



UPDATE OF THE 12TREE SUSTAINABILITY REPORT  
MAY 2021



**Richard Focken**  
Chief Executive Officer

**“Dear reader,**

For those of us who care about climate change mitigation, the Covid-19 year bore some good news. For the first time in over a century, global CO<sub>2</sub> emissions dropped by approximately 7%, due to a notable decrease in travel and industrial output. This is little consolation for so many people who have suffered the economic and health effects of the pandemic. However, we hope that some of the lessons learned through this ordeal might spur us to address climate change more seriously. Seeing that the reduction in output can mitigate our climate impact may offer some cause for optimism, but we must remember that CO<sub>2</sub> stays in the atmosphere for at least 20 years. In a best-case scenario, we will experience a small deceleration of global warming 20 years from now. The urgency to act against climate change remains more pressing than ever.

**12Tree’s agroforestry approach actively sequesters CO<sub>2</sub> whilst increasing or preserving biodiversity and improving soil health.**

Large-scale establishment of Nature-Based Systems, paired with a significant reduction of emissions by big corporations and energy companies, may be the only way for our planet to avoid reaching dangerous levels of warming. Photosynthesis has been around for at least 500 million years and is incredibly effective at reducing carbon dioxide in the atmosphere. It is also at least 10 times cheaper and more efficient than any carbon sequestration technology currently available to humans. Getting our hands dirty, enriching and improving our soils, stopping land degradation and tree cover loss, and recreating biodiverse systems is our preferred way to offset the impending crisis.

Our projects involve planting millions of trees every year. But planting trees is not enough. That is why we are also designing holistic ecosystems that deliver solid returns from tree-based agriculture, forestry, and ecosystem services. 12Tree’s human-centric approach places workers and farmers at the center of these ecosystems.

We believe in profitability. But not just for profit’s sake nor for mindless growth. For the benefit of our investors, workers, stakeholders and future generations, we strive to holistically optimize profitability across all our projects.

We are excited to announce that we have reached a long-term offtake agreement with a prominent chocolate maker. The agreement, which includes premiums for sustainability, is an important achievement in the industry.

Further supporting our approach to disintermediate existing supply chains and deliver high quality and sustainable products directly to producers and retailers, leading European retail brands have also become direct offtakers of our produce.

12Tree is reengineering parts of the global food supply chain to be truly sustainable from bean to bar and from farm to fork. With the help of a growing number of professional and institutional investors, we build the required bridge between institutional capital and impactful nature-based investments by providing thought-leadership and operational execution. We are grateful for the trust of our investors, our highly dedicated team, and our partners for allowing us to be a driver of this transformation.

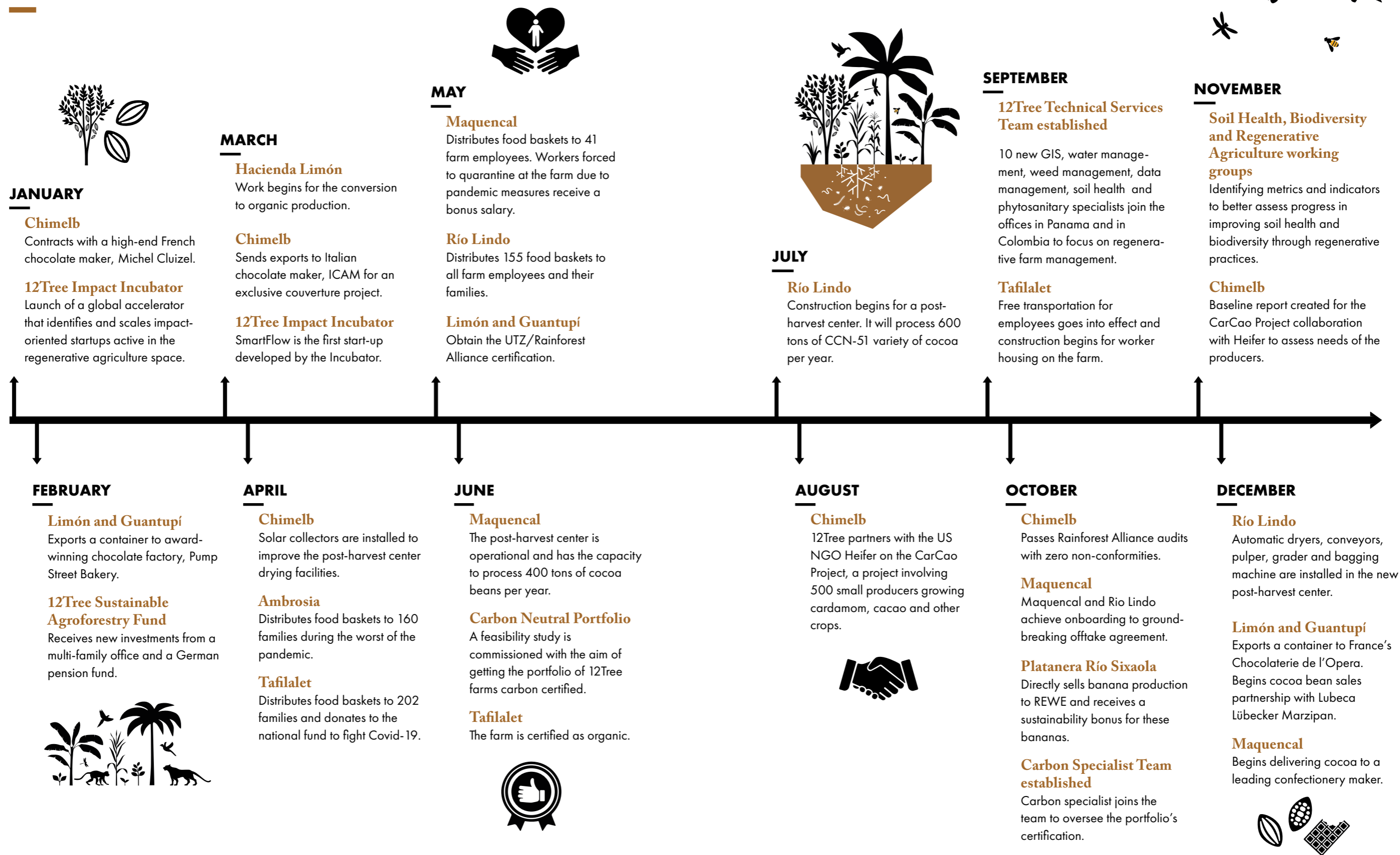
With all humility in the light of the challenges facing us, we are proud to share the case studies of our farms and forests which showcase those who work hard to meet our ambitious goals. We realize that a lot remains to be done and that we are nowhere near perfect in our endeavors yet. Rebuilding our global forests, changing farming to regenerative practices, leveraging multi-crop and biodiverse agroforestry systems is going to take many decades and calls for mobilizing global capital at a massive scale. In order to avoid mistakes of the past, striving for the highest possible quality and improving livelihoods wherever we go is what we do. This is our promise to you as 12Tree.”

Richard Focken, CEO

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# MILESTONES 2020



## JANUARY

**Chimelb**  
Contracts with a high-end French chocolate maker, Michel Cluizel.

**12Tree Impact Incubator**  
Launch of a global accelerator that identifies and scales impact-oriented startups active in the regenerative agriculture space.



## MARCH

**Hacienda Limón**  
Work begins for the conversion to organic production.

**Chimelb**  
Sends exports to Italian chocolate maker, ICAM for an exclusive couverture project.

**12Tree Impact Incubator**  
SmartFlow is the first start-up developed by the Incubator.

## MAY

**Maquencal**  
Distributes food baskets to 41 farm employees. Workers forced to quarantine at the farm due to pandemic measures receive a bonus salary.

**Río Lindo**  
Distributes 155 food baskets to all farm employees and their families.

**Limón and Guantupí**  
Obtain the UTZ/Rainforest Alliance certification.



## JULY

**Río Lindo**  
Construction begins for a post-harvest center. It will process 600 tons of CCN-51 variety of cocoa per year.



## SEPTEMBER

**12Tree Technical Services Team established**  
10 new GIS, water management, weed management, data management, soil health and phytosanitary specialists join the offices in Panama and in Colombia to focus on regenerative farm management.

**Tafilalet**  
Free transportation for employees goes into effect and construction begins for worker housing on the farm.

## NOVEMBER

**Soil Health, Biodiversity and Regenerative Agriculture working groups**  
Identifying metrics and indicators to better assess progress in improving soil health and biodiversity through regenerative practices.

**Chimelb**  
Baseline report created for the CarCao Project collaboration with Heifer to assess needs of the producers.



## FEBRUARY

**Limón and Guantupí**  
Exports a container to award-winning chocolate factory, Pump Street Bakery.

**12Tree Sustainable Agroforestry Fund**  
Receives new investments from a multi-family office and a German pension fund.



