

WBCSD-PwC Sustainable Forest Finance Toolkit

Key issues for financiers of activities impacting forests

- Increasing regulatory and market focus on the forestry sector due to the substantial contribution of land use change and forestry activities to greenhouse gas emissions
- Financial institutions face material financial and reputational risks where their procedures fail to identify and address their clients' sustainability issues
- Stakeholder expectations that financial institutions meet industry standards such as the Equator Principles
- Significant opportunities for the finance sector in financing forest carbon, sustainable forest management and other sustainable approaches

Furthermore, financial institutions have made, or are under growing pressure to make, commitments to sustainable forestry financing. However, few have effective policies and procedures to deliver on these commitments.

Sustainable Forest Finance Toolkit

In recognition of the challenges facing the finance sector, PricewaterhouseCoopers (PwC) and the World Business Council for Sustainable Development (WBCSD) developed the Sustainable Forest Finance Toolkit to support the sector in progressing towards the sustainable financing of industries impacting forests.

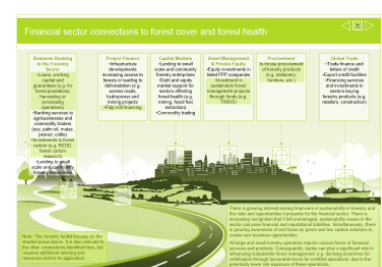
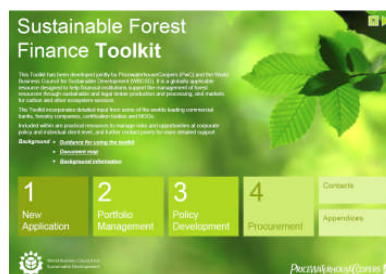
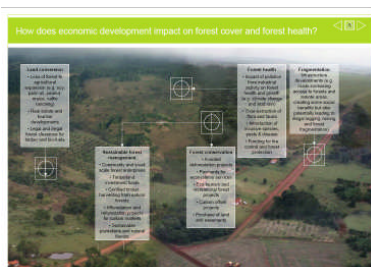
The Toolkit has undergone an extensive stakeholder review, involving leading banks, forestry industry companies, NGOs, certification bodies, governments, investors, asset managers and multilateral institutions.

The Sustainable Forest Finance Toolkit comprises four key sections arranged in a practical, interactive format, and targeted at specific user groups within a financial institution:

1. **New Application** – guidance for assessing prospective forestry sector clients on sustainability performance
2. **Portfolio management** – an illustrative approach for evaluating legacy clients within the bank's forestry portfolio
3. **Policy development** – guidance on the design of a clear and pragmatic forestry policy
4. **Procurement** – an illustrative forestry procurement policy and links to key additional resources

Benefits of the toolkit

- Modular design easily tailored to bank needs and integrated into existing procedures
- Succinct resources providing background to the key sustainability issues related to forestry activities
- Provided free of charge by PwC and the WBCSD to all financial institutions
- Aligned with key industry standards in both the financial sector and the forestry sector



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