

The background of the cover is a photograph of a forest landscape. In the foreground, there are large, dark green leaves on a branch, some in sharp focus and others blurred. The middle ground shows a dense line of tall, thin trees, possibly eucalyptus, under a bright blue sky with scattered white clouds. The ground is a mix of dry grass and dirt. A large, solid teal-colored shape covers the right side of the image, serving as a background for the title and report information.


# Forestfirst

COLOMBIA S.A.S.

## *Sustainability & Shared Value Report*

*~ For the year 2024 ~*





*We believe  
growing more  
trees makes for  
a better world.*

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*Right from the start, we are  
and always have been, deeply  
committed to having a positive  
impact on the environment and  
communities where we operate.*





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# Overview

*Forest First Colombia (FFC) is pleased to present our third Shared Value Report.*

*FFC was started to do something meaningful; we are committed to an investment that is environmentally and economically viable, builds lives and communities and sustainably produces FSC® certified products.*

## About this Report

The purpose of this report is to review our approach to sustainable development, to report on our progress and achievements, and to reflect on how our social, environmental and economic performance metrics create value for our stakeholders.

This report includes information on the performance of Forest First Colombia SAS from January 1 to December 31, 2024. Where we are able to provide information from prior years, we do so. Through our baseline data and subsequent updates we will continue to build the story on FFC's ESG performance.

This report was not subject to external verification but was reviewed internally by the company's senior management. Any questions regarding this report may be sent to [contactenos@forestfirst.com](mailto:contactenos@forestfirst.com).

## Setting the Stage

Our forestry plantations provide economic opportunities in one of the most remote rural regions in the department of Vichada in Colombia. Our strategic intent is to demonstrate global leadership in forestry products by pioneering and developing sustainable plantation forestry in this region. To do this, we acknowledge the importance of continuous learning and have identified areas for improvement.

We strive to balance the needs of the environment, wildlife and communities by adopting an ecosystems-based approach that includes land stewardship, the inclusion of diverse stakeholders, and promotion of local economic development. This report details the socio-economic and environmental returns of our investments and the sustainability principles driving them. We will review our progress but will also report on the challenges we face to continue generating value consistently for our stakeholders.

**Our approach to this is rooted in our four key pillars:**

**Living, Breathing, Growing and Learning.**





# Message from Our CEO

*It's hard to believe another year has gone by! 2024 was a challenging year, as we continued to seek additional equity investments to support our growth. Despite reducing our forestry operations mid-year to conserve cash, we also celebrated significant milestones that reflect our dedication to innovation, ecological stewardship, inclusion, and safety.*

Among our most notable achievements was the continued success and expansion of our **clonal and hybrid nursery programs**. These programs are central to our mission of developing high-yield plantations with local genetics that not only enhance productivity but also support long-term sustainability in our operations. Through patience, dedication and many iterations, we are building a model that balances economic growth with environmental responsibility.

On the environmental front, our **biodiversity monitoring program** delivered valuable information regarding mammal and bird species that prefer our plantations as safe havens instead of the fire exposed grassland savannas and gallery forests that are too exposed to uncontrolled wildfires set by members of the local community. Our biodiversity monitoring program is not only a testament to the richness of the ecosystems in which we operate, but also a reflection of our commitment to science-based conservation practices that allow forestry and biodiversity to coexist.

Equally meaningful has been our support in the creation of **two local women's associations** one of them being from the artisans of the Morichalito Matsuldani indigenous community. These associations were born from our belief that sustainable development must be inclusive and community-driven. By empowering women in Vichada, we are helping to cultivate local leadership, entrepreneurship, and preserve ancestral traditions — all vital to the region's social fabric.

Last but not least, 2024 was the year where we produced a deep shift towards **safety** and, as a result, our accident rate was almost halved. We also proved that the **Colombian timber markets** are interested in high quality, traceable and sustainably managed hard wood, which allows us to look forward to a bright commercial future in the Colombian domestic market.

These accomplishments would not have been possible without the passion and hard work of our employees, the trust of our partners, and the collaboration of the local communities. As we look ahead, we remain committed to building a forestry model that is productive, inclusive, and in harmony with nature.

*Thank you for your continued trust and support.*  
**Tobey Russ**

*We are striving striving to implement a best practice model for sustainable forestry in Colombia.*



# About Us

## Who We Are, What We Do and Why We Do It.

### Who We Are

We are a company founded in 2010, with forestry operations in the region of Vichada, Colombia. We are driven by the belief that planting trees helps create a better world. Over the years, we have grown into a business that not only fosters economic development but also has a positive impact on local communities and the environment.

### Our Mission

Growing planted forests in a responsible and cost-effective way to mitigate climate change, to meet increasing global demand for sustainable wood fiber, and to deliver value to our communities, environment, and shareholders.

### Our Vision

To continually refine and share our model for certified planted forests – living, breathing, growing, and learning. Our contribution to a better world: socially, environmentally, and economically.

### Our Values

We asked our employees to confirm our critical values. The results are illustrated below:

#### Safety

- safety above all else
- everyone goes home to their family safely
- follow procedures
- use PPE always

#### Respect

- each other
- community members
- suppliers
- authorities
- the environment

#### Integrity

- behave ethically
- be honest in all you do
- be transparent
- do what you say you will do
- accept responsibility

#### Teamwork

- collaborate
- be reliable
- treat each other, at all levels, as partners

#### Results Focused

- consider time, cost, and performance
- meet deadlines
- work on the right things
- get the job done well (without sacrificing any of the other values)

#### Continually Improving

- pay attention
- think analytically
- identify and share opportunities for us to improve
- do not be afraid to speak up, regardless of your level - you may know, or see, something nobody else does.

### What We Do

Our business is based on commercial forestry plantations and wood processing, with sustainability as a core strategic pillar. All of our planted forests are certified by FSC® (FSC®-C167272). We manage the entire process: from planting and cultivation to processing and marketing wood products.

Additionally, our business model includes the production and sale of carbon credits in international markets, as well as the generation of biomass to supply energy to the region.

### A Commitment to Colombia

Our operations are located in the region of Vichada, Colombia, where we have identified a valuable opportunity to develop forestry plantations. This region enables us to drive both economic and social development while implementing sustainable practices to protect and conserve ecologically significant areas. These areas are often impacted by poor agro-industrial practices and the use of fire as a cultural tradition.

Under our management, we oversee approximately 40,000 hectares, primarily distributed across farms in the municipality of Puerto Carreño (95%) and, to a lesser extent, in the municipality of La Primavera (5%). Our area of influence is bordered to the north by the Meta River, to the south by the Bitá River, to the east by the mouth of the Juripe River into the Meta River, and to the west by the Muco stream.

### Products, Processing, and Sales

Competitively priced, sustainably produced wood products are in short supply as there is limited domestic wood processing capacity in Colombia. We produce untreated lumber and fence posts as well as biomass for energy and have built out a network of distributor relationship throughout the country through which we sell our products.

Our certified forestry plantations allow us to produce carbon removal credits that are certified by Verra under the VCS and CCB standards and are made available for sale in the voluntary markets. We also produce and sell biomass for power generation, which are in high demand, into the local market.



**Forest First Colombia is located in the region of the Meta River in N.E. Vichada.**

\* "The Convention on Wetlands" of 1971 under the auspices of UNESCO.



FFC VALUE CHAIN

We have a vertically integrated business model.  
Our value chain includes the following steps



**LAND RIGHTS ACQUISITION**  
Management of acquired land use rights.



**PLANTATION DESIGN**  
Design of a land use map based on land cover and drainage, taking into account environmental and social criteria.



**NURSERY STAGE OR PREPARATION OF INDIVIDUALS**  
Seed sowing in the nursery banks to produce high quality seedlings.



**LAND PREPARATION**  
Conditioning of the soil for seedling placement.  
+  
**FORESTRY PLANTING AND MAINTENANCE**  
Planting of seedlings and forestry maintenance.



**HARVEST**  
Felling of adult and mature trees.



**POSTHARVEST AND PROCESSING**  
Transfer of trees to the sawmill; cutting, sorting and storage.



**TRANSPORTATION**  
Transfer by land or river of biomass and processed product.



**SALES + REVENUE**

RETURN TO INVESTORS + STAKEHOLDERS

Our Value Chain

The value chain of FFC covers all the production stages necessary to support our business model, from land acquisition to the sale of processed wood. Initially, our plantations focused on *Acacia mangium* and *Eucalyptus pellita*. However, since 2022, we have exclusively focused on planting *Eucalyptus pellita*. During the growth of the trees, carbon credits are generated through the storage of carbon dioxide (CO<sub>2</sub>) in the form of biomass, which are then sold in international markets.

In 2024, there were no changes to our value chain, and no new processes were introduced.

Responsible Supply Chain

One of our main objectives is to ensure that our contractors fully comply with Colombian regulations and adopt high standards in labor and occupational health and safety matters. On a quarterly basis we monitor contractor compliance to our occupational health and safety management system.

Our Partners

SAPPI is a key strategic partner; it is a world-leading supplier of everyday materials made from renewable resources based on wood fiber. SAPPI focuses on sustainable processes with an emphasis on building a more circular economy.

The U.S. International Development Finance Corporation (DFC) has provided us with capital and is a strong supporter of our efforts. Our relationship with the DFC has led us to adopt the International Finance Corporation's (IFC) sustainability standards. We know of no other afforestation company that meets these stringent standards.

FinnFund, one of our major shareholders, is a Finnish financial institution that invests in companies in developing countries, focusing on sustainable development. It demands profitability, environmental and social responsibility, and measurable development effects in the countries where it operates.



Why We Do What We Do

We are concerned about climate change and believe that sustainable plantation forestry can be one of the greatest mitigants to climate change. FFC makes a difference by operating one of the largest hardwood afforestation plantations in Colombia, while protecting, improving, and regenerating the biodiversity in the region where we operate. This includes dedicating approx. 30% of our total area to the conservation of environmentally sensitive areas and for rehabilitation of natural habitat. We work hard to educate the communities to change local land management practices by bringing awareness of the rich biodiversity of the territory, and educating them about fire risk and fire impact.

Striving to Be the Best

Sustainability is the cornerstone of our company. We recognize the impact of climate change and strongly believe that forestry plantations play a crucial role in their mitigation. We are dedicated to implementing the best practices available to us and strictly adhering to both national laws and international standards to ensure that our activities make a positive contribution to the environment and the communities where we operate. This commitment is demonstrated through our contribution to the United Nations Sustainable Development Goals, particularly in the following below:

Our management system is built upon the sustainability performance standards set by the International Finance Corporation (IFC). This approach ensures our commitment to human rights, cultural diversity, and the active participation of local communities. We also prioritize the responsible management of natural resources, support biodiversity conservation, and uphold respect for indigenous peoples and the cultural heritage of the regions in which we operate.

High Standards

To ensure that we will lead by example for our industry we have adopted a number of international standards.

United Nations Sustainable Development

The standards that we initially guided ourselves by are the Sustainable Development Goals (SDG) of the United Nations. We contribute directly to ten of these goals, illustrated by icons below.



We have prioritized some of these, considering the opportunities identified in the area where we operate and in order to focus our efforts.



FSC® Certification

The FSC® certification guarantees that our forests are managed in a socially beneficial, environmentally responsible, and economically viable manner. In 2021, we obtained the Forest Stewardship Council® (FSC® - C167272) certification, which is valid from October 12, 2021, to October 11, 2026, at which time we will apply for renewal.

The annual audit was conducted in November 2024 and was completed successfully. During this process, various aspects of our operations were assessed to ensure compliance with FSC® standards. Additionally, our Forest Management Plan is subject to regular review and is updated periodically. A copy of this plan is available on our website.

IFC Performance Standards

As part of our relationship with the DFC, we adopted the stringent *IFC Performance Standards on Environmental and Social Sustainability*. Through these, we are addressing and managing the environmental and social risks associated with our business operations, promoting respect for human rights, cultural diversity, and community participation, and ensuring responsible management of natural resources. This strengthens our position as leaders in the sector both nationally and internationally in promoting ethical, transparent, and socially responsible business practices. The icons below illustrate the various performance standards we adhere to.

To the best of our knowledge, we are the only afforestation company globally to reach the IFC milestone.



VERRA Standards

Our carbon credits are certified by VERRA under the Voluntary Carbon Standard (VCS) and the Climate, Community, and Biodiversity (CCB) Standard. This certification confirms that our project contributes to climate change mitigation by reducing greenhouse gas emissions and ensures the quality and transparency of the carbon credits we generate. It also guarantees that our activities have a positive impact on biodiversity conservation and the well-being of local communities.



