

## Corporate venture TreeTrust facilitates high-quality afforestation projects for carbon removal

- Corporate forestry projects certified to Gold Standard and based on UN Sustainable Development Goals
- Vaillant Group and parent company Munich Re first-ever clients
- Rapidly growing demand for nature-based solutions in carbon offset market



“A lot of companies set ambitious climate protection targets. They want to offset inevitable carbon dioxide emissions by capturing the same amount from the atmosphere. In a carbon offset market where supply is scarce, TreeTrust organises suitable afforestation projects for discerning companies. Munich Re has been researching the risks of climate change for over four decades. Our innovative approaches here emphasise prevention, risk transfer and resilience. TreeTrust is now leveraging our expertise in the carbon offset market, in turn aiding the transformation towards a climate-neutral economy.”

Torsten Jeworrek, Member of the Board of Management

### Initial forest project will capture 600,000 metric tons of CO<sub>2</sub>

TreeTrust, a Munich Re corporate venture, brokers and structures high-quality afforestation projects for carbon removal. Its first two clients, the Vaillant Group and Munich Re, will invest in company forests. The initial carbon removal project kicked off this May with the planting of trees across more than ten million square metres of former grassland in northern Costa Rica. As these new forests grow over the next 40 years, they will capture more than 600,000 metric tons of CO<sub>2</sub>. TreeTrust’s partner and project developer, BaumInvest, will oversee the afforestation on site and issue the CO<sub>2</sub> certificates. The project in Costa Rica will help re-establish a rainforest, similar to the original one, that benefits from excellent biodiversity and water. In addition, jobs created by the project will brighten the outlook for locals. There will soon be more projects of a similar nature, likewise based on UN Sustainable Development Goals.

## New solutions backed by proven climate and risk expertise

More and more companies are looking for dependable ways of capturing carbon, as they need to offset their inevitable operational emissions to meet their net-zero targets. For this reason, the demand for premium carbon credits has increased substantially in recent years. Experts estimate that the market volume here will need to grow by a factor of 15 between now and 2030 in order to meet the Paris Agreement's global climate targets. A new provider in this market, TreeTrust facilitates and structures transactions for corporate clients who are seeking efficient access to ambitious, Gold Standard-certified afforestation investments for carbon removal. TreeTrust solutions combine the climate and risk expertise of Munich Re with the excellence of experienced project developers.

Jens Wichtermann, Director of Sustainability Management at the Vaillant Group: "By 2030, the Vaillant Group will reduce the carbon emissions from its manufacturing and business operations by 50%. We will offset the remaining emissions through afforestation projects. Our first-ever own endeavour will be helping to re-establish the Costa Rican rainforest – a project that meets our quality and sustainability standards. It thus constitutes a key cornerstone of our ambitious long-term climate strategy."

Michael Menhart, in charge of sustainability at Munich Re, added: "Our project with TreeTrust is an innovative, high-quality solution that will help us achieve our net-zero targets between now and 2030, but also thereafter. As one of our long-term solutions, the new afforestation project enables us to offset our unavoidable operational emissions by means of the new forest that will soon start growing in Costa Rica. What's more, this forest project will hedge against rising prices for voluntary carbon credits."

Along with Philipp von der Schulenburg, Andreas Heger manages TreeTrust. He says: "Our goal is to create a new, premium range of solutions in the market for voluntary carbon credits. Companies are willing to invest in offsetting their emissions. We help them select just the right long-term projects, while saving them time." Philipp von der Schulenburg added: "Our clients benefit from the expertise in climate, risk management and structuring that we as a Munich Re venture bring to the table." A crucial aspect here is offering clients the best possible transparency and reliability as they make investment decisions. TreeTrust is similarly poised to meet the highest standards as it enhances its digital offerings.

Looking back, it was global innovation pursuits at Munich Re that gave rise to TreeTrust. Climate change is one of six strategic fields in which Munich Re develops innovative solutions and sets up corporate ventures. In addition to helping clients with

adaptation and resilience to climate change, Munich Re also actively focuses on mobility, cyber, IoT, InsurTech 2.0 and digital trust.

Münchener Rückversicherungs-Gesellschaft  
Aktiengesellschaft in München  
Group Media Relations  
Koeniginstrasse 107, 80802 Munich, Germany

[www.munichre.com](http://www.munichre.com)

LinkedIn: <https://de.linkedin.com/company/munich-re>

Twitter: @MunichRe

For Media inquiries please contact

Strategic Communications & PR

**Florian Amberg**

Tel.: +49 89 3891 2299

Mobile: +49 170 712 97 84

[flamberg@munichre.com](mailto:flamberg@munichre.com)

Group Media Relations

**Stefan Straub**

Tel.: +49 89 3891 9896

Mobile: +49 151 64 93 30 48

[sstraub@munichre.com](mailto:sstraub@munichre.com)

Group Media Relations

**Irmgard Joas**

Tel.: +49 89 3891 6188

Mobile: +49 151 5281 7024

[ijoas@munichre.com](mailto:ijoas@munichre.com)

Media Relations Asia-Pacific

**Faith Thoms**

Tel.: +65 63180762

Mobile: +65 83390125

[ftoms@munichre.com](mailto:ftoms@munichre.com)

Media Relations North America

**Ashleigh Lockhart**

Tel.: +1 609 275-2110

Mobile: +1 980 395 2979

[alockhart@munichre.com](mailto:alockhart@munichre.com)

London Insurance Market

**Lillian Ng**

Tel.: +44 207 8863952

Mobile: +44 7809 495299

[lillianng@munichre.com](mailto:lillianng@munichre.com)

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