

New Forests announces first investors in African Forestry Impact Platform and inaugural acquisition

Opportunity to scale sustainable forestry in Sub-Saharan Africa and deliver climate, community, and biodiversity benefits

SYDNEY: 20 October 2022 - New Forests, along with its investment partners British International Investment (BII), Norfund and Finnfund, have signed subscription agreements for their investment in a dedicated African fund, the African Forestry Impact Platform (AFIP), for US\$200 million, and announced AFIP's first acquisition, Green Resources, East Africa's largest forest development and wood processing company.

This follows an announcement at COP26 around an intention of these groups to partner to develop investment strategies designed to scale and transform the sustainable forestry sector in Sub-Saharan Africa.

AFIP will continue to raise long term institutional capital to support the sustainability and development of Africa's growing forestry sector, with the aim of raising US\$500 million for the Platform in the next two to three years. AFIP will invest in a portfolio of plantation forestry operating companies and related assets in Sub-Saharan Africa, primarily targeting established assets that can be expected to provide stable and predictable cash flows across a diversified set of markets.

Drawing on New Forests' unique approach to sustainability, AFIP will focus on four key areas of impact: climate change mitigation, biodiversity conservation, gender and diversity, and community and livelihoods.

Forests and landscapes protect wildlife from natural disasters and are critical for various essential products and services, including fuel, shelter, and food. However, the UN's assessment found that in Africa, four million hectares of forests are disappearing yearly¹ - conservation and restoration are crucial for inclusive adaptation and building resilient and sustainable ecosystems.

David Brand, Chief Executive Officer, New Forests, said, "Africa has growing economies and rising timber demand but is also home to some of the world's most biodiverse forests. New Forests' new Africa platform will expand the plantation forest sector while seeking to also support forest conservation, restoration of degraded land and expansion of community-based forestry programs. As an open-ended investment vehicle AFIP will help to create and perpetuate sustainable landscapes that can balance conservation and production systems."

Tellef Thorleifsson, Chief Executive Officer of Norfund said, "As long-term investors in Green Resources, Norfund is pleased that the board and management has succeeded in developing the company into what will now be the core of the new fund focused on developing sustainable growth of the African forestry sector, thereby creating jobs, reducing deforestation, and addressing climate change."

Jaakko Kangasniemi, Chief Executive Officer of Finnfund said, "Sustainable forestry is one key way to curb deforestation as well as climate change. Investing in responsible forestry companies has long been

¹ Source: UN News <https://news.un.org/en/story/2021/09/1101632>

one of Finnfund's focus areas. In addition to the benefits to nature and climate, forestry can significantly contribute to people's livelihoods - particularly in Africa. The forestry sector in Africa has enormous growth potential and by partnering with fellow development financiers and New Forests, we believe we can together bring the change needed to unlock that potential."

Clarisa De Franco, Managing Director & Head of Private Equity Funds at BII, said, "BII is proud to be part of this partnership to launch a permanent capital vehicle that will increase funding for nature-based solutions, increase the supply of sustainable wood, restore natural capital while also boosting jobs within rural communities. Addressing the climate emergency in Africa must include gender-smart actions, and we are thrilled that the fund has committed to invest at least 30 per cent of the value of its portfolio in 2X eligible businesses. This will promote inclusive economic opportunities, increase productivity and improve livelihoods across Sub-Saharan Africa."

Partnerships for Forests, a UK Foreign, Commonwealth & Development Office funded programme, will work closely with AFIP by offering technical assistance. This includes help to identify and develop business models around target investments to demonstrate a different model of working with plantations that provides tangible returns to investors, delivering social and environmental value to smallholders and other landscape stakeholders.

Baemnet Aschenaki, Regional Director of Partnerships for Forests, East Africa, said, "The partnership with New Forests is exciting, given how innovative the investment model is in terms of social inclusivity and environmental protection. By supporting the identification and development of smallholder-focused and environmentally responsible projects around plantations, we aim to contribute to resilient communities and landscapes on the continent."

