

ANNUAL REPORT 2021

Fairventures Worldwide gGmbH



fairventures.org

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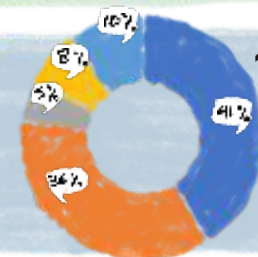
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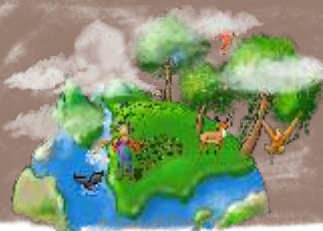
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Message from the Directors

Instead of only Johannes Schwegler as in the past years, today three directors are greeting you. This alone will tell you that changes are afoot at Fairventures Worldwide. In 2021, we have decided to expand our management with us, Megan King and Wolfgang Baum, joining Johannes Schwegler as additional directors. This allows us to work in clear portfolios and acknowledge the growth and complexity of our organization. At the same time it will give Johannes Schwegler the opportunity to focus on the youngest child in the Fairventures family, the Fairventures Digital GmbH, which was founded in December 2021.

Now consisting of three organizations, the Fairventures family covers smallholder reforestation, commercial scale-up through investments and transparency through monitoring of every single tree, a principle that we commit ourselves to. Our family is growing, and we are immensely grateful for the support that we have received from you over the past years which made this possible. We would like

to use this report to show you the impact this support has had. Therefore, on the following pages, you will find our key performance indicators as well as updates and stories from the field. Only if we learn from mistakes, seize opportunities and build on our strengths, we can make an effective joint contribution to combating the climate crisis.

We are happy to see that more and more companies, governments and individuals commit themselves to emission reduction as well as climate-conscious life and operations. Large reforestation pledges have been given, which could provide more opportunities than ever for the reforestation. But without careful groundwork, strong community relations and transparency these commitments will not take root. In our projects, we will make sure that a higher tree quantity does not mean a lower tree quality.

Join us in building a better future – with trees and timber.

Our Executive Directors



Johannes Schwegler



Megan King



Wolfgang Baum

In Numbers

In 2021



Since our inception in 2013



Fairventures Family



Fairventures Worldwide (FVW) is registered in Germany as a non-profit limited liability company (gGmbH). This means that all our earnings are used strictly for non-profit purposes. Besides our headquarters in Stuttgart, we also operate country offices in Indonesia and Uganda.

