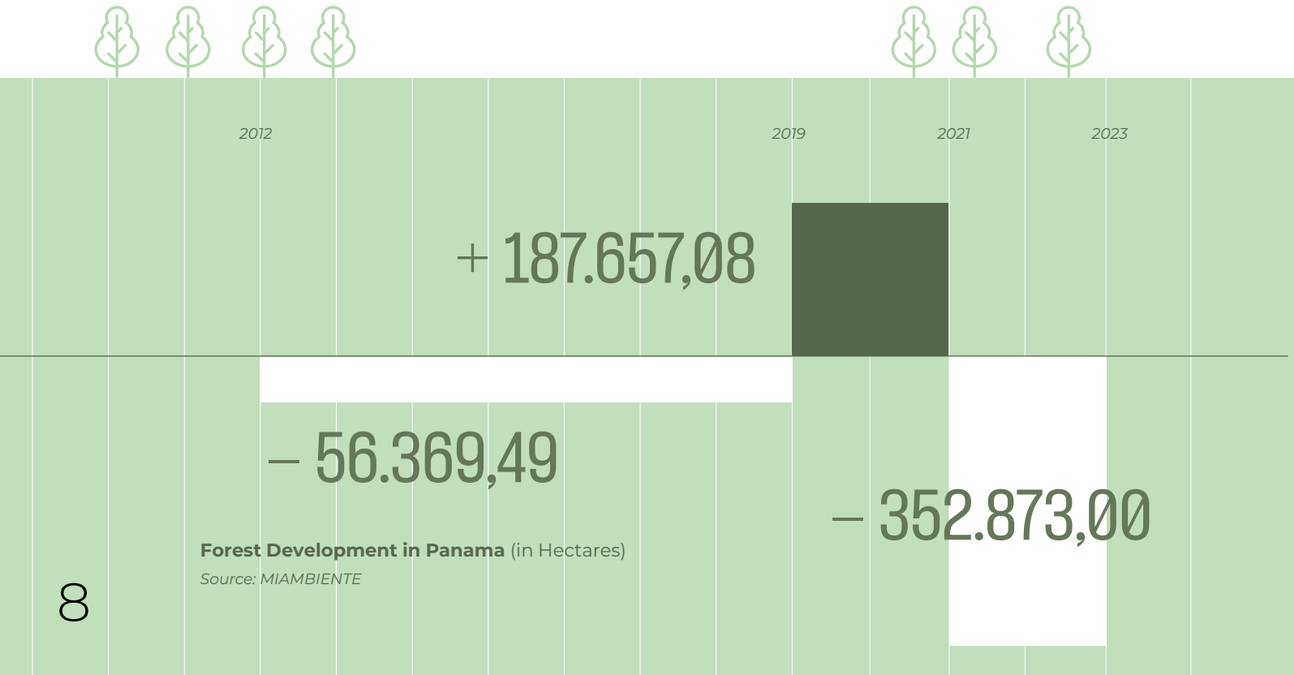
DEFORESTATION IN PANAMA: CAUSES, IMPACTS, AND COUNTERMEASURES

After years of growth, Panama is once again losing forest. Sustainable forestry, reforestation and strict protection measures are intended to reverse this trend.

352,873 hectares – this is the amount of forest and bushland Panama has lost over the past two years alone. Until recently, the trend looked promising. In our 2022 Impact Report, we reported forest gains across several regions of Panama: between 2021 and 2022, forested area increased by 8,452.38 hectares. Since then, however, the trend has reversed. The provinces most affected are Veraguas, Darién and Coclé, where forest destruction threatens biodiversity, water resources and ecological sustainability. A comprehensive study by the Ministry of the Environment (MIAMBIENTE) confirmed this development.

Causes of deforestation

The main drivers of deforestation in Panama include agricultural expansion, urbanization and forest fires–whether natural or human-caused. Since 2010, Panama has lost an average of about 10,000 hectares of forest per year–even during years of temporary forest gain. This not only severely reduces carbon storage capacity but also causes soil degradation and threatens water sources.



Forest Development in Panama (in Hectares)
Source: MIAMBIENTE

Impacts of deforestation

Ongoing forest destruction has serious consequences for Panama:

→ Loss of biodiversity:
Numerous plant and animal species lose their habitat.

→ Threat to water supplies:
Deforestation endangers watersheds that are vital for agriculture, drinking water and even the Panama Canal.

→ Acceleration of climate change:
Clearing forests releases stored carbon, contributing to global warming.

→ Increased disaster risk:
Without forests, soil erosion and floods become more likely.

Countermeasures and protection strategies

To counter deforestation, Panama is relying on a combination of stricter regulation, sustainable land management and international cooperation:

→ Logging moratorium:
In response to the rapid decline in forest areas, MIAMBIENTE has temporarily halted the issuance of forestry permits in several regions.

→ Sustainable forestry plans:
From 2025, forestry use permits may only be issued under sustainable management plans, particularly in the Indigenous comarcas of Emberá Wounaan, Kuna de Madungandí and Kuna de Wargandí.

→ FSC® certification:
The Panamanian government is working with Indigenous communities to achieve FSC®-certified sustainable forestry. The export of non-FSC®-certified wood is to be prohibited to reduce illegal logging.

→ Reforestation efforts:
Programs promoting reforestation and restoration of degraded lands are being strengthened–especially protection of secondary forests and bushland, which act as natural carbon sinks.

→ Community monitoring:
A new monitoring program is being introduced in collaboration with Indigenous communities to detect and halt illegal logging early on.

Through stricter laws, sustainable forestry management and international partnership, there is hope for a reversal. Protecting remaining forest areas and restoring destroyed land is essential to preserve biodiversity and reduce the effects of climate change. Only with consistent measures can Panama reclaim a leading role in sustainable forest protection and reap long-term benefits from a stable environment.

"This destruction of our biodiversity and our forests is leading us into decline. It destroys our watersheds and endangers the water supply for our cities, agriculture, and energy production. Even the Panama Canal, whose watershed has so far been well preserved, is now facing major challenges."

Juan Carlos Navarro
Environment Minister in Panama

A FOREST IN COMMUNITY

The Generation Forest demonstrates how democratic participation, ecological responsibility, and economic sustainability can go hand in hand – creating forests that endure.