Board of Directors



**Michael Murphy**  
CHAIRMAN OF THE BOARD  
(FOUNDER)



**Michael Hobbs**  
DIRECTOR



**Jorge Segovia**  
DIRECTOR



**Giovanni Sale**  
DIRECTOR  
SAPPI REPRESENTATIVE



**Tobey Russ**  
DIRECTOR & CHIEF  
EXECUTIVE OFFICER  
(FOUNDER)



**Jonathan Dodd**  
CHIEF FINANCIAL OFFICER  
(FOUNDER)



**Walda Decreus**  
GENERAL COUNSEL  
(FOUNDER)



**Tatiana Pachon**  
CHIEF COUNTRY OFFICER



**Eric Cantor**  
CHIEF OPERATING OFFICER



**Stewart McNair**  
CHIEF HUMAN RESOURCES  
OFFICER

Operations



**John Yepes**  
HARVEST & TRANSPORT  
MANAGER



**Eduardo Palacio**  
LOGISTICS & MAINTENANCE  
MANAGER



**Igor Lilo**  
DISTRICT MANAGER



**Katia Hernandez**  
NURSERY MANAGER



**John Salazar**  
PLANNING MANAGER



**Yohan Quintero**  
DISTRICT MANAGER

Corporate



**Carolina Botero**  
VP STRATEGIC INITIATIVES



**Jairo Vargas**  
DIRECTOR, ESG



**Claudia Cardenas**  
MANAGER,  
FINANCE & ACCOUNTING



**Aury Arenas**  
H&S MANAGER



**Patricia Infante**  
HUMAN RESOURCES  
MANAGER



**Guillermo Rojas**  
PROCUREMENT MANAGER



**John Andrade**  
CAMP MANAGER



**Camilo Lopez**  
SALES MANAGER

Our Leadership Team

We'd like to introduce you to our talented and diverse leadership team, all of whom have a great depth of experience, either locally, internationally, or both!

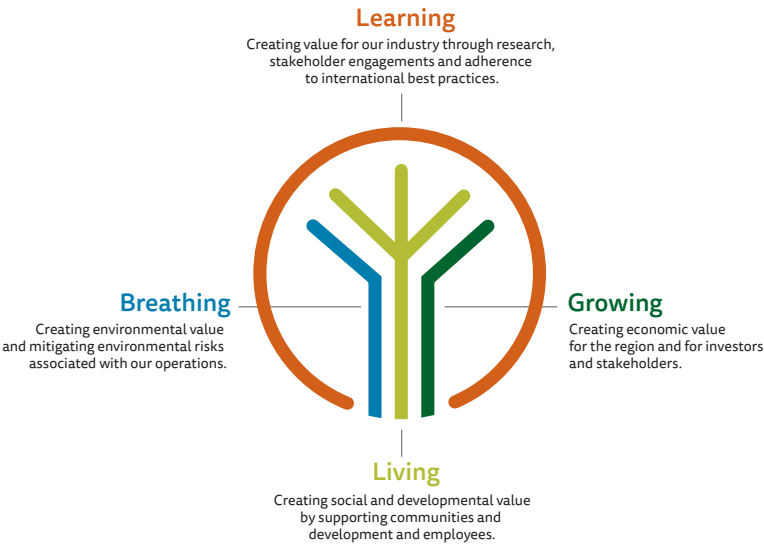


Our  
Commitment  
to  
Sustainability

Our Commitment to Sustainability

Sustainable forestry has been defined as balancing the needs of the environment, wildlife, and forest communities—supporting decent incomes while conserving our forests for future generations.<sup>1</sup>

Right from the start, our goal has been to make a positive impact on the communities and environment where we operate. We are committed to sustainable forestry, which underpins our overall corporate philosophy. Our approach to this is rooted in four key pillars: **Living, Breathing, Growing and Learning.**



A primary driver of our approach is to continuously *learn* the best practices specific to the context of our region; socially, environmentally, and technically. This pillar supports all other pillars as we learn and grow to become a leader in sustainable forestry. As such, learning will be at the forefront of this report and will also serve as its conclusion.

The Material Impacts of Our ESG Practices

As part of our commitment to sustainability and continuous improvement, since 2022 we have implemented a structured process to identify, assess, and prioritize the material impacts of our operations on the economy, the environment, and people, including human rights. This approach ensures alignment with international standards and the expectations of our stakeholders.

Our materiality assessment draws on a wide range of inputs, including stakeholder consultations (employees, communities, clients,, and authorities), strategic planning outcomes, risk analyses, community surveys, and feedback from our grievance mechanism. This process has allowed us to develop a comprehensive view of the most relevant issues for both our business and our stakeholders, helping to focus our sustainability efforts effectively.

As a result, we have identified the following key material topics: Greenhouse Gas Emissions and Climate Strategy, Water Management, Biodiversity, Ethics and Transparency, Human Rights, Occupational Health and Safety, Community Relations and Development, and Employment. These topics guide our sustainability strategy, helping us address global and local challenges while generating long-term value.

Our Foundational Pillars

**Learning:** Creating value for our industry through research, stakeholder engagements and adherence to international best practices.

This pillar serves as an overarching philosophy for all our pillars and we take a bold approach to continuous learning to do things better and lead the way for others. This pillar also stands on its own as we challenge ourselves to report on how we plan to do things better. *Impact areas addressed in the report include:*

- Ethics
- Industry Leadership and Striving for Excellence
- Continuous Improvement and Reporting
- Stakeholder Engagement
- Research

**Living:** Creating social and developmental value in our region

This pillar focuses on the social and economic upliftment of employees, locals in the surrounding communities and the Colombian economy. *Impact areas addressed in the report include:*

- Employment
- Health
- Education
- Community Leadership Development
- Safety, Security and Decriminalization

**Breathing:** Creating environmental value and mitigating environmental risks associated with our operations

This pillar focuses on how FFC is committed to mitigating any negative impact on the region's environment due to operations and how we can have a positive impact through stewardship, education, rehabilitation, and climate change mitigation. *Impact areas addressed in the report include:*

- Climate Change Mitigation
- Land Stewardship & Conservation
- Biodiversity
- Environmental Education and Incentive Programs

**Growing:** Creating economic value for the region

This pillar focuses on FFC's efforts to diversify and grow the local economy as well as provide support in creating local infrastructure. *Impact areas addressed in the report include:*

- Local Economic Development
- Local Infrastructure Development
- Stimulating the Colombian Economy & Forestry Growth

- FFC Material Concerns:
- Greenhouse Gases (GHG) and Climate Strategy
  - Water Management
  - Biodiversity
  - Ethics and Transparency
  - Human Rights
  - Occupational Health and Safety
  - Community Relations + Development
  - Employment

<sup>1</sup> Rainforest Alliance (2016)  
What is Sustainable Forestry



Our Stakeholders

Since our inception, we have placed our stakeholders at the heart of our business. We understand the importance of recognizing and considering all those who may be affected by the project or who may affect it and building solid and lasting relationships with all.

We are committed to establishing and maintaining active communication channels with our stakeholders at all stages of the project to learn about their concerns and expectations and incorporate them into our management, always having as a horizon the creation of value for each of them.

We have identified our stakeholders in the area of operations and have characterized and prioritized them taking into account evaluation criteria such as “influence” and “importance” with respect to the project. We have also applied methodologies and tools to understand their expectations and concerns. This exercise is the basis on which we have structured the Relationship Plan with Social Players.

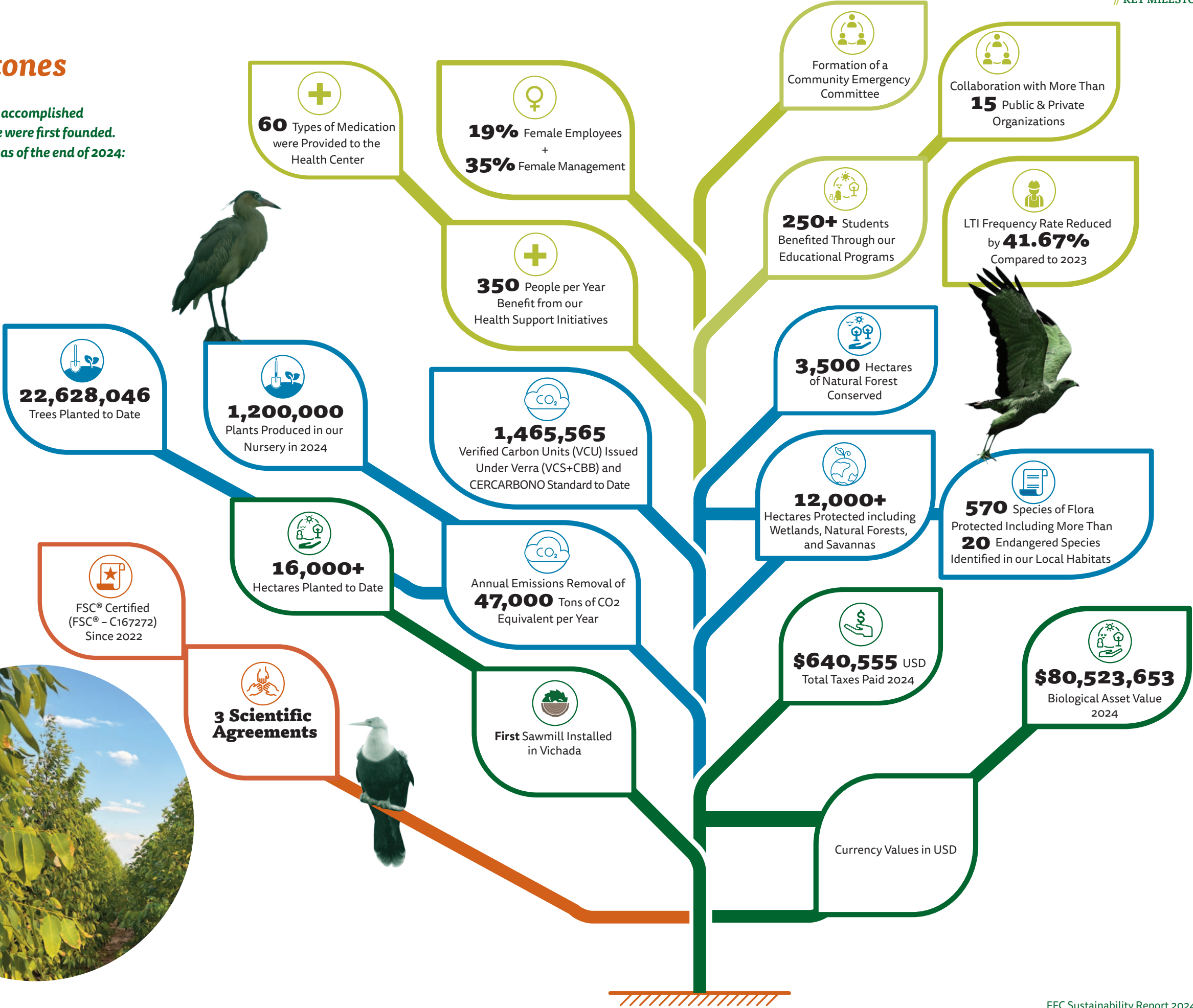


Like our trees, our stakeholders are at the heart of our business. We work hard to build solid and lasting relationships.



# Key Milestones

Forest First Colombia has accomplished numerous things since we were first founded. Here are a few highlights as of the end of 2024:



We have achieved many milestones to date. We are proud of our accomplishments and continue to work hard to achieve more ~ always driven by our pillars for sustainability.





## Continuing to Learn & Grow

Growing a future, sustainably.

Learning is a core pillar for all that we do. It is the foundation for our development and for all those who engage with us.

# 2 //



Our clonal and hybrid developments are a tremendous success promising greatly increased yields.



We continue to learn new ways to develop stronger and more productive clones and hybrids. This commitment to learning is a key pillar for FFC.



## Ethics and Transparency

# Corporate Governance + What We Do for Our Partners

### Corporate Governance

We have taken on the challenge to create a governance structure that is based on the highest ethics and transparency standards, that creates long term value for all our stakeholders and that ensures high corporate social, environmental and financial performance.

#### Our Board of Directors

The Board of Directors is our highest governance and decision-making body and is responsible for ensuring compliance with the company's strategic objectives, including those associated with sustainability. The Board ensures control and supervises our CEO.

#### Our Leadership Team

To guarantee the fulfillment of our business objectives, including the generation of economic, social and environmental value for our stakeholders, within the framework of the highest standards and best industry practices, we have a qualified leadership team with extensive experience in the domestic and international forestry industry. For more information, please visit our website: [www.forestfirst.com](http://www.forestfirst.com)

### Ethical and Transparent Performance

We conduct our business in an ethical and transparent manner, adopting the highest international standards. We have governance instruments that guide our behavior and that of all those who act on our behalf, and we ensure that they are duly communicated through effective channels.

#### FFC Code of Conduct

The Code of Conduct sets forth the standards and principles that all our employees must follow to ensure their actions are rooted in integrity, ethics, responsibility, and transparency. We are committed to promoting values of honesty, respect, innovation, and efficiency in everything we do.

It is crucial that all employees protect the company's assets and confidential information, accurately record all transactions, and avoid any data manipulation. The Code also emphasizes that relationships with business partners must be based on respect and honesty, with strict prohibition against offering or accepting bribes or engaging in corrupt practices.

We foster a work environment based on mutual respect, free from discrimination and harassment, and ensure a safe workplace for everyone. Employees are required to disclose any potential conflicts of interest and must comply with all national and international laws, including anti-corruption and environmental regulations, to ensure that all our activities align with the highest ethical and legal standards.

