

# Rating Report Example



FairForest®

Voluntary Rating 1.0

## Rating Report

### *Measuring the performance of sustainable forestry projects*

The goal of the FairForest Voluntary Rating 1.0 is to increase transparency and security for an ethically responsible practice of investing in sustainable forestry. FairForest provides a voluntary self-rating for forestry landscape projects using a ratings scale of 0 - 100 percent. With a broad spectrum of questions, the rating system is designed to be applicable to a wide range of different forestry projects. The rating focuses on the social and environmental impact as well as on the financial and management performance and furthermore considers the business environment and production risks.

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# Facts

## Project description

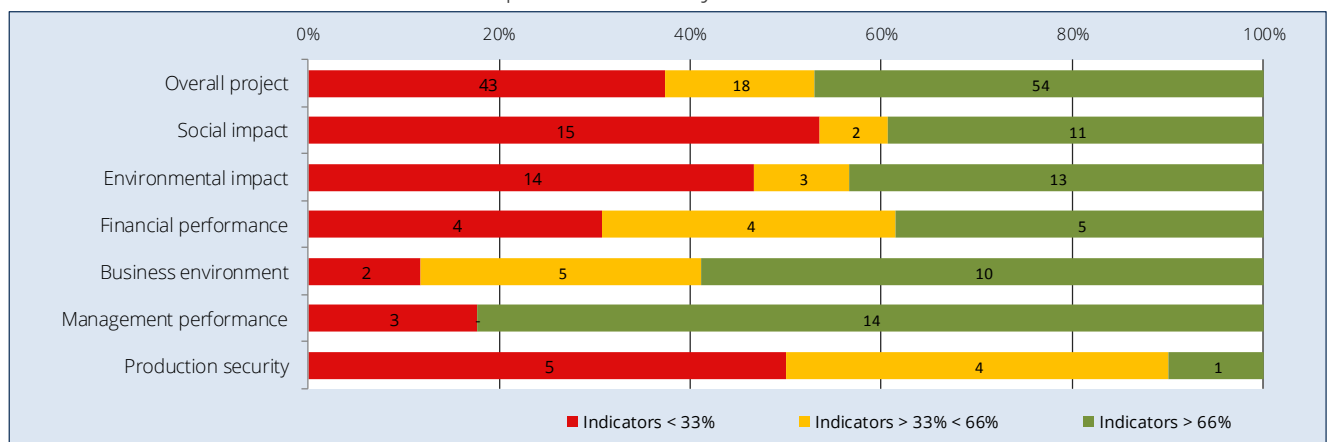
Project statement			
To develop a sustainable forest plantation together with ethical investors to increase biodiversity, social integrated income opportunities and optimal returns by precious timber and ornamental plants.			
Project name	Project type	Registry ID	Project area [ha]
Rosewood Plantation	Plantation forestry, Non-timber	FF-VR-03/27/2014-001	500
Country	Investment allocation	Income Source	Target area [ha]
Guatemala	Expansion of productive areas (timber and non-timber products)	Precious timber and ornamentals	2500
Investment volume	Investment period [years]	IRR [%]	Project phase
\$ 20,000,000	12	> 14	mid

## Rating summary

Section	Description	Performance of measurable indicators	Number of Measurable indicators	Number Descriptive indicators	Completeness of descriptive indicators
<b>Overall performance</b>	<b>Average of all sections</b>	<b>57%</b>	<b>115</b>	<b>34</b>	<b>94%</b>
<b>Social impact</b>	Certification, social issues and policies, employment and work conditions, relations with stakeholders.	41%	28	7	100%
<b>Environmental impact</b>	Documentation of environment related activities, status of environmental conditions and implementation of sustainable practices.	44%	30	4	75%
<b>Financial performance</b>	Market and product positioning, financial performance indicators figures.	58%	13	11	91%
<b>Business environment</b>	Economic freedom situation, law & regulation compliance, current market situation and strategic alliances.	72%	17	2	100%
<b>Management performance</b>	Organizational experience and current expertise, strategic management documentation.	79%	17	6	100%
<b>Production security</b>	Production risks and mitigation management.	40%	10	4	100%

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance by section



## Contact

Responsible person	Telephone	Email
Maritza Lopez, CEO	(502) 57044466	m.lopez@infornor.gt