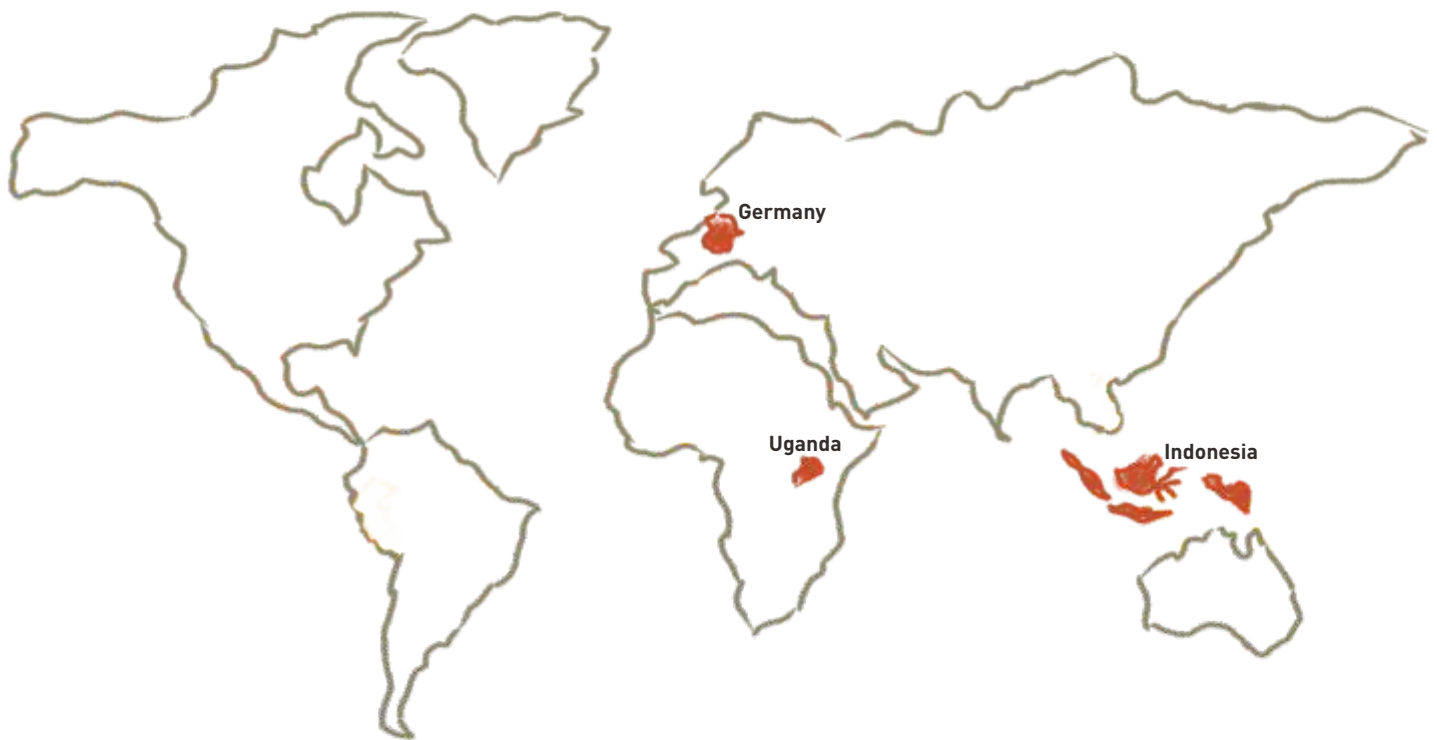


Our sister company Fairventures Social Forestry (FSF) is set up as a private sector entity to scale up our agroforestry approach. By being able to receive investments, FSF can reforest even larger areas in the tropics and expand our impact.



The TREEO app of our sister company Fairventures Digital GmbH links climate-responsible companies with smallholder farmers in the tropics to reforest degraded land. Thus, smallholder farmers are getting a fair share for their contribution to the climate.