The Generation Forest stands for a visionary approach to climate protection – and for a proven, future-oriented organizational model: the cooperative. Restoring tropical forests requires not only long-term vision but also many committed people working together to bring that vision to life. Today, our cooperative brings together more than 8,000 members – individuals who jointly take ownership of forests, share responsibility, and actively contribute to solving the climate and biodiversity crises.

At the heart of the cooperative idea is democracy: participation instead of passive financing. This principle clearly sets us apart from traditional investments. At The Generation Forest, the focus is not on short-term profits, but on the long-term development of regenerative forests with ecological, social, and economic impact.

Being a member of the cooperative expresses a shared set of values: taking responsibility for future generations, using resources collectively, and sharing the fruits of success fairly. Our members invest equity capital, which we use to purchase former pastureland in Panama, reforest it, and provide long-term care. This gives rise to Generation Forests – diverse, tropical mixed forests that store CO_2, create habitat, and generate long-term returns through selective, sustainable timber use. The profits benefit the cooperative – and thus all its members.

The cooperative is more than just a legal form – it is the foundation of our work. It unites people from different backgrounds with a common conviction. It creates trust, transparency, and participation. And it shows: when people come together, a force emerges that goes far beyond the sum of its parts. This way, not only does the forest grow – but so does the movement behind it.

+9,25 %
Growth in members numbers

7391	8075
Members	**Members**
End of 2023	*End of 2024*

TWO NEW MEMBERS INTRODUCE THEMSELVES

FairGrapes

We are Christoph and Konstantin. A few years ago, we founded FairGrapes and make wine. We believe that each and every one of us can make a positive impact through small decisions. That's why our wines give back to nature by donating a part of the sales proceeds directly to a conservation project.

With our wines, we also want to help protect the rainforest. That's how we became aware of The Generation Forest. Their approach convinced us immediately because it does not rely on quick symbolism alone.

With our wine, we want to offer not only enjoyment but also contribute to the restoration of this unique habitat. For us, this feels right – and we hope that as many people as possible see it the same way.

Would you like to try FairGrapes wine and help create rainforest? For our community, when you purchase the Explorer Pack (one carton with two bottles of each variety from this collaboration), you'll receive one bottle for free.

Just enter the following code at checkout on FairGrapes.eu:
Y5KB34

Gabriel João

Hi, I'm Gabriel João –
and already part of The Generation Forest as a baby!

For my birth, I received a very special gift from my cool great-aunt: a cooperative share in The Generation Forest. That makes me not only an official member now, but also a tree friend from the very beginning!

After a difficult start in life with a major heart surgery and four weeks in the intensive care unit, I'm doing great today! I'm now seven months old, discovering the world with wide eyes – and I'm already looking forward to visiting my grandparents in Brazil soon. For that, I'll probably need to save up a few more shares.

Until then, I'll keep growing – just like my little generation forest in Panama.

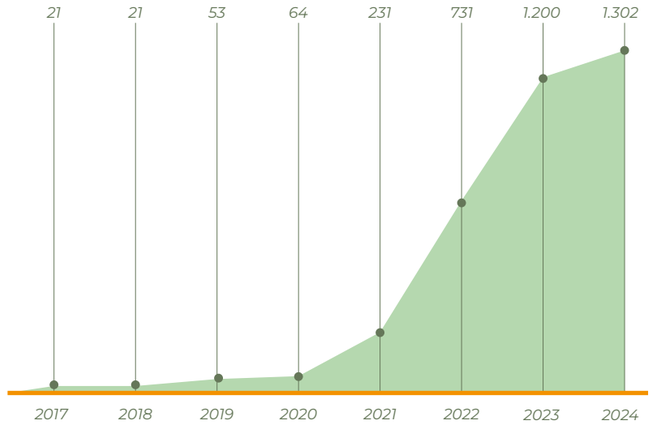
The contents of this introduction have been coordinated with my legal guardians.

REFORESTATION AND CARE IN TIMES OF EL NIÑO

Extreme drought and forest fire risks demanded a great deal of effort – for care, protection, and adaptation. Here's why we still look ahead with optimism.

2024 was a challenging year for our cooperative. The reforestation season was dominated by extreme heat and drought – a consequence of the El Niño climate phenomenon that hit Panama with full force. These conditions significantly complicated our reforestation work, sometimes even halting it entirely.
During such dry phases, an especially high level of commitment is required: we must increase our efforts to care for the existing generation forests in order to protect young trees and maintain the ecological balance.

Some areas that had already been reforested suffered from the effects of the drought – fires and drought stress made replanting necessary. At the same time, we had to postpone planned reforestation measures to avoid endangering the existing forests. As a result, in 2024, we reforested just over 70 hectares of new forest areas and replanted around 30 hectares – while carrying out intensive protection and care work on the already existing 1,200 hectares.



Here we show the cumulative reforested area per year, which consists of reforesting new areas and replanting on existing areas. Gaps that have formed – for example, due to risk factors like fires – reduce the area from the previous year, which is why the numbers develop dynamically.

Percentage of reforestation on our fincas

1702
hectares of effective land owned

1302
hectares reforested

It was a year that demanded a lot from us – and once again showed how important our long-term perspective is. The good news is: El Niño has now weakened, and the first rainy phases have returned, bringing new hope for the coming reforestation years. Our goal for the next years is clear: we want to expand our planting activities again and thus allow the generation forest to continue growing.

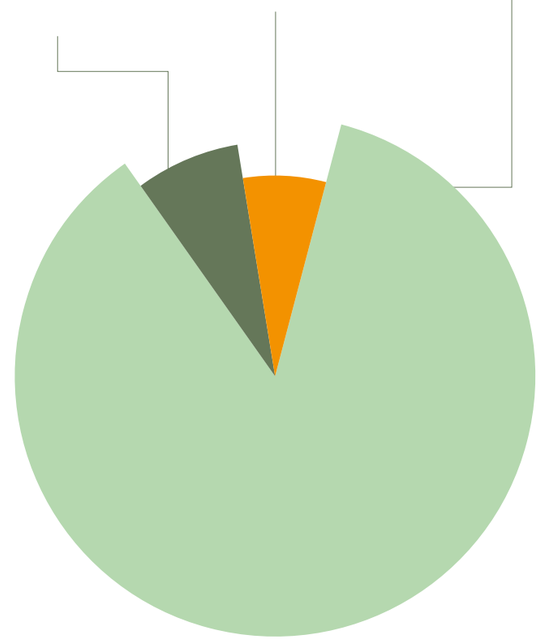
From the experiences of this difficult year, we have drawn consequences: our selection of tree seeds now deliberately focuses on resilient species better adapted to long dry periods. Additionally, we have equipped our fincas with preventive measures against fires (more on page 14) – because our commitment remains: we do not want short-term gains in area, but forests that last. Permanently. For people, climate, and biodiversity.