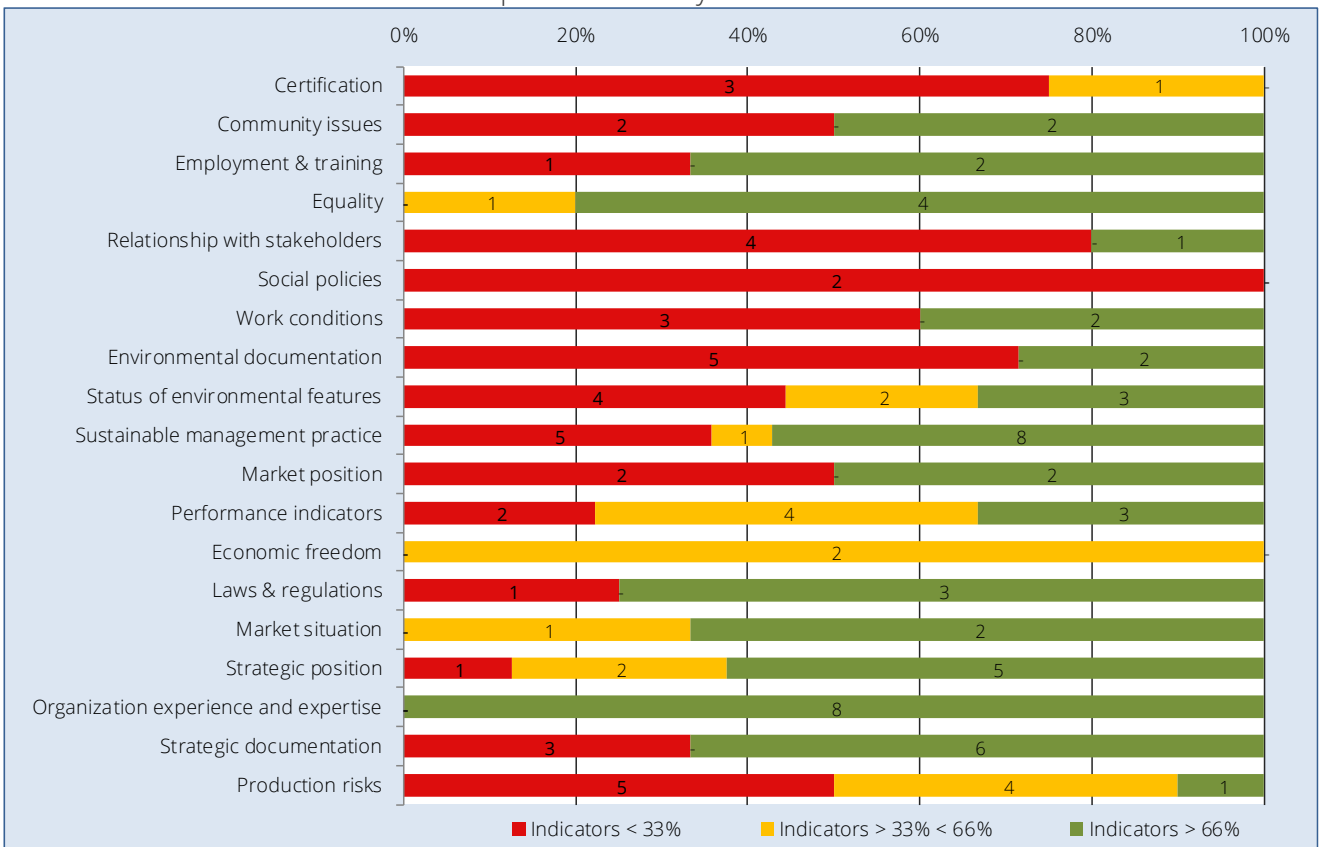
# Overview

## Sections and subsections performance

Section	Section performance	Subsection	Subsection performance	Evaluated indicators
Social impact	41%	Certification	8%	4
		Community issues	70%	4
		Employment & training	76%	3
		Equality	89%	5
		Relationship with stakeholders	22%	5
		Social policies	0%	2
		Work conditions	67%	5
Environmental impact	44%	Environmental documentation	23%	7
		Status of environmental features	50%	9
		Sustainable management practice	52%	14
Financial performance	58%	Market position	49%	4
		Performance indicators	61%	9
Business environment	72%	Economic freedom	54%	2
		Laws & regulations	76%	4
		Market situation	75%	3
		Strategic position	75%	8
Management performance	79%	Organization experience and expertise	100%	8
		Strategic documentation	60%	9
Production security	40%	Production risks	40%	10

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance by subsections



## Analysis of indicators performance

Section	Performance	Minimum performance	Maximum performance	Number evaluated indicators	Number measurable indicators	Number descriptive indicators	Completeness descriptive indicators	Number of subsections
<b>Overall</b>	<b>57%</b>	<b>40%</b>	<b>79%</b>	<b>149</b>	<b>115</b>	<b>34</b>	<b>94%</b>	<b>19</b>
Social impact	41%	0%	89%	35	28	7	100%	7
Environmental impact	44%	23%	52%	34	30	4	75%	4
Financial performance	58%	49%	61%	24	13	11	91%	2
Business environment	72%	54%	76%	19	17	2	100%	4
Management performance	79%	60%	100%	23	17	6	100%	2
Production security	40%	40%	40%	14	10	4	100%	1