Where We Work

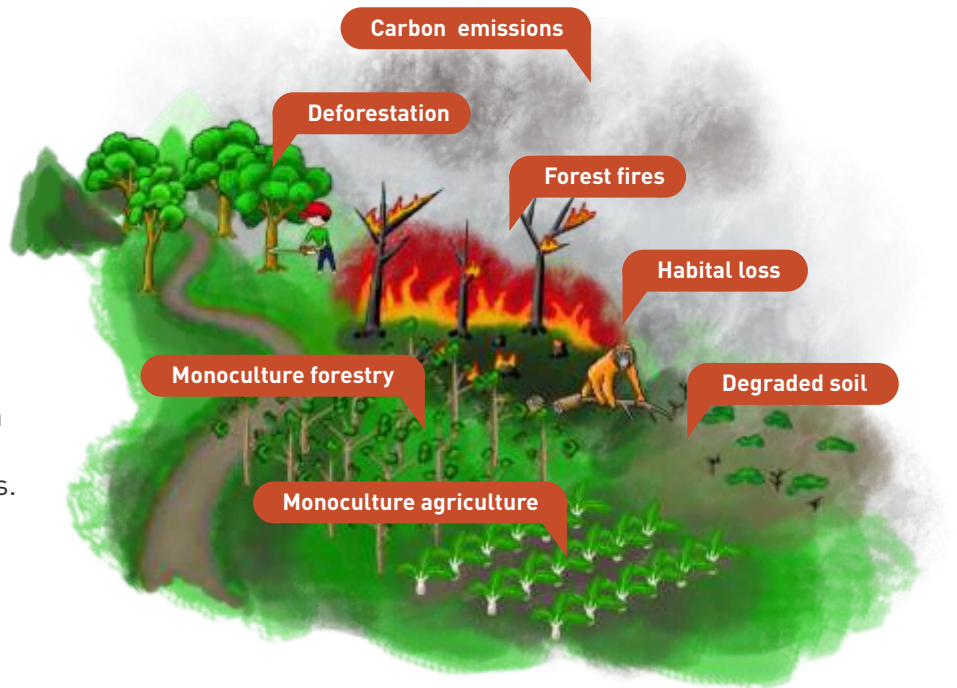


Our History



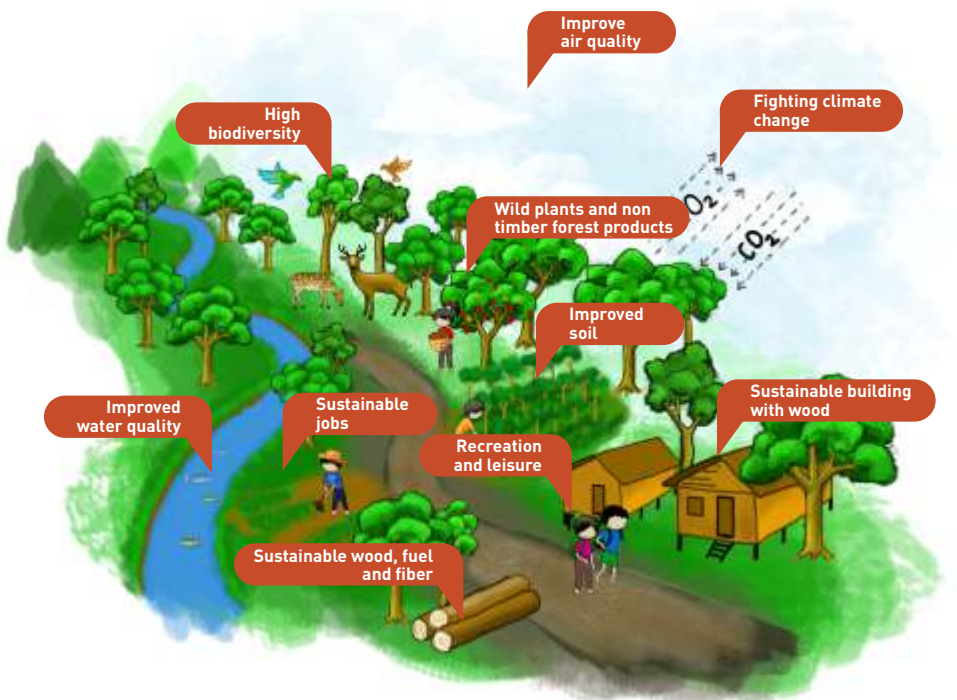
The Problem

Forests are threatened all over the world, but even more rapidly in the tropics where they fulfill important functions for biodiversity, the climate, and water cycles. The United Nations warns that a third of the world's soils are already severely degraded due to unsustainable land use. The main drivers of this downward trend can be attributed to the global hunger for resources in combination with a lack of alternative livelihood opportunities for local communities. This has led to devastating consequences – for the environment, the global climate, but also the local people.



Our Solution

We plant trees on degraded land and work together with different actors along the value chain. In practice, this means: Smallholder farmers in the global south are equipped with digital tools and secure sources of income. Buyers such as timber traders, chocolate manufacturers, etc. gain access to their sustainable products. By producing wood from fast-growing native trees, we mitigate the pressures from illegal logging. Natural forests are preserved as habitats for endangered animals and as a basis for ecosystem services.





Vision: Good forests as climate solutions



Mission Fairventures Worldwide:
Empowering farmers through
reforestation and responsible
value chains.



Mission Fairventures Social Forestry:
Creating responsible investment
opportunities in forest-based climate
solutions at scale.



Mission Mission Fairventures Digital:
We empower millions of smallholder
farmers worldwide to supply the world with
high-quality carbon removals at scale.



Indonesia: 100 Million Trees for Borneo

In Indonesia, the COVID-19 pandemic kept challenging the way we work while unprecedented flood disasters hit large parts of Central Kalimantan, affecting a total of 123 villages and more than 17,500 households. Although these events clearly limited our ability to act at times, they also made us even more determined – because they reminded us of our mission and that we need to act now in order to fight the climate crisis.

During the first half of the year, our field team worked hard to keep reaching farmers in rural areas and to carry out activities despite the pandemic's constraints. But in September, the flooding added even more obstacles to their task. Many of the farmers' fields, which had

been planted in earlier years, got severely damaged. Trees died because they were submerged in the floods, as did the fruits and vegetables that the farmers had grown as a food source.

Despite all these challenges, our field team was able to complete advanced farmer recruiting, Farmer Field Schools, as well as rapid assessment monitoring. We also provided support to farmers affected by the floods, by redistributing tree seedlings in order to replace the trees that had been damaged.

To achieve the goal of our 100 Million Trees project, we will continue to support and encourage the participating farmers. No one is left behind

with their problems. Let's hope that this redistribution will be another key moment in our fight against the climate crisis and for the empowerment of local farmers.

On another note, we have made some tremendous progress in our upcoming cocoa project that we implement with funding by Bread for the World – setting up structures, gaining knowledge, coordinating with the government and training our multipliers. The project aims to strengthen smallholder farmers through short- and medium-term income alternatives and to establish a sustainable cocoa economy in Indonesia. We are looking to launch our first Farmer Field School for cocoa farmers in 2022. We will keep you updated!

Our 360 video "100 Million Trees for Borneo Virtual Reality" takes you on a virtual journey to our 100 Million Trees program, shot directly on location in Central Kalimantan, Indonesia. Join our Communications Coordinator Monalisa on a 360° walk through our project sites. Hear directly from the team in Indonesia and meet local farmers Ludyanto and Santi who participate in our 100 Million Trees program. Although virtual reality glasses

immerse you in the experience, the video can be viewed on YouTube without them.