Create Forests Now!

7,34 %
Planting
(labor, seedlings & materials)

6,70 %
Infrastructure and protection of the fincas

85,96 %
Care of the plants
(maintenance)



Percentage distribution of costs for work on our lands in Panama 2024

REFORESTATION UNDER EXTREME CONDITIONS: OUR STRATEGIES AGAINST RISKS

Drought, fire, pests – our forests face real challenges. But we respond: with early detection, targeted care, and resilient ecosystems that bring new life even after fires.

Forests don't grow without risk. Especially in times of extreme climatic conditions – like those that the El Niño weather phenomenon brought to Central America in recent years – even healthy forest ecosystems come under pressure. The long dry season significantly increased the risk of forest fires. Fires also occurred on our lands – often triggered by fires on neighboring fincas.

La Esperanza (February):

A fire broke out due to the fault of a neighbor. Remarkably, three weeks after the fire, the first natural seedlings appeared, marking the first signs of ecological recovery.

El Contenedor (March):

The fire was directly caused by extreme drought.

Gatún (March):

The origin of the fire is unclear.
Arson is also suspected.

Nicanor (March):

The fire spread from a neighboring farm.

These events clearly demonstrate how strongly the climate crisis, as well as the behavior of people living near our fincas, affect our work. At the same time, we have witnessed how resilient our forests can be: in some affected areas, natural regeneration began surprisingly quickly. Just a few weeks after a fire, the first new plants sprouted – in some areas even more densely than before.

To be even better prepared for such situations in the future, we introduced a new early warning system in 2024: "Satellites on Fire" detects forest fires in real time via satellite and camera surveillance and immediately alerts our teams. This way, fires can be contained faster and damage reduced. Additionally, we conducted targeted on-site training – with practical exercises on firefighting, handling protective gear, and first aid in the field.

At our Finca Claritas in Darién, a training session on forest fire fighting took place. Topics covered included:

Forest fire control: Participants learned about firebreak positions and how to create firebreaks using tools like hoes, forest rakes, and machetes. A group exercise simulated a fire scenario to practice these techniques.

Fire protection equipment: The importance of wearing full protective gear during firefighting was explained. Participants demonstrated how to use this equipment.

First aid in the field: The focus was on basic first aid measures in the forest when a full first aid kit is not available, as well as on safety precautions. Pair exercises and group discussions deepened the learning.

Pests also pose a persistent challenge. Young trees are particularly vulnerable – for example, to the moth larva Hypsipyla grandella, which attacks cedar and mahogany trees. Additionally, leaf-cutter ants, termites, and caterpillars cause damage to young trees. Our response is an integrated, ecologically balanced pest management. We rely on early detection, careful monitoring, and the measured use of effective, environmentally friendly methods.

Our goal is clear: to build healthy, stable forests – even under difficult conditions. The experiences of last year show that we are well equipped for this: with strong teams, reliable technology, and a clear focus on resilience. Because real reforestation means not just planting trees – but taking responsibility to ensure they remain.

The moth larva Hypsipyla grandella commonly infests young mahogany or cedar trees.

HOW OUR FORESTS GAIN VALUE – STEP BY STEP

Our generation forests are not only growing in height – their impact and value are growing too, thanks to smart species selection, Panama's ideal climate, and careful stewardship over decades.

A forest doesn't grow overnight – and neither does its value. It grows – quite literally – with every single tree. When cultivated over decades with expertise, patience, and foresight, it becomes a living asset: ecologically, socially, and economically. This very principle is at the heart of our Generation Forest model. From seedling cultivation to the harvest of mature trees, our Generation Forests follow a long-term, carefully planned process that is both ecologically responsible and economically sustainable.

1 It all begins in the tree nursery

Before a single tree is planted in the ground, its journey begins in our nursery. This is where we grow the seedlings from carefully selected local seeds. The young plants are raised under controlled conditions until they are strong enough to be planted out. This first step is crucial: only healthy and resilient trees have the strength to thrive in the long term within the tropical ecosystem.