## APRIL

**Chimelb**  
Solar collectors are installed to improve the post-harvest center drying facilities.

**Ambrosia**  
Distributes food baskets to 160 families during the worst of the pandemic.

**Tafilalet**  
Distributes food baskets to 202 families and donates to the national fund to fight Covid-19.

## JUNE

**Maquencal**  
The post-harvest center is operational and has the capacity to process 400 tons of cocoa beans per year.

**Carbon Neutral Portfolio**  
A feasibility study is commissioned with the aim of getting the portfolio of 12Tree farms carbon certified.

**Tafilalet**  
The farm is certified as organic.



## AUGUST

**Chimelb**  
12Tree partners with the US NGO Heifer on the CarCao Project, a project involving 500 small producers growing cardamom, cacao and other crops.



## OCTOBER

**Chimelb**  
Passes Rainforest Alliance audits with zero non-conformities.

**Maquencal**  
Maquencal and Rio Lindo achieve onboarding to groundbreaking offtake agreement.

**Platanera Río Sixaola**  
Directly sells banana production to REWE and receives a sustainability bonus for these bananas.

**Carbon Specialist Team established**  
Carbon specialist joins the team to oversee the portfolio's certification.

## DECEMBER

**Río Lindo**  
Automatic dryers, conveyors, pulper, grader and bagging machine are installed in the new post-harvest center.

**Limón and Guantupí**  
Exports a container to France's Chocolaterie de l'Opera. Begins cocoa bean sales partnership with Lubeca Lübecker Marzipan.

**Maquencal**  
Begins delivering cocoa to a leading confectionery maker.



A CONVERSATION WITH CAROLINA MEJÍA, HEAD OF THE TECHNICAL SERVICES TEAM

## IN SEPTEMBER 2020 A TEAM OF TEN AGRICULTURAL EXPERTS FROM LATIN AMERICA JOINED 12TREE

The team members have expertise in the following specializations: GIS, water management, weed control, pest and disease control, data management, nutrition, canopy management, and yield projection. Their work is focused on transitioning the farms into profitable and regenerative agricultural systems.

**Please tell us a little bit about yourself and your team.**

**Carolina Mejía:** I am Carolina Mejía and I have been working with 12Tree since 2017. I started as Project Supervisor and am currently the Head of the Technical Services Team. Our team is located in Colombia and Panama. This allows us to be in close contact with the farms.

**Why did the company decide to form a team of experts?**

**Carolina:** Regenerative agriculture exists in the Latin American region, but large-scale industrial agriculture is much more commonly practiced. 12Tree Farms are truly exceptional in the region, and it is not only because these practices are rarer. 12Tree farms demonstrate that regenerative farming is not only valuable ecologically and sociologically but can be also profitable.



Sustainable management calls for constant evolution and improvement. The decision came about because we wanted to have a team that is exclusively dedicated to addressing the ecological and technical challenges of the farms. The team is tasked with making sure that our fieldwork is aligned with the highest possible standards in our industry.

**What are the main tasks of the group?**

**Carolina:** Our group has two main tasks. The first one is to build a knowledge network and the second one is to provide technical guidance for the farms. These two tasks are complementary, because building such a network helps us connect and build on the knowledge and experience accumulated across farms. Having this knowledge exchange improves our overall technical excellence. All team members are experts in their respective fields, making the group wholesome and versatile.

**Can you give an example of one of your projects?**

**Carolina:** The team is currently working on the Farm Management Plans for several farms. One example is Hacienda Maquencal. Maquencal is the largest cacao farm in the Caribbean region of Colombia. Our work involves training the pruning teams, making the irrigation systems more efficient and optimizing weed and pest control. A specific goal here is to reduce the use of chemical herbicides and pesticides and to increase the use of non-chemical control measures, such as cover crops or mulching.

For example, one recommendation was using *Desmodium* as a soil cover. This helps reduce soil temperature and evaporation, which translates into water savings for the irrigation system, and an increase in organic matter in the soil in the medium and long term. The farm has purchased the seeds already and they are germinating. In the short term, Maquencal will also implement a soil moisture monitoring system in the irrigation system to ensure more efficient usage of water.

# OUR DEFINITION OF REGENERATIVE AGRICULTURE

The term “regenerative agriculture” is neither protected, nor defined very well. For these reasons, it is particularly vulnerable to greenwashing.

In other words, conventional farms can also claim to be operating “regeneratively” without risking anything. To clarify our stance and be transparent with our investors, staff and operators, we thought it was important to create our own definition and communicate it effectively and thoroughly, making sure we are all aligned.

“Regenerative agriculture” describes farming and grazing practices that, along with other benefits, help mitigate and adapt to climate change. These practices include rebuilding soil organic matter and restoring degraded above-ground and below-ground biodiversity, resulting in both carbon drawdown and improved water cycle. More specifically, “regenerative agriculture” is a holistic land management practice that leverages the power of photosynthesis in plants and of soil biology to close the carbon cycle, and build soil health, crop resilience and nutrient density.

12Tree works in different countries and regions, with unique ecosystems and soil types, and there isn't one method or practice that works everywhere. Regenerative agriculture has to be localized, customized and systematically approached. The principles listed on the right-hand page guide the spatial and temporal design of our farms taking the form of different practices like intercropping, agroforestry, cover cropping, mulching, herbaceous and tree barriers, hedgerow planting, silvopasture, regenerative grazing, and others, which are chosen according to the specific context. These interlinked practices support a great diversity of life above and belowground, which is the primary driver of healthy soil, carbon sequestration and of many more farm and ecosystem benefits.



# OUR 6 PRINCIPLES OF REGENERATIVE AGRICULTURE

## Close natural cycles

As intended in nature, there is no waste, everything is integrated into natural cycles such as nutrient, biomass or water cycles.

## Improve soil quality

Provide the most favorable soil conditions for plant growth, particularly by managing organic matter and by enhancing soil biological activity.

## Use resources efficiently

Minimize losses of energy, water, nutrients and genetic resources.

## Enhance biodiversity

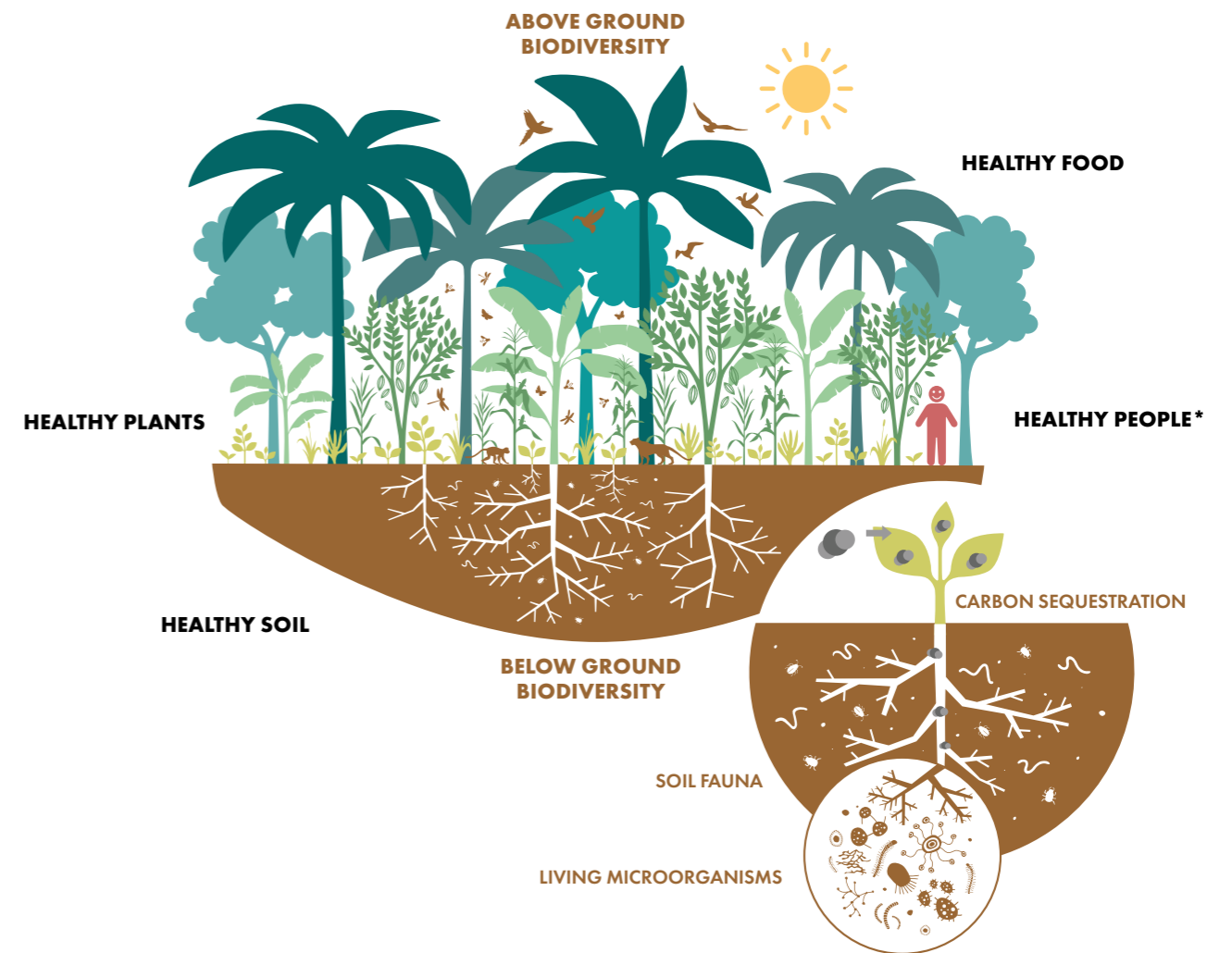
A diverse system with various species below and above ground is the foundation for functional and regenerative agriculture.