Special thanks to our partner Bread for the World for producing the video and the company Into VR & Video GmbH who shot the film on-site and holds the copyright.



Scan to watch the video



Achievements in 2021



91,084 seedlings distributed



79 participating farmers



12 tree species



survival rate of planted trees



6 non-timber food products



4 signed partnership agreements

*Broad percentage range is a result of flooding causing significantly lower survival rates in some areas.

Remark: Unlike in last year's report, we will from now on present the data according to the calendar year. In the case of Indonesia, however, this means that figures in this report are the same as in the previous year's report (2020-2021), as the planting phase there takes place at the beginning of the year.

Pasihan is a farmer who has been part of the 100 Million Trees program since 2021. He puts so much hope and optimism in this program, which he believes will provide an alternate source of income for the surrounding community and serve as a legacy for future generations. "This program is highly lucrative. In the next 20 years, people in this village may find it difficult to find wood due to the extinction of various wood species, and with the growing threat of climate change, this program can be a solution to maintain and protect the environment."



Pasihan, a farmer from Jangkit village.



Scan for the video of our farmer story



Lasting Solutions for Uganda

Alongside protecting the country's indigenous rainforests, our objective is to enable smallholder farmers to generate their own income through timber and food crop sales, such as beans and groundnuts, that are compatible with reforestation through agroforestry systems.

Our model in Uganda is centered around community tree nurseries attached to community groups and vocational schools. We form farmer groups and hold Farmer

Field Schools with the nursery as the center. We construct permanent tree nurseries with each nursery working with on average 60 farmers and producing on average 18,000 seedlings per rainy season. This decentralized approach has allowed us to spread our model quickly to sites in Western, Central and Eastern Uganda.

Uganda qualifies to join the global nature-based solutions strategy, because the country has

ideal climatic conditions and good soils. This notwithstanding, Uganda still experiences massive loss of forest cover as a result of population expansion and the subsequent need for more land for agriculture.

Below is a summary of what was achieved in the Lasting Solutions for Uganda Program during the 2021 planting season in Uganda.



"I am a secondary school teacher by profession, but I also own around 3 acres of land. Recently, I have started to reforest my property. oday, you can find about 800 trees there. More than half of these are of Grevillea trees. I love this species because I can intercrop it with coffee, soya, beans and groundnuts. There are also Musizi trees that produce timber. Thanks to Fairventures, I'm on my way to planting my own little forest that will benefit the environment as well as my children in the future."

Mbokaani Moses, farmer in the Kasese district.



On May 8, 2021, we launched the Kaazi Forest reforestation project in Wakiso District. This is a collaborative project with the Uganda Scouts Association, who have provided the planting area. We aim to plant 30,000 seedlings of indigenous trees within the next 12 months in response to the rapid deforestation rate. We constructed a permanent tree nursery with a capacity of 30,000 seedlings in December 2020 to raise only indigenous tree species. At the launch, a total of 2,430 tree seedlings were planted and 350 people attended. Our long-term goal is to plant 500,000 seedlings in this area.