### Corporate Transparency Ethics Program

The *Corporate Transparency and Ethics Program* aims to ensure that the company operates ethically and complies with all anti-corruption laws, strictly prohibiting any form of bribery or improper payments in its operations. This includes activities designed to identify, assess, control, and mitigate the risks of corruption and transnational bribery, ensuring that legitimate business activities are not involved in improper conduct. To achieve this, we have established a series of due diligence processes, preventive and corrective controls to detect irregularities. Additionally, employees are required to report any suspicious activities through the established reporting mechanisms and cooperate with the program to ensure its effectiveness.

### SAGRILIFT program

The *SAGRILIFT* program aims to prevent and detect practices related to money laundering, terrorism financing, and the financing of the proliferation of weapons of mass destruction in all commercial transactions. As such, all business operations must comply with the guidelines set out in the *SAGRILIFT* Manual and the company's internal regulations.

Our reporting channels are open to allow all stakeholders to confidentially alert us about any improper actions, irregularities, or potential violations of our *Code of Conduct*.

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Interested parties can access the information through the following link:

[forestfirst.com/contact](http://forestfirst.com/contact)

Matters related to *SAGRILIFT* and politically exposed person should be clearly specified in the appropriate form or communicated via email to the following address:

[sagrilift@forestfirst.com](mailto:sagrilift@forestfirst.com)

To meet the highest ethical standards, we ensure that all employees are introduced to our policies and compliance procedures during their onboarding. In 2024, we developed a training program aimed at leadership on the Code of Conduct, transnational corruption and bribery, as well as a training program on identifying warning signs related to money laundering risks.

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Our activities and operations strive to improve the wellbeing and quality of life of Colombians. We contribute to the following:



Reducing poverty, creating work and economic growth through sustainable local livelihoods.



Contributing to socio-economic development through investment in health.



Contributing to socio-economic development through investment in education.



Stimulating local economic development through assistance to startup businesses.



Protecting terrestrial ecosystems through sustainable forestry management infrastructure.



# Human Rights and Handling of PQRs

## Our Commitment to Human Rights

In the department of Vichada, a region known for its rich biodiversity and cultural heritage, human rights are constantly threatened. The centralization of resources in other parts of the country, combined with accessibility challenges and a lack of infrastructure, has created significant barriers to development. As a result, local communities face limited access to essential services such as education, healthcare, and employment, leading to deep social inequality. The most vulnerable populations remain excluded from opportunities available in other regions and are trapped in a cycle of poverty and social marginalization.

Recognizing these challenges and following international best practices, we are fully committed to protecting and promoting human rights. Our operations align with the principles established in the *Universal Declaration of Human Rights* by the United Nations and the declarations of the *International Labour Organization (ILO)*.

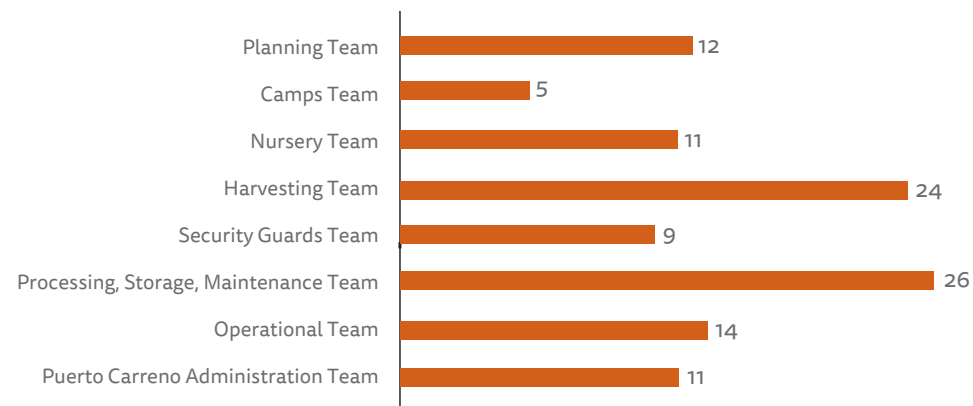
We understand that creating meaningful change in our region requires us to take an active role. That is why we are committed to fostering a safe, healthy, and discrimination-free work environment, ensuring fundamental rights such as equal opportunities and freedom of expression.

We respect the cultures and traditions of local communities and our employees, fostering transparent relationships built on trust. Within our company, we promote a culture of respect, fairness, and equity, where employees, most of whom are local residents—are aware of their rights and become advocates for a just and inclusive workplace.

To achieve our goals, we provide human rights training that covers key topics such as human dignity, non-discrimination, equal opportunities, and gender equity. Additionally, we emphasize the importance of employees contributing to a safe and inclusive work environment and actively participating in company decision-making.

We have established a permanent grievance mechanism to receive and address requests, complaints, and claims related to potential human rights violations, as well as other concerns. All cases are handled fairly, without discrimination or bias.

In 2024, we conducted 12 training sessions with the participation of 114 operational employees across different areas of the company. Through these efforts, we integrate human rights as a fundamental part of our training and development process. We will continue implementing initiatives on this topic, reinforcing our commitment to both our workforce and the local communities we serve.

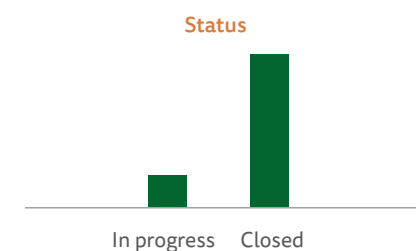


## Handling of Petitions, Complaints and Claims (PQR)

Active listening and addressing the interests and concerns of each of our stakeholders are essential to our growth and help us maintain long-lasting relationships. By doing so, we can integrate stakeholder perceptions into the decision-making process, ensuring that their views are considered and respected.

Our grievance mechanism has been an indispensable tool for maintaining active listening across all our stakeholder groups, including employees, contractors, communities, and other key actors. Through this mechanism, we receive and manage any type of request, complaint, or claim, allowing us to identify opportunities for improvement and address concerns efficiently. In addition, we have established various accessible communication channels to ensure that anyone can submit their PQR easily and promptly.

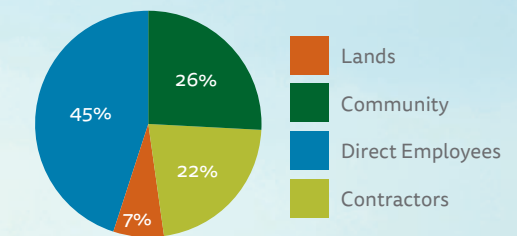
In 2024, a total of twenty-seven (27) cases (PQRs) were received; 67% were complaints, 22% were claims, and 11% were requests. As of December 30th, 81% of the PQRs were closed, with 19% still in process.



Forty-five percent of the PQRs were submitted by FFC's direct employees, followed by contractors, communities, and land-related issues. The main topics were related to infrastructure and services in the camps, including internet access and requests for improvements in accommodation. The second most common topic was requests for clarifications regarding provisions, compliance with working hours, and legal labor settlements. Regarding the communities, the PQRs submitted were related to employment opportunities and clarifications about FFC's boundaries.

Each case was redirected and addressed satisfactorily. We will continue working to strengthen our grievance mechanism and encourage the participation of all our social stakeholders.

PQRs by Stakeholder



Our reporting channels are:  
Whatsapp: 3243862032  
e-mail:  
contactenos@forestfirst.com







## What We Do for Our Employees & Community.

Our living pillar is all about people. Our employees and the communities that surround and include us.

3 //



Our desire to contribute to our community in meaningful ways goes well beyond employment.



We have a deep commitment to our employees and our neighboring communities. We promote initiatives that favorably impact quality of life.



# Growing for a Better Community.

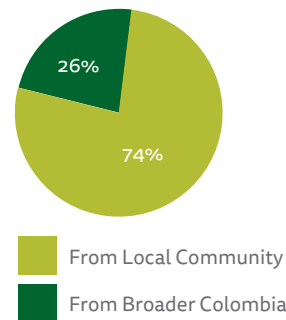
*We have a positive impact on people. We have a deep commitment to our employees; their professional growth and well-being and we focus much of our efforts on creating a safe working environment. We are committed to our neighboring communities and promote initiatives that favorably impact their quality of life, focusing on health, education and development of community leadership.*

## Our Workforce

Human talent is our most valuable asset; we want our employees to find job stability at FFC, as well as opportunities for development and professional growth. We work to create a safe and increasingly diverse and inclusive work environment.

We have a highly qualified and committed workforce. At the end of 2024, our workforce consisted of **180 employees**, all of whom were hired directly by FFC in accordance with the requirements of Colombian law. We are aware of the positive impact we can have in the department of Vichada, generating formal and stable employment opportunities. For this reason, 74% of our direct employees are from the area of influence of our operations.

Where FFC Employees have been sourced from in 2024



FFC Employees

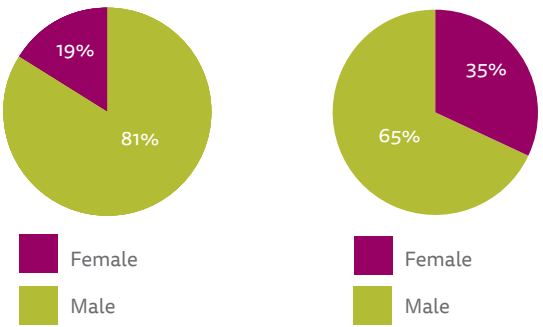
## Gender Equality

At FFC, we are committed to training and empowering women in the workplace and through education. We firmly believe that a diverse and inclusive workforce not only enriches our company but also helps reduce inequality gaps. We actively promote gender equity and equal opportunities.

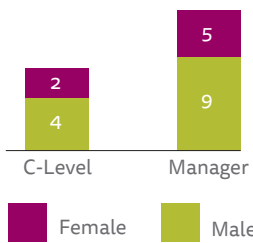
The forestry sector has historically been male-dominated. We face a significant challenge in creating job opportunities for women, particularly in positions traditionally held by men. We have prioritized the participation of women at all levels of the organization, fostering leadership and ensuring their active integration in decision-making processes.

As of 2024, 19% of our direct workforce is made up of women. Additionally, seven out of the 20 executive and strategic positions in the company are held by women, representing 35% of the leadership roles. We are committed to maintaining an equitable work environment by ensuring fair and proportional salaries between men and women, guaranteeing equal compensation for work of equal value.

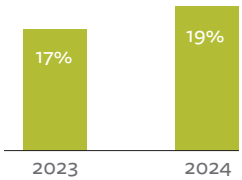
Direct Employees by Gender    Management Positions by Gender



Executive Position



Woman Employment by Year



**GOAL:**  
To have at least **15%** women in our workforce, and we strive to exceed this percentage, reflecting our commitment to gender diversity and inclusion.



We recruit employees locally wherever possible and we outsource most other operational functions to local businesses.

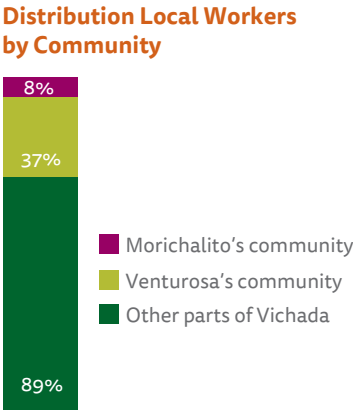


Working with mother plants at the nursery.



### Local Employment

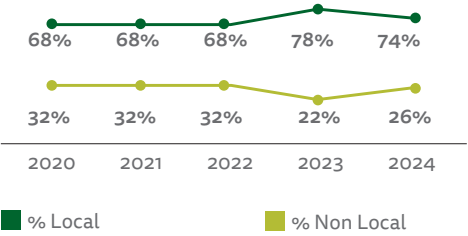
We prioritize the hiring of local workers, meaning residents of Vichada. We recognize the potential of our workforce and continuously seek to include and retain local labor. As of 2024, 74% of our workforce is from the region, and our goal is to ensure that more than 70% of our workforce remains local. As part of our commitment to supporting and benefiting the surrounding communities, we have prioritized the employment of local populations near our operations, specifically from the Venturosa inspection site and the indigenous community of Morichalito Matsuldani.



Currently, we employ 37 direct workers from La Venturosa, which represents approximately 24% of the working population in this community. These individuals play a key role in silvicultural operations as well as support functions, such as camp management and maintenance.

We recognize and respect the presence of indigenous peoples in the area, valuing their cultural significance and traditions. According to DANE, the Vichada department has an indigenous population of 48%, highlighting the importance of including these communities in our initiatives and workforce processes. At FFC, 14% of our workforce is made up of Indigenous people, with eight individuals from the Morichalito community, representing approximately 12% of the working-age population from that community.

### FFC Direct Employees 2020-2024



### Employee Benefits

We believe that attracting the best talent is key to tackling the numerous challenges we face now and in the future. That's why we provide stable job opportunities and professional growth to our employees.

We promote respect for human rights by fostering equality, diversity, and inclusion and we encourage an environment where our employees can maintain an open, impartial, and fair dialogue. We respect freedom of association and union rights. Currently, we do not have unionized employees, and in 2024, no strikes or work stoppages occurred among direct employees or contractors.