## Increase carbon sequestration

Stored carbon in soils and plants improves the natural environment and simultaneously combats climate change.

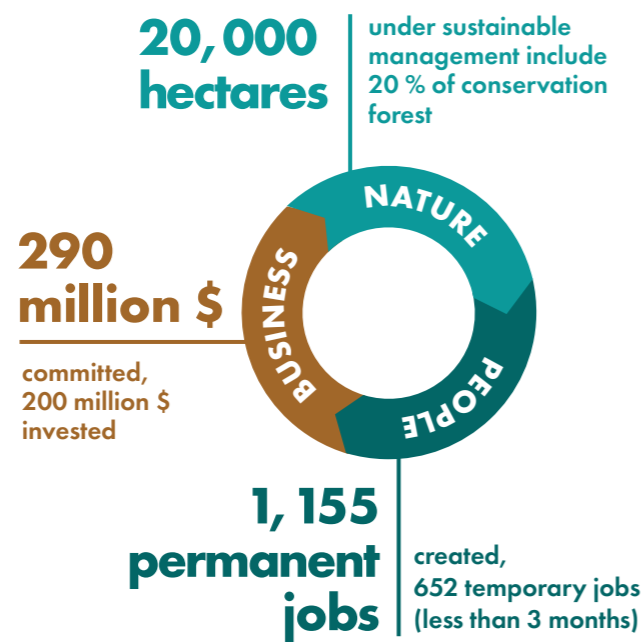
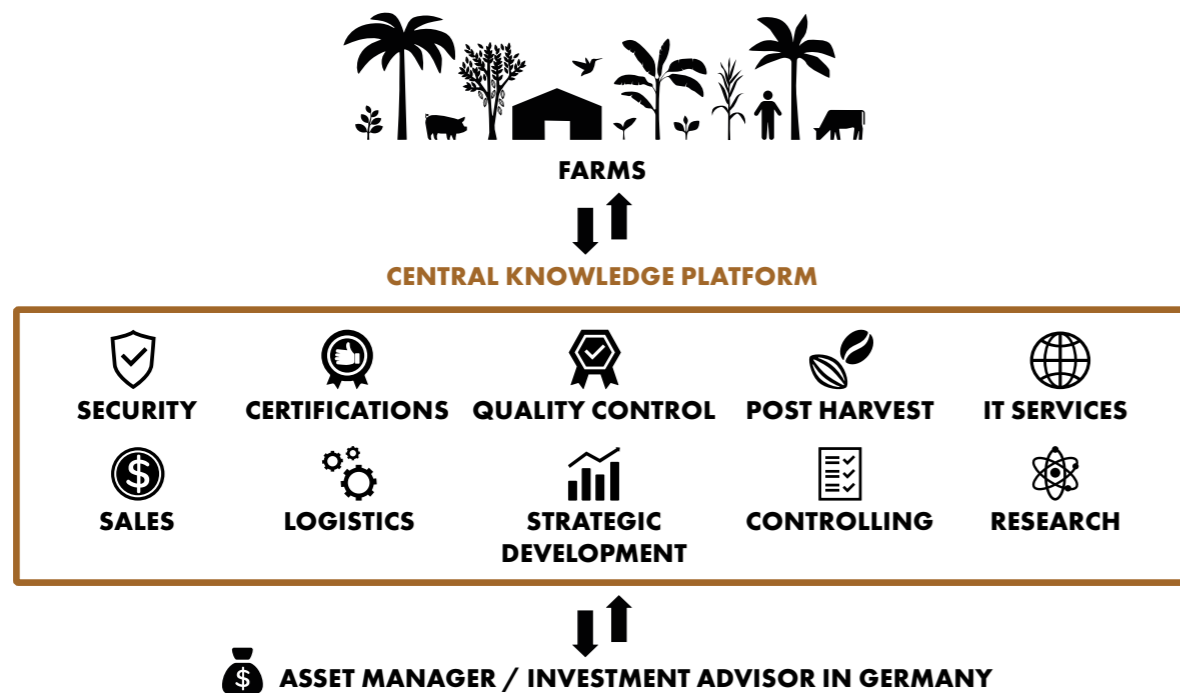
## Enhance the social and economical context

A healthily managed ecosystem also includes the livelihoods of the people on the farm and in the local communities.

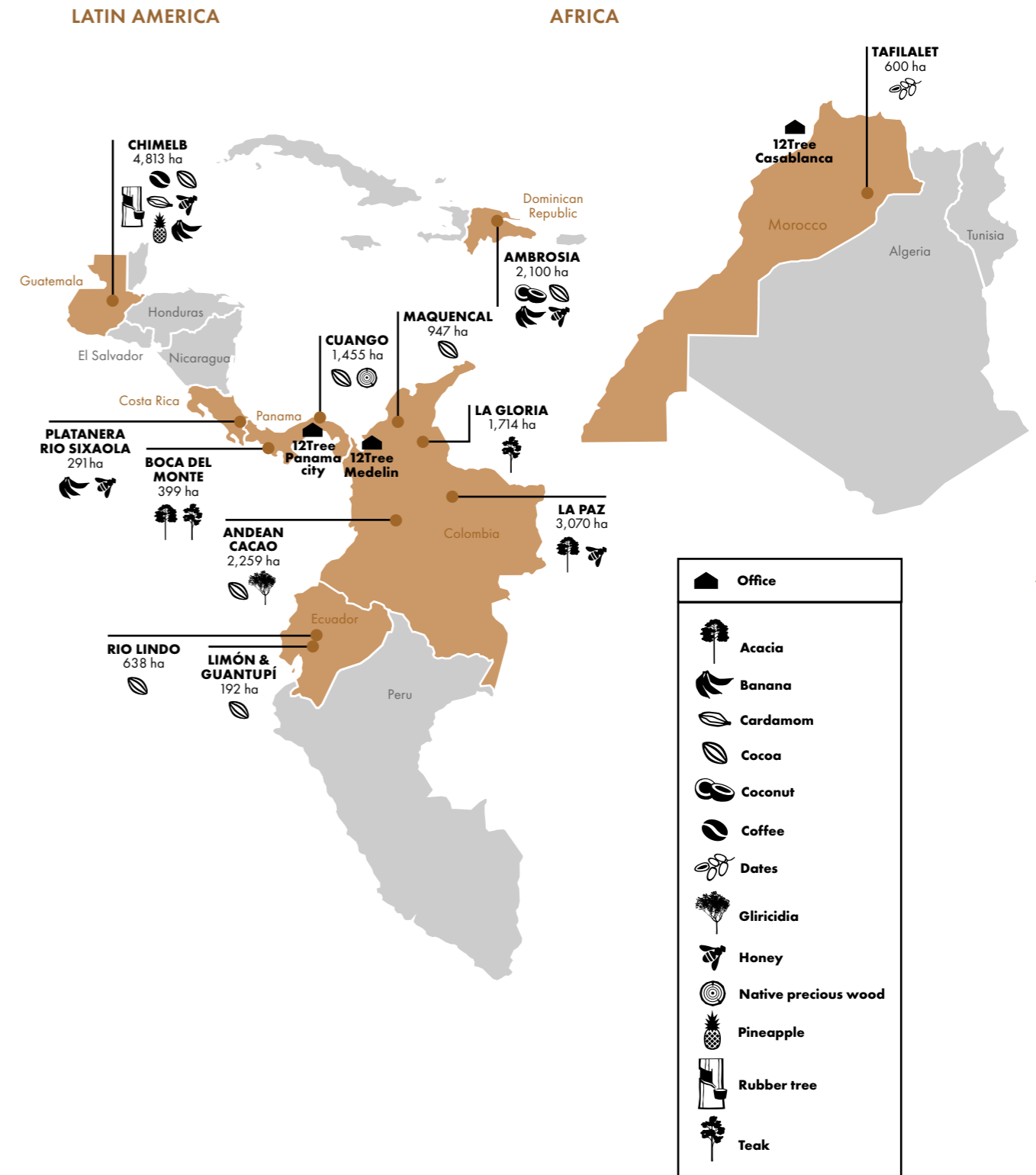


\*Healthy plants create healthy soil, healthy soils produce healthy food, healthy food results in healthy people

# 12TREE, A SERVICE PLATFORM TO THE FARMS



# 12TREE PORTFOLIO MAP





LATEST NEWS  
**FROM OUR PROJECTS**





# OUR FORESTRY PROJECTS



## LA PAZ

The La Paz project is located in the east of the Colombian province of Vichada, close to the Meta river and right along the national route 40. The project is approximately 73 km away from Puerto Carreño, which is the provincial capital and a border town to Venezuela.