Achievements in 2021



196,804 seedlings distributed



5 tree species



2 non-timber food products



survival rate of planted trees



1,793 participating farmers



11 tree nurseries operated



2 partnership agreements



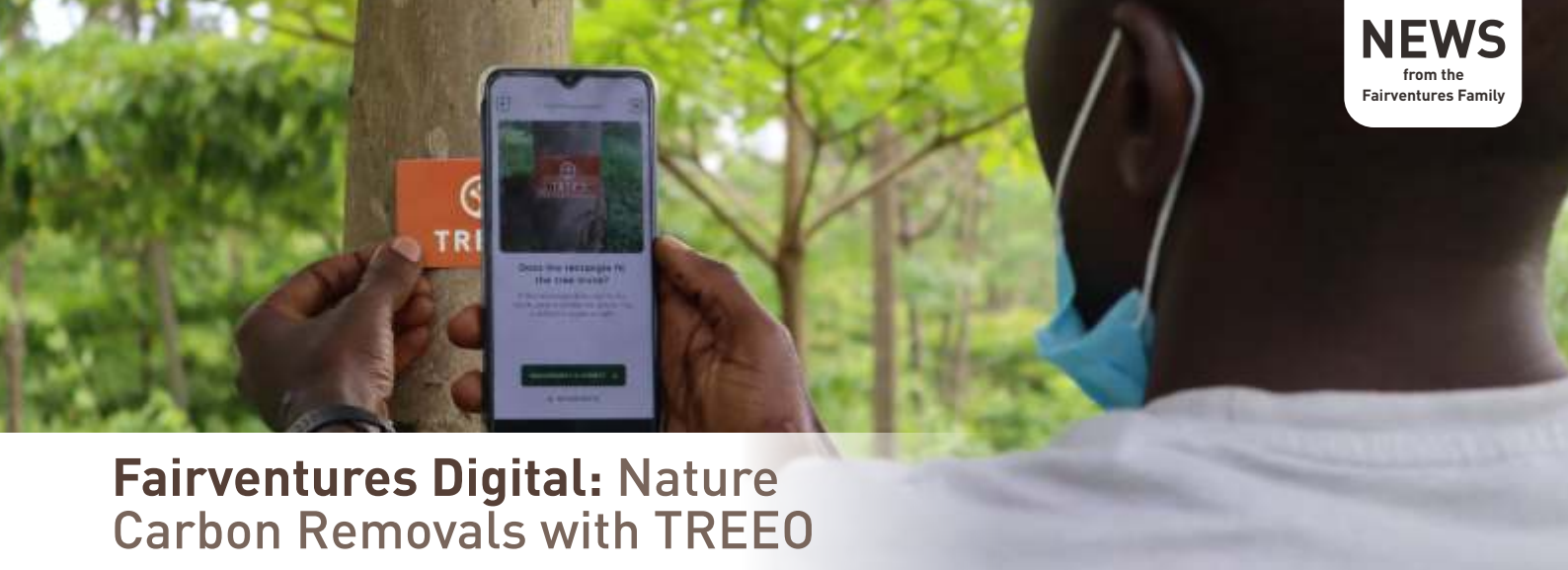
9 district reached

At FWV, we work along the entire timber value chain by promoting the use of fast-growing reforested timber in the construction sector. As a manifestation of this approach, we plan to construct a Timber Innovation Center on top of the Crown House building in Kampala in cooperation with Löffler_Schmeling Architects from Karlsruhe and students

from Bern University of Applied Sciences. The structure will showcase the beauty, innovativeness and strength of wood. It will also serve as our new country office, and it will be the initial step towards establishing the mass timber construction sector in East Africa.

Pic Credit: Löffler_Schmeling Architects, Karlsruhe





Fairventures Digital: Nature Carbon Removals with TREEO

Fairventures Digital GmbH, the company behind TREEO, was founded on the 8th of November 2021. Complementary to Fairventures Worldwide and Fairventures Social Forestry, it is the third organization in the Fairventures family. With TREEO, we want to enable the collection of reliable and trustworthy data on the storage of CO₂ within the timber of our trees for the purpose of accurately tracking and digitizing our impact.

The data is collected by the farmer through the easy-to-use app. Professional foresters review and verify the data, before reporting to our donors, grant-givers or balancers. These are climate conscious companies with declared net-zero targets, striving for real climate change mitigation.

After having reduced their greenhouse gas emissions as much as possible, they remove the remaining CO₂ emissions in collaboration with us. TREEO is the link between the net-zero company and a tree planting organization like Fairventures Worldwide. Thus, TREEO has tremendously progressed from its initial conception. It is much more than a mobile app for farmers. It is the missing piece in the ecosystem of nature-based carbon removals.

The problem many smallholders are facing right now is that deforestation is still more profitable than reforestation. In the TREEO ecosystem, farmers are holding very valuable assets, such as their land and the trees standing on it. The bureaucratic effort that is necessary to enter the CO₂ market right now has

been making it impossible for smallholders in the past to capitalize on these assets. This now changes.

So what will TREEO do? It will measure and visualize a farmer's land plot, assign a farmer to a specific tree-planting organization and, most importantly, calculate the diameter of a tree and derive from that an estimation of how much CO₂ that specific tree has absorbed. These are the essential features for the TREEO ecosystem to fully function: They deliver information about growth and survival rates, timber value and volume and CO₂ performance. More advanced features will be added in the future.



Fairventures Social Forestry: Investment Opportunities in Forest- Based Climate Solutions

Fairventures Social Forestry (FSF) was founded in 2018 to bring the philosophy of Fairventures Worldwide to a scale-based business approach for investors. Cooperating with local communities with secure land titles, we are currently implementing a 3,000 ha showcase in Central Kalimantan. Our market-based approach offers responsible investment opportunities that create long-term value, local income opportunities and positive climate contributions.