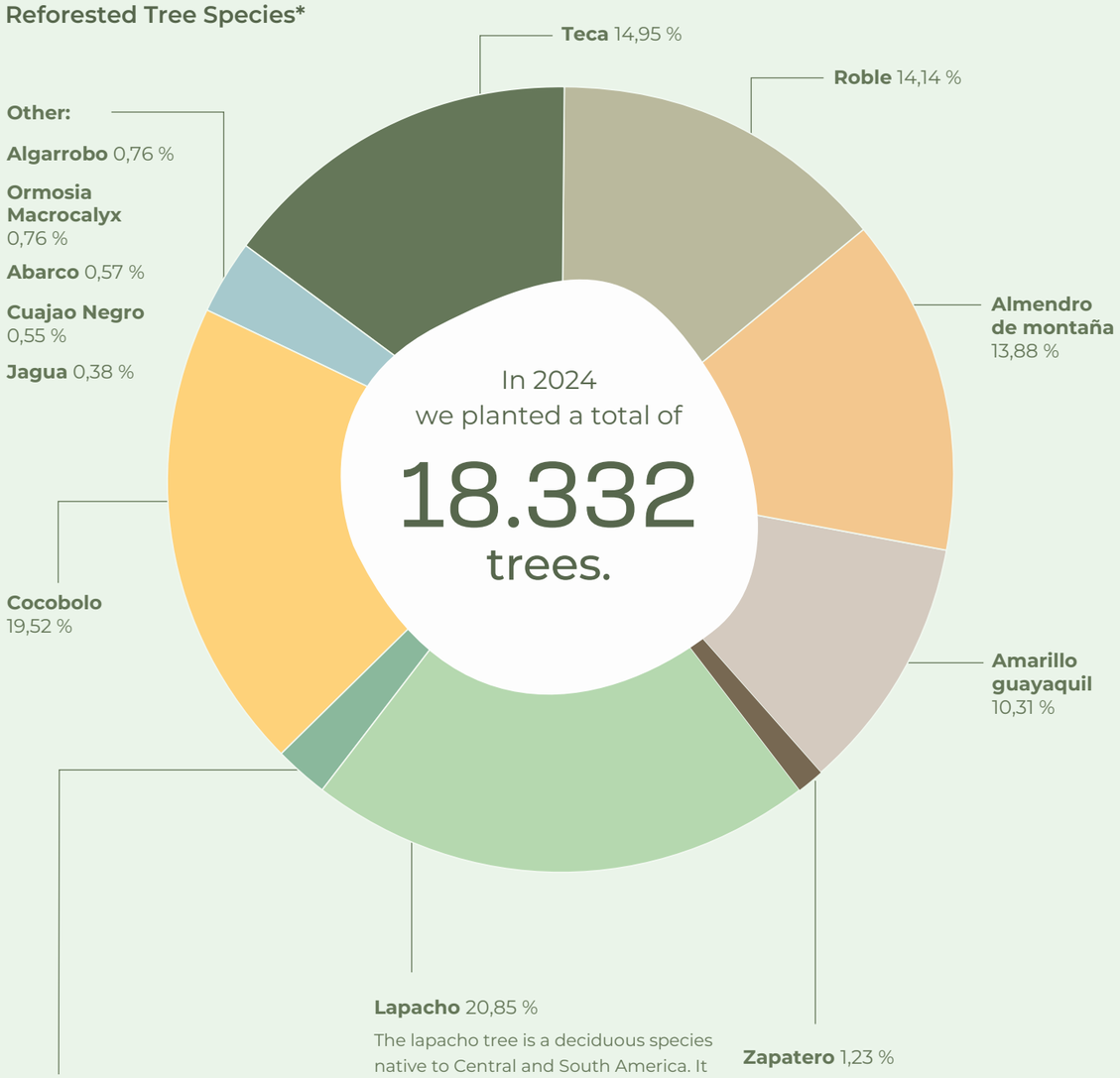
2 Reforestation – the right mix makes all the difference

When it comes to planting, it's about more than just the number of trees. We focus on mixed forests where different species complement one another meaningfully. Each tree species is carefully chosen – not only based on growth speed or timber quality, but also according to its ecological role:

- Fast-growing species like **Amarillo** *(Terminalia amazonia)* absorb CO_2 early and provide shade within just a few years, helping to retain soil moisture.
- Valuable hardwoods like **Mahogany** *(Swietenia macrophylla)* grow more slowly but yield stable timber returns over the long term.
- Climate-resilient species like **Cocobolo** *(Dalbergia retusa)* withstand dry periods particularly well – a key factor in the face of climate change.
- Ecologically important species like **Almendro** *(Dipteryx oleifera)* provide essential food for wildlife, support biodiversity, and help stabilize the local microclimate.

This targeted combination ensures that our forests are not only economically viable but also more stable, biodiverse, and resilient to external influences.

Reforested Tree Species*



Cedro Espino 2,1 %

The Spanish cedar (*Bombacopsis quinata*) is a fast-growing tree that can reach up to 40 meters in height. It thrives in well-drained, gravelly soils, particularly in dry forests and on hillsides. The tree is insect-resistant and is commonly used in reforestation projects. Notable features include its thorny bark and white blossoms. Its light yet durable wood is ideal for wall paneling and window frames. Due to deforestation, the species is now severely endangered.

Lapacho 20,85 %

The lapacho tree is a deciduous species native to Central and South America. It can grow up to 30 meters tall and has a straight trunk with a diameter of up to 80 cm. Its striking, trumpet-shaped blossoms in shades of pink to magenta appear before the leaves during the dry season. The wood is extremely hard and weather-resistant, commonly known as "Ipê" or "Lapacho" and used for outdoor constructions such as decking. The inner bark has traditionally been used for medicinal purposes, for example as a tea to treat colds and inflammation. Due to intensive logging, natural populations of the species are now under threat.

Zapatero 1,23 %

The Zapatero is a fast-growing, evergreen tree native to tropical regions from southern Mexico to the Amazon Basin. It can grow up to 50 meters tall and thrives in humid lowland forests. Its wood is heavy, durable, and resistant to rot and shipworms, making it valuable for construction, furniture making, railway sleepers, and boat building. In addition to timber, the tree provides tannins used for dyeing and tanning leather, and its bark is traditionally used in medicine, for example to treat coughs.

**Without reforestation*

3 Care and Monitoring – the First Years Are Crucial

The period after planting is especially sensitive: the first five years lay the foundation for a stable forest ecosystem. During this time, our forestry teams carry out intensive care measures: weed control, pest protection, replanting, and monitoring of growth rates are part of the standard routine. Only a well-managed young forest has the potential to develop into a closed, self-sustaining forest in the long term.

4 Thinning and Timber Sales

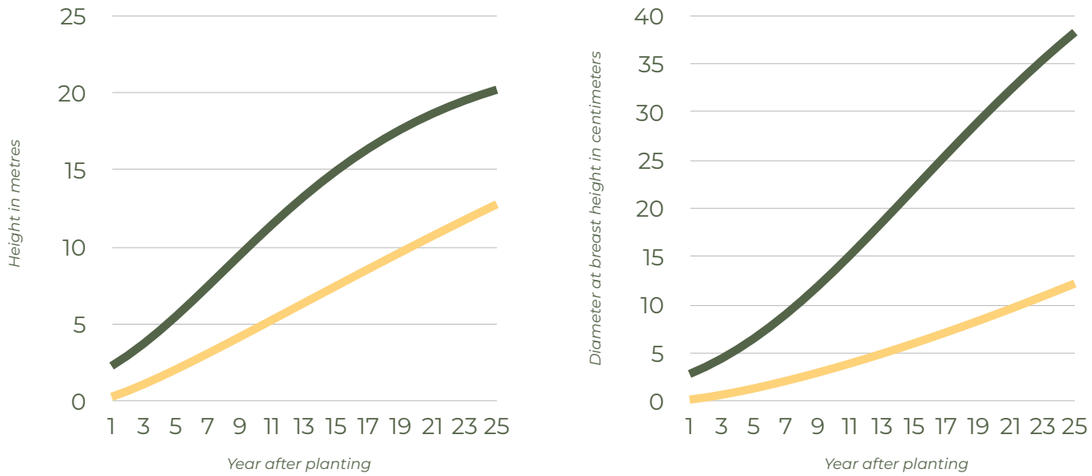
Once the trees have reached a certain size, we begin with the first selective thinnings. This measure is not only ecologically beneficial – it provides light and space for the remaining trees – but also marks the first step toward the economic use of our forests. In the following years, additional trees are harvested at careful intervals and the timber is sold.