**FARM AREA** 10,000 Ha  
**PRODUCTIVE AREA** 3,070 Ha  
**CONSERVATION AREA** n/a  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 7,5 Ha  
**FULL-TIME JOBS** 19  
**TEMPORARY JOBS** 32  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 4  
**WORKERS AND STAFF COMING FROM THE REGION** 51  
**EMPLOYEE TURNOVER** 37%  
**SOIL ORGANIC MATTER IN 2020** n/a  
**CERTIFICATIONS** FSC

The region is sparsely populated and most of the 70,000 inhabitants work in fishery or animal husbandry. Since Spanish colonial times, large forest areas of the region have been continually destroyed by slash and burn practices to make space for cattle herding. This also significantly degraded the soil in the area and damaged the overall ecosystem. In 2006, the Colombian government started a large-scale afforestation program in the region.

In line with these regional realities, 12Tree's long-term objective in La Paz is to have the entire permanent forest cover area of the project made up of native tree species.

The first step in making this plan a reality is improving the soil's nutrient content by planting *Acacia mangium*. *Acacia mangium* is a fast-growing leguminous tree that fixes nitrogen in the soil and therefore naturally improves the quality. It is also one of the few species that thrive in the Colombian Llanos. The region is made up of vast tropical grasslands and notorious for its poor soil quality and extreme climate.

The La Paz team planted the trees for a 10-year rotation, with the added objective of producing biomass and roundwood. Within two rotations, the soil will be healthy enough to sustain

a more biodiverse permanent forest cover. So far, our partner Reforestadora La Paz has planted 10,000 hectares of savannah grassland with *Acacia mangium* and other species.

The plantation has already become a refuge for white-tailed deer (*Odocoileus virginianus gymnotis*) and red brocket (*Mazama americana*). The region is naturally prone to biodiversity. Some of the largest jaguars (*Panthera onca*) in the world can be found in this part of the Llanos.

The newly built Puerto Carreño biomass power plant will also be fueled by La Paz's biomass. This is a big achievement in our efforts to contribute to sustainability and the use of renewable energy in the region and the country. La Paz is FSC certified and in the process of receiving its Gold Standard verification.

## LA GLORIA

La Gloria was formed when in 2019, 12Tree purchased 1,068 hectares of a *Tectona grandis* (teak) plantation. The area was previously used for cotton and cattle farming. Later on, the planting area grew by 1,348 hectares and now includes 97 hectares of the native tree *Tabebuia rosea* (roble).

**FARM AREA** 7,198 Ha  
**PRODUCTIVE AREA** 1,714 Ha  
**CONSERVATION AREA** 250 Ha  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 36 Ha  
**FULL-TIME JOBS** 90  
**TEMPORARY JOBS** 103  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 8  
**WORKERS AND STAFF COMING FROM THE REGION** 76  
**EMPLOYEE TURNOVER** 2%  
**SOIL ORGANIC MATTER IN 2020** 3%  
**CERTIFICATIONS** FSC

To produce high quality plantation teak and roble, our partner Refocosta works on the plantation with the best possible practices and employs the surrounding communities.

We are also proud to share that 250 hectares of La Gloria has been set aside for experimentation purposes. The objective of this experiment is to determine which species can grow in degraded lands, yield economic products and bring about other environmental benefits such as soil conservation and watershed protection. The team is currently planting 36 hectares of this area with high-value native species.

La Gloria is FSC certified and verified by the Colombian carbon credit scheme, estimated to sequester more than 50,000 tons of CO<sub>2</sub> annually.



**BOCA DEL MONTE**

The FSC and Gold Standard certified Boca del Monte forestry project is steadily progressing in their efforts to sustainably answer the global demand for teak.

**FARM AREA** 399 Ha

**PRODUCTIVE AREA** 337 Ha

**CONSERVATION AREA** 62 Ha

**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 10 Ha

**FULL-TIME JOBS** 9

**TEMPORARY JOBS** 6

**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 1

**WORKERS AND STAFF COMING FROM THE REGION** 9

**EMPLOYEE TURNOVER** 0%

**SOIL ORGANIC MATTER IN 2020** \*0.3 -1.3%

**CERTIFICATIONS** FSC and Gold Standard

Since 2018, Boca del Monte has been experimenting with native tree species on a designated plot to determine which trees are most suitable for reforestation on this land following the teak harvest. Zorro (*Astronium graveolens*), Cocobolo (*Dalbergia retusa*), Guayacán (*Tabebuia guayacán*) and Cedro (*Cedrela odorata*) were the species selected for the experiment due to their wood quality and adaptability.

The data from the field experiment coupled with intensive market research on native hardwoods will inform the farm's land use planning in 2021. After the final harvest of teak, the farm will use the results to re-plant the empty fields. This plan is aligned with the farm's commitment to advancing research in innovative forest management and maintaining health and balance in teak and acacia plantations.

The Boca del Monte farm also maintains bio-corridors with native vegetation to protect the streams and increase biodiversity. For example, howler monkeys have seen a significant reduction of their habitat in the region and through these bio-corridors, Boca del Monte aims to restore part of that habitat.

\*According to the soil zoning map of Panama, the naturally occurring levels of organic matter in the landscape where Boca del Monte is inserted in vary between 0 and 2%.





# **OUR MATURE COCOA PROJECTS**

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## MAQUENCAL

Maquencal means “fountain of life” in Yukpa, an ancient language spoken by local tribes in this remote Caribbean region of Colombia. Named after the creek that runs through the farm.

**FARM AREA** 946 Ha  
**PRODUCTIVE AREA** 288 Ha  
**CONSERVATION AREA** 202 Ha  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 0 Ha  
**FULL-TIME JOBS** 74  
**TEMPORARY JOBS** 23  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 4  
**WORKERS AND STAFF COMING FROM THE REGION** 27  
**EMPLOYEE TURNOVER** 3%  
**SOIL ORGANIC MATTER IN 2020** < 1%  
**CERTIFICATIONS** UTZ/Rainforest Alliance

Before Maquencal became a 12Tree project, the farm was a degraded cocoa farm and faced several issues. The most pressing ones were the lack of water, poor agronomy and neglected labor rights. Farm staff used to be employed by a temporary employment agency and they had no social benefits.

The Maquencal project planted CCN-51 variety of cacao on the farm in 2007 and 2008. This variety is highly resistant to diseases and has high yield. The plantation was productive and healthy but suffered greatly from a prolonged and severe drought in 2015 and 2016. Around 25% of the cacao trees died or were seriously damaged. From then on, a large part of the farm’s efforts were focused on recovering the loss. We are happy and relieved to say that the farm is regaining its health and production yields are improving again.

Ensuring that the plantation does not suffer again from droughts is an important goal for Maquencal. In 2020, the team built a large water reservoir which can catch and store water from nearby rivers and rainfall.

The first half of 2020 was dedicated to preparing the machinery and equipment for the post-harvest center. The team also completed the rehabilitation pruning tasks that began in 2019.

66 tons of dry cocoa was ready to be exported by the end of the year 2020.

The criteria highlight 12Tree’s mission to fulfill the highest ecological and social standards and we are proud to prove our commitment to these values. Exports have now begun in the first quarter of 2021.

Lastly, we are pleased to mention that this year Maquencal organized community projects to raise awareness for environmental issues. The farm is located in an area where mining is prevalent and there is an apparent waste management issue in surrounding villages. To address these and to help the community, Maquencal held interactive sessions with families that involved recycling and reforestation.

## RÍO LINDO

Río Lindo aims to bring 12Tree’s sustainability strategy to the cocoa cluster of Ecuador. The cocoa cluster is a highly productive cocoa producing region of the 4th largest cocoa-producing country in the world.

**FARM AREA** 635 Ha  
**PRODUCTIVE AREA** 410 Ha  
**CONSERVATION AREA** 178 Ha  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 19 Ha  
**FULL-TIME JOBS** 78  
**TEMPORARY JOBS** 16  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 8  
**WORKERS AND STAFF COMING FROM THE REGION** 94  
**EMPLOYEE TURNOVER** 0,1%  
**SOIL ORGANIC MATTER IN 2020** 5%  
**CERTIFICATIONS** UTZ/Rainforest Alliance

Intensive agriculture is the main economic activity in this region. This is due to the soil quality and a microclimate which offers a combination of drier conditions with moderate luminosity—ideal for high-yield strategies.

The high-yield farms in the region work with a farming model which involves using a special nutrient mix, intensive pruning, efficient soil management and continuous rejuvenation efforts dedicated to the cocoa trees.

12Tree’s strategy is to develop the Río Lindo farms in the center of this cluster and serve as an example in agricultural competence and sustainable productivity for the rest of the farms in the area. Creating a cluster of projects that embrace new ways of production will form synergies, deepen local knowledge and create economies of scale from collaboration.