## Description of organization and project

Indicator	Description	Data entry
Country	Location of the project	Guatemala
Rating date	DD/MM/JJ	March 27.2014
Registry ID	Abbreviation for: FairForest-Voluntary Rating-month/year-continuing number = FF-VR-MM/JJ-001	FF-VR-03/27/2014-001
Name of organization	The legal name of the organization carrying out the evaluated project	Inversiones Forestales del Norte
Project name	Name of the evaluated project	Rosewood Plantation
Project statement	Please describe briefly the key market, contribution, distinction, motivation (~ 2 - 3 sentences)	To develop a sustainable forest plantation together with ethical investors to increase biodiversity, social integrated income opportunities and optimal returns by precious timber and ornamental plants.
Web address	The web address of the organization	www.infornor.gt
Email	Email of responsible person	m.lopez@infornor.gt
Telephone	Telephone of responsible person	(502) 57044466
Instant messenger IM	Instant messenger of responsible person	info_infornor
Project type	Select up to two project categories characterizing your project. Within the project categories has to be at least one category which is marked with a (1). Should none of the listed categories suit, please select 'not indicated' and contact us. Categories: Plantation forestry (1), Natural forest management (1), Agroforestry (1), Non-timber forest products (1), Carbon and ecosystem services (2), Conservation (2), Eco-tourism (2), Not indicated	Plantation forestry, Non-timber forest products
Project area [ha]	Total project area in hectares	500
Productive area [ha]	Total production area in hectares	400
Target area [ha]	Target area of the project (only for expanding projects)	2500
Project phase	Select the phase of your project: to be initiated, early, mid, late, expansion	mid
Project start	Year of the project start. For a project "to be initiated", indicate the planned starting year.	2004

Achieved certifications	(Only for existing projects) Indicate currently valid, third-party certifications or accreditations covering sustainability issues (e.g. FSC, PEFC, CCB, Fair-Trade, Organic, SO). List certification name, certifying body, and date (e.g.: FSC-Certifier-2010/06/07).	No current certification
Governing entity	Public institutions and/or organizations that ensure the law-abiding procedures of the project implementing organization-company (e.g. Forest service, regional or local governments)	INAB, CONAP, MARN
Headquarter of Organization/Owner	Address of headquarter offices	4th avenue 337 zone 2 Guatemala City
Legal structure	Choose one of the following organization types: Corporation, Limited Liability Company, Partnership, Sole-proprietorship, Cooperative, Governmental organization, Non-Profit, Other	Limited Liability Company
Responsible person	Name and position of the person in charge of completing the rating form on behalf of the organization	Maritza Lopez, CEO
Age of the organization	How many years ago was the organization established?	10
Income Source	Which products/services are the main sources of revenue: Timber, Non Timber Forest Products, Ecosystem services (e. g. carbon credits, PES), Nursery (seeds & seedlings), Ecotourism, Agriculture, Processing, Others	Precious timber and ornamentals
Investment allocation	Please describe the investment allocation(s): i.e. Capacity building, Production expansion, New business, Debt service, Machinery and equipment upgrade, Other (specify)	Expansion of productive areas (timber and non-timber products)
Investment period [years]	Number of years until the total investment is paid back	12
Investment volume	Required investment volume in USD.	20,000,000