The Green Resources acquisition is subject to regulatory approval (in Tanzania) and is expected to be completed by December 2022.

AFIP has been registered in Singapore as a Variable Capital Company (VCC) which is an open ended, permanent capital vehicle. New Forests has had a presence in Nairobi since 2021, and in June that year appointed Paul Ohaga, Senior Director, Africa to lead the business.

Ends

Media contacts

New Forests: Lauren Stewart / lstewart@newforests.com.au / +61 (0) 437 800 340

British International Investment: Toyosi Adebayo / press@bii.co.uk / +44 (0) 788 037 2305

Norfund: Per Kristian Sbertoli / per.kristian@norfund.no / +47 930 89 103

Finnfund: Unna Lehtipuu / unna.lehtipuu@finnfund.fi / +358 40 6240896

Partnerships for Forests: Gen Kennedy / gen.kennedy@thepalladiumgroup.com / +44 7403 128 500

About New Forests

New Forests is a global investment manager of nature-based real assets and natural capital strategies, with AUD 8.7 billion (USD 6.5 billion) in assets under management across 1.1 million hectares (2.7 million acres) of investments. New Forests manages a diversified portfolio of sustainable timber plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure assets. We aim to generate shared prosperity for our clients and the communities in which we operate and accelerate the transition to a sustainable future. Headquartered in Sydney, New Forests is

a Certified B Corp and operates in Australia, New Zealand, Southeast Asia, Africa and the United States. For more information, please visit: www.newforests.com

About Green Resources

Green Resources is East Africa's largest forestry and wood processing company, managing approximately 38,000 hectares of pine and eucalyptus plantations in Tanzania, Uganda and Mozambique. For more information, please visit: <https://greenresources.no/>

About British International Investment

British International Investment is the new name for the UK's development finance institution and was formerly known as CDC Group. British International Investment is a trusted investment partner to businesses in Africa, Asia and the Caribbean. It invests between £1.5 and £2 billion every year to support the UK Government's Clean Green Initiative and to create productive, sustainable and inclusive economies in our markets.

British International Investment plays a key role in the UK Government's wider plans to mobilise up to £8 billion a year of public and private sector investment in international projects by 2025.

Over the next five years, at least 30 per cent of BII's total new commitments by value will be in climate finance. This will make it one of the world's largest climate investors in Africa. BII is also a founding member of the 2X Challenge which has raised US \$10bn to empower women's economic development. The company has investments in over 1,300 businesses in emerging economies and total assets of £7.7 billion. For more information, please visit: www.bii.co.uk | [watch here](#).

About Norfund

Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening the private sector in developing countries, and for reducing poverty. Norfund's committed portfolio totals 3.1 billion USD in Sub-Saharan Africa, South-East Asia, and Central America. Norfund has four investment areas: Clean Energy, Financial Institutions, Scalable Enterprises and Green Infrastructure. For more information, please visit: www.norfund.no

About Finnfund

Finnfund is a Finnish development financier and professional impact investor. We build a sustainable world by investing in responsible and profitable businesses in developing countries. Each year we invest 200-250 million euros in 20-30 projects, emphasising renewable energy, sustainable forestry, sustainable agriculture, financial institutions and digital infrastructure and solutions. At the end of 2021, Finnfund's investments and investment decisions were 1,12 billion euros in 53 countries, half of them in Africa. The company has around 90 employees. For more information, please visit, www.finnfund.fi

About Partnerships for Forests

Partnerships for Forests is an eight-year (2015- 2023), FCDO-funded programme which aims to catalyse, facilitate and accelerate change towards sustainable private sector investment. The programme's main focus is to support the development of Forest Partnerships. These partnerships of private sector companies, public sector actors and local communities work towards achieving shared value from sustainable forests and land use. For more information, please visit, www.partnershipsforforests.com