In 2021, we successfully planted 175 ha of formerly degraded land with lightwood seedlings. We have thus reforested a total of 282 ha since the start of the project. In addition, FSF has successfully intercropped 20 ha of ginger between Sengon trees as its first sizeable agroforestry activity. The results will provide important insights into the planting and processing of ginger and serve as the basis for scaling in the next seasons. In the process, we worked with more than 120 workers from local communities, while about 60 households directly benefited from having their land, located in the project area, planted with trees. A milestone was the start of an evaluation process for a new area to scale our concept.

This process will be accompanied by the preparation of our first crowdfunding campaign which will enable the public to get active, invest their money in fighting the climate crisis and benefit from attractive returns.

Please visit
www.fairventures.earth/invest
to become part of our climate
solution! Planting. Climate.
Action.



**81% tree
survival rate**



**146,056 total number of
trees planted**



**175 ha reforested
with tree seedlings**



**200,000 seedlings can be
grown at the Fairventures
nursery**



**4 of the 5 million euros
investment needed have
already been raised**

Remark: Unlike in last year's report, we will from now on present the data according to the calendar year. In the case of Indonesia, however, this means that figures in this report are the same as in the previous year's report (2020-2021), as the planting phase there takes place at the beginning of the year.

The Team



Advisory Board



Annette Gruß



Prof. Dr. Bernward Gesang



Dr. Horst Freiberg



Prof. Dr. Harald Kächele

Indonesia

Full-time employees: 32
Interns: 3
Total: 35

Uganda

Full-time employees: 30
Total: 30

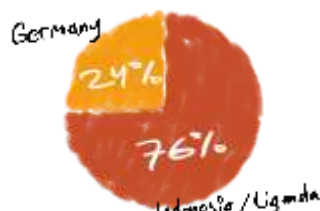
Germany

Full-time employees: 7
Part-time employees: 5
Minijobs: 4
Working Students: 2
Consultants: 3
Total: 21

Female leaders in the management team



Share of Employees contracted in...



Note: As of 31 Dec 2021

Transparency

The transparency and quality assurance of our work is essential for us to ensure the success of our efforts. Our employees worldwide are therefore subject to guidelines and standards that ensure a responsible handling of entrusted funds. We would like to provide you with the highest possible level of transparency and demonstrate that we responsibly handle your trust in us and our work.



As a member of the Transparent Civil Society Initiative, Fairventures Worldwide is committed to communicating information about the organization publicly and transparently. This includes, among other things, the statutes, the use and origin of funds, and information about the organization's personnel structure.

Fairventures
Transparency
Page:



As a member of VENRO (Association of German Development and Humanitarian Aid Non-Governmental Organisations), the guidelines and standards of the VENRO Codes apply to our business:

VENRO
Code of
Conduct:



VENRO Code
Development-
Related Public
Relations:



Code of Conduct

In our Code of Conduct we describe the values and standards of our actions, both internally and in dealing with partners.

Code of Conduct:



A Virtual Deep Dive into the Rainforest - Our Web Map

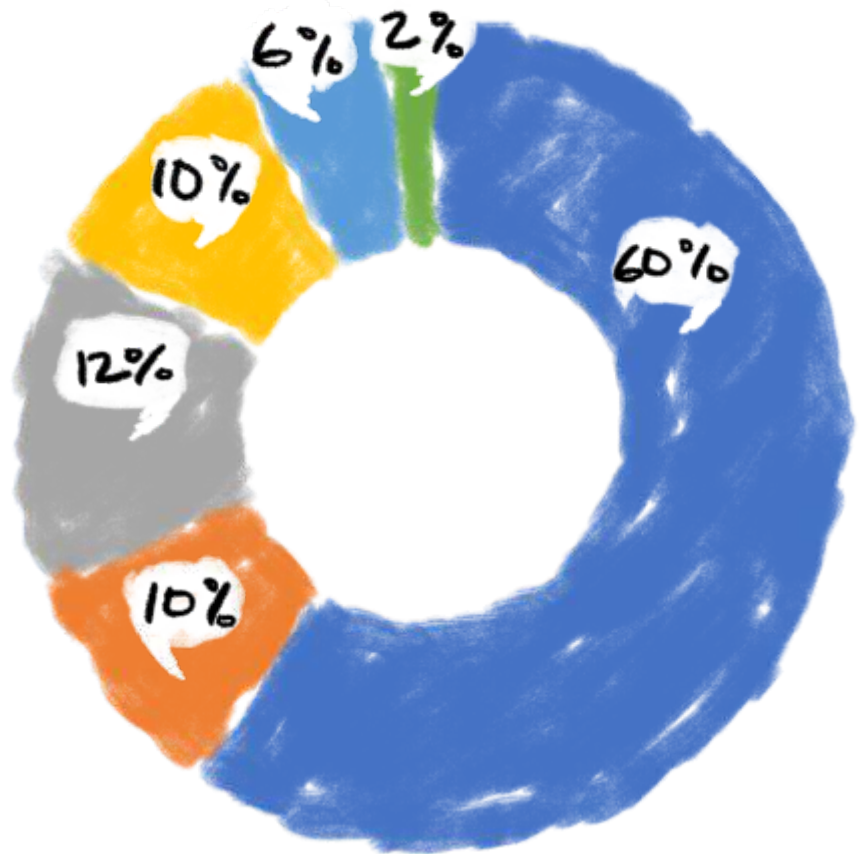
Our interactive Web Map transparently tracks the progress and impact of our projects in Uganda and Indonesia. You can access data about the number and growth of the planted trees and get to know the smallholder farmers who make this project happen. We invite you to start a virtual deep dive into the forests of Borneo and Uganda.