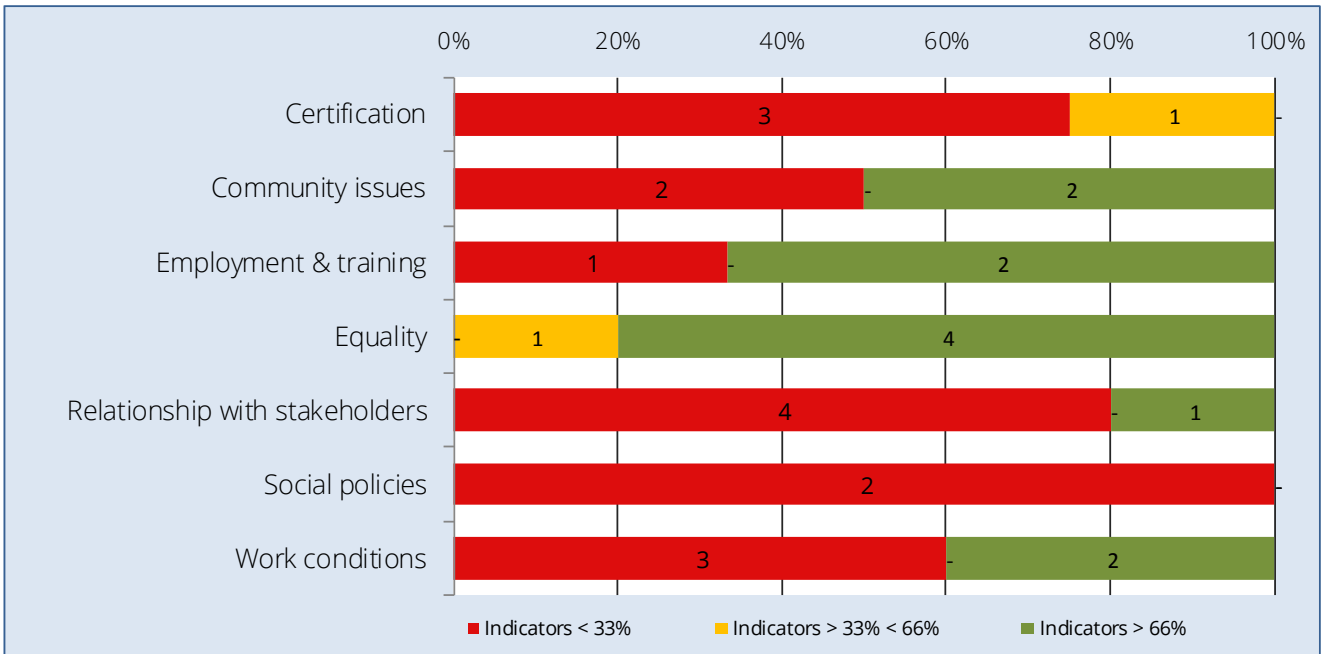
# Social impact

## Section and subsections performance

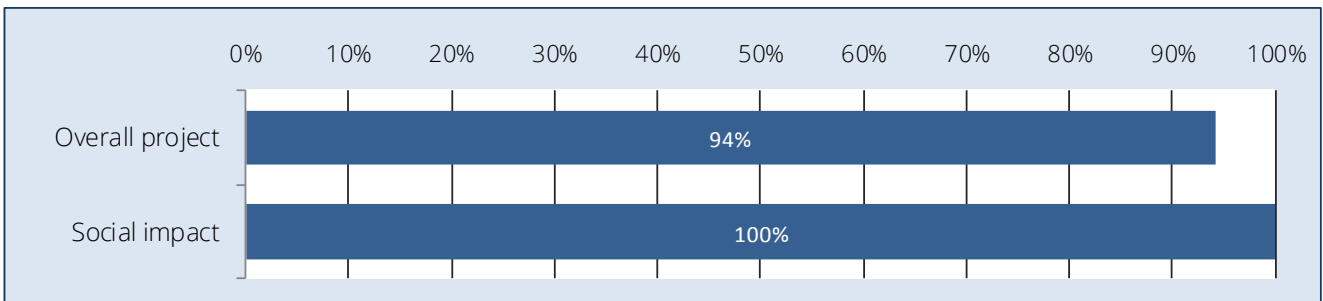
Section	Section performance	Subsection	Subsection performance	Evaluated indicators
Social impact	41%	Certification	8%	4
		Community issues	70%	4
		Employment & training	76%	3
		Equality	89%	5
		Relationship with stakeholders	22%	5
		Social policies	0%	2
		Work conditions	67%	5

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance



## Completeness of descriptive indicators



## Analysis

Performance	Minimum performance (subsection)	Maximum performance (subsection)	Standard deviation (subsection) ±	Number of measurable indicators	Number of descriptive indicators
41%	0%	89%	34%	28	7

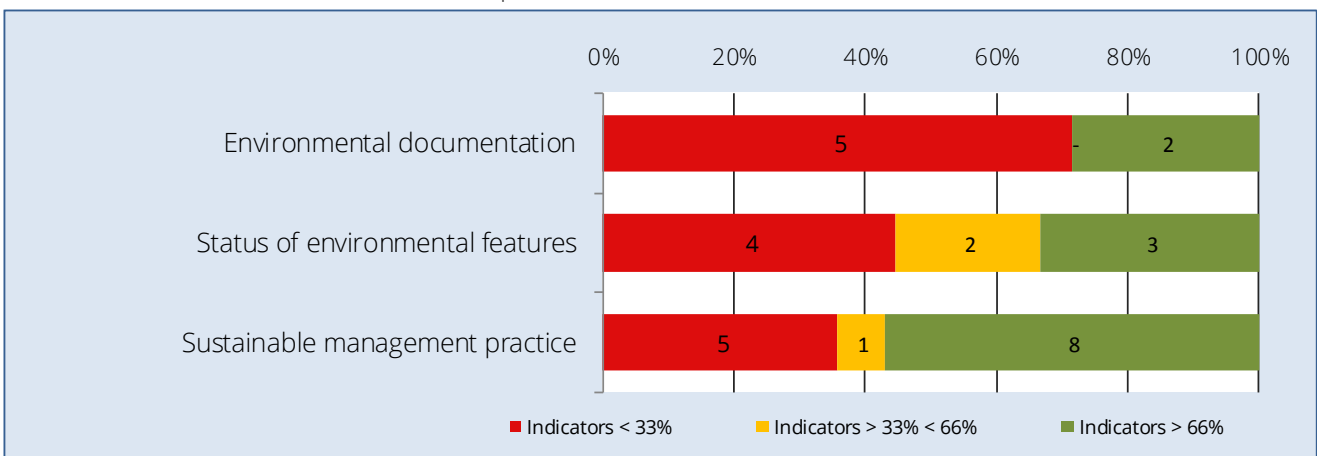
# Environmental impact

## Section and subsections performance

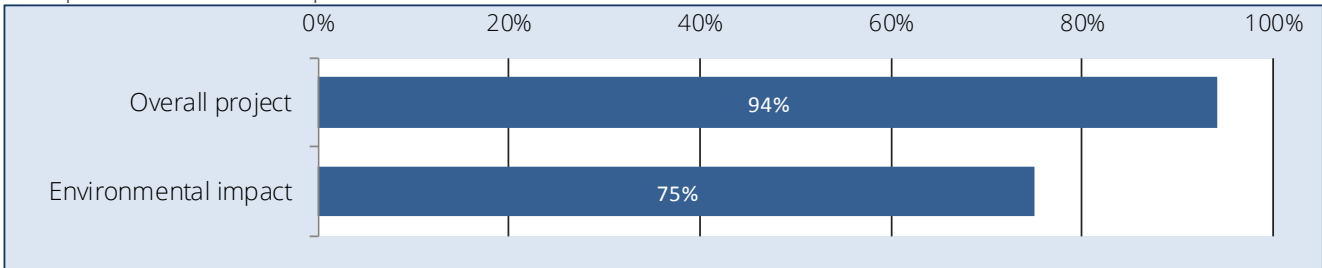
Section	Section performance	Subsection	Subsection performance	Evaluated indicators
Environmental impact	44%	Environmental documentation	23%	7
		Status of environmental features	50%	9
		Sustainable management practice	52%	14