In 2020, the Río Lindo team designed and constructed a post-harvest center with a capacity of 15 tons per day. The investment into the post-harvest center was considerable and has been an important addition to the farm. Our objective is to improve the quality of the cocoa beans. This involves the creation of a post-harvest center to sell fermented and dried beans rather than unfermented and dried, as has been the case until now.

It was not easy, but the diligent team was able to complete the construction despite delays in pruning and fertilization activities due to the strict mobility restrictions caused by the Covid-19 pandemic. The team also carried out an ambitious plan to recover and optimize the irrigation infrastructure of the farm.

## LIMÓN AND GUANTUPÍ

**The project is located in the center of Ecuador, approximately 25 km away from the city of Quevedo and is made up of two farms. The first farm, Hacienda Limón, is in the province of Cotopaxi. The second one, Hacienda Guantupí, is in Los Ríos.**

**FARM AREA** 259 Ha

**PRODUCTIVE AREA** 188 Ha

**CONSERVATION AREA** 37 Ha

**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 0 Ha

**FULL-TIME JOBS** 38

**TEMPORARY JOBS** 22

**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 8

**WORKERS AND STAFF COMING FROM THE REGION** 60

**EMPLOYEE TURNOVER** 0,1 %

**SOIL ORGANIC MATTER IN 2020** 5%

**CERTIFICATIONS** UTZ/Rainforest alliance

Both farms were planted with cocoa in 2007 and 2003. However, due to a lack of capital investment, Limón and Guantupí remained unmaintained for approximately four years. There was a high incidence of disease and a notable drop in yield on both farms prior to 12Tree's acquisition.

12Tree designed a strong management and rehabilitation plan to unlock the farm's full potential. We also appointed a new farm Manager, who is originally from Quevedo and has many years of cocoa farm management experience, to lead the farm. She is also leading the Rio Lindo estate farms.

In 2020, Hacienda Limón began its conversion to an organic farm. An integrated management system of organic fertilization and disease control has been in place on the farm for the past several months. We are also happy to share that thanks to management efforts and appropriate pruning, the incidence of disease has dropped drastically in the last two years. We are expecting a volume growth of 30% between last year and this year.

Hacienda Guantupí is grown under an integrated management system based on Rainforest Alliance production standards. Similar to Hacienda Limón, the incidence of disease has declined significantly, and production yields are increasing with each year. The farm recently planted 20 additional hectares of cocoa. A significant part of the recently planted cocoa are clones 800 and 801, new varieties of national cocoa from the Ecuadorian cocoa research institute, INIAP. These two 12Tree cocoa farms have genetic material that is highly valued by chocolate makers.

The farms also started collaborating with an international program called MOCCA and is carrying out various tests in order to validate several fermentation and drying protocols used to achieve differentiated flavor profiles.

In 2020, the farms concluded several contracts with chocolate makers in France and Germany. On average, we achieved prices with a differential of \$1.880 on the NY Stock Exchange. Due to these results, the producers in the surrounding areas are very keen to work with 12Tree.

In 2021, there will be some improvements to the Limon post-harvest center. These will include expanding the patio and the fermentation areas and building a new warehouse for dried and fermented cocoa bean storage. In Guantupí, improvements will include installing a dryer and enlarging the fermentation area.





# **OUR AGROFORESTRY PROJECTS**



## CUANGO

Cuango is located in Eastern Panama, between Caribbean beaches and the Sierra Llorona. Due to its varied landscape, the locale has the potential to teem with an abundance of native flora and fauna. However, a significant portion of the area was regularly used for cattle grazing. With Cuango, 12Tree has been working to change this.

**FARM AREA** 1,517Ha  
**PRODUCTIVE AREA** 700 Ha  
**CONSERVATION AREA** 728 Ha  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 411 Ha  
**FULL-TIME JOBS** 121  
**TEMPORARY JOBS** 0  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 24  
**WORKERS AND STAFF COMING FROM THE REGION** 119  
**EMPLOYEE TURNOVER** 50%  
**SOIL ORGANIC MATTER IN 2020** 5,5%  
**CERTIFICATIONS** Not yet, planned FSC and Gold Standard

Cuango's aim is to restore as much of the rich native life of the area while being an efficient, productive and lucrative farm. And with this goal in mind, Cuango is looking forward to a bright future as a smart, large-scale cocoa agroforest.

From practice, experience and failures come knowledge. When the previous years' planting efforts were rewarded with an unusually high mortality of trees, Cuango's land use model had to be completely redesigned and the team began experimenting with a new planting strategy. The new strategy reduces land preparation costs, minimizes the use of herbicides and maximizes ecosystem services. It is an important step in regenerative agroforestry and a clear move away from conventional land preparation. And it works.

Cuango's climate is ideal for growing cacao, plantain, and other Musa crops, as well as high-value native timber trees. Informed by the high domestic demand of plantain, a staple of the Panamanian diet, Cuango has increased the area of land it has allocated to plantain and other Musa crops. These crops will mostly grow in flat areas of the farm, specifically in the *Fluventic Hapludepts* soils along the Cuango and *Culebra* rivers.

Knowing the value of native vegetation to the soil's natural regeneration process, the Cuango team does not use clearcutting to prepare the land. Instead, the team opens thin strips of vegetative cover every few meters for cocoa and plantain plants to grow. This results in a unique intercrop pattern made up of cocoa-plantain rows and original native vegetation strips.

Working with the natural ecosystem rather than fighting it is not only efficient but also protects newly planted seedlings from intense tropical sun, strong winds, and heavy rain. Most importantly, the rich biodiversity of flora fosters a wide range of wildlife. Animals that make these plants their habitat include insects, such as pollinators and pest predators, and the birds and reptiles that prey on them.

Another important project this year was building on-site accommodation for the project's workforce. New lodgings are now available to workers, complete with laundry and cooking facilities, and potable water. The accommodations meet all the national and international worker housing requirements, but more importantly they are aligned with 12Tree's dedication to the wellbeing of our farm teams.

## ANDEAN CACAO

Andean Cacao is a company that develops sustainable agroforestry cocoa plantations in Latin America into which smallholder farms are integrated in a nucleus-plasma model. The company builds agroforestry cocoa plantations on lands that were previously used for extensive cattle-grazing, to restore degraded lands, preserve biodiversity and contribute to climate change mitigation.

**FARM AREA** 2,259 Ha  
**PRODUCTIVE AREA** 120 Ha  
**CONSERVATION AREA** 70 Ha  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 953 Ha  
**FULL-TIME JOBS** 74  
**TEMPORARY JOBS** 107  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 23  
**WORKERS AND STAFF COMING FROM THE REGION** 72%  
**EMPLOYEE TURNOVER** 9%  
**SOIL ORGANIC MATTER IN 2020** n/a  
**CERTIFICATIONS** Not yet, planned VCS

In 2020, the team continued to restore degraded lands and develop a partnership with local smallholders in the Orinoquia region. A total of 720 hectares were rehabilitated in 2020 on the central farm : shade trees were planted on 470 hectares and cocoa trees on 250 hectares. And all of this was done by employing the best farming practices. The farm received the Good Agricultural Practices certification for 400 hectares of its total operations and a 90% compliance rate with the Colombia's government Health and Safety regulations.

Innovation and precision agriculture are at the core of the farm's operations. Last year, the Andean Cacao team installed micro-sprinkler irrigation systems on a large part of their operations and adopted nursery propagation techniques to tubing and micro-grafting. The carbon sequestration on the farm underwent its first diagnosis, laying the foundation to carbon certify Andean Cacao in 2021.

Additionally, Andean Cacao collected cacao from 13 neighboring farmers in two municipalities and offered technical assistance to 80 farmers in the area. There was an 84% increase in the cacao they collected from the smallholder farmers just in the span of one year.

The International Finance Corporation (a sister organization of the World Bank) approved a grant to support the smallholder farmers in Andean Cacao's network. The ambitious program will help create field schools for farmers, build farmers associations, reforest degraded areas and foster various research and development programs to strengthen farmers' livelihoods.



## AMBROSIA

The Ambrosia project spans over 2,000 hectares. Within this, are 1,289 hectares of degraded coconut palms, 975 hectares of a productive coconut area and 843 hectares of natural forest. The rest are made up of rivulets within the productive area and fine flavor cocoa plants intercropped with coconut palms.

**FARM AREA** 2,081 Ha  
**PRODUCTIVE AREA** 0 Ha  
**CONSERVATION AREA** 843 Ha  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 1063 Ha  
**FULL-TIME JOBS** 279  
**TEMPORARY JOBS** 70  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 68  
**WORKERS AND STAFF COMING FROM THE REGION** 100  
**EXTERNAL SMALLHOLDER FARMERS WITH ACCESS TO TRAINING AND/OR INPUTS PROVIDED BY THE FARM** 75  
**EMPLOYEE TURNOVER** 45%  
**SOIL ORGANIC MATTER IN 2020** 5,5%  
**CERTIFICATIONS** USDA Organic, Fair Trade Sustainability Alliance (FairTSA)

Seeing the breakdown of the various areas clarifies the farm's objectives: to rehabilitate coconut palms and to create a 500-hectare fine flavor cocoa plantation. The farm is certified organic in its entirety and will produce premium cocoa and a range of premium-quality coconut products.