Web Map:

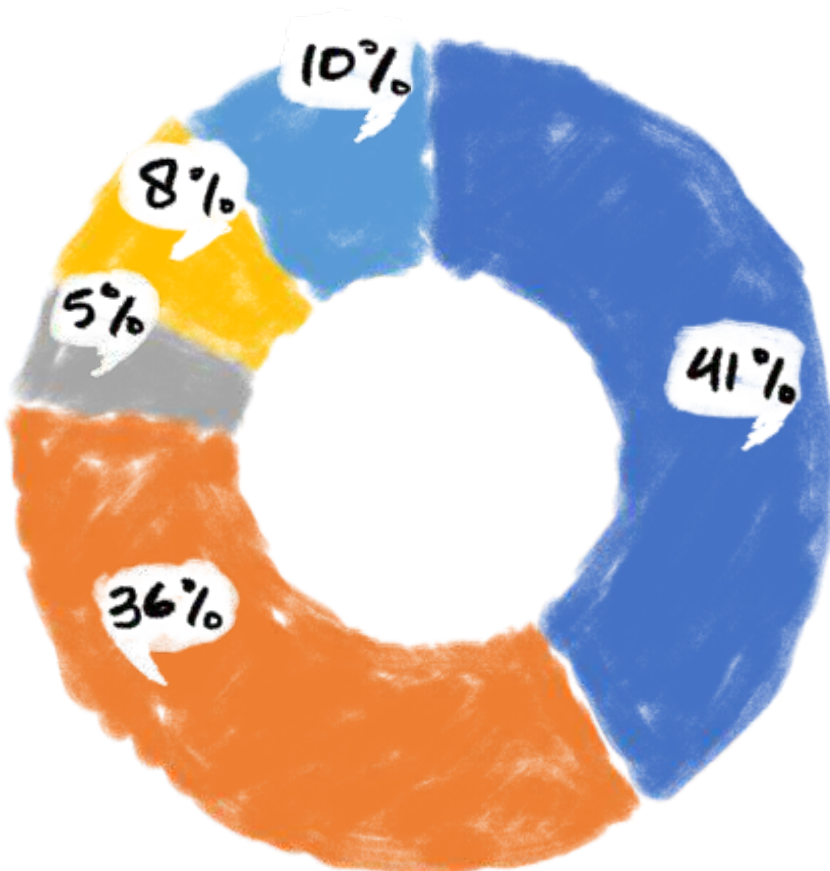


Finances

2021 Revenue
Total: 1,976,091 €



2021 Resource Allocation
Total: 2,090,144 €



Our books have been audited by:



Finances Over Time

	2019	2020	2021
Revenue	1,694,218 €	1,868,845 €	1,976,091 €
Institutional donors	920,458 €	1,065,930 €	1,183,378 €
Individual donors	382,249 €	80,305 €	200,280 €
Foundations	75,146 €	209,131 €	247,246 €
Sponsoring	118,257 €	350,460 €	189,346 €
Consultancy services	177,847 €	101,893 €	111,133 €
Others	20,261 €	61,126 €	44,708 €
Resource allocation	-1,842,237 €	-1,710,526 €	-2,090,144 €
Indonesia	-1,271,210 €	-1,207,256 €	-851,414 €
Uganda	-117,756 €	-212,122 €	-751,114 €
Other countries	-156,844 €	-12,879 €	-112,881 €
Fundraising	-95,171 €	-115,098 €	-158,001 €
Admin	-201,255 €	-163,171 €	-216,734 €
Annual loss/-profit	-148,019 €	158,320 €	-114,053 €
Profit carried forward (+) Loss carried forward (-) from previous year	27,614 €	29,595 €	66,118 €
Withdraw/ Settings in retained earning	150,000 €	-121,796 €	76,448 €
Net earning	29,595 €	66,118 €	28,513 €

Others About Us



Annette Gruß,

Fairventures Advisory Board Member and Managing Director of FutureCamp Climate GmbH

"Fairventures makes an important contribution to the global transformation process towards a decarbonized world and also creates livelihoods for the people in the project countries. Having many years of expertise in climate protection consulting, I support Fairventures in the development of their projects, specifically by aligning them with the new mechanisms of the Paris Agreement."