The revenue from these timber sales flows directly back into the cooperative. Once these earnings have covered our initial investments – meaning we reach a positive balance – the profits are distributed proportionally to all members. This creates a sustainable circular model: the forests finance themselves in the long term, generate ecological and social impact – and yield economic returns for everyone who made them possible.

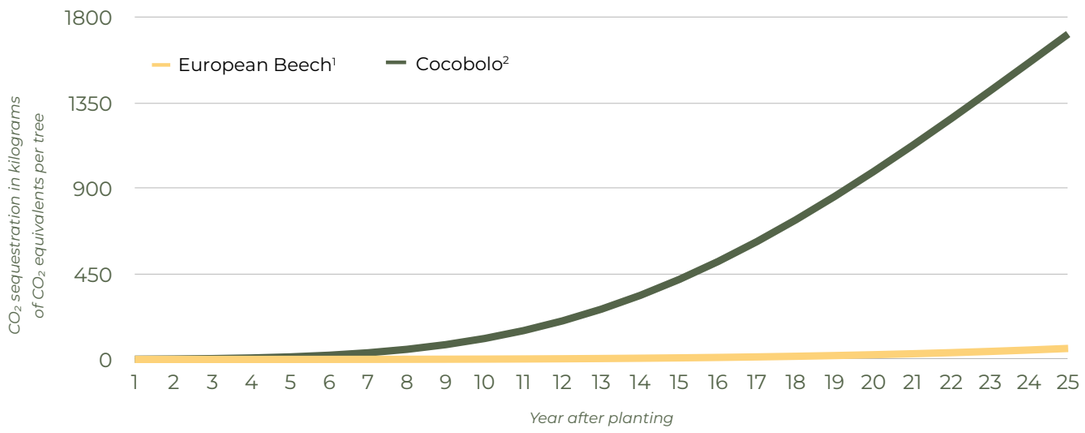
PANAMA – A LOCATION WITH IDEAL CONDITIONS

Our model takes into account the optimal conditions in the tropics – in Panama, many factors come together: the tropical climate with consistently high temperatures, regular rainfall, and fertile soils enables trees to grow significantly faster than in temperate zones. While a tree in Europe takes decades to reach a notable size, it can grow to that size in Panama in half the time.

Growth Comparison Cocobolo (Panama) vs. European Beech (Germany)



CO_2 Sequestration Comparison Cocobolo (Panama) vs. European Beech (Germany)



Assumption: Planting at a growth height of 2 meters. Calculation of CO_2 sequestration based solely on above- and below-ground biomass.
1. Fagus sylvatica: Data basis from Northwest German Forestry Research Institute (2024), M. Liesebach/Thünen Institute (2024); calculation by TGF.
2. Dalbergia retusa; Data basis from Futuro Forestal (2024); calculation by TGF.

Land prices in Panama are also comparatively low. This allows us to secure large, contiguous areas – a crucial advantage for building intact ecosystems and implementing economically viable forestry projects.

Data-Driven Monitoring – How We Verify Our Forecasts

Regular monitoring measures are part of our quality standards. We systematically record tree growth: tree height, diameter, crown development, and survival rates are incorporated into our models. The data collected enables us to review the original forecasts – and adjust them if necessary. Our current internal analyses paint a positive picture: according to initial calculations, the biomass increase on our lands exceeds the original expectations. This means our forests are not only growing steadily – they also store more CO_2 and can achieve higher economic value in the long term.

External Verification in Progress

To validate these results, our growth models are regularly reviewed by independent certification bodies. The goal is to reliably and transparently document the climate impact and economic development of the Generation Forests externally. We expect official confirmation of our calculations next year – marking another milestone in the transparency of our impact.

Payouts and Returns

Despite a lower reforestation volume last year, we are maintaining a good reforestation rhythm – always with the goal of economic profitability in mind. Ensuring that our members benefit from the forest's value is a core pillar of our sustainability promise. The combination of ecological impact and economic benefit can serve as a model that extends far beyond forestry. The exact timing and amount of annual payouts depend on the value development of our Generation Forests – which in turn depend mainly on the following factors:

- **Total and annual reforested area**
- **Mortality rate and annual replanting area**
- **Selection of reforested tree species**
- **Growth development of individual trees**
- **Reforestation, maintenance, and administration costs**
- **Timber price trends**

Value Grows When You Let It Grow

Our Generation Forests are a long-term investment in a livable future. Their value does not arise solely from timber sales, but from a complex interplay of ecological impact, social benefits, and economic viability. What is planted today grows over decades – contributing during that time to CO_2 sequestration, biodiversity, job security, and the stabilization of local ecosystems.

Invest now and create forests!

FORESTS AS LIVING CARBON SINKS

Forests are much more than green landscapes – they are active climate protectors. Our Generation Forests demonstrate how effectively CO_2 can be stored naturally.

Trees remove CO_2 from the atmosphere as they grow, converting it into biomass through photosynthesis and storing it long-term in trunks, branches, roots, and soil. This natural ability makes forests one of the most effective levers in the fight against global warming.