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance



## Completeness of descriptive indicators



## Analysis

Performance	Minimum performance (subsection)	Maximum performance (subsection)	Standard deviation (subsection) ±	Number of measurable indicators	Number of descriptive indicators
44%	23%	52%	13%	30	4

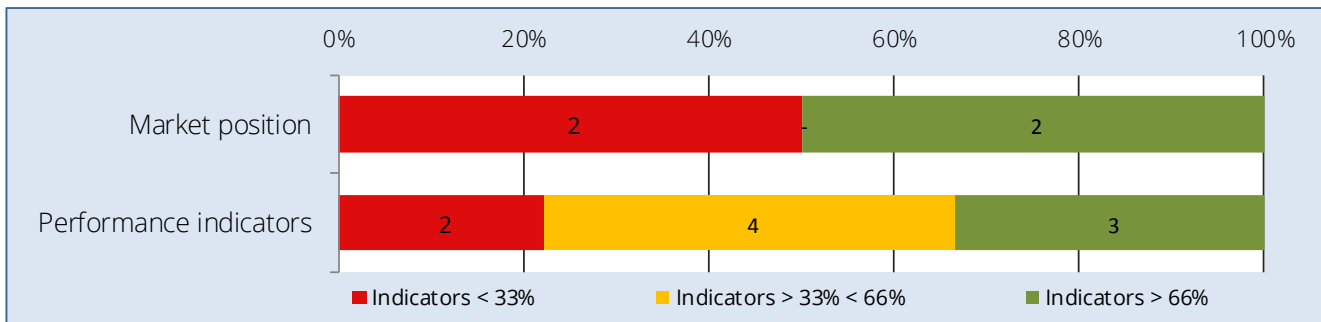
# Financial performance

## Section and subsections performance

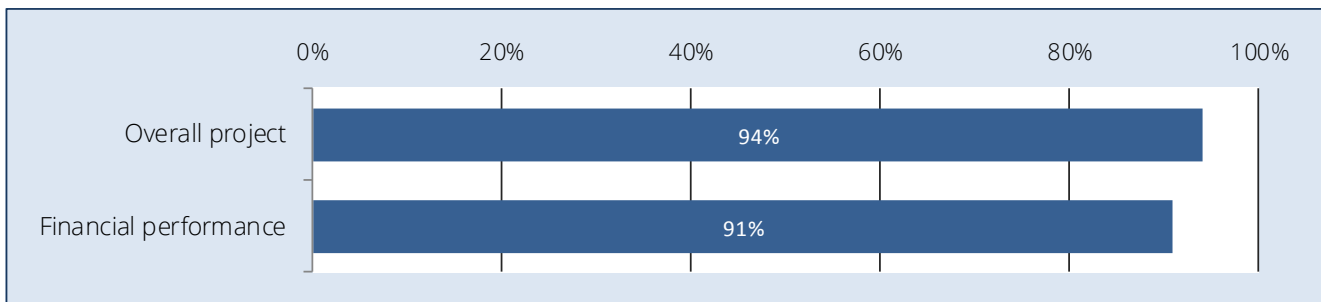
Section	Section performance	Subsection	Subsection performance	Evaluated indicators
Financial performance	58%	Market position	49%	4
		Performance indicators	61%	9

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance



## Completeness of descriptive indicators



## Analysis

Performance	Minimum performance (subsection)	Maximum performance (subsection)	Standard deviation (subsection) ±	Number of measurable indicators	Number of descriptive indicators
58%	49%	61%	6%	13	11