We strictly adhere to the terms set out in employment contracts, ensuring that each employee receives the agreed-upon conditions in a clear and transparent manner and that salary and working conditions comply with current regulations and best industry practices. We offer a range of benefits aimed at improving the quality of life for our employees and their families. These include health insurance policies, life insurance, and subsidies for medication and eyeglasses.

### Health and Safety are Our Priority

**The safety and health of our employees and contractors is essential to the achievement of a socially responsible and sustainable operation.**



Safety of our employees and contractors is paramount to our operation.

In FFC, workplace safety and health are fundamental priorities and key values within our corporate culture. Ensuring the safety of our employees is our main concern, and we work hard to ensure that everyone returns home safely to their families. Our *Health and Safety (H&S)* policy reaffirms our commitment to providing a work environment free of injuries, incidents, and work-related illnesses. This policy applies to both our direct employees and contractors, covering all phases of our operations.

To achieve this, we adopt a continuous improvement approach and implement best practices, supported by a strong culture of prevention. We promote responsibility and leadership among all employees through regular follow-ups to identify and control risks associated with work activities.

We have a highly trained team in *Health and Safety (H&S)*, led by the Head of H&S and their team of coordinators. In 2024, we renewed our *Occupational Health and Safety Committee (COPASST)* and conducted regular safety meetings, as well as training activities, inspections, and investigations into incidents, accidents, and work-related illnesses.



FFC Community Emergency Workshop

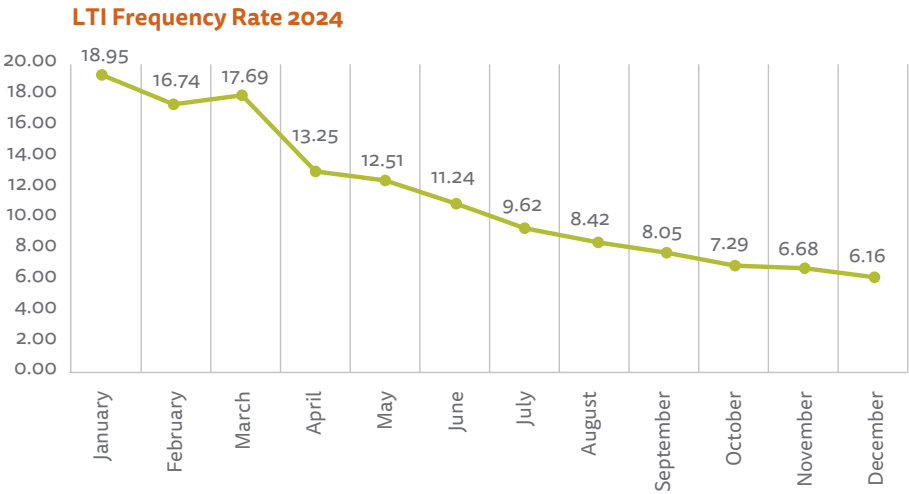
Nursery worker pouring protective soil for hybrid shoots





Continuous Improvement Focused on Safety

This year has been a period of challenges and learning, but also of significant achievements, thanks to our continuous effort and commitment. Our tireless dedication and strategic focus have had a positive impact on the well-being of the organization and all our employees, enabling us to significantly reduce our Loss Time Injury Frequency Rate (LTIFR) rate. We closed December with a rate of 6.16.

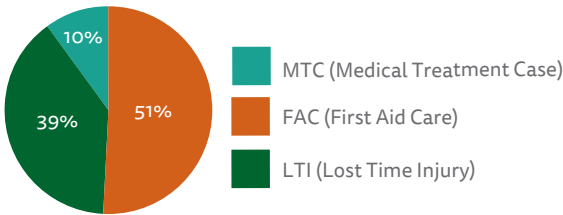


We have designed and implemented innovative risk prevention strategies, leading to a significant improvement: we have reduced our LTI frequency rate from 10.56 in December 2023 to 6.16 in the same month this year.

We are committed to creating a safer work environment by promoting training programs that have strengthened the culture of prevention at all levels of the organization. This has led to active participation from our employees. Additionally, we have implemented various initiatives to promote both physical and mental well-being, such as health campaigns, medical sessions, and self-care activities. All of this, combined with strict adherence to current H&S regulations, has allowed us to successfully pass audits and attain a higher degree of safety.

These achievements reflect the professionalism and dedication of every member of our team. We have met our health and safety goals and remain committed to protecting the well-being of our organizational family.

Types of Accidents at FFC – 2024



We will continue to strengthen our focus on risk prevention and work towards reducing the accident rate to zero. By the end of the year, we recorded fifteen (15) lost-time incidents (LTI), four (4) with medical treatment (MTC), and twenty (20) requiring first aid (FAC) for our direct employees.

We Create Capabilities in Our Workforce

At FFC, we view training and development as key pillars in human talent management. Therefore, we are committed to training our employees throughout their professional journey, implementing methodologies and content that motivate them, foster self-development, and allow for continuous evolution.

In terms of sustainability, in 2024, we have focused our training for direct employees and contractors on key topics such as human rights, relations with indigenous groups, environmental conservation, biodiversity, and solid waste management. These training sessions follow established training plans and focus on risk and impact mitigation.

We have offered specialized training in operational aspects, such as the handling of chemicals and associated risks, as well as training on physical, mechanical, and ergonomic risks with an emphasis on prevention. In this way, we promote a safe and responsible work environment aligned with the best sustainability practices.



Our training sessions are held regularly and cover diverse topics, with some employees participating in multiple training opportunities. As a result, we have recorded 1,792 attendees. Throughout the year, we have offered 116 training sessions on approximately 20 different topics, totaling around 114 hours of training.

FFC community emergency training sessions provide multiple training opportunities.





# Community Development

*Our commitment to the neighboring communities is to carry out forestry activities with total respect for their culture, customs and environment. Through direct engagement and transparent dialogue, we build bonds of trust and, through the implementation of programs and initiatives, we favorably impact their quality of life.*

We understand that business growth must go hand in hand with the development of neighboring communities, based on respect for their environment, cultures, and traditions. For this reason, we work closely with local inhabitants to identify their interests and support initiatives that promote their social and economic well-being.

Our commitment is based on building transparent relationships and establishing bonds of mutual trust. We focus on providing timely and clear information about our activities, ensuring that all people are informed and can actively participate with the certainty that they will be heard.

The community engagement approach has focused on promoting activities that drive comprehensive development through the implementation of culturally appropriate impact projects and support in key areas such as culture, health, education, infrastructure improvement, and emergency response.



## Community Relations Based on Trust

We are committed to fostering projects that go beyond our main activities, ensuring their long-term sustainability. This approach has allowed us to drive community development by supporting initiatives that prioritize sustainability and the well-being of their inhabitants.

By designing projects from this perspective, we focus on promoting the economic growth of communities in alignment with the *Sustainable Development Goals (SDGs)*. This involves identifying their needs and working collaboratively with their members to develop solutions that generate employment, diversify their income, preserve their culture, and strengthen local infrastructure.

## Women Artisans of the Morichalito Matsulndani Community

The indigenous community of Morichalito Matsulndani, located in a remote rural area of the municipality of Puerto Carreño, is one of the neighboring communities with which we work hand in hand to achieve mutual growth. The women artisans' project is part of our collaboration efforts, originating from an initiative by a group of women weavers seeking better conditions for themselves and their families.

Since 2020, FFC has supported the weaving activity in the community, and in recent years, we have collaborated with the women to define strategies that address their needs and interests. The objective is to promote the production of handicrafts, not only to preserve their cultural traditions but also to diversify their sources of income and sustainably strengthen the economic growth of the community.

Additionally, we seek to encourage the responsible use of natural resources offered by the region's forests, as the raw material used in crafting these handicrafts is the moriche palm fiber (*Mauritia flexuosa*), a symbol of life and an essential component of local ecosystems.



Moriche Palm fiber, used as raw material for handicrafts

*Thanks to FFC's presence in the territory, we were able to learn first-hand about the enormous potential of the local artisans and to understand the great challenges they face in making this work a livelihood for their families.*

Handmade baskets done by the women artisans in the nearby community.



"Ketsuli: in Sikuani  
a bird that symbolizes  
wisdom and knowledge."

27% of women  
over 13 years old  
in the community are  
members of the  
Ketsuli group .

GOAL:  
To involve 42%  
of the community's  
women.

MILESTONE:  
In 2024, the group  
achieved a historic  
milestone by selling  
more than  
90 handicrafts.

In 2024, one of the key milestones was the formation of the *Ketsuli Morichalito* group, named in their native Sikuani language, which translates to " Yellow-rumped Cacique" a bird symbolizing wisdom and knowledge. This group consists of 17 women of various ages, mostly mothers and some heads of households, who meet regularly to weave and find a safe space to exchange ideas and discuss topics they might not otherwise address.

As part of the activities carried out with the women, workshops have been conducted to improve the quality of their products, aligning them with commercial standards, as well as periodic meetings that allow us to provide support at all stages of the process, from fiber collection to final product sales.

This year, the group achieved a historic milestone by selling more than 90 handicrafts, including trays, baskets, earrings, and bags—an achievement that had not been reached since the project's inception.

Collaboration with public and private entities has been fundamental in achieving the proposed goals, particularly with the Secretariat of Indigenous Affairs of the Vichada Government.

With the consolidation of the Ketsuli Morichalito group, it is expected that women will be able to participate in commercial spaces such as artisan fairs, allowing them to continue selling their products and generating income for themselves and their families.

ASOMEV: a Women Initiative

The Association of Women of Venturosa (ASOMEV), created in 2024, emerged from a community initiative of 10 women committed to strengthening their skills and developing abilities that allow them to grow both personally and professionally.

As a company, we have embraced and supported this initiative by promoting the creation and formulation of the necessary statutes for their formal registration. We have also focused on collaborating and coordinating with entities to provide training and resources that enhance the skills of the association members and their families.

Among the proposed areas of interest are sewing, carpentry, bakery, and food preparation services, which allow them to diversify their sources of income and promote economic autonomy.

Our purpose is to support these women in achieving their personal and group objectives by fostering social fabric development. We seek to help them launch independent productive projects that enable them to generate income and improve their quality of life.

Through this collaboration, we hope that more women from the community will become interested in the project and join the association, exploring opportunities where they can offer services that FFC needs, creating a mutually beneficial relationship.



Approximately  
8% of the  
community's women  
are part of  
ASOMEV

GOAL:  
To increase  
women's  
participation  
by 50%



Community Emergency Committee

According to the United Nations, community emergency committees are local organizations created to address emergencies, involving residents in the planning, implementation, monitoring, and evaluation of risk reduction actions. Through these committees, communities actively participate in the sustainable management of their territory, becoming agents of change and forming resilient communities that understand risks, prepare, and plan their emergency responses.

One of our goals as a company is to encourage the creation of these committees in the communities neighboring our operations. For this reason, since 2021, we have provided emergency response training and supported the development of community action plans. Since 2022, we have collaborated on the BioFuegos project, led by the Landscape Ecology and Ecosystem Modeling Group (ECOLMOD) at the National University of Colombia, involving entities such as the National and Local Risk Management Unit, the Vichada Government, the Puerto Carreño Municipality, and firefighters.



Emergency committee training



Little Guardians risk management workshop

To strengthen community capacities, emergency management workshops on forest fires have been held in La Venturosa and Aceitico, as well as in the Morichalito Matsuldani indigenous community. In total, residents have received over 30 hours of training through 10 workshops, with around 130 men and 180 women participating.

At the beginning, the workshops were conducted individually in each community; however, in 2024, activities were integrated for the communities of Venturosa and Morichalito, enriching the participants’ experience.

Among the actions carried out this year, a joint workshop was held, including emergency simulations and first aid training. Additionally, a community response plan was developed, which is expected to be presented and registered with government authorities. Another significant achievement was the formation of a board of directors, which will be responsible for leading the committee in its future meetings.

In 2024, the workshop was attended by:



Little Guardians: Risk Management for the Youngest

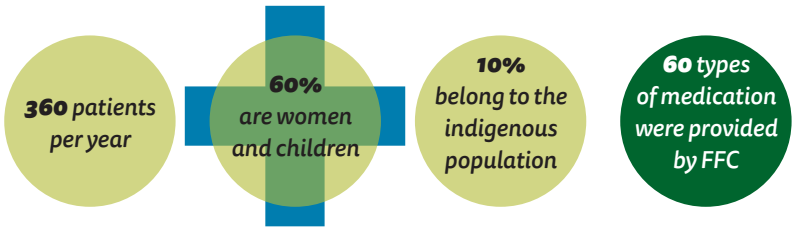
In collaboration with the National Risk Management Unit, we conducted a risk prevention workshop aimed at the children of the Morichalito Matsuldani Indigenous community. The objective of this activity was to strengthen community emergency response capabilities from an early age, thereby developing skills that enable children to act safely and responsibly in risky situations. Throughout the workshop, 30 boys and girls actively participated, acquiring fundamental knowledge about emergency management in an interactive and educational manner.

