

Innovative investments into the forest and timber industry

With the Tracker Certificate on the “*Timber Finance Forest-based Construction Basket*”, the first structured product is being launched which focuses on the carbon benefits of the forest and mass timber industry.

Zurich, 19th April 2023 – Mass timber is changing the world and creating new opportunities for investors: from energy to the Built Environment climate change is forcing many industries to rethink established business practices.

Mass timber construction has been one market with solid growth; since the “Timber Turnaround” in 2020, the global forest and timber industry has entered a new growth cycle. Timber can significantly contribute to decarbonizing the construction industry, which is currently responsible for a substantial share of global CO₂ emissions: Timber is the only renewable construction material that inherently stores CO₂, is available at scale and can replace concrete and steel.

Timber Finance has developed the first structured product based on the “Timber Finance Carbon Capture and Storage Index” which incorporates the carbon benefits (3S - Sequestration, Substitution and Storage) of mass timber construction.

“Our index and listed equity product focuses on improving CO₂ absorption rates through sustainable forest management, the long-term storage of carbon in mass timber products and the simultaneous replacement of CO₂-intensive building materials such as steel and concrete,” explains Erik Reichmuth, Managing Director of Timber Finance Management AG.

“We can see that climate change is driving systematic structural change in the construction industry. New regulations are being implemented which limit CO₂ emissions associated with the building sector and technological advancement as well as revised building codes enable the use of timber in entirely new applications, establishing mass timber as a megatrend that will be with us for decades to come”.

Why invest into the forest and timber industry?

- Mass timber construction is a negative emissions technology. Combined with sustainable¹, climate-resilient forest management, mass timber construction is one of the most promising negative emissions technologies. It was officially recommended as a CO₂ storage technology by the United Nations Climate Council UNFCCC under “Timber in Construction” in 2022.
- Booming markets. Since the “Timber Turnaround” in 2020, a new cycle of investment and growth has begun, improving the competitiveness of mass timber construction.
- Today’s timber buildings are no longer single-family homes. They are skyscrapers and major urban buildings. The tallest timber high-rise is currently being built in Switzerland at 100 meters high. Around the world, numerous other timber skyscrapers are being planned.
- Disruptive technologies are revolutionizing the traditional use of timber. It can now be used to build highway bridges, basements, load-bearing structures and high-rise buildings, replacing emission-intensive concrete and steel.

¹ As defined in the United Nations Concept Note: Removal activities under the Article 6.4 Mechanism, Version 01.0, available at <https://unfccc.int/sites/default/files/resource/a64-sb001-aa-a05.pdf>



More information is available here: <https://timberfinance.ch/english/services/>

<p>About the Timber Finance Management AG</p> <p>Founded in 2021, Timber Finance is a leading center of excellence for modern timber investments. Timber Finance arranges investment opportunities in the forest and timber industry through the development of new indices, financial products, carbon credits, white papers and advisory services for portfolio managers.</p> <p>More information about Timber Finance can be found here: https://timberfinance.ch/english/</p>	<p>For questions please contact:</p> <p>Erik Reichmuth, Managing Director, Timber Finance Management AG</p> <p>E-Mail: erik.reichmuth@timberfinance.ch</p> <p>Phone : +41 (0)44 991 1344</p>
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