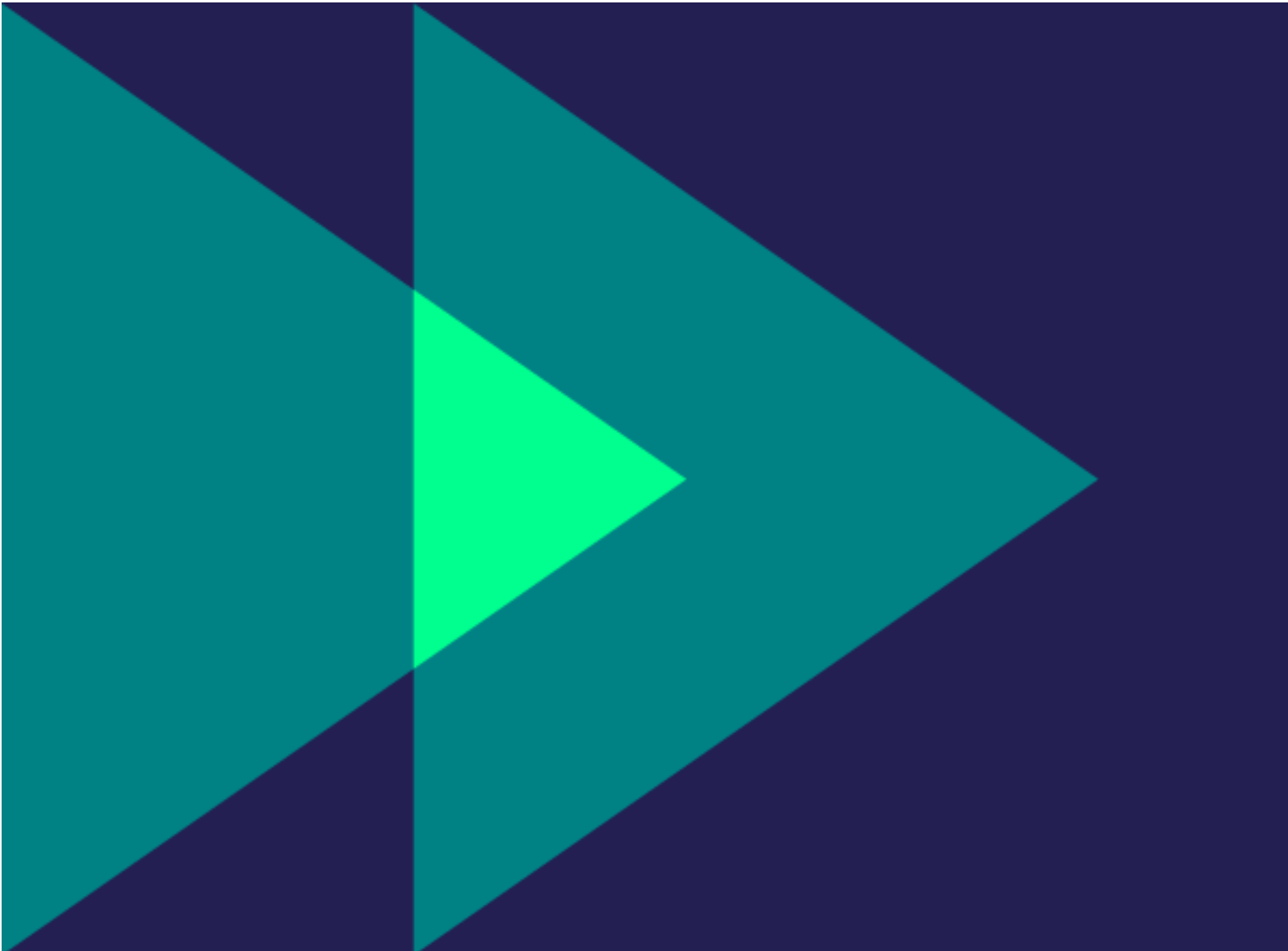


VALIDATION REPORT

The Generation Forest eG
2022 MS0002



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Details of the validation process

	Validation request	First review	Feedback call	Hand-in revisions	Final review	Wrap-up call
Date	4/11/2022	4/11/2022	14/11/2022 15:30	15/11/2022 18:30	15/11/2022 20:15	21/11/2022 15:00
Result	Valid, positive and significant			Valid, positive and significant		

Colofon

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Project name: The Generation Forest eG
Project CIF lead: Lukas Mörchen, Account Management
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Introduction and definitions

This Validation report documents the Validation of a Climate Impact Forecast:

Validation is a review process performed by an impartial impact expert to determine if a CIF is Valid, Positive and Significant.

The **Validation process** usually takes two weeks and includes a first review, a first feedback call between the team and validator, time for revisions if needed, a final review and a final results call. For a detailed description see www.impact-forecast.com/cif-validations

The **review** comprises a structured check using our CIF Validation tool, a sensitivity analysis and the writing of an Impact story. CIF trainers with LCA expertise are trained to perform this process in a uniform and objective way.

