

Press release from Wallbrook and Omnia Strategy
10 September 2021

WWF calls for new UK financial sector due diligence obligations to mitigate serious deforestation and conversion risks

London, United Kingdom, 10 September 2021 – WWF, one of the world’s largest conservation organisations, has today published its report entitled *Risky Finance – The UK financial sector’s role in financing deforestation and conversion*. The report by WWF-UK was prepared with specialist ESG support from Wallbrook and Omnia Strategy, and is available online [here](#).

The report quantifies the risk of exposure of the UK’s financial sector to deforestation and conversion through forest-risk commodities. It reveals that UK financial sector actors have provided almost £40 billion in financing into the supply chains for Indonesian palm oil and Brazilian beef and soy alone. Its lower-bound estimate of total exposure to these supply chains, including indirectly through other investors, is almost £200 billion.

WWF-UK recommends policy solutions to address financed deforestation and conversion. The report calls on the UK Government to implement the recommendations of the Global Resources Initiative and develop a pathway for robust mandatory due diligence rules for the financial sector. Building upon existing voluntary reporting frameworks and pioneering legislation, it outlines the key principles of an effective national policy and presents a model for significant but feasible regulatory intervention to help reveal and reduce the UK banking sector’s exposure to deforestation and conversion.

Omnia Strategy’s Cherie Blair CBE, QC said:

“As the UK prepares to introduce its own environmental regulatory regime through the Environment Bill and to host COP26 in Glasgow in November, the Government has a prime opportunity to enhance its existing positions on environmental leadership and protection. We hope it takes it.”

Wallbrook’s Mariana Abreu said:

“As financiers of the global agricultural sector, banks and investors have the leverage to combat deforestation by declining customers with poor track records and monitoring and improving practices in those they accept. But while some financial institutions have voluntarily strengthened their policies on deforestation and conversion, their enhanced due diligence requirements on clients vary substantially. We are proud to have contributed to WWF-UK’s efforts to bring about decisive policy intervention in the financial sector. A mandatory due diligence policy on deforestation would ensure minimum standards while enabling leading actors to go further.”

Omnia Strategy’s Adam Smith-Anthony said:

“We welcome and are delighted to have supported this important and timely report by WWF-UK. It highlights the urgent need for action and sets out tools available to UK policymakers to drive positive change, informed by corporate best practices and legislative action on human rights and environmental due diligence here and elsewhere.”

ENDS

Notes:

1. WWF's report release website can be accessed here:

<https://www.wwf.org.uk/what-we-do/risky-finance-report>

The Technical Report with Executive Summary is available here:

https://www.wwf.org.uk/sites/default/files/2021-09/WWF_2021_Risky%20Finance%20Report.pdf

2. Wallbrook is a leading global due diligence and risk advisory firm. Its Environmental, Social and Governance (ESG) & Human Rights department assists investors and companies to assess the ESG risks and opportunities of their investments, operations and supply chains. Wallbrook is a certified B Corp, part of a community of companies building a more inclusive global economy.

<https://www.wallbrook.com/>

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3. Omnia is an international law firm founded in 2011 by Cherie Blair CBE, QC. Omnia specialises in bespoke dispute resolution and dispute prevention around the world, through its unique Law+ approach, combining legal expertise with experience across policy, business and communications. Omnia is trusted by government, corporate and private clients to provide legal and strategic counsel on a broad spectrum of matters, including international arbitration, business and human rights, public international law and more unconventional problem-solving.

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