Health: An Essential Element for Development

The health center in La Venturosa is part of the San Juan de Dios Hospital in Puerto Carreño and is staffed by nurse Leonel Sibó. This facility provides medical care to a diverse population, including residents of La Venturosa, the Morichalito Indigenous community, and people from the Apure State in Venezuela. However, this service is compromised due to the lack of medical supplies and medications provided by the state, preventing 80% of patients from receiving necessary treatment. In such cases, patients are advised to purchase medications on their own, creating a significant barrier to accessing healthcare.

To address this issue, since FFC’s arrival in the area, we have decided to support the health center by providing medications, equipment, and medical supplies to improve primary healthcare capacity. Thanks to this support, the health post can attend to approximately 30 patients per month, equivalent to around 360 patients per year, representing about 60% of the local population. Of these patients, 60% are women and children, and 10% belong to the indigenous community.

With the support of FFC, the health center attended:



We provide various types of medications so that healthcare personnel can treat the main illnesses in the area, such as acute respiratory infections, gastrointestinal diseases, skin conditions, fever, dengue, insect bites, and migraines, which are particularly prevalent during the rainy season.

During 2023, we extended our support to the health post in the Aceitico community by providing medications and medical supplies. However, this activity was suspended when the health post was closed due to government decisions. Despite this setback, we continue to seek alternatives to support the population of Aceitico and ensure they receive the necessary medical care.

We remain committed to supporting the health post in La Venturosa, providing more than 60 types of medications to cover basic primary healthcare needs, including antibiotics, analgesics, antihistamines, antiseptics, supplements, vitamins, and hydration solutions. Additionally, we offer support for treating cardiovascular and respiratory diseases and provide essential medical supplies such as catheters, gloves, syringes, and face masks.

Our goal is to contribute to the prevention and treatment of the most common diseases in the region through a preventive approach, improving the population’s quality of life. To achieve this, we will conduct health campaigns focused on the prevention of dengue and malaria, in collaboration with state health institutions.



Emergency for kids workshop



We continually supply medical supplies to the local health center



258 school kits were provided to students this year, ensuring each had essential academic supplies.

GOAL:  
To encourage students to enroll and continue their education.



Students from the Llanera Music School

Planting the Future: Education as a Pillar of Transformation

The Venturosa’s School is an educational institution that has served the community for over three decades, establishing itself as a fundamental pillar for the academic and personal development of children and young people in the region. The institution provides education to both local students and migrants from Venezuela.

Currently, the institution offers a boarding school for students in need and provides education from first to fifth grade. However, it faces several challenges, including school disengagement and a lack of both material and human resources, as it currently has only three teachers covering five academic grades.

On average, the school enrolls between 87 and 90 students per year. One of our main objectives is to encourage students to enroll and continue their education regularly, thereby reducing the school dropout rate, which is influenced by factors such as the lack of resources for students and their families and limited employment opportunities in the region.

Collaboration between the school and Forest First has been key to addressing some of these challenges. By providing resources such as school supplies and other basic necessities, we have helped reduce economic barriers that prevent many students from continuing their studies, ultimately preventing school dropout. This support has been crucial for many children who, without this assistance, would not have had access to education.

The school's principal has noted that with Forest First’s presence in the region, family employment stability has improved. *“Many parents, both men and women, have obtained direct or indirect jobs with the company, improving their families’ quality of life and reducing migration to other areas in search of work.”* By 2025, the school plans to open a sixth-grade class, allowing students to continue their education toward secondary school.

Additionally, we have focused on providing students with the opportunity to participate in cultural and educational activities. As a result, we have created the Llanera Music School Program and the Environmental Education Program, both of which contribute to the comprehensive development of students.

This support has not been limited to La Venturosa School. Over the years, we have expanded our coverage, extending collaboration to four educational institutions near the area of influence. In 2024, we committed to ensuring that all enrolled students in these four institutions received the necessary materials to start their school year. As a result, we delivered 258 school kits, which included notebooks, pencils, colored pencils, and other essential academic supplies.

This commitment will continue to be one of our strategic priorities, with the firm conviction that educating today’s children will shape tomorrow’s leaders, building a prosperous future full of opportunities for the region.

Conserving the Future: Environmental Education for All

The Environmental Education Program was created to help children better understand their environment, raise awareness of its conservation, and encourage them to become active guardians of nature. Since its inception, the program has covered topics related to environmental care, recognition of local biodiversity, and the protection of key species such as armadillos, mammals, and birds.

In 2024, in collaboration with the Panthera Foundation, four bird identification workshops were conducted, where students participated in activities aimed at recognizing and appreciating biodiversity and its associated habitats. These workshops engaged 237 students from four institutions in the region.

Llanera Music School

Llanera music is a reflection of the rich cultural heritage of the Orinoquia region. Recognized as cultural heritage, it plays a crucial role in learning about the history and traditions of its inhabitants, blending singing with the performance of traditional instruments.

In 2024, we launched the Llanera Music School Project, with the goal of promoting respect for and cultural identity among the inhabitants of the Venturosa community. We provided the community with a selection of musical instruments representative of Llanera culture, including the harp, electric bass, cuatro, bandola, and maracas. The community decided to allocate these instruments to the local school to start music classes for younger children.

Thanks to the creation of the Llanera Music School, in 2024, two workshops on dance, singing, and the performance of traditional instruments were held, directly benefiting 66 children and young people. This project is supported by the Secretariat of Culture of the Vichada Government and the Municipality of Puerto Carreño. In 2025, classes are expected to increase, allowing for greater student participation and expanding the reach of this valuable cultural initiative.



9  
Informative Meetings  
We share relevant and interest-based information



28  
Participatory Activities  
Participatory approaches to create activities with direct benefits



6  
FFC Socializations  
Promoting transparency and open dialogue through the sharing of information about FFC’s management efforts



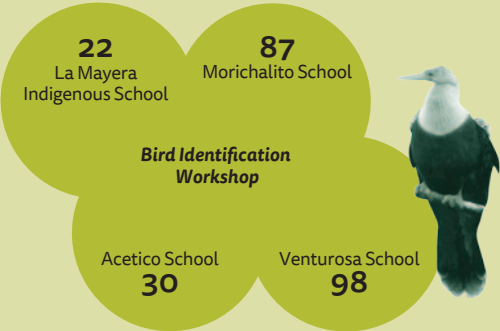
27  
Articulation Meetings  
Collaboration with authorities to support initiatives

Active Listening and Communication

Active listening and communication with all stakeholders are the foundation for building strong and lasting relationships. At FFC, we are committed to providing timely, objective, and meaningful information to all stakeholders so that they can understand our activities and actively participate in decision-making.

We seek to understand their perspectives through two-way dialogue that allows us to reach agreements that generate mutual benefits. To achieve this, we hold regular meetings with stakeholder representatives, conduct briefings on our activities, use the PQR mechanism as a tool for listening and continuous improvement, and actively collaborate with local and national authorities.

Participants in Workshop – 2024



5 types of instruments delivered

2 music classes

66 children in music classes





Breathing

## What We Do for Our Environment

*This story about our preservation of the gallery forest is a testament to our commitment to our Breathing pillar.*

4 //

*We respect the ecosystem value of the natural gallery forests in Vichada.*

*In the open savannas of the Colombian Orinoquía region, gallery forests grow around the rivers and streams. These plant communities occupy less territory than the savanna, but have enormous biological value for the territory, both for the variety of species that live there and for its water and forest richness. We make great efforts to ensure these areas are protected.*

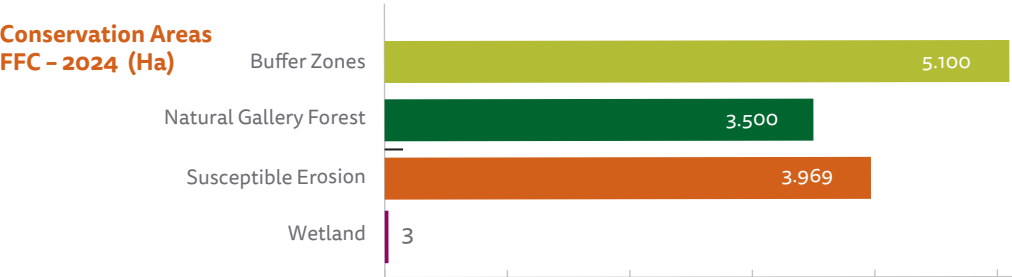


# Growing for a Better Environment

The region where we operate is characterized by expansive degraded savanna landscapes and gallery forests that develop along the rivers. These gallery forests, particularly those dominated by moriche palms (*Mauritia Flexuosa*) known as morichales, are vital to the ecosystem as they play a key role in regulating both the local and regional climate and controlling river sedimentation.

They are crucial for wildlife, providing resting, feeding, and breeding grounds. Additionally, they act as biological corridors, facilitating the movement of species and promoting biodiversity in the area. Many of these species are threatened, endemic, migratory, and have significant cultural and commercial value for local communities.

Our goal is to preserve these ecosystems by designating them as protected areas. Our plantations are designed with a 100-meter buffer zone between them and the natural gallery forest, and these areas are also considered protected. We have approximately 3,500 hectares of natural gallery forest, 5,100 hectares of buffer zones, and 1,570 hectares of areas susceptible to erosion that we maintain to preserve the ecosystem. In total, we have designated about 12,000 hectares as conservation areas.

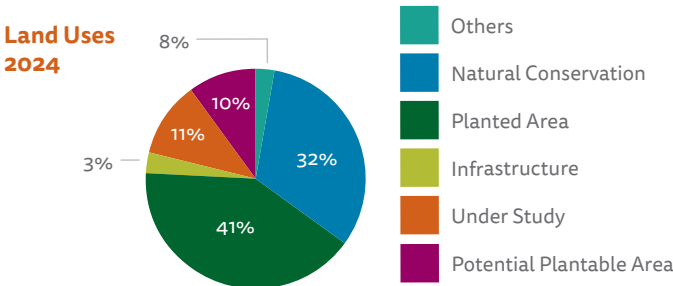


## Land rights acquisition and management

Land management at FFC is guided by our land acquisition policy, ensuring full compliance with Colombian regulations, respecting community rights, and safeguarding the environment. FFC does not manage land rights or engage in activities on properties that are not fully titled or privately owned. Additionally, FFC does not acquire land use rights on land that is home to indigenous communities. In 2024, FFC did not acquire any new land use rights.

In 2024, we added 3,969 hectares to our conservation category.

Of the approximately 40,000 hectares under management, 16,400 hectares are planted, representing 41% of the total area. 10% is potential plantable area, 32% of the land is set out for conservation, 11% of the land remains under study, 3% is designated for infrastructure, and another 3% is allocated for other uses.



The region where we operate is characterized by expansive savanna landscapes and gallery forests that develop along the rivers.



The Bita River is a natural heritage for all, and we are committed to working tirelessly to protect its ecological integrity, ensuring its crucial role in preserving biodiversity, aquatic ecosystems, and the well-being of local communities.

Bita River

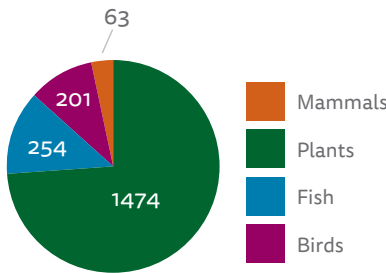
The Bita River originates in the savannahs and Morichales of Vichada and flows into the Orinoco with a drainage basin of over 800,000 hectares. The region is primarily degraded savanna, with an assortment of wetlands, morichales, and gallery forests that are found only along the waterways.

These habitats are home to a great diversity of species, including 19 endangered species, as well as endemic, migratory and species of high cultural and commercial value. The Bita River is home to at least 1,474 species of plants, 254 species of fish, 201 species of birds and 63 species of mammals, such as tapirs, deer and jaguars. In addition, its freshwater habitats provide refuge for species such as the pink river dolphin (Inia geoffrensis), blue arawana (osteoglossum ferreirae) and charapa turtle (Podocnemis expansa). In 2018 the Colombian Government designated it as a Ramsar site.

FFC is a signatory to the project for the management and conservation of the Bita River basin and has consistently worked on agreements and conservation programs. In 2024, we signed the "Integrated and Sustainable Landscapes of the Orinoquia" agreement, a cooperation project aimed at strengthening the management of protected areas and other conservation strategies for the savannas and wetlands of the Orinoquia. This project is funded by the Global Environment Facility (GEF), implemented by the Ministry of Environment and Sustainable Development, National and Natural Parks, and the local environmental agency Corporinoquia. World Bank provides support as an implementing agency and WWF as the executing agency.

This agreement focuses on the Bita River basin. After its signing in 2024, we started to implement various conservation activities, including the establishment of a native species nursery and reforestation projects within the basin.

Species in and near the Bita River



- Mammals
- Plants
- Fish
- Birds



photos left to right:  
1/ Leaf-litter Frog/Lithodytes lineatus  
2/ Puma/Concolor  
3/ Red-footed tortoise/ Chelonoidis carbonarius  
4/ Green Anaconda/Eunectes murinus

Biodiversity Monitoring and Conservation Efforts

Colombia is one of the most biodiverse countries on the planet. Its geographic location, geological characteristics, and complex network of water systems create a wide range of environmental conditions and ecosystem types.

