



**Forest  
Declaration  
Platform**

Transforming commitments into action

STAKEHOLDER TOOLKIT

# Forest and Climate Resources for the Finance Sector

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# TOOLS, GUIDELINES, AND BEST PRACTICES

- Guidance on Metrics, Targets, and Transition plans (Task Force on Climate-related Financial Disclosures) (2021) – guidance for preparers regarding disclosures of climate-related metrics and targets and key information from transition plans.
  - TCFD Implementation Annex - there is a section on Food, Ag and Forest Products.
  - WBCSD TCFD Preparer Forum report - findings from a pilot test of the Implementation Annex above highlighting shortcomings and needed improvements.
- The Investor Guide to Deforestation and Climate Change, Ceres (2020) – a framework for investors to help them understand and engage on deforestation-driven climate risks across their portfolios. It is especially intended for investors – in particular, engagement specialists – who are relatively new to deforestation and may be engaging in climate risk but not deforestation risk.
- Deforestation tools assessment and gap analysis: How investors can manage deforestation risk (KLP, Storebrand, and Rainforest Foundation Norway) (2020) – support for investors to systematically measure deforestation risks by identifying relevant tools and data gaps and by presenting options for integrating deforestation data into existing systems for ESG and risk analysis.
- TRAISE – free online tools to increase understanding of the trade and financing of commodities to enable companies, financial institutions, governments, and civil society organizations to take practical steps to address deforestation, most specifically Trase Finance.
- Understanding Forest Bonds (2021) – guidance on how bonds can be used to ‘frontload’ finance for planning, implementing, and monitoring the conservation and sustainable use of tropical forests.
- Forests and Finance – approach to assessing the finance received by over 300 companies directly involved in the beef, soy, palm oil, pulp and paper, rubber, and timber supply chains, whose operations have impacts for natural tropical forests and the communities that rely on them. Resources include but are not limited to:
  - financial trends across commodity sectors in tropical forests;
  - data on banks, investors and deforestation-risk companies;
  - how effectively banks and investors’ policies address exposure to forest-risks; and
  - insights on the role that mining finance plays in deforestation.

# NETWORKS, COALITIONS, AND PLATFORMS

- Task Force on Climate-related Financial Disclosures (TCFD) (2017) – working to improve access to data on deforestation risk, and related Implementation Annex – which provides tools to “enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system’s exposures to climate-related risks.”
- Task Force on Nature-Related Financial Disclosures (TNFD) – is a market-led, science-based framework that enables companies and financial institutions to integrate nature loss, a major risk to businesses, into decision-making.
- The Network for Greening the Financial System (NGFS) (2017) – a network of central banks and supervisors working to share best practices and contribute to the development of environment and climate risk management in the financial sector, as well as mobilize mainstream finance to support the transition toward a sustainable economy.
  - Most recently, NGFS-INSPIRE Study Group on Biodiversity and Financial Stability published a final report ‘Central Banking and Supervision in the Biosphere: An agenda for action on biodiversity loss, financial risk and system stability’.
- Corporate Performance, Global Canopy –
  - Deforestation-Free Finance – working with partners to develop a suite of practical guidance to support financial institutions to achieve deforestation-free financial portfolios.
  - Forest IQ (2021) – works to mainstream data to help financial institutions guide more sustainable investment and enable the finance sector to develop innovative green products.
  - Forest 500 – ranking the most influential companies and financial institutions in forest-risk supply chains. They have developed an extensive and unique dataset on the policies and actions on deforestation of the companies and financial institutions with the greatest exposure to the problem. They track their progress and produce a yearly comprehensive assessment.

# NETWORKS, COALITIONS, AND PLATFORMS

- Ceres Investor Network on Climate Risk and Sustainability – a network of more than 130 institutional investors working to advance leading investment practices, corporate engagement strategies, and policy solutions to build an equitable, sustainable global economy and planet. The network engages directly with portfolio companies on ESG risks and opportunities through investor engagement tactics via multiple working groups, including the Shareholder Initiative for Climate and Sustainability (SICS).
  - The Investor Initiative for Sustainable Forests (IISF) – a joint initiative led by Ceres and the Principles for Responsible Investment (PRI), which aims to transform industry practices to eliminate deforestation from cattle and soy supply chains.
  - Climate Action 100+ – engages the world’s largest corporate GHG emitters, to take bolder actions on climate change. A key investor priority is getting these companies to set robust scope 3 GHG reduction targets that include commitments to end deforestation in their supply chains.
- Finance Sector Deforestation Action (FSDA) initiative – An initiative of leading financial institutions to accelerate action on commodity-driven deforestation and net-zero, particularly by 2025. FSDA members can share information with each other, and sign onto collective commitments.

## RELEVANT FOREST DECLARATION ASSESSMENT REPORTS

### ARE WE ON TRACK FOR 2030? (2022)