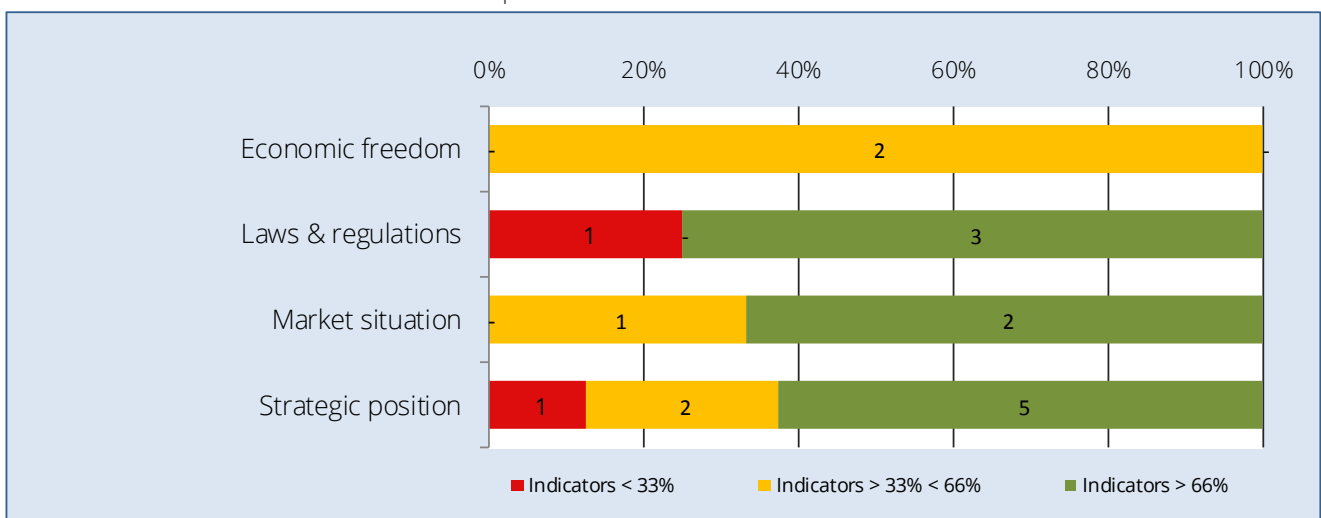
# Business environment

## Section and subsections performance

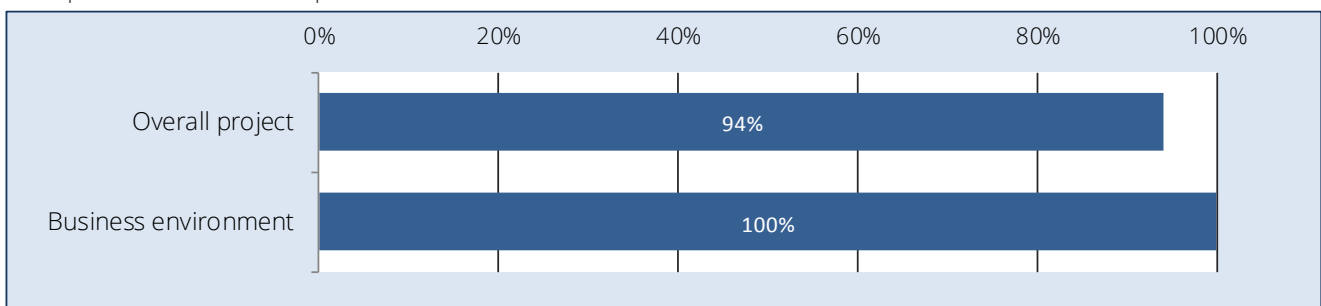
Section	Section performance	Subsection	Subsection performance	Evaluated indicators
Business environment	72%	Economic freedom	54%	2
		Laws & regulations	76%	4
		Market situation	75%	3
		Strategic position	75%	8

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance



## Completeness of descriptive indicators



## Analysis

Performance	Minimum performance (subsection)	Maximum performance (subsection)	Standard deviation (subsection) ±	Number of measurable indicators	Number of descriptive indicators
72%	54%	76%	9%	17	2