Within our project's area of influence, we have identified 22 types of ecosystems. Expansive savannas dominate the landscape, covering more than 70% of the area, and are surrounded by gallery forests, which account for approximately 8%. The savannas, particularly in the high plains, have a crucial role in the ecosystem, as they facilitate water infiltration into the soil, reducing runoff and increasing groundwater availability. They act as natural filters, absorbing nutrients and sediments before they reach rivers and streams, helping to maintain water quality. Sadly, these savannas are undergoing a transformative process, mostly due to the regular use of fire that humans have brought to the territory. According to the ECOLMOD area at the National University of Colombia, fire incidence has been increasing due to human intervention, causing a distortion in the natural role that the savannas play. As the topsoil hardens, water infiltration is reduced, increasing water runoff and higher levels of erosion. Wildfires also act against fauna, as they are exposed, altering their habitat connectivity or decreasing their numbers.

Riparian forests and morichales play a key role in water regulation. They enhance water infiltration, reduce runoff, store water, and prevent flooding. Their root systems help prevent erosion and improve soil fertility, while also serving as biological corridors that provide habitat for most of the region's wildlife.

We recognize that these ecosystems are essential for ecological balance, and we understand that studying and identifying the species that inhabit them is fundamental to implementing conservation and protection measures. In addition to declaring natural gallery forests as protected areas, we have established research agreements with three leading scientific organizations specializing in biodiversity: OMACHA foundation, Panthera foundation, and the ECOLMOD research group from the National University of Colombia.

We conducted the first plantation biodiversity analysis in the region's forest plantations.

Our biodiversity monitoring efforts are continuous. Following the completion of the Biodiversity Management Plan and under our agreement with Fundación Panthera, we conducted two studies. The first, carried out over the course of a year using trail cameras, analyzed the diversity and composition of medium and large mammals in savanna ecosystems, natural gallery forests, and commercial forest plantations managed by FFC. The second study focused on bird species through direct observation, allowing us to develop an inventory and gather valuable data on their presence and behavior in the region.

The objective of this monitoring initiative is to characterize the composition, relative abundance, and activity patterns of terrestrial mammal communities and birds within areas influenced by commercial forest plantations. This approach aims to generate robust ecological data to assess the interactions between productive forestry systems and adjacent ecosystems, and to evaluate their impact on local biodiversity. The information gathered will support the identification of edge effects, functional wildlife corridors, and shifts in faunal community structure. This will provide critical inputs for adaptive management, biodiversity conservation, and landscape planning under ecological sustainability criteria.

3,500 hectares of natural gallery forests under our management, preserved with a strong commitment to ecological integrity and functionality

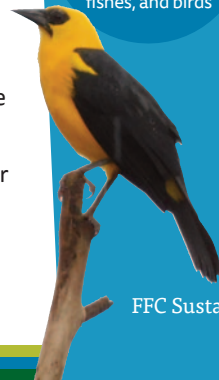
Over 150 Cameras installed

100s of KMs covered by boat, motorbike, vehicle, and walking for research and monitoring purposes

200,000 Hours of monitoring efforts

20 specialized biologists conducted detailed research and monitoring in the area

Specific monitoring of bats, insects, fishes, and birds





All the studies and monitoring efforts we have conducted have allowed us to identify 129 plant species and over 400 animal species during the two most representative seasons of the year – the dry season and the rainy season. Among them, birds and fish are the groups with the highest number of observed species.

As part of these monitoring efforts, we have also identified species classified under different threat categories, based on extinction risk levels defined by the *International Union for Conservation of Nature (IUCN)*, the *Ministry of Environment and Sustainable Development (MADS)*, and the *IUCN Red List* (see table below) . During this monitoring period, no new threatened species have been recorded beyond those previously reported.

The presence of threatened species such as the jaguar (*Panthera onca*) and the giant armadillo (*Priodontes maximus*) serves as an indicator of ecosystem health and highlights the region's potential as a refuge for the conservation of these and other species.



photos from trail cameras left to right:  
Lowland Tapir/*Tapirus Terrestris*, White-lipped Peccary/  
*Tayassu Pecari*, Giant armadillo/*priodontes maximus*

Class	Species	Common Name	Threat Category
Reptile	Crocodylus intermedius	Orinoco Crocodile	CR
Mammal	Inia geoffrensis	Pink Dolphin	EN
Mammal	Pteronura brasiliensis	Giant Otter	EN
Mammal	Panthera Onca	Jaguar	EN
Mammal	Priodontes maximus	Giant Armadillo or Ocarro	VU
Mammal	Tapirus terrestris	Lowland Tapir	VU
Mammal	Tayassu pecari	White-lipped Peccary	VU
Reptile	Lachesis muta	South American Bushmaster	VU
Reptile	Podocnemis unifilis	Yellow-spotted River Turtle	VU
Fish	Pseudoplatystoma mataense	Striped Catfish	VU
Plant	Pepinia heliophila	Bromelia	VU
Reptile	Chelonoidis carbonaria	Red-footed Tortoise	VU
Reptile	Kinosternon scorpioides	Scorpion Mud Turtle	VU
Bird	Ramphastos tucanus	White-throated Toucan	VU
Mammal	Myrmecophaga tridactyla	Giant Anteater	VU
Mammal	Leopardus paradlis	Ocelot	LC

530 species of flora and fauna are being protected and monitored in more than 40,000 hectares

Least Concern (LC)  
Vulnerable (VU)  
Endangered (EN)  
Critically Endangered (CR)

Threat category according to IUCN, MADS, RED LIST.

Some of the findings from the monitoring of medium and large mammals suggest that the savanna does not support a high diversity of species. In fact, the forest plantations that now occupy former savanna areas exhibit greater biodiversity. The results also indicate that forest plantations can serve as biological corridors, enhancing the region's ecological connectivity. Species such as the puma and the ocelot use these plantations to move between surrounding forests, highlighting their role in linking ecosystems.

The most common species found in gallery forests were the lowland paca (*Cuniculus paca*), the white-lipped peccary (*Tayassu pecari*), the dusky rice rat (*Dasyprocta fuliginosa*), and the South American tapir (*Tapirus terrestris*). Meanwhile, white-tailed deer (*Odocoileus cariacou*) and crab-eating foxes (*Cerdocyon thous*) were more frequently observed in forest plantations. These results emphasize the importance of gallery forests for species conservation while also confirming that forest plantations are actively used by some species, sometimes even more frequently than adjacent savannas and gallery forests.

A Future for Wildlife: Conserving Threatened Species

In our pursuit of expanding conservation actions, we have dedicated our efforts to implementing projects aimed at ensuring the protection of key species such as armadillos, tapirs, and jaguars.

One of these projects, carried out in collaboration with the ECOLMOD research group, focuses on studying the habitat use and movement patterns of the South American tapir (*Tapirus terrestris*). This species plays a crucial ecological role as a seed and fruit disperser in natural gallery forests and morichales, contributing to the maintenance of natural vegetation cover and the regulation of the water cycle. However, it faces constant threats, including hunting and habitat destruction, leading to its classification as "Vulnerable" by the International Union for Conservation of Nature (IUCN).

This research involves equipping tapirs in FFC-managed areas with satellite tracking devices to monitor their movement patterns and ecological connectivity. The data collected will support the development of management strategies and conservation plans for tapir populations and their habitats. To date, three individuals have been fitted with tracking devices, and the data is being processed and analyzed by a team of expert biologists from the National University of Colombia.

We remain committed to advancing research and deepening our understanding of these and other species while continuing to implement measures that ensure the conservation of their habitats.

Trap photos:  
Giant Anteater/ *Myrmecophaga Tridactyla*,  
White-lipped Peccary/*Tayassu Pecari*,

Participatory Monitoring photos:  
Morrocoy sabanero, Francisco Correa





Bringing Green Back to Our Home

The protection of over 3,500 hectares of natural forest reflects our commitment to preserving biodiversity, promoting a passive recovery of forest ecosystems. Seeking to go further, we have developed a reforestation strategy focused on restoring degraded areas affected by human activities and reconnecting fragmented ecological corridors.

To achieve this, in collaboration with the *Department of Agricultural Development and Environmental Management (DDAGA)* of Puerto Carreño, we have established a native species nursery at the school in Venturosa, a community near our operations. The nursery staff have successfully planted 500 native seedlings, including moriche palm (*Mauritia flexuosa*), congrio (*Schizolobium parahyba*), merecure (*Humiria balsamifera*), jobo (*Spondias mombin*), caño fisto (*Pterocarpus officinalis*), and carbonero (*Calliandra* sp).

Through this initiative, we aim to provide students with hands-on learning experiences in planting and ecosystem restoration, fostering environmental awareness and engagement. Once the seedlings reach their optimal development, they will be planted in designated restoration areas, helping us achieve our ecological recovery goals.

In 2024, we concentrated on monitoring mammals and birds, while continuing our environmental education program. Some of the findings from these efforts show that the forest plantations can function as biological corridors, enhancing the ecological connectivity of the region.

Species such as deer and foxes have established permanent habitats in the plantations, utilizing the food and shelter resources these areas provide. Additionally, animals like pumas and ocelots use plantations to move between surrounding forests, highlighting the important role these areas play in connecting ecosystems versus the grassland savannas.

Scientists have observed that certain bird species prefer plantations over natural savannas, which highlights the critical role that agroforestry landscapes play in the region, supporting bird populations and contributing to their conservation.

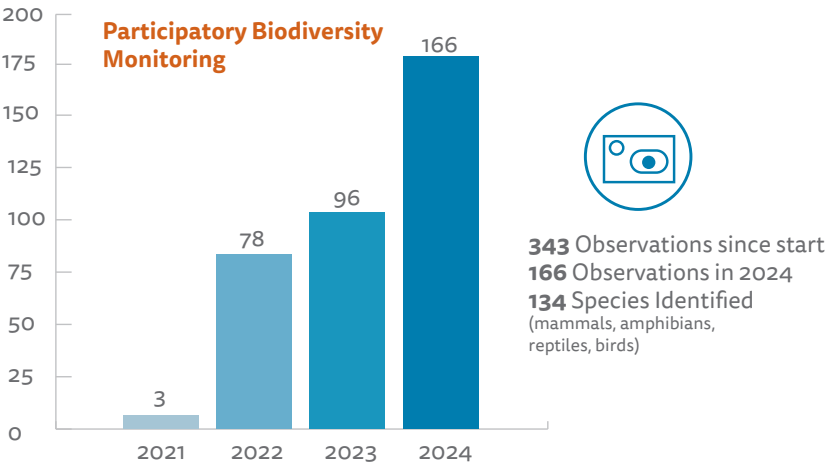
As a result of various studies we have carried out, we have identified several species that are classified as threatened based on the extinction risk levels defined by the *International Union for Conservation of Nature (IUCN)*, the *Ministry of Environment and Sustainable Development (MADS)*, and the *IUCN Red List*. Noteworthy species include the jaguar, ocelot, giant armadillo, tapir, Orinoco crocodile, river otter, and morrocoy turtle, among others. Our tracking and conservation efforts help promote the survival of these species.

Guardians of Nature: Participatory Biodiversity Monitoring

Launched in 2019, the *Participatory Monitoring Program* has become a key strategy for wildlife monitoring, encouraging active involvement from employees in identifying and tracking biodiversity. This initiative aims to turn our employees into agents of change by having them contribute to species identification through photography. By doing so, we seek to enhance ecosystem understanding, monitor key and/or threatened species, and foster a culture of environmental awareness and stewardship.

Each submitted photograph is uploaded to iNaturalist, a citizen science platform and social network dedicated to biodiversity data sharing. Through this platform, experts worldwide map and analyze observations, generating valuable and accessible scientific information that contributes to global biodiversity knowledge.

Over the years, we have witnessed a significant increase in employee participation in biodiversity monitoring. This has allowed us to identify species in their natural habitats, observe their behaviors and preferences, and recognize patterns—such as deer frequently using our plantations. In 2024, we received:



166 observations of 77 different species, including seven threatened species, such as:

- > South American Tapir (*Tapirus terrestris*)
- > Savanna Armadillo (*Dasypus sabanicola*)
- > Giant Anteater (*Myrmecophaga tridactyla*)
- > Red-footed Tortoise (*Chelonoidis carbonarius*)
- > Puma tracks (*Puma concolor*)

The most frequently observed species were:

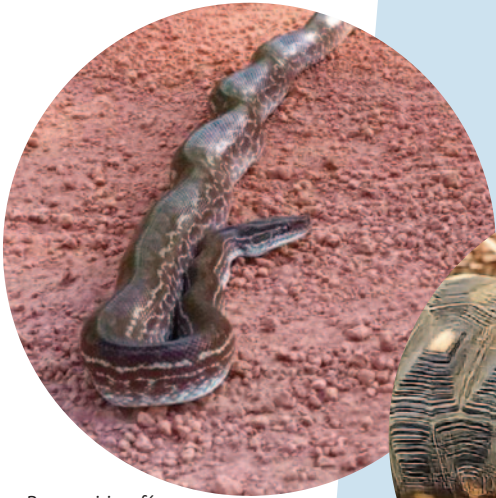
- > White-tailed Deer (*Odocoileus virginianus*) – 18 observations
- > Boa Constrictor (*Boa constrictor*) – 8 observations
- > Red-footed tortoise (*Chelonoidis carbonarius*) – 7 observations
- > Savanna Armadillo (*Dasypus sabanicola*) – 7 observations

Through this program, we continue to strengthen our understanding of local biodiversity, promote engagement in conservation, and contribute to scientific research and global monitoring efforts.