Prof. Dr. Harald Kächele,

Fairventures Advisory Board Member, Professor of Environmental Economics and Chairman of Deutsche Umwelthilfe (German Environmental Aid)

"Mankind faces the daunting task of both massively advancing climate protection and halting the drastic loss of species worldwide. Fairventures is working on innovative solutions that meet both of these goals while also providing livelihoods for local people. This is how I envision sustainable transformation, which is why I am involved with Fairventures."



Kule Sebastian Mukalu,

Farmer of Kasese District

"I believe trees have many advantages. First, they give us oxygen and have a positive impact on our climate. Then, they provide us with timber, which we can use to roof our homes or sell in order to generate income for our children's school fees. This is my second time collecting Grevillea seedlings from this nursery. I have planted 100 of these before, and now I am going to replace 20 trees that didn't grow well the first time around. Grevillea trees are great because they can be intercropped. They provide shade and a great environment for my coffee to grow there."



Ari Wibowo, S.Hut., M.Si,

Head of Extension, Community Empowerment, and Customary Forest, Forestry Office of Central Kalimantan

"Non-profit organizations are an important element of society. They assist the government in accelerating community empowerment programs. Fairventures Worldwide shares the same vision and mission as the government in order to improve community welfare."



Varena Junge,

Co-Founder of Yook

"At Yook, we believe that for effective climate protection, you just have to start – we don't have time for theoretical debates. What we need are pragmatic yet holistic approaches and solutions, and that's exactly what Fairventures offers. Reforestation based on sustainable forestry where it is needed most and with an involvement of the local population. Particularly impressive are their 100% transparency and their traceable impact. On the web map, we can track exactly how "our" forests are doing. This not only inspires and motivates us, but also our partners with their online shops."

Partners and Supporters

We thank you from the bottom of our hearts and look forward to many more years of cooperation!

In Indonesia

Borneo Orangutan Survival Foundation
Indonesian Lightwood Association
Ministry of Trade
The Borneo Institute

In Uganda

Bwera Farmers Group
Eco-Agric Uganda
HolyDove Vocational Secondary School
Kasese Youth Polytechnic Vocational School
Kikandwa Environmental Association
Latek Stay Alliance Uganda
MIIKA Estates
National Association for Women's Action in Development
People and Nature Rwenzori Mountain
RUHEPAI
St. Simon Peter's Vocational Institute
Uganda Timber Growers Association
Vision Vocational Secondary School
Tooro Botanical Gardens
Kirewa Agro Nursery
Bugyera-Kitojo Women's Group
International Union For Conservation of Nature (IUCN)
Ministry of Water and Environment

From Germany and Worldwide

Albrecht Auwärter Foundation
Andreas Stihl AG & Co. KG
Arcus Foundation
Association of German Foundations
attempto GmbH
Bauder Foundation
Biomaderas
BOS Deutschland e.V.
Broszeit GmbH
Brot für die Welt (Bread for the World)
convanced
Dr. Heger + Experten
ELO Digital Office GmbH
enway GmbH

GD Holz (German Timber Trade Federation)
German Federal Ministry for Economic Cooperation and Development (BMZ)
Global EverGreening Alliance
Heidehof Foundation
Import Promotion Desk (IPD)
Intuity Media Lab GmbH
Karlsruhe Institute for Technology (KIT)
Löffler_Schmeling Architects
Louis Leitz Foundation
Mondaine Watch Ltd.
Out for Space GmbH
Pacific Ring Europe GmbH
Panama PR
Panterito Foundation
Ravensburger AG
RESTOR
Schell-Schokoladen
Schmitz-Hille Foundation / W.P. Schmitz Foundation
Schöck Family Foundation gGmbH
Schreurs-tools GmbH
SIPPO Swiss Import Promotion Programme
STAY Foundation
Stiftungsnetzwerk Region Stuttgart e.V.
Terra Canis
The Audemars Piguet Foundation
The Development and Climate Alliance Foundation
Transparent Civil Society Initiative
TVB
United Nations Decade on Ecosystem Reforestation
University of Hohenheim
Vector Foundation
VENRO
X-Wood
Yook



Partner of



UNITED NATIONS DECADE ON
**ECOSYSTEM
RESTORATION**
2021-2030

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