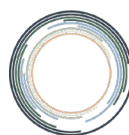


Stakeholder Engagement Guidance

v0.1

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SCIENCE BASED TARGETS NETWORK
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Acknowledgements

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Introduction

"All life, all ecosystems on our planet are deeply intertwined"

We are not alone in this world. All life, all ecosystems on our planet are deeply intertwined and rely on each other. Companies' activities are dependent on and impact the close relationships between people and all nature. Nature and biodiversity loss impacts human survival, wellbeing and deeply held cultural values. In addition, more than half of the global economy is moderately or highly dependent on nature. Meaning that, to take effective action on nature impacts, companies need to address their impact not only on nature broadly but on people specifically as well.

Companies also depend on people in a variety of ways for their organizational success and for the success of their strategies to address nature loss and degradation. This includes their dependencies on labor within their workforce and value chain, and as customers whose trust in the company is critical to their use of products or services. Where people are put at risk or suffer actual harms in connection with a company's activities, including due to its impacts on nature, or its responses to nature loss and degradation, the company may face resulting reputational, ethical, legal, operational or regulatory risks.

This guidance focuses on stakeholder engagement in situations where an organization (companies, investors) are having an impact on nature, climate and people, and are looking for ways to avoid or mitigate those impacts, and create opportunities to advance both nature and people positive action in ways that align with the multiple views, perspectives and values of local stakeholders and engages pathways that advance actions with positive benefits for nature and people.

"A just world that values and conserves nature is a vision that can only be achieved through a focus not only on safe operating space but also on the social and cultural

implications of target setting, aiming, and execution of actions"-SBTN's Initial Guidance for Business

As laid out in the Initial Guidance, in order to set effective and equitable science-based targets for nature, companies must have a particular focus on understanding and respecting the rights, needs and goals of those most likely to bear the burden of business activities as well as target-setting activities through the process of stakeholder engagement. This guidance focuses on this group of local stakeholders most likely to be affected by companies' actions. In particular, we focus on *Indigenous Peoples, frontline and fenceline communities* (also known as overburdened communities in the environmental justice literature), *smallholders* and other workers within the company value chain.

Within the SBTN methods stakeholder engagement must be a meaningful partnership between a company, its non-profit partners, local organizations and community leaders. This partnership depends on effective communication, listening, learning, collaboration, reciprocity, and trust building as well as core principles of:

- respect for human rights and core tenets of Justice, Equity, Diversity and Inclusion (JEDI)
- recognition of underlying inequities and power structures
- embedding in an understanding of place

Crucially, by embedding effective and equitable stakeholder engagement within the target-setting process, companies will be better able to ensure that the science-based targets themselves are more effective and equitable, by ensuring a better distribution of costs of