Participatory Monitoring photos:  
Deer and baby, Alvin Rondon  
Morrocoy sabanero, Francisco Correa







Boa arcoiris café,  
Alvin Rondon



Morrocoy sabanero,  
Juan Contreras



Oso Melero,  
Alvin Rondon



Iguana verd,  
Hernan Carranza



Ganso del orinoco,  
Abraham aguilera



Mariposa tronadora,  
Gustavo Cisneros



Cachicamo sabanero,  
Rolando Moreno



Falsa Coral,  
Oscar aquita



Guio,  
Abraham Aguilera

Guacamaya bandera,  
Juan Contreras



Our Participatory Biodiversity Monitoring Program has seen a large increase in sightings of all kinds. Here are examples of submissions from employees.



**Snakes and Safety: A Sustainable Management Strategy**  
Colombia is one of the top ten countries with the greatest reptile diversity in the world. This group includes lizards, snakes, turtles, and caimans. In Vichada, these animals are particularly noticeable due to the presence of wetlands, rivers, and vast plains.

Species such as snakes play a crucial role in controlling rodent and other mammal populations, and they serve as early indicators of environmental health. In the region, we have identified six snake species, including colubrids, boas, and vipers. Through participatory monitoring conducted by workers, we have recorded 62 individuals, some of which have been observed near FFC camps and rest areas. This situation has drawn attention, as we must ensure the well-being of our workers while also promoting biodiversity conservation.

In general, snakes are perceived as a threat to humans, often leading to their extermination. While some species are venomous, not all pose a danger to people. Their eradication and improper handling can create risks for the species themselves and disrupt the ecological balance.

For this reason, in collaboration with the OMACHA Foundation and the National Serpentarium, we have conducted workshops for FFC workers on identifying venomous snakes in Colombia, as well as on the prevention, management, and treatment of snakebite incidents.

Through these workshops, we aim to educate employees and contractors about the biological characteristics of snakes in Colombia, particularly in Vichada, with a focus on external features that may indicate whether a species is venomous or dangerous. Additionally, we seek to raise awareness of their ecological role and the importance of their conservation.

Regarding risk management for workers, the workshops covered topics such as identifying snakebite marks and preventive measures, classifying snakebite incidents in Colombia, and administering first aid in case of a bite.

To reduce the mortality rate of snakes, we have established and implemented a relocation protocol that allows them to be safely returned to their natural habitat. Additionally, we have developed protocols for the prevention and treatment of bites from venomous animals, including snakes, which are continuously communicated to our teams.

Through these measures, we strive to ensure the safety of our workers while minimizing the impact of our field presence on the species that inhabit the surrounding ecosystems.



Bothrops Atrox  
Taken by: Iván Niño – Omacha Foundation

**Greenhouse’s Gases and Climate Strategy**  
Climate change is one of the greatest challenges humanities faces today. That is why we firmly believe that sustainably managed commercial forest plantations are part of the solution.

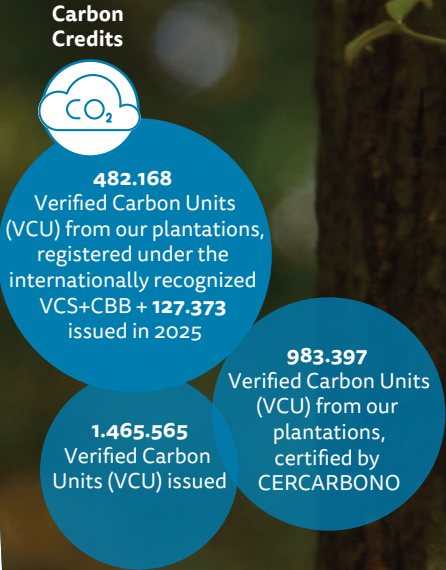
Our business model is designed to generate a positive impact on the communities and the environment where we operate. In addition to protecting the region’s natural forests—essential for biodiversity and climate change mitigation—we plant thousands of trees every year. Commercial forest plantations contribute to reducing greenhouse gas (GHG) emissions by absorbing carbon dioxide from the atmosphere during photosynthesis and converting it into biomass.

With a strong commitment to fighting climate change and guided by principles of ethics and transparency, we certify our emissions under the VCS (Verified Carbon Standard) and CCB (Climate, Community & Biodiversity Standards). This allows us to generate measurable and verifiable carbon credits (VCUs), certified by internationally recognized entities such as VERRA and CERCARBONO.

It is estimated that our plantations remove approximately 47,000 tons of CO<sub>2</sub> equivalent per year. As of the reporting date, we have generated more than 1,500,000 Verified Carbon Units (VCUs), of which 482,168 are certified by VERRA and 983,397 by CERCARBONO. Additionally, we hold 113,211 buffer pool credits to address potential losses associated with the inherent risks of forestry activities. As of early 2025, we have received another 127,373 certified VCUs, which will be traded in international markets, enabling companies committed to climate change mitigation to offset their activities.

**Energy Clean Commitment**  
One of the biggest challenges in establishing our operations in the Vichada region was the lack of an electrical supply network. To address this challenge and in line with our commitment to sustainability, we have designed and built all our camps—including offices, dormitories, kitchens, and bathrooms—to be powered by solar energy.

Currently, we have more than 100 solar panels with a total capacity of approximately 27 kilowatts (kW), which cover the majority of our energy demand. However, during certain phases of our operations, we rely on diesel-powered generators, and in our administrative offices, electricity is supplied by the urban power grid.





GEI Emissions

Once we defined our value chain, we undertook a significant effort to standardize and quantify each of our operational and administrative activities, allowing us to begin calculating our emissions in 2023.

Through this analysis, we identified that the main emission-generating activities—resulting from gasoline and diesel consumption—include harvesting machinery operations, the wood processing machinery, and vehicles used for transporting personnel and supplies, such as motorcycles, pickup trucks, and freight trucks. These emissions are measured under Scope 1\*. Indirect emissions, measured under Scope 2\*, come from electricity consumption in our administrative offices in Puerto Carreño and Bogotá.

Table 1: Emissions comparative table between years 2023 (baseline) and 2024

Emission Category Year	2023	2024
Scope 1 GHG emissions (tCO2) Direct Fossil fuel (gas and diesel)	806	697
Scope 2 GHG emissions (tCO2) Purchase electricity	1.66	1.83

Comparing 2024 emissions with those of the previous year (baseline), we observe an approximate 13% reduction in Scope 1 emissions, associated with fossil fuel consumption. This decrease is directly linked to a reduction in activities within key operational processes, leading to lower fuel demand for daily operations.

On the other hand, there is an increase in Scope 2 emissions due to higher energy consumption in the Puerto Carreño office. However, since the baseline year experienced power outages in the region, this increase in consumption is not considered significant. The 10% increase in Scope 2 emissions is attributed to the power outages that occurred in Puerto Carreño's offices in 2023 (baseline year).

Environmental Compliance

For us, it is essential to manage our operations sustainably, ensuring compliance with both national and international regulations. We have an *Environmental and Social Management System (ESMS)* that allows us to identify and address environmental and social matters across all operational and administrative phases of the company. This system is based on our Environmental and Social Policy and ensures that our activities align with international standards.

Regarding regulatory compliance, to carry out our forestry operations in Colombia, we must be registered with the *Colombian Agricultural Institute (ICA)* and obtain environmental permits from the *Regional Autonomous Corporation of Orinoquia (Corporinoquia)*. Activities such as surface and groundwater extraction, wastewater discharge, and hazardous waste management are closely monitored by this authority and we have the necessary permits approved for these operations.

\*Categories defined according to the Greenhouse Gas (GHG) Protocol. Emission factors are determined by the Mining and Energy Planning Unit (UPME).

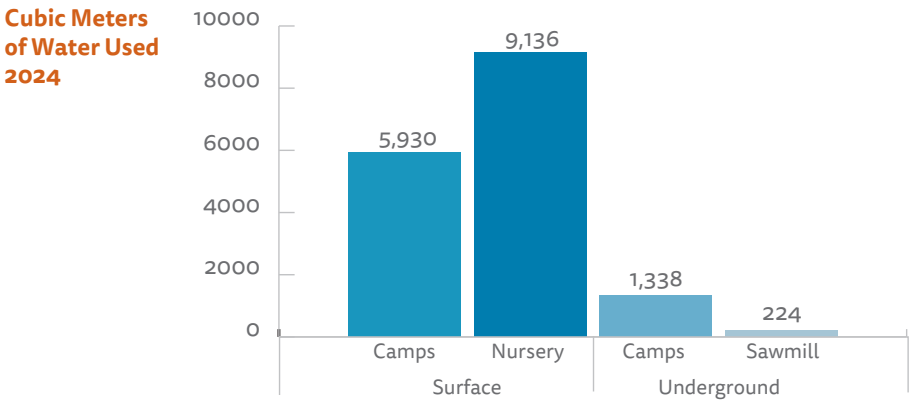
Water as a Vital Resource

The rivers in our region are crucial, as the natural forests surrounding them are home to a rich diversity of flora and fauna. These water resources are essential not only for biodiversity but also for daily consumption and the development of local communities. For this reason, the rivers are considered one of our key conservation priorities and a major focus for protection.

Through our best practices, we ensure the safeguarding of the watersheds, supporting a sustainable future for both the communities and the environment. We carry out water quality monitoring, with over 20 strategically located sampling points based on our activities and the watercourses.

We have assessed nearly 20 water quality parameters, confirming that the water remains at optimal levels. No wastewater discharges, traces of pesticides like glyphosate, or any contaminants affecting the odor, taste, or appearance of the water have been detected. Moreover, the electrical conductivity levels analyzed show no significant presence of dissolved substances, such as mineral salts or ionic species (chlorides, fluorides, and sulfates).

Through our biodiversity monitoring efforts, we have also observed that for all rivers and streams sampled, the bioindicators suggest that the water bodies are in an optimal state of conservation. Our commitment is to continue monitoring water quality and develop strategies to optimize the use of this vital resource within our operations.



Water Catchment

Water is an essential and highly important resource, enabling us to successfully carry out our operations. The area where we operate is characterized by its abundant water resources, including both groundwater and surface water. We use various sources of water collection depending on the location of our camps.

Water usage in our activities is strategically distributed: in the nursery, for irrigating seedlings, mother plants, and greenhouses; in the operational phase, for fertilizer application; and in our camps, for domestic activities such as restrooms, kitchens, and human consumption.

Aware of the importance of this resource, we have implemented strict processes for its treatment, storage, and efficient distribution. We hold the necessary permits granted by the environmental authority Corporinoquia in accordance with Colombian regulations, ensuring that our consumption remains within the established limits.

Water quality monitoring sites



We are implementing rainwater collection systems in certain operational phases.

GOAL: Our goal for 2025 is to reduce water consumption in camps by 5%



Solid Waste Management

As part of our commitment to sustainability, we strive to reduce waste generation across all our activities, including both forestry operations and support functions.

In 2024, we adopted a proactive approach to waste management, exploring alternatives to minimize waste generation and reduce the volume sent to landfills. To achieve this, we implemented initiatives such as awareness campaigns, staff training, and improvements in waste collection and storage systems, optimizing efficiency and ensuring compliance with environmental regulations.

Our strategy is based on waste separation at the source, ensuring that all waste is properly classified so that each type can be directed to the appropriate treatment processes.

During 2024, we generated a total of 5,679 kg of recyclable waste, 15,215 kg of non-recyclable waste, and 7,306 kg of organic waste. Based on this data, we have prioritized key action plans, including the development of composting projects for organic waste treatment and the establishment of partnerships with certified organizations for the proper management and utilization of recyclable materials.

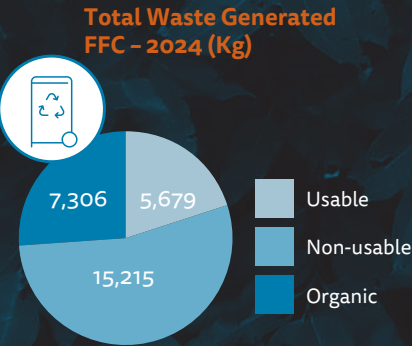
As part of our 2025 goals, we aim to deliver at least 50% of all recyclable waste to a certified recycling organization, promoting the circular economy and supporting new environmental initiatives.

One example of a circular economy strategy is that during our operations, we have observed that the sawmill operations produce cutoffs, commonly known by the community as “costaneras”. These wooden pieces are a byproduct of the transformation of round logs into squared wood and are typically considered waste.