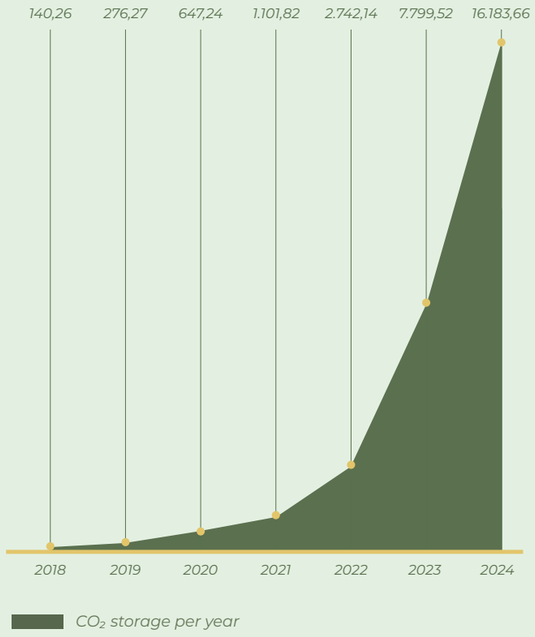
This potential is especially evident in our Generation Forests. Initially, young trees store little CO_2, but their storage capacity increases rapidly after just a few years. By the time such a forest matures, it stores on average around 20 tons of CO_2 per hectare per year – and this over many decades. By the end of 2024, our reforested and protected areas have effectively compensated over 16,000 tons of CO_2.

The calculation was confirmed by Verra, one of the leading certification bodies for climate projects. We are currently reviewing this calculation and adjusting it based on current growth data. Therefore, the actual storage capacity of our forests may differ from this estimate. This updated calculation will also be certified by Verra. We will present the results in next year's annual report at the latest.

What is already certain: the growth rates across all our areas are consistently positive. Our member and data scientist Dr. Martin Reiche has updated the original model with the first growth data for a detailed biomass projection. His result: 19,000 tons of CO_2 in biomass – more than the conservatively estimated 16,000 tons.

Our near-natural mixed forest is particularly effective: fast-growing species bind CO_2 early, while slower-growing, valuable trees store CO_2 in the long term and stabilize the ecosystem. In our calculations, trees that will be harvested later are no longer included. Unlike monocultures or short-term offset models, our forest is a true generational project – ecologically, socially, and climatically sustainable. This way, forest becomes a measurable contribution to a more stable climate.

CO_2 sequestration by our forests



ECOLOGICAL ENGINEERS

The sighting of a family of pumas in our forests shows: where reforestation takes place, life returns – and with it, the balance of entire ecosystems.

In our forests, a wide variety of animal species – from iguanas and toucans to big cats like the puma – find a home, often after just a few years. Many species in Panama are threatened by habitat loss and depend on intact and protected ecosystems for their survival.

But how can we tell if an ecosystem is healthy? Using camera traps, we have documented dozens of animal species on our lands – some of which are considered indicator species, signaling that our forests have developed into vibrant and stable ecosystems.

We were especially delighted when news came from Panama: a puma family is living in our forests. A mother with three cubs was repeatedly captured by a camera trap on our Finca Lastenia in the Darién region in eastern Panama. This is not only encouraging because the puma is considered threatened in many areas – it also plays a key role as an "ecological engineer" in maintaining the forest's balance.

A female puma with offspring on our Finca Lastenia.

Pumas Create Balance

Pumas sit at the top of the food chain and regulate populations of herbivores such as deer and rodents. Their absence can lead to overpopulation and disrupted vegetation, while their presence indicates a functioning ecosystem balance.

A habitat large and diverse enough to support pumas also provides space for countless other – often threatened – species. As an umbrella species, the puma symbolically represents the protection of entire communities of life. The richness of plant species promotes fauna diversity – and vice versa.

On several of our fincas, we conduct biodiversity monitoring together with the conservation organization Ancon. We have already presented results in past Impact Reports, and in 2024 several new species were added: using camera traps, we identified 25 different mammals, 64* bird species, and one reptile on our lands.

The fact that a puma family has settled with us powerfully demonstrates the contribution our Generation Forests make to biodiversity and the resilience of tropical ecosystems. Reforestation protects not just individual species – it preserves the balance of entire habitats.

* An update of the list of bird species identified so far showed that some species had been counted twice due to different naming conventions. Therefore, despite sightings of new species, the total number of observed bird species is slightly lower compared to the previous year.

Laureleana Guainora
Deputy Manager
of the Tree Nursery

"Nature is irreplaceable – it nourishes countless lives. It is a source, a home, and a foundation of life for all who rely on it."

PLANTING THE FUTURE – FOR PEOPLE AND FORESTS

With fair jobs, social security, and genuine participation, The Generation Forest is creating new opportunities for local and Indigenous communities in Panama – combining climate protection with social justice.

In Panama, a large portion of the rural population depends on agriculture and forestry – often under difficult conditions: without formal employment contracts, without social security, and without long-term prospects. Indigenous communities are particularly affected. Although they have lived in harmony with the forest for generations, they rarely benefit from its commercial use.

The Generation Forest addresses this challenge directly. Through our sustainable reforestation model, we not only create climate-resilient forests but also fair and long-term jobs on the ground. Last year, through our local subsidiary Waldmenschen S.A., we employed 220 people in our reforestation projects – 166 of whom came from Indigenous communities. Our employees receive employment contracts, social benefits, and wages that are above local market levels. A total of 351 people worked with us in 2024, including staff from our partner organizations Futuro Forestal and Panamá Verde.

But social impact is not created by fair wages alone. It grows through recognition, participation, and trust. That's why we work closely with Indigenous communities – as equals, with respect for cultural identities and local needs.

In this way, our Generation Forests unite climate protection with social justice: they provide secure incomes, strengthen local structures, and create future opportunities for people who have long been excluded from global progress.

"To me, the forest means everything. Our hope is that one day, our land will once again be fully covered with forest – forest that was once lost."

Juan Gonzales, Head of Forestry Operations

Create the future now:
Your investment protects the climate and improves the lives of those who care for the forest every day.

OUR IMPACT

With our Generation Forests, we create measurable impact. The positive effects in the areas of climate protection, biodiversity, and social justice are the foundation of our work – and the confirmation of our success.

To make the impact of our work measurable, we regularly evaluate key indicators – known as Key Impact Indicators. These help us visualize our progress and continuously refine our strategies.

In the area of **climate protection**, we record the annually reforested area and assess its performance as a CO_2 sink. The data is provided by our forestry partner Futuro Forestal in Panama and verified by the official Verra Verification Report.