CIF Validations are made on the request of the project team, and possibly commissioned by an impact organisation. The results are used by teams and organisations to compare and communicate the climate impact of projects.

A **Climate Impact Forecast** or CIF is an LCA based calculation of the GHG reduction or climate adaptation potential of a project. Using our CIF tool, the project team found the net climate impact of the key differences between business as usual and their innovative solution.

The **Impact data** in this report, and in CIF in general, is calculated with information from the project team and from the CIF tool. Technical details, amounts and assumptions in the calculation are provided by the project team. Impact factors (LCI data), impact equivalents and the calculation itself are provided by the CIF tool.

The **CIF tool** is used by teams to improve their impact and support design and business decisions with impact data.

CIF results are the project's potential or actual avoided emissions in tCO₂eq.

Every CIF Validation result consists of three independent outcomes:

Valid

A CIF is valid if it is representative of the project, using appropriate data and well justified assumptions. Therefore, the CIF and its results are representative of the potential for the project to mitigate, enable or adapt to climate change.

Detailed requirements for validity are specified on www.impact-forecast.com/cif-validations. A CIF can be Valid, Plausible, Improbable and Invalid.

Positive

A CIF is positive when it shows that the project has a lower climate impact than business as usual, or improved climate resilience in the case of adaptation. A positive mitigation or enabler CIF shows the avoided GHG emissions in -tCO₂eq.

This outcome depends on a sensitivity assessment. CIF results can be Positive, Positive within limits, Unclear, Sensitive and Negative.

Significant

A CIF is significant when the project has a climate impact (positive or negative) greater than 5 tonnes of CO₂eq per year. This is roughly the global average annual CO₂ emissions per person, and the mass of a male African Elephant.

The threshold for significant impact can be set to a higher amount for a particular organisation or occasion. The result can be Significant or Marginal.

Impact story

An impact story is a summary of how a project makes a positive climate impact. It is written by the validating impact expert and contains the key impact data from the Climate Impact Forecast.

THE GENERATION FOREST IS DEMOCRATISING AND SCALING THE REFORESTATION IN PANAMA

Rainforests help stabilise the world's climate by absorbing carbon dioxide from the atmosphere and are often called the lungs of the world. They also stabilise climate, house incredible amounts of plants and wildlife, and produce nourishing rainfall all around the planet. Therefore, rainforests play a very important role in mitigating climate change and reforestation can help to reach climate goals globally.

How does The Generation Forest make a positive climate impact? Compared to which baseline?

The Generation Forest eG acquires new capital by selling cooperative shares. The equity of the cooperative is used to finance the permanent reforestation of tropical forests in Panama to create new economic and ecological value on degraded agricultural land.

Rain Forests are storing a big amount of greenhouse gases and play an important role as nature based solutions to fight climate change and as ecosystems for flora and fauna. The sustainable forest management of The Generation Forest eG, is key to have an impact on climate, by scaling the absorption capacity of rain forests, and on local economy, by creating an alternative to, i.e. soya farming. Healthy rain forests are also important to sustain adaptation capacities, save fruitful soils and create a liveable climate for humans, plants and animals.

The Generation Forest eG is democratising reforestation, as everybody can be part of it by investing private capital not into standard financial products but into the work of The Generation Forest eG in Panama.

How much impact, and what does it depend on?

A typical user of the services of The Generation Forest eG is investing money to get 3 shares of the cooperative. This is having a positive impact by saving around 3.5 tCO₂eq per year and in total more than 3.5 KtCO₂eq, if around 1000 typical users per year are changing their normal behaviour of investing their private capital. This is equivalent to the emissions of the annual electricity demand of around 1,500 EU households.

The main driver of The Generation Forest eG is the reforestation of degraded agricultural land. Another driver for positive impact is the redirection from investments in business as usual financial products and therefore, the “divestment” of fossil based assets. Operations and marketing of The Generation Forest eG are negligible and only cause minor emissions.

Validity

The forecast is valid, positive and significant. All assumptions are explained and filed with sources and calculations. The impact stays also positive, if typical users are only buying one or even less shares.

Co-benefits

Next to the potential of absorbing greenhouse gases, reforestation has also a positive social impact on local economies by creating jobs in a sustainable sector and reducing the dependence of old, fossil based industries.

Climate Impact Forecast and Validation result

The Generation Forest eG enables retail investors to invest in reforestation by selling cooperative shares. The difference in impact of The Generation Forest eG per year is calculated assuming that 10000 retail investors are reached, of whom 10% are expected to change on average 100% of their current invest in the stock market (MSCI World as baseline). That is equivalent to 1000 fully changed users.

