

The business case for sustainable forestry in Borneo

The economic case for reducing deforestation and improving environmental practices is increasingly being recognised at national and international levels based on the value which intact ecosystems deliver to society.

At the level of an individual company the business case for sustainable practices can be more complex. A range of challenges, often linked to cost and technical capacity, have been identified by producers and these are addressed in the preceding sections. Notwithstanding these challenges, the business benefits of improving environmental practices are increasingly recognised by some forestry companies in Borneo.

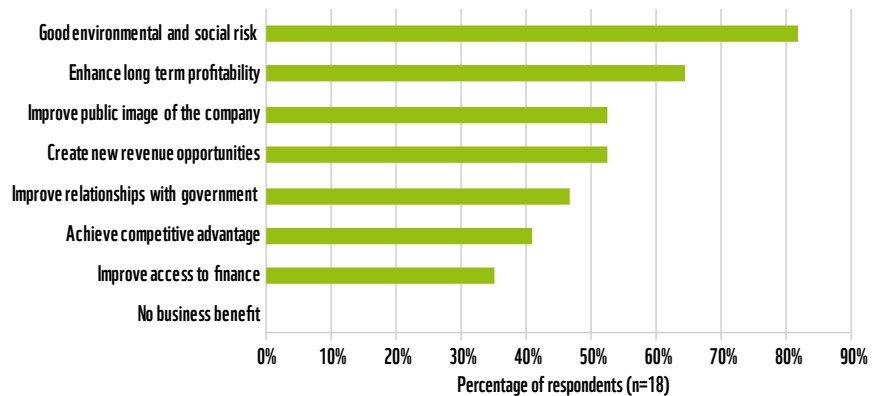


FIGURE 2. 14: BENEFITS OF GOOD ENVIRONMENTAL AND SOCIAL PRACTICES AS REPORTED BY FORESTRY COMPANIES IN BORNEO

Figure 2. 14 is based on interviews and surveys with 18 respondents from forestry companies operating across Sabah, Sarawak and Kalimantan. 82% of this group identified good environmental and social risk management as a benefit of sustainability activities while two thirds (65%) of respondents thought that sustainability activities would improve their profitability in the long term. More than half (53%) felt that their company would benefit from an improved public image and an equal proportion cited opportunities to create new revenue streams as a reason to pursue sustainable practices.

Furthermore, as indicated in the solution boxes on previous pages; from increasing demand for FSC certified forest products and new international funds for avoided deforestation; to heightened enforcement of existing regulation and new financing requirements from lenders; many factors are coming together to strengthen the business case for sustainable forestry in Borneo.