For **biodiversity**, we launched a comprehensive monitoring program in 2022 together with the local NGO ANCON, which we have since expanded with regular camera trap surveys. This gives us an increasingly detailed picture of the species diversity within our forests.

Many of the documented species are listed on the IUCN Red List – their presence is a strong indicator of the high ecological quality of our areas.

We measure our **social impact** primarily through the employment figures of our subsidiary Waldmenschen S.A., whose staff work exclusively for The Generation Forest. We also include the personnel of our partner organizations Futuro Forestal and Panamá Verde, who work on our behalf. Using the FTE (Full-Time Equivalent) metric, we convert all types of employment into comparable full-time positions.

This continuous data analysis allows us to keep improving our methods – so that every euro our members invest generates the greatest possible impact.

18.332

trees newly planted in 2024, not including replanting efforts. Among them: two potentially threatened, one threatened, and one critically endangered tree species.

25 **Mammals**

64 **Birds**

1 **Reptiles**

observed so far in our Generation Forests. Among them are 41 species with declining populations, three potentially threatened species, five threatened species, and one critically endangered species (according to the IUCN Red List, as of December 2024).

16.184 CO_2

tonnes of carbon sequestered and removed from the atmosphere (from 2017 to the end of 2024).

220

employees in temporary and permanent employment contracts at Waldmenschen S.A. in 2024 (FTE).

166

employees (75.4%) from Indigenous peoples.

CLIMATE PROTECTION STARTS IN SMALL STEPS – OUR CO_2 FOOTPRINT

Even though we are not required to, we measure our emissions – out of conviction. Because those who plant forests should also take responsibility for their own actions.

Although as a cooperative we are neither required to report CO_2 emissions nor do we operate an emissions-intensive business model, we are clear: Anyone who speaks credibly about climate must also take responsibility themselves. That is why we regularly take a critical look at our own emissions – out of conviction, not regulatory pressure.

Why this is important

Companies play a central role in the fight against the climate crisis. Knowing one's own emissions enables targeted action, making processes more climate-friendly and communicating credibly with stakeholders. For us, CO_2 accounting is not an end in itself but a tool to make informed and effective decisions. It helps us anchor climate protection internally – as part of our values, not just as a promise of impact.

Our approach: What we have examined

CO_2 accounting distinguishes between three categories (scopes):

Scope 1: direct emissions
(e.g., from own vehicles or heating)
Scope 2: indirect emissions from purchased energy
(e.g., electricity)
Scope 3: upstream and downstream emissions
(e.g., business travel, IT service providers)

Result: Samples provide an initial overview

Since we do not own a vehicle fleet and our office is powered by green electricity from renewable sources, our Scope 1 and 2 emissions are comparatively low. Therefore, our analysis focused on Scope 3 – emissions generated by service providers, travel, procurement, or communication.

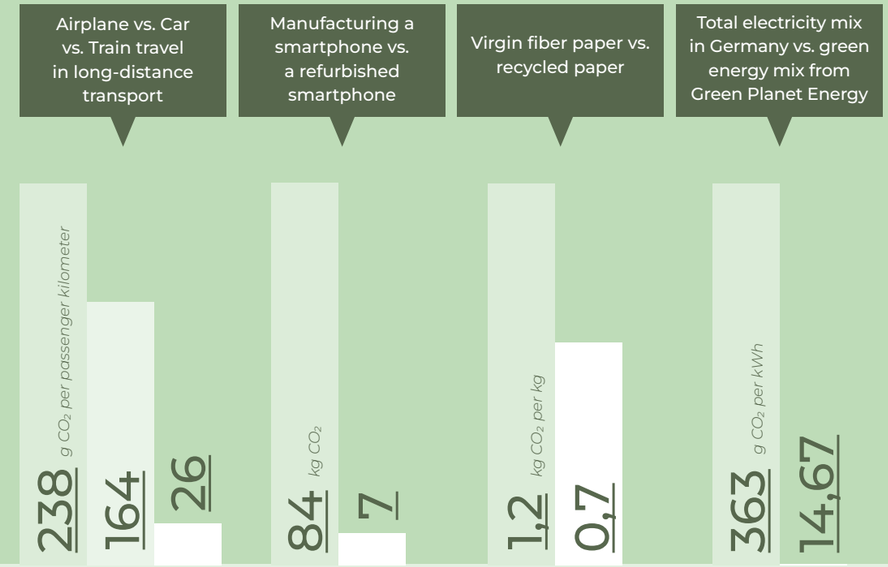
Some examples:

- Business trips are almost exclusively by train (according to Deutsche Bahn about 0.026 kg CO_2 per passenger kilometer for long-distance travel)
- Our service providers' servers are located in Europe; IT hardware is mostly sourced through second-hand platforms
- Our Impact Report is printed on recycled paper by a printer that offsets its emissions

In the areas examined, emissions of about 20 tons of CO_2 occurred. This includes the most important, but not all, business areas. Compared to other companies, this is a very small number – yet we see definite potential for savings here. The emissions generated by reforestation in Panama were consciously excluded from this review: they are directly linked to the CO_2 sequestration of our forests – and thus the core of our positive climate impact.

CO_2 emissions in comparison:
Even small everyday decisions can make a big impact – as shown in this graphic.

Calculate your company's carbon footprint together with us! Contact us: info@thegenerationforest.com



Lukas Mörchen
Business Development
The Generation Forest

With The Generation Forest, companies can reduce their CO_2 footprint and actively contribute to building thriving forests. For more information, contact our team at +49 40 2286 4127 or book an online consultation here.

INTERVIEW: WHY WE MEASURE OUR EMISSIONS

Why does The Generation Forest even calculate its own CO_2 footprint?
We don't just want to talk about climate protection – we want to live it internally. The CO_2 footprint is a learning tool for us: it helps us better understand our scope for action and make targeted sustainable decisions – without claiming to be perfect right away.

What have you learned from it?
That many small decisions add up to make a difference – and that it makes sense to just get started. Our experience shows it's not about pinpoint-accurate calculations, but about being aware of your own levers.

What advice do you give to other companies that want to measure their emissions?
Even simple CO_2 calculators provide a good first overview. It's not about calculating every last gram, but quickly finding out: Where are the biggest emissions? And where can they be reduced with little effort? Often, just switching to green electricity or taking the train instead of flying leads to noticeable improvements.