per reached user	The Generation Forest is a financial enabler. Our main emissions as a cooperative are connected to the administration of our cooperative and the marketing to increase our capital for reforestation. We use different marketing tools (social media ads, other online ads, inserts in magazines, (trade) fairs, one out of home campaign). As a simplification, I picked out our travel to the fairs as well as the magazine inserts. Additionally, I used our brochure which can be ordered on our website for more information. Brochure (Paper): The print is already set-off by the printing company. Our print brochure has a conversion rate of 16,5%, which means we send around 6.000 brochures to acquire 1.000 new members. Transport: We do not travel much and try to have all of our meetings digital. We travel in a year 5.000 km with the train to fairs in Germany, Austria and Switzerland with two people per fair. (=10.000 km per year for 1.000 new members or 10 km per User) Magazine Inserts: One of your advertisement strategies is to reach potential new members with magazine inserts. These are much smaller than our brochures but also CO2 neutral printed.
per changed user	The impact is calculated for 1.000 new members in a year. A member is defined as a fully changed user. The average member at The Generation Forest owns 3 shares. One share reforests 500qm of tropical forest and costs 1431€; It is an assumption that the a user is fully changed if he or she invests 10% of his or her investment in The Generation Forest eG. Some members choose The Generation Forest as their first investment and have more than 10% of their total investment; some have less than 10% of their portfolio in our cooperative. This assumption would mean that the total portfolio of a average user (member) is 42.930€ : The CO2 compensation of our forests is 20t per hectare (1t per share) per year.,This is certified by Verra with the VCS-CCB Standard; Underlying is a model which shows the storage of CO2 in the different years: naturally the storage capabilities of a forest deviate from an norm over its lifespan; to simplify we choose to communicate and use the average carbon capture per year over the first 34 years; 1500sqm per User (=0.15 Hectare) Less Emissions than Average Investment on the stock market: Assumption (1 Dollar = 1 Euro); The MSCI World is an Index, which reflects the world economy. Therefore, it is a good tool for an average investment in the stock market.
our overhead	Website: Our Website has around 100.000 visitors per year. Electricity (Office): The electricity is the kWh, which we estimated with our energy provider. Our energy provider produces the electricity with hydropower and other renewable energies only. However, we assumed here, that we use the german electricity mix.

Validation	By: Martin Sohott, Started: Tue Nov 15 2022 20:04:47 GMT+0100 (CET), Completed: Tue Nov 15 2022 20:12:28 GMT+0100 (CET)
Strong points	assumptions made clear and supported with valid sources, explanations and calculations
Weak points	no weak points within the ClF file
Sensitivity	impact stays positive, also if only 1/10 of the reforestation is successful or the users only invest very little.

per reached user	kgCO ₂ -eq.	quantity per reached user	kgCO ₂ -eq. per 10000 reached users
+ 🏠 Brown paper (kraft liner), FSC 70 gr/m2 ✔	0,01417 per m2	15,625 m2 ✔	2214
+ 🚆 Emissions Train in Germany per Person per KM ✔	0,05 per KM	10 KM ✔	5000
+ 🏠 Brown paper (kraft liner), FSC 70 gr/m2 ✔	0,01417 per m2	0,13436 m2 ✔	19,04

per changed user	kgCO ₂ -eq.	quantity per changed user	kgCO ₂ -eq. per 1000 fully changed users
+ 🌳 Reforestation of degraded agricultural land ✔	-2000 per Hectare	0,15 Hect ✔	-3000000
- 📈 Investment in Stock Market (Example: MSCI W ✔	0,1321 per Euro	4293 Euro ✔	-567105

our overhead	kgCO ₂ -eq.	quantity per The Generation Forest eG	kgCO ₂ -eq. per The Generation Forest eG
+ ⚡ Electricity Germany ✔	0,1169 per MJ	12600 MJ ✔	1473
+ 🏠 CO2 Emission per Visitor ✔	0,000 per Visitor	100000 Visitor ✔	20

The Generation Forest eG's total impact per year

eco-costs of human health euro	unknown
eco-costs of eco-toxicity euro	unknown
eco-costs of resource depletion	unknown
eco-costs of carbon footprint euro	unknown

Impact per changed user
Impact of The Generation Forest eG in total

Carbon footprint CO ₂ eq.
-3558 kg
-3.6Kt

Equivalent to

Impact validation








VALID, POSITIVE AND SIGNIFICANT


All data and assumptions are approved.



161744 trees

731 Average humans

					
440	3591	6911	1496	712	642
times driving a car around the world	passengers flying London-New York	barrels of oil burnt	EU households annual electricity	elephants mass (5t) of CO ₂	hot air balloons (2800 m ³) of CO ₂

<p>validated in November 2022 validation id:</p> <p style="font-size: 2em; font-weight: bold; text-align: center;">MS0002</p> <p>Verifiable at www.impact-forecast.com</p>	<h2 style="margin: 0;">THE GENERATION FOREST EG</h2> <p>Has the potential to enable a climate impact reduction of</p> <p style="font-size: 2em; font-weight: bold; margin: 10px 0;">-3,6</p> <p style="margin: 0;">KtCO₂eq / year</p>	<p>Validity of forecast</p> <p> Valid</p> <p>Impact compared to baseline</p> <p> Positive</p> <p>Magnitude of impact</p> <p> Significant</p>
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Validation quality mark can be checked on: www.impact-forecast.com

More information

We help companies to know, show and grow their climate impact. More information about the validation process you can find on our website: www.impact-forecast.com