In response, we sought opportunities to use this byproduct in ways that would benefit the community. After listening to the suggestions from local residents, we began distributing these costaneras so that the community could use them in the construction of their homes, specifically for building walls and roofs.

Currently, we are focused not only on optimizing our operations but also on exploring new strategies for using and utilizing these wastes that would otherwise have been discarded. We believe that the responsible management of our byproducts can generate value for both the company and the community. Therefore, we strive to involve local communities in these initiatives. As of 2024, we have delivered 11,600 costanera units, benefiting approximately 34 families.

Another operational example is the reutilization of the bark waste from the debarking operations for the creation of substrate for clonal nursery seedlings. The team is mixing bark with the normally used substrate to develop a more suitable root developing system. Thus far the trials have been successful, and we will continue to use this residual materials for substrate production.







## What We Do for Our Stakeholders

*We all Grow in Vichada*

*Growing includes all aspects of our engagement. From the planting of trees to entrepreneurial skills for our community.*

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*We continue to explore opportunities to bring product to market and to meet local demands.*



*Our products travel by both truck and barge.*



# We All Grow in Vichada

*The successful development of our operations is made possible thanks to the support of our contractors. Their contribution is invaluable, as their expertise and dedication allow us to achieve our objectives effectively.*

Among the specialized services they provide are silvicultural activities such as land preparation, planting, fertilizer and pesticide application, and maintenance. They also play a crucial role in fire prevention and response, as well as seedling, personnel, and machinery transportation.

Additionally, contractors are responsible for meal preparation at camps, cleaning services, and general maintenance. By working closely with businesses—most of them local—we have fostered our own growth while creating a positive economic impact in the region, both directly and indirectly.

As part of our continuous improvement approach, we have actively supported these companies through monthly audits in key areas such as labor compliance, occupational health, and safety. This ongoing collaboration has allowed us to provide guidance and ensure compliance with national and international standards.

## Economic Growth

As FFC has expanded, we have witnessed the development of local businesses and the emergence of new enterprises in the region. Much of this growth has been driven by the creation of direct and indirect jobs, increasing household incomes and improving the quality of life for many families. As a result, local commerce has flourished, as households reinvest their earnings into goods and services.

Our commitment to the local economy extends beyond generating employment opportunities in a region where they are scarce. We also support local businesses by purchasing their products and services, driving their growth and sustainability.

One clear example of this impact can be seen in La Venturosa, a community that now boasts around 20 commercial establishments, including a supermarket, beverage shops, a bakery, a butcher shop, fuel and transportation services. This is a significant achievement, considering that previously, the community members needed to travel all the way to Puerto Carreno to source food and basic need goods. Our goal is to continue strengthening commercial ties with local businesses and encouraging the creation of new enterprises that expand the availability of goods and services in the region. By doing so, we not only create mutual benefits but also improve community access to essential products, which were once difficult to obtain due to the region's remoteness.

# Our Products and Sales

## The Most Inspiring Project I Have Worked On

*Arriving at this project has been an immensely enriching experience. Witnessing the industry from the nursery and the establishment of our trees has awakened a deep admiration for our countryside, our trees, and the project as a whole. This admiration is founded on the enormous potential of our wood, Eucalyptus Pellita (Red Mahogany). It is a high-density wood, 880 Kg/m3, ideal for projects demanding high standards in wood, both in structural factors and in design and surface finish. Its high resistance and suitability for outdoor uses, coupled with its reddish color, have allowed this species to conquer markets in countries such as Australia, Malaysia, and Indonesia, where it is currently one of the most planted species and, therefore, one of the most used woods. ~ Camilo López, Sales Manager*

Since late 2023, our objective as a company - particularly in the sales area- has been to determine the potential applications in which our wood generates the greatest value for the market. It has not been an easy task, as we have found that Eucalyptus Pellita (Red Mahogany) is highly sought after for various uses, including architectural finishes, carpentry, and agriculture; which puts us in a position where we must decide which segment to allocate the volume of our forest. Accordingly, we have managed to develop an ambitious sales plan where we take our product to the highest value-added categories, where we will have participation in the fine woods segment; which demonstrates the great confidence we have in our species.

During 2024, we have reached significant milestones that are beginning to chart a promising path towards the sale of wood in high volumes. With our first industrial transformation trials in a small sawmill, we have managed to put all the manufactured volume of sawn timber on the market; then in the middle of the year, with the commissioning of our first debarking machines, we repeated the story, managing to sell all the production that has come out of this process. This is how we are breaking paradigms and confirming that we have established our business model, encompassing the sale of our wood including land and river mill to market logistics to the river and land dispatch logistics to reach our products to all possible customers in every corner of the country.

Despite being completely new to the market and starting with small-scale production that barely allowed us to do our first transformation and wood delivery trials to customers in the center of the country with both river and land dispatches. In 2024, we managed to sell USD \$210,147, equivalent to 1,054 m3 of wood in products other than Biomass, a product in which we also achieved sales of USD \$490,526, corresponding to 11,285 m3.

At the end of this journey and with the satisfaction that the sale of wood has given us; today what pleases us most is that we have structured a portfolio of products that are highly accepted in the market and that we are sure will allow us to have a high participation in the highest value category of wood; going from the mass market of planed boards, floors, and finger-jointed boards to structural products such as laminated beams and cross-laminated timber (CLT). This product and market research has allowed us to consolidate a commercial and sales strategy that defines the ambitious financial plan that we have agreed for the future years of the company.

**\$210,000 USD**  
wood products sold  
with more than  
**5** products offered

**GOAL:**  
To expand our  
product line to  
include hardwood  
flooring



## Upcoming Products

During 2024 we did extensive additional research on the wood markets in Colombia and have identified a number of new products we plan to introduce. The timing of the new products will be driven by the receipt of new equity capital investments.

Diversifying our product range is valuable from a number of perspectives. We will be providing the Colombian market with products that previously required imports from other countries. Reducing the reliance on imports will help Colombia both economically and environmentally. The economics improve from the greatly reduced supply chain needs, and environmentally there are two significant improvements: lower carbon footprint due to the reduced supply chain, as well as increasing the supply of affordable wood products which reduces reliance on alternatives like concrete and steel, both of which have much higher carbon footprints.

These new products will also improve FFC's own economics as they will have higher values as we increase the amount and type of processing. Profitability is critical to true sustainability! As a bonus, one of the new products - pressed-wood pallets - will be produced using wood fiber waste from other processing operations. We don't want to waste anything if we can help it!

Here is a quick summary of our anticipated product additions.



### Planed and Kiln Dried Lumber

- Suitable for both finishing and structural use
- May also be edge-molded to make flooring
- Beautiful and strong!



### Finger-jointing and Panels

- Finger-jointing allows less than full length pieces of lumber to be joined end to end and form longer boards
- Finger-joints are stronger than the surrounding wood - suitable for structural use, trim, and moldings
- Boards can also be edge joined to form full panels that may be used for wall finishing, table tops, or doors.



### Pressed-wood Pallets

- Utilize waste wood fiber that is formed and glued under high pressure and high heat
- Stronger than traditional pallets, and longer lasting
- Because of the production method these pallets may be used without additional phytosanitary treatment
- Stackable to save space



## How We Are Doing: by the Numbers

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### Financial Overview

In the afforestation industry the trees must grow for several years before delivering their value. The first phase of our financial history was focused on finding investors to provide the funding to establish the company and do our early planting. Our initial investment came from the five founders of the company, four of whom are still active with us. Together they solicited investment from a number of high-net-worth individuals or family offices who believe in what we are doing; improving the planet in an environmentally and sustainable way. This is not a charity endeavor; we are very much a "for profit" company with a promise of a long-term financial and environmental return for our investors. It is critical to have positive economics to be truly sustainable.

As we have grown, we have added three larger investors: Sappi, Finnfund, and the DFC. Sappi has so far invested \$21.5 million, Finnfund \$10 million, and the DFC have lent us \$22 million. All three have brought additional, non-monetary, value to us.

We are on the cusp of achieving positive operational cash flows within the next year or two as our wood processing business reaches steady state production. There are four specific financial areas that sustainability reporting typically requires. Each of those is briefly discussed below.

#### Direct Economic Value Generated and Distributed

The generation of cash in our industry requires a considerable lead time as the trees need years to grow. Our forests are already generating revenue from the sale of carbon credits. We transferred 482,000 carbon credits to Shell Trading, in 2024, as part of a preferred financing arrangement. Gross revenue generated in 2024 was \$889,947. All earnings have been retained by the company to fund operations. We will see a revenue increase in 2025/26 as we expand our processed wood sales.

The years to date have also been valuable in generating economic gains for those people we employ, and their families, as well as for the businesses that provide us with contracting services, as well as their employees. The region as a whole has seen an uptick in economic opportunity that has resulted in an expansion of infrastructure and essential services. Through 2024 our Colombian payroll costs, including benefits, amounted to \$3,143,595. During the same period we paid \$3,436,871 to the contracting companies providing us with service. In 2024 we also paid tax to the Colombian government in the amount of \$1,451,491.

#### Climate Change Risks and Opportunities

As we are essentially an agriculture company, with the potential to sequester millions of tons of CO<sub>2</sub> from the atmosphere, the support of solutions for climate change and its associated risks is one of our guiding principles. We also recognize the potential risks the impact of negative climate change could bring to us.

Trees require, amongst other things, the right amount of sunshine, and adequate precipitation. Our area of operation, along the equatorial belt in the lowlands of Colombia, provides us with optimum quantities of both. Increasing temperatures in the region would not have a material impact on our plantations but would likely require us to pay even more attention to the health and welfare of workforce. The average annual rainfall is about 2,300 ml. If rainfall were to dramatically increase it would not materially impact our growth rates, but it would make

operations more challenging due to the increased difficulties with transportation in the wet and muddy conditions. This would require mitigation through increased expenditure on road construction and maintenance, and possibly an increased reliance on all-terrain equipment.

Were there to be a significant decrease in rainfall we would expect to eventually see a reduction in our growth rates, but the decrease in precipitation would have to be drastic given the surplus now available to us. Reduced precipitation would likely result in lower river levels, which would negatively impact our barge transportation season, although it is likely this would somewhat be offset by increasing our season of road transportation. A combination of a material reduction in precipitation and increasing temperatures would potentially increase the risk of fire.

On a macro scale climate change actually provides us with more opportunities than challenges. Our business is a mitigant to climate change, due to CO<sub>2</sub> absorption and tree respiration, as well as the microclimates created by forests. Climate change is one of the drivers of increased activity in our sector and is expected to also drive further investment and increasing revenues.

#### Defined Benefit Plan Obligations and Retirement Plans

We have no defined benefit pension plans in place. From our perspective all of our retirement plans are defined contribution. For the Colombian workforce this is achieved by company contributions into the Colombian government pension structure on behalf of our employees, with the government then being responsible for the delivery of the benefit. For the five employees not employed in Colombia there is a defined contribution amount to their individual, regulated pension plans.

#### Financial Assistance Received from Government

We currently do not receive any financial assistance from the Colombian government. Having said that, for our plantation areas planted prior to 2023 we receive a preferential tax treatment on sales of wood products made from those plantations. This is through a deferral of corporate tax on profits from those sales. Tax will only be levied on those profits if and when they result in a dividend to our shareholders. In 2023, the government ended this tax benefit for plantations developed from 2023 onwards. Formerly, we, and other forestry companies, also received a discounted insurance rate for our plantations, but this program was discontinued by the government for 2023.

As previously mentioned, we have received loans totalling \$22 million from the DFC, which is a branch of the U.S. government. These loans will all be repaid, with interest, according to a mutually agreed schedule. Finnfund, who remain one of our equity investors, is at arms length to the Finnish government, but receives their funding from the state.





## A closing note from our CEO

We have often found it hard to accurately report on all the ESG work we do. As a core tenet, our focus has been on doing the work, not talking about it. We have been informed by several outside parties that we have done ourselves a disservice, as we have been doing much more than we have been talking about.

In this report we have tried to gather and report on a better representation of our activities, and we hope you have enjoyed it. We look forward to building on this and delivering an even more comprehensive report next year. If you have any comments or feedback on this report please your thoughts to us at [info@forestfirst.com](mailto:info@forestfirst.com).



As we reflect on Forest First Colombia's efforts over the past ten years, we are confident that we are creating a unique, best in class sustainable forestry company that is fully committed to making a positive impact on the communities and the environment where we operate in Colombia.

As we enter our next decade of operations, we are committed to building on the sustainability principles and pillars presented in this report to realize our vision. More trees make for a better world.

Should you have questions please contact [info@forestfirst.com](mailto:info@forestfirst.com)





The Eucalyptus tree is known for its strength, versatility, and adaptability. Characteristics we embrace at Forest First Colombia.

This stunning Eucalyptus tree – found in Northern Colombia – is the inspiration behind the colors we’ve chosen to represent our four pillars: Living, Breathing, Growing and Learning.

Our pillars are the root of all we do.

**Forestfirst**  
COLOMBIA S.A.S.