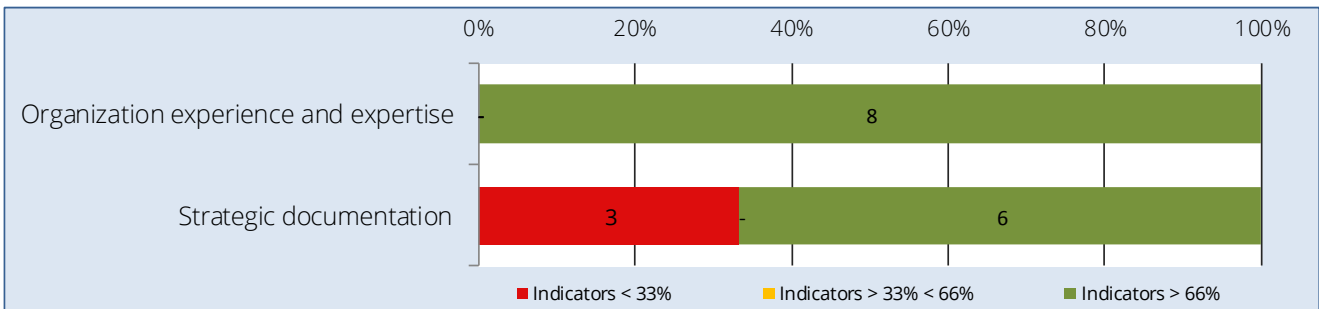
# Management performance

## Section and subsections performance

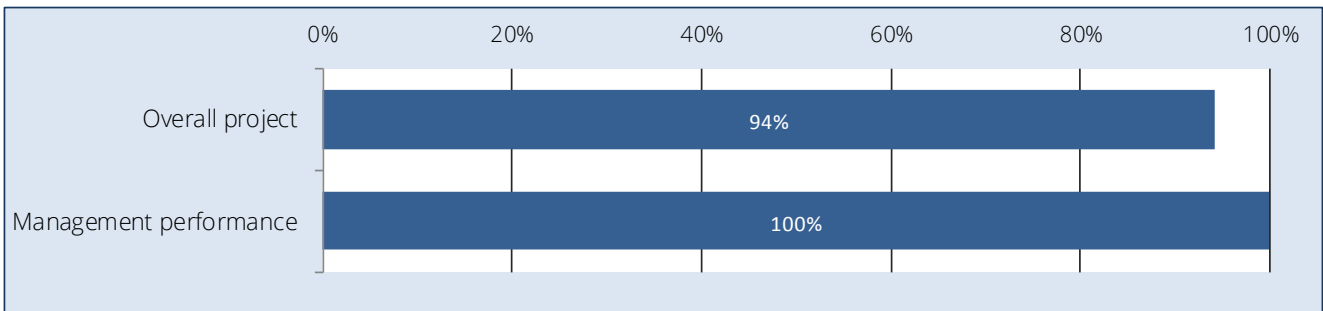
Section	Section performance	Subsection	Subsection performance	Evaluated indicators
<b>Management performance</b>	79%	Organization experience and expertise	100%	8
		Strategic documentation	60%	9

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance



## Completeness of descriptive indicators



## Analysis

Performance	Minimum performance (subsection)	Maximum performance (subsection)	Standard deviation (subsection) ±	Number of measurable indicators	Number of descriptive indicators
79%	60%	100%	20%	17	6

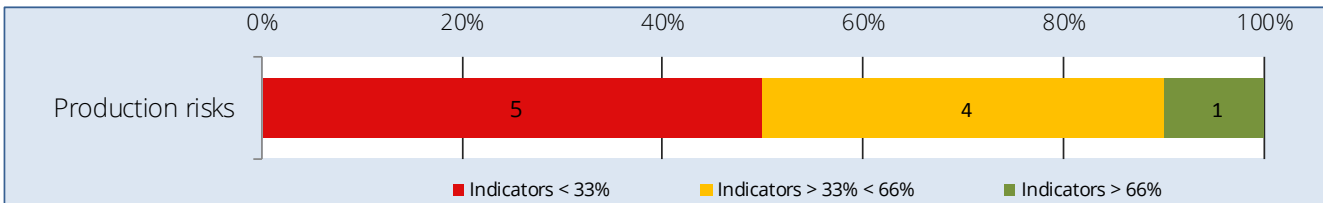
# Production security

## Section and subsections performance

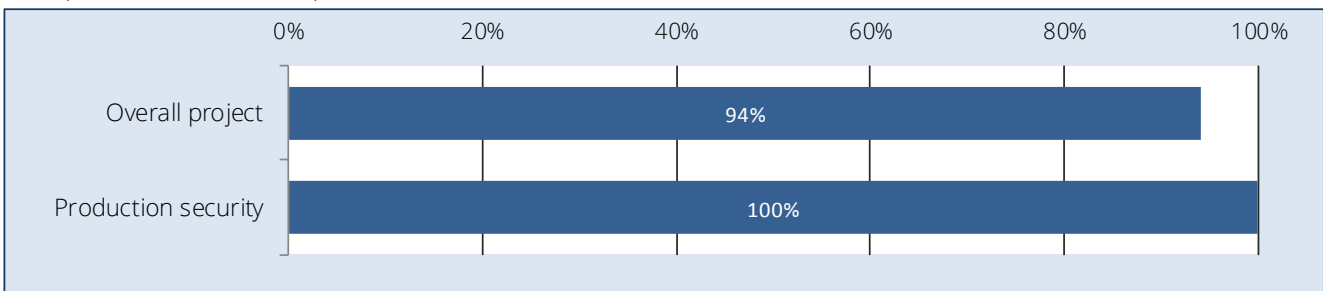
Section	Section performance	Subsection	Subsection performance	Evaluated indicators
<b>Production security</b>	40%	Production risks	40%	10

Color code of cells: red = performance of < 33.3%, orange = performance of 33.3% > 66.6%, green = performance of > 66.6%

## Distribution of measurable indicators performance



## Completeness of descriptive indicators



## Analysis

Performance	Minimum performance (subsection)	Maximum performance (subsection)	Standard deviation (subsection) ±	Number of measurable indicators	Number of descriptive indicators
40%	40%	40%	0%	10	4

## Annex

Every report contains an annex with the comprehensive indicator catalogue. Each indicator contains the following information:

A unique ID, definition of the section and subsection, indicators name, indicator description, field for the data entry, the level of performance, the measurability to measure, importance of indicators in relation to other indicators and the weight. Find more information at [rating methodology](#).