At the same time, it's important to realize that savings alone cannot restore what we have long taken from the Earth. So we must go beyond reducing emissions and actively contribute to restoring ecosystems – for example, with our Generation Forests. They don't just store CO_2, but connect climate protection with real impact on the ground.

BETWEEN WAVES AND FO– RESTS

From time to time, some of our members visit our reforestation sites on location when they happen to be traveling in Panama or elsewhere in Latin America. Our member Stefan shares his experience.

This year, I'm celebrating 30 years of self-employment with my company ODS – a perfect reason to fulfill a long-held dream: to go on a big sailing tour once again. Ten years ago, I already sailed an unforgettable leg from Mauritius to South Africa. This time, the route choice was from Martinique to Panama.

Panama immediately made me think of The Generation Forest. As a cooperative member, I contribute to the reforestation of tropical forests – so what could be more natural than taking the opportunity to visit one of the sites in person?

Before passing through the Panama Canal, we had a few days to wait and were able to visit the Finca Santa Rita near Colón. The office in Panama arranged contact with Hector, who was to welcome us on site. Spontaneously, three more fellow travelers joined after I told them about the Generation Forest on board.

We rented a car, which we thought would be enough – but the closer we got to our destination, the more the road turned into an adventure. In the end, Hector's colleague Edgardo had to rescue us with an old Land Cruiser – which only increased our excitement.

What awaited us then exceeded all expectations: No plantation, no bare patches – just dense, green rainforest as far as the eye could see. Hector led us for two hours through various areas, explaining the philosophy behind the reforestation, shaped by mixed forests, biodiversity, and long-term care.

What impressed me especially was that many of the trees, already several meters tall, had only been planted four years ago. The concept works – and it feels great to be part of it. Our communication with Hector ran via smartphone translator – not always smoothly, but with lots of laughter included.

Thanks to the team at The Generation Forest for making this visit possible!

Stefan Schröter

"TRUST IS MORE POWERFUL THAN ADVERTISING"

I'm Lucas Schäfer, and I've been a member of The Generation Forest for several years.
What convinced me back then was another member – a weekend, a few honest conversations, and I was sold.

In advertising psychology, they talk about so-called "touchpoints" – meaning how many times someone needs to be exposed to an idea to be won over. Science says it can take up to 14 such touchpoints. For a cooperative share, probably even more. But in a personal conversation, when trust is there, it takes much less.

Because I'm genuinely convinced, I like to talk about The Generation Forest – naturally, for example at a barbecue: "Do you know about the concept?" I ask the first time. The second time: "Have you joined yet?" And eventually they ask me: "How does it actually work?"

I'm not doing advertising. I'm just sharing why I'm part of this cooperative. And often that's enough. Of course, not always – but often enough.

By now, I've convinced more than a dozen people to become members themselves. I believe we need exactly this kind of strength from the heart of the community. Because real solutions to the great crises of our time are still talked about far too little. That's why it's so important that we get the ball rolling.

Recommend us!

Support the Generation Forest by telling others about us. If you recruit a new member for us, you'll even get a reward. Contact us for more information: info@thegenerationforest.com

A MESSAGE TO WEAR

With every shirt, a statement for the forest: Merchandise from The Generation Forest for members and supporters coming soon.

In a time when visible signs of change are needed, we want to set another sign together with you – quite literally: Our small but impactful The Generation Forest shop will be launching soon.

Together with GoodBuy, a platform for socially and ecologically sustainable products – and a member of our cooperative – we are bringing our first products to market: T-shirts, socks, and tote bags that allow you to carry our message into the world.

The start: A high-quality, fairly produced T-shirt, available in two colors (beige and terracotta) and two cuts (unisex and fitted), featuring our logo on the front. The beige unisex T-shirt also optionally comes with a bold lettering on the back. It's designed not only to look good but to give you a tangible feeling of belonging. Because whoever wears The Generation Forest shows commitment – to climate, justice, and the future.

These products strengthen our sense of community: They connect us, make us visible, and create conversation starters. Every shirt, every bag is an entry point into a discussion about reforestation, climate protection, and the idea that a different kind of economy is possible.

At the same time, with every purchase, you support not only the visibility of the cooperative but also social enterprises like GoodBuy – and thereby an economy that thinks ahead.

The shop will launch soon – and maybe it's just the beginning. Together, we will make The Generation Forest even more visible. In everyday life, at events, or simply on the go.

As soon as it starts, we will inform you via our newsletter and the Impact Account.

Sign up for the newsletter now!

Register now in your Impact Account!

GOODBUY

THANK YOU!

In a world where political goals fade and global forest loss reaches new records, your decision to support The Generation Forest is anything but self-evident.

Especially now – at a time when many people feel powerless – you are taking a different path. You become active. You plant. You take action. And by doing so, you show that hope is more than just a feeling: it is an attitude.

With your involvement, you not only enable the reforestation of tropical rainforests, but you also create secure jobs, protect biodiversity, and invest in long-term change.

You demonstrate that one should not be discouraged by headlines but continuously work toward a better future. Many increased their cooperative shares last year, thinking: "Now more than ever!" And you are absolutely right! It is the perfect time to move forward and take responsibility.

For that, we thank you from the bottom of our hearts. Because it is your trust that sustains our work. Your shared responsibility makes our vision real. And your commitment shows: a fairer, greener world is possible – if we shape it together.

Thank you for being part of our growing community.

Not a member yet?
Follow this link and join our cooperative in just a few steps – completely online.

You are a member and want to expand your contribution?
Follow this link to increase your shares.

The Generation Forest eG
Max-Brauer-Allee 218
22769 Hamburg
Cooperative register: GnR 1083
Register court: Hamburg

Represented by:
Charline Joost
Dr. Mathias Hein

Supervisory Board:
Andreas Eke
Dr. Verena Sandner Le Gall
Axel Kleinefenn
Simon Daum

Our cooperative is audited annually by the Auditing Association of German Transport, Service and Consumer Cooperatives (Prüfungsverband der Deutschen Verkehrs-, Dienstleistungs- und Konsumgenossenschaften e.V.).

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info@thegenerationforest.com
www.thegenerationforest.com

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