The past year on Ambrosia was focused on strengthening regenerative agriculture practices. The team planted *Crotalaria Juncea*, a legume that grows between the banana and cocoa planting rows. *Crotalaria* is useful as a cover crop and also contributes to nitrogen fixation. They also planted *Pueraria Javanica*, another legume, as a cover crop in the coconut planting area and in the reservoir area. *Pueraria* also performs nitrogen fixation and its deep roots improve soil structure. Cover crops come with plenty of benefits. They protect the soil from erosion, prevent weeds from growing, improve soil structure and boost soil fertility through nitrogen fixation.

To produce their own compost and use it as a fertilizer, the team installed a coconut husk grinder. The compost also serves as a substrate for nurseries. The farm's agronomists and workers

received training on coconut and plantain management and harvesting, cocoa pruning and grafting, and sampling for cocoa pests and diseases. The farm was also able to avoid emitting CO<sub>2</sub> by installing a gravity irrigation system that does not rely on any additional energy sources.

At Ambrosia, we started with a challenging social context. Prior to 12Tree's acquisition of Ambrosia, organized gangs from the neighboring communities were regularly stealing large amounts of coconut from the farm. After the acquisition, added security and local law enforcement officers managed to reduce the thefts. For this reason, there were reservations from the local community towards the project. Some of this year's activities aimed to amend this and to connect with the farm's neighbors, and we are happy to say that they succeeded in doing so.

During the pandemic the farm delivered food and medicine baskets to 500 people from the closest community, Los Memizos. The farm's dining room was remodeled to host the event and continues to provide breakfast and lunch to all collaborators. The farm organized multiple events, like soccer games, so the neighboring communities can get to know the farm, what we are creating, and how the project exists to have a positive impact on the environment they live in.

After testing various cover crops, the farm is currently using *Crotalaria*, which is a legume that also acts as a trap crop for insects that otherwise eat the leaves of the young plants. Ambrosia is currently implementing a plan to intercrop 500 hectares of coconut palms with cacao trees and is planning to start building a cocoa post-harvest center and a coconut extraction center in 2021.





# OUR DIVERSIFIED CROP PROJECTS



## PLATANERA RÍO SIXAOLA

Platanera Río Sixaola continues to be a shining example in sustainability within Costa Rica's banana farming industry.

**FARM AREA** 291Ha  
**PRODUCTIVE AREA** 171Ha  
**CONSERVATION AREA** 18 Ha  
**FOREST PLANTATIONS UNDER ACTIVE MANAGEMENT** 31 HA  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 171Ha  
**FULL-TIME JOBS** 165  
**TEMPORARY JOBS** 0  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 22  
**WORKERS AND STAFF COMING FROM THE REGION** 132  
**EMPLOYEE TURNOVER** 0%  
**SOIL ORGANIC MATTER IN 2020** 2.28%  
**CERTIFICATIONS** Rainforest Alliance

To achieve a healthy production, Platanera Río Sixaola implements all farming measures in ways that prioritizes biodiversity and strengthens the soil. To protect and foster natural resources, the farm avoids using any herbicides or nematicides. To increase the banana plant's nutrient uptake and growth, the farm uses soil microorganisms. To protect the pest-prone and sensitive banana crops in the wet tropics the farm uses only half the fungicides that conventional plantations use.

The farm also intercroops banana trees with nitrogen-fixing trees to help reduce greenhouse gas emissions. In fact, Platanera Río Sixaola is net carbon positive: the farm emits less emissions than it captures. To offset their emissions from fertilizers and equipment usage, the farm plants Melina trees and then produces pallets from those trees. It is a fully integrated system.

Platanera Río Sixaola exemplifies how these practices can vastly improve biodiversity in banana growing by creating a welcoming habitat for the local and migrant fauna rather than a monoculture desert. The region would also see a notable improvement in water quality of the rivers and the oceans, if other producers joined this example.

In 2020 alone, Platanera Río Sixaola increased their vermicompost production by

20% by using melina trees sawdust and banana waste. The team produces entomopathogenic fungi for its useful properties in pest control in its unique on-site laboratory.

This year also brought some changes to the Platanera Río Sixaola management team. Several local and long-term staff members were promoted to leadership positions. This is aligned with the farm's long-term goal of empowering local talent through investment in education and having local community members in key management positions.

Platanera Río Sixaola will be part of a farm management cluster that includes two other 12Tree farms which are geographically close to and share crop types with the farm. The aim of this is to make it easier for the management teams to share resources and techniques, particularly practices relating to regenerative farm management.

Lastly, we are excited to note that the farm and German supermarket REWE have closed a commercial agreement for the sale of bananas. The agreement guarantees a good price and high sustainability premiums per box, giving due credit to the farm's work.

## CHIMELB

The multi-crop farm Chimelb has been making impressive strides in becoming a multifunctional and biodiverse agroforest. Chimelb produces cocoa, coffee, cardamom, lemon, and rubber and is largely made up of expansive natural forests. It is currently the only farm in the region with a Rainforest Alliance certification for cardamom.

**FARM AREA** 4,864Ha  
**PRODUCTIVE AREA** 1,072 Ha  
**CONSERVATION AREA** 1,499 Ha  
**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 284 Ha  
**FULL-TIME JOBS** 141  
**TEMPORARY JOBS** 281  
**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 80  
**WORKERS AND STAFF COMING FROM THE REGION** 400  
**EMPLOYEE TURNOVER** 0,95%  
**SOIL ORGANIC MATTER IN 2020** 8,40%  
**CERTIFICATIONS** Rainforest Alliance, CAFÉ Best Practices

Chimelb's work is guided by environmentally friendly farming and large-scale agroforestry methods. Chimelb strives to encourage biodiversity, increase landscape connectivity and establish economic stability. To fulfill these goals, they have been incorporating several new practices while repeating others that have proved to be successful. All these practices are driven by the aim to maintain a healthy and productive farm by using regenerative methods.

An ongoing activity is the use of *Brachiaria ruziziensis*, a type of grass which is planted with coffee. Used in this way, *Brachiaria ruziziensis* improves the soil structure, reduces erosion in steep areas, incorporates organic matter and recycles nutrients by absorbing them. The farm also plants Vetiver in areas without crops, and bamboo on riverbanks and sloped areas to prevent erosion.

Chimelb plants leguminous trees such as *Cajanus cajan* (pigeon peas) and various species of bananas and plantains to provide shade for the cocoa trees and the cardamom. The farm plants pigeon peas to loosen the soil and to fix nitrogen. To control weed growth in cocoa and coffee plantations, the farm uses mechanical weeding, a practice that has pretty much eliminated their use of herbicide chemicals.

A new development in 2020 was management's decision to invest in the existing honeybee colonies on Chimelb. The honeybees produce honey, act as biological indicators of ecosystem health and are pollinizers. The farm also invested in and improved the farmhouse and dormitories, the farm's internal roads and the post-harvest station for cocoa and cardamom.

In 2020, Chimelb formed crucial partnerships with cocoa bean buyers in Italy, Germany, and Switzerland. Because cocoa trees are so genetically diverse, beans tend to come in different sizes. The Chimelb team hand-selects cocoa beans according to the needs of each buyer.

The farm is also proud to have renewed their CAFÉ Best Practices certification and to receive the Rainforest Alliance certification for the rest of their produce.



# **OUR FIRST DRIED FRUITS PROJECT IN AFRICA**



## TAFILALET

**In 2019, 12Tree began their first project on the African continent. The Tafilalet farm is located in a semiarid region, south of the Atlas Mountains in Morocco between Boudnib and Bouanane.**

**FARM AREA** 600 Ha

**PRODUCTIVE AREA** 0 Ha planning to start producing

**CONSERVATION AREA** 0 Ha

**PLANTS SPECIES TO INCREASE BIODIVERSITY IN PRODUCTIVE AREAS** 0 Ha

**FULL-TIME JOBS** 9

**TEMPORARY JOBS** 17

**WOMEN EMPLOYED WITH FULL-TIME CONTRACTS** 3

**WORKERS AND STAFF COMING FROM THE REGION** 17

**EMPLOYEE TURNOVER** 22%

**SOIL ORGANIC MATTER IN 2020** 0,2%

**CERTIFICATIONS** Organic

The project will plant date palms and install state-of-the-art irrigation systems that use water sustainably. This oasis will help protect nearby communities from desertification and improve the soil while preserving the inherent cultural heritage and biodiversity of the area.