### Examples of measurable indicators

ID	Section	Subsection	Indicator	Description	Data entry	Level of performance [%]	Measurability	Importance in relation to other indicators	Weight
141	Social impact	Certification	Achieved certifications	(Only for existing projects) Is the project currently certified by a third-party certification (like FSC, PECK, CCB, Fair-Trade, Organic) that addresses the social impact (of the management/products/services).	No	0	1.00	5.5	5.5
162	Social impact	Equality	Minimum wage	(Only for existing projects) Do all full time and part time employees, seasonal workers and contractors receive at least the country-specific statutory or recommended minimum wage?	Yes	100	0.75	1.5	1.1
48	Environmental impact	Environmental documentation	Environmental impact study	(Only for existing projects) Is there a documented environmental impact study developed before the beginning of the project?	No	0	1.00	2.0	2.0
50	Environmental impact	Environmental documentation	Ecological land use map	Does a land use map exist that evaluates the importance of the land's location within the project area and any regulations related to the sites. Such a land use map includes sensitive area, catchments area, protected area, ecologically valuable sites, wetlands, etc.	No	0	1.00	2.0	2.0
87	Financial performance	Performance indicators	IRR [%]	Indicate the Internal Rate of Return per year and in percentage over the entire investment period.	> 14	100	1.00	9.0	9.0
92	Financial performance	Performance indicators	Secondary market	How quickly can it be expected to sell the project/shares on the secondary market? (years)	> 5	0	0.25	9.0	2.3
28	Business environment	Economic freedom	Economic freedom index	Select form: 0 - 100 % <a href="http://www.heritage.org/index">http://www.heritage.org/index</a>	55	55	1.00	7.0	7.0
35	Business environment	Market situation	Relative market share	According to its annual turnover, the organization/project is accounted as one of: - the 10 biggest companies within the country - the 100 biggest companies within the country - smaller than the 100 biggest companies within the country	100 biggest companies	50	0.75	7.0	5.3
104	Management performance	Organization experience and expertise	Period of employment: Business administration management	(Only for new or expanding projects) Average experience of all personnel who will work on Business administration management. Please select: < 1 year > 1 - < 3 years > 3 - < 5 years > 5 - < 7 years > 7 years	> 7 years	100	1.00	5.0	5.0
109	Management performance	Organization experience and expertise	Negative perception of the company	Has the company suffered negative publicity for financial, environmental, social or other reasons? If yes, explain!	No	100	0.75	4.0	3.0
128	Production security	Production risks	Fire risk probability	Estimate the probability of such an event during the whole investment period.	Medium	50	0.50	10.0	5.0
130	Production security	Production risks	Diseases & pests probability	Estimate the probability of such an event during the whole investment period.	Medium	50	0.75	10.0	7.5

## Example of descriptive indicators

ID	Section	Subsection	Indicator	Description	Data entry
153	Social impact	Community issues	Community support investments	(Only for existing projects) What is the value of the investments allocated on community support activities (e.g. in health, education, housing, transport) during the last accounting year? (in USD).	50,000
172	Social impact	Social policies	Social impact objectives	Social impact objectives pursued by the organization. Choose all that apply: Access to education, Agricultural productivity, Capacity-building, Community development, Employment generation, Food security, Income/productivity growth, Energy independency, Health improvement	Employment generation
64	Environmental impact	Strategic environmental alliances	Collaboration to improve environmental impacts	List the names of the organizations (governmental and non-governmental) you are collaborating with concerning environmental issues on the basis of a written and legal binding agreement.	No current bidding agreements
79	Environmental impact	Sustainable management practice	Active conservation measures	Select one or more activities which are currently or will be implemented within the project area: Conservation Ecological enrichment techniques Renaturation Restoration Afforestation Reforestation Preservation of cultural landscapes	Ecological enrichment techniques, Reforestation
98	Financial performance	Performance indicators	Security of financial reserves	(Only for existing projects) How are financial reserves secured (e.g. currency hedging, insurance, bonds)?	No information
103	Financial performance	Performance indicators	Required operational capital	Total amount of capital required to cover for operational expenditures (OPEX) for the next year in USD.	50,000
36	Business environment	Market situation	Clients of products and services	Types entities that are buyers or recipients of the organization's products and/or services. Choose all that apply: Individuals/Households Microenterprises Small-to-Medium Enterprises Large Organizations Non-profit/Non-governmental Organizations Governmental Organizations Other	Small-to-medium Enterprises, Other
37	Business environment	Market situation	Market destination	Describe the destination of your products and or services related to international or regional markets (measured in turnover) Only national-regional Mainly focused on national-regional Equally distributed between national-regional and international Mainly focused on international Only international	Mainly focused on national-regional
115	Management performance	Organization experience and expertise	Number of executives	(Only for existing projects) Number of full time employees in the organization with budget and/or staff responsibility in the last accounting year.	2
112	Management performance	Organization experience and expertise	Coverage of expertise	List the expertise which is required to successfully run the project and which is covered within the organization. Select the terms from the following list: Financial, Environmental, Social, Development aid, Community building, Business administration, Controlling, Accounting, Legal, Operations, Timber processing, Product processing, Trade, Marketing, Forestry and Agroforestry, Carbon, Certification, GIS, IT & Data management, Other	Marketing, Carbon, Trade, Other
127	Production security	Production Diversification	Product/Service diversification	Please list all products/services which contribute to the revenue stream or add value to the revenue stream. (commercial tree species, ecosystem services like carbon credits, the name of the NTFPs, tourism activities, processing, etc.)	Timber, Firewood, Xate leaves, other ornamentals
138	Production security	Production risks	Ownership of company or shareholdership for investor	Which rights do the investor obtain by investing in the project: Ownership or shareholder of the organization Ownership of the project site Only certain usufruct (timber, wild, water, etc.)	Ownership or shareholder of the organization