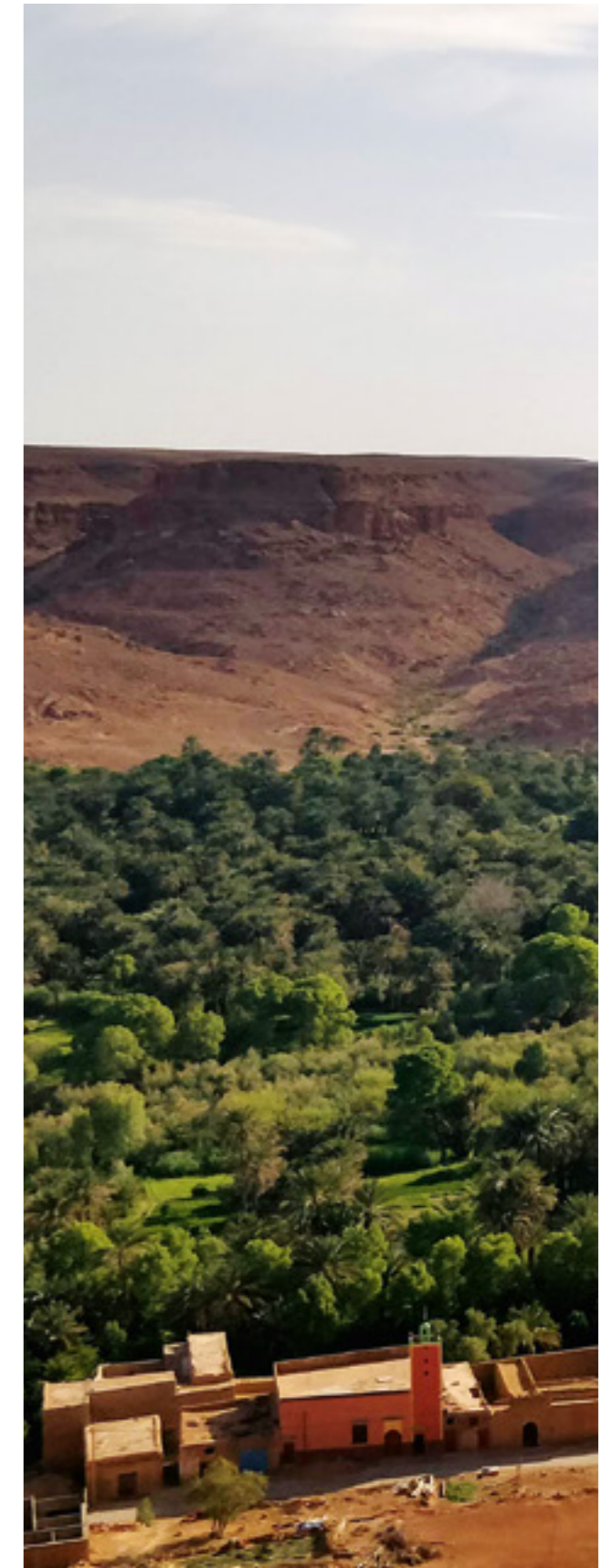
When fully operating, the project will create hundreds of jobs and generate wealth locally. The region suffers from poverty, unemployment and climate change. Many have left the region to move to urban areas. Some current plans for the project include transportation for local workers, training facilities, an infirmary, recreational areas, sewage treatment, recycling, and composting of agricultural waste.

In 2020, the project went beyond the target to prepare 281 hectares. The pace of the infrastructure work (destoning, subsoiling, irrigation, water reservoir) was faster than expected. We are ready to plant 380 hectares in 2021.

Skilled local agricultural engineers joined the team, strengthening the project management. We also worked on the sustainability strategy of the project, taking 12Tree's ESG approach and the local challenges into perspective. The sustainability strategy aims to empower women economically, preserve the existing oases and

facilitate access to education. As a start, we began to restore a primary school near the Tafilalet project.

The Tafilalet farm has already established relationships with local smallholder farmers. We are hoping to create a production cluster between 12Tree's nucleus farm and cooperatives of small farmers in the Drâa-Tafilalet region. This will contribute to the economic growth for the region as a whole and for individuals. Considering that the nucleus farm will harvest its first dates (mainly of the Majhoul variety) in five years, an early collaboration with small producers gives us enough time to set up the exporting process and create a customer base.





## KPI ANALYSIS AT PORTFOLIO LEVEL



### SOCIAL METRICS

#### SAFE AND QUALIFIED JOBS

- **1,155** permanent jobs created with social insurance and access to health care
- **652** temporary jobs (less than three months)

#### LOCAL INTERACTION AND INCLUSION

- **280** external smallholder farmers with access to training, inputs and/or markets provided by 12Tree

#### GOOD WORKING CONDITIONS

- **15%** staff turnover
- **107** recordable incidents



### ECONOMIC METRICS

#### ACHIEVING GOOD PRICES

- **28%** of premium price obtained above bulk price\*

\* This average is based on prices obtained in Platanera Río Sixaola, Chimeleb, Limón and Guantupí, and Río Lindo.

#### COST INPUT EFFICIENCY

- **26%** of total production costs spent on inputs such as fertilizers

#### NET PROFITABILITY

- To be determined



### ENVIRONMENTAL METRICS

#### PROTECTING AND ENRICHING BIODIVERSITY

- **3,887 Ha** conservation area **18,883 Ha** under sustainable management include **20 %** of conservation forest
- **10,717 Ha** of active farmland with more than one plant species intentionally introduced to the system

#### SOIL HEALTH

- Average in soil organic matter content **3,04 %**

#### CLIMATE CHANGE MITIGATION

- **125,000 tons** CO<sub>2</sub> sequestered per year, **2.5 million tons** CO<sub>2</sub> sequestered over a period of 20 years



A CONVERSATION WITH GUSTAVO HERNANDEZ & SUSAN PONCE AT CHIMELB FARM (GUATEMALA) ABOUT THE CARCAO PROJECT

## LAUNCH OF A SMALL FARMERS PROJECT IN GUATEMALA

In November and December 2020 the Heifer team conducted a field survey with the producers near the Chimelb farm to understand how their current needs can be addressed by the CarCao project.

### GUSTAVO HERNANDEZ

National Director of Heifer International Guatemala, with over 30 years of experience in rural and urban development programs. Heifer is an NGO that specializes in environmentally sustainable rural development with the aim of fighting hunger and poverty. They manage several projects with small producers in Guatemala.



### How did the collaboration between Heifer and 12Tree begin?

**Gustavo Hernandez:** When we started conversations with 12Tree in 2019, we quickly recognized our shared interests in promoting sustainable development models, securing fair incomes for small producers, and building value chains for products such as cocoa and cardamom. In 2020, we jointly designed the CarCao Project, which will be active in the communities

around the Chimelb Farm, in Lanquín, San Pedro Carcha and Alta Verapaz.

### What are the most pressing needs of the communities and small producers in the region?

**Gustavo:** Out of the five communities we will initially support, four of them do not have running water. They collect water from the roof of their homes and store it. To have potable water, they have to walk more than two kilometers to get water from springs or rivers and then have to boil

### SUSAN PONCE

Research and Development Manager at Chimelb Farm, Guatemala, where she works with coffee, cocoa, rubber, bees, forestry and cardamom crops. She also currently oversees certifications and sustainability standards at the farm.



or filter that water. Most families have cocoa plantations, but they don't have the resources to adequately manage them. They need essential inputs to produce corn, beans, cardamom, cocoa, and black pepper. They also sell their produce to intermediaries at a very low price and need help in finding more profitable markets for their products.

**Susan:** The small producers of the region and the country need aid or development programs that will truly empower them. The communities have

been opening their doors to many governmental and nongovernmental organizations for years to no avail. The organizations have given them nothing but illusions, and projects that lack the necessary sustainability to be productive in the long-term. Small producers need real food security programs that teach them how to better produce corn, beans (the basis of their diet), vegetables, and raise animals. After that, they can focus on a medium-term or long-term crop that can supplement their income. This is how you create surplus farmers, those who take what they eat and sell what is left over, rather than subsistence farming, which is unreliable and not always enough to sustain households. Surplus farming could make way for improved housing conditions, access to water, and the means to send children to school, among other life improvements for small producers. It will also give them agency over their own resources and crops.

### What does working with the surrounding small producers mean to Chimelb Farm?

**Susan:** Of all the things I do now, the one I like most is working with small producers. It is very satisfying to be able to see how projects can change their lives for the better, how they are able to produce much more than they did before and how our teachings aid their success.

### What are some upcoming CarCao Project initiatives in 2021?

**Gustavo:** In 2021, we aim to:

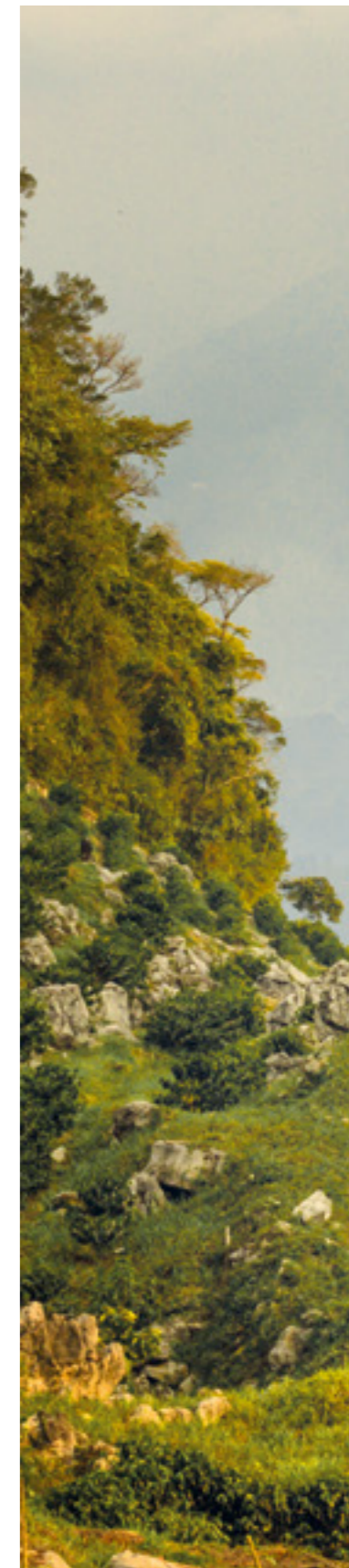
- Implement five community nurseries, which will include field schools made for educational exchanges with the families

- Identify the cocoa and cardamom plantations that already employ sustainable agriculture practices
- Diagnose the organizational status of each community
- Carry out a Farm Development Plan which involves planting the trees selected according to the needs of the farm, practicing fertilization techniques using plant and animal waste, and manufacturing water management methods that recharge the groundwater.

We plan to adapt these initiatives to the needs of the producers. With each step, we will ensure that the farmers have agency over their own production. The aim is to have an integrated program that will empower the communities.

### What is the goal of the CarCao Project?

**Gustavo:** The current objective is to design and implement agroforestry systems that generate income through the production of cocoa, cardamom and aromatic spices. We are also hoping to provide producers access to forestry incentives from INAB (National Institute of Forests) and to foster producer's associations, cooperatives and social enterprises. Another present goal is to work with the Municipal Government to strengthen the school feeding programs in the communities. Our long-term objective is to close the income gap between the 500 producers in 20 communities and the nearby Chimelb Farms.





# COVID-19 AND THE 12TREE FARMS IN LATIN AMERICA

Some countries in Latin America are among those with the highest Covid-19 death rates in the world. Factors that contribute to the pandemic's toll are income inequality and inconsistent access to health care.

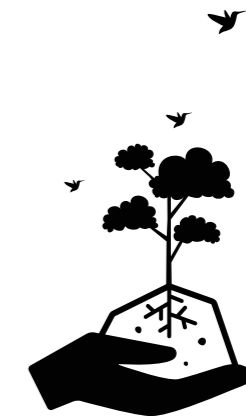
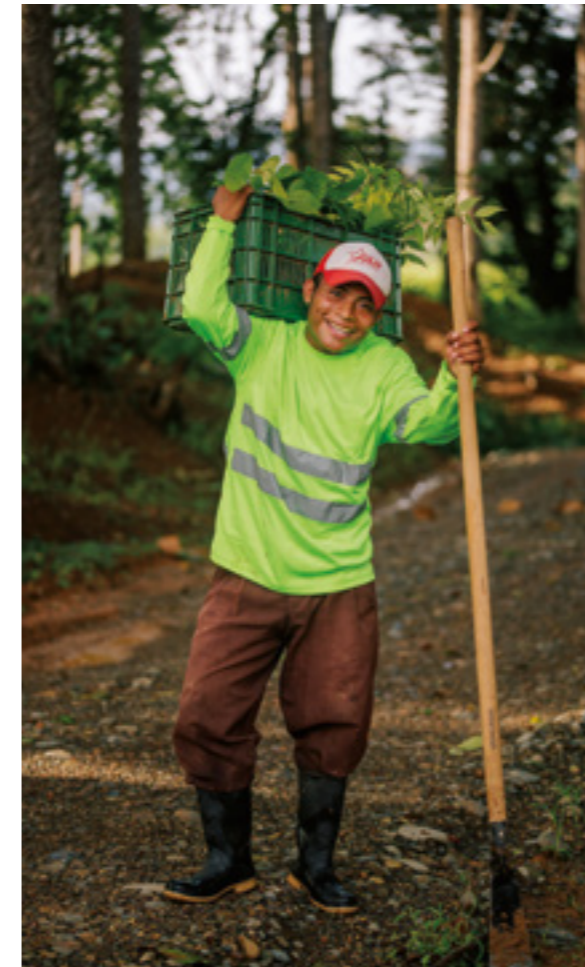
The majority of low-income workers in the region have inadequate access to health care and social support, some have no access at all. This makes it very difficult for a large part of the population to protect themselves from the virus.

The crisis has directly impacted the local food markets in the region. The issue is not the lack of food. It is its affordability. This is caused by price increases coupled with a significant reduction in wages. Close to 130 million people who had been working in the informal sector have been out of work for months because of quarantine measures. Disruptions to supply chains and food production led to a nearly 10 percent increase in food prices.

It is as important as ever for companies to take responsibility and support the local populations. On 12Tree farms, much of last year revolved around Covid-19. Part of the efforts were dedicated to limiting the spread of the

virus and protecting the staff. The other part was about ensuring food security. To list all the actions taken on all the farms is impossible. Instead, we will share a few exemplary ones here:

Maquencal was one of the farms that successfully executed a Covid-Management plan. They introduced a 20-day-shift system to avoid infections within the workforce. Under this strategy, all staff members received their salaries without interruption, regardless of whether they were working on the farm or quarantining at home.



To secure food for employees, 12Tree followed a two-step plan. The first step was providing fast, effective and simple aid. To do this, all farms distributed food baskets to employees and their families. For example, during the worst of the pandemic, Río Lindo distributed 150 food packages to employees and their families. Ambrosia delivered food baskets and basic supplies to 160 families in need from neighboring communities.

The second step is to plan for the long-term. This involves building food gardens, directly on the farms. 12Tree farms mainly produce for the global market, but we also want to promote local access to varied and good quality food. The aim is to use part of the productive parcels on all farms as food (especially vegetable) gardens. These gardens will also supply the farms' canteens.

As a result of our consistent and diligent measures, we are thankful that our farms and our employees have so far gone through the crisis, unscathed.



# REGENERATING



**Oliver Hanke**  
Chief Sustainability Officer

**“Thank you for taking the time to read our latest news from our projects.**

For all of us, but particularly for our project teams on the ground, this year was far from normal. Our highest priority is and always will be to protect our workers and to support their communities. Last year this commitment was put to the test during the extreme outbreaks of the Covid-19 pandemic. And we can report that our projects remained open for business, and did so safely.

When studying the report, you may have noticed that during the pandemic an incredible amount of development work got done as well—under very difficult working conditions and restrictions. Large processing centers were constructed and millions of trees were planted. All to get closer to our vision of building biodiverse agroforests that regenerate soils and provide decent sources of income for entire rural areas. This pandemic may have forced us into lockdowns and temporarily slowed down our destructive growth, but climate change did not stop.

**If anything, the pandemic has shown us that we urgently need to change the way we produce and source what we consume.**

In our last report we asked you to join us on our journey and we are amazed by how many of you did that already. We forged new relationships with investors, operational partners, buyers and research initiatives, all fueled by more and more corporate commitments to act against climate change.

You may also have noticed that the word “regenerative” is used in many places throughout this report. 19 times to be precise. And why is regenerative farming so important?

Besides turning carbon dioxide into wood—what the trees in our precious agroforestry systems do—there is the amazing process of turning carbon dioxide into soil through humification. To form humus we need healthy soil, full of microbes. Heavily fertilized and chemically treated soil cannot do that. Soil carbon has been mostly overlooked in “the equation” but it can be an all-important ally in the fight against climate change.

At 12Tree we are fully embracing regenerative agricultural practices to demonstrate that the future of agriculture can and must lie in ways that not only sustain the status quo (which would be tragic) but also focus on rehabilitating healthy ecosystems and allow us to maintain a balance between nature’s needs and human needs.

What this ambitious transition calls for are role models, from whom others can follow to change their old ways. Role models do not only have success stories to tell. They also make mistakes and have to learn from them. To live up to this ambition we are planning to share our results by making more facts and figures available in this report.”

Oliver Hanke, Chief Sustainability Officer

## CONTACT

**Oliver Hanke**  
Chief Sustainability officer

oliver.hanke@12tree.de  
Phone: +49 (0)30 2061 4299-0

12Tree Finance GmbH  
Französische Straße 47  
10117 Berlin  
www.12tree.de

Instagram @12treefarms



**GRAPHIC DESIGN**

CELINE YVER - [www.celineyver-graphic.com](http://www.celineyver-graphic.com) - [Instagram@celineyvergraphic](https://www.instagram.com/celineyvergraphic)

**12TREE KEY CONTRIBUTORS**

ZEYNEP LOKMANOGLU, IRENE MONTES, MARIE SCHÖNIG, EVA ROSS under the coordination OF LENNY MARTINEZ





**1.2.TREE**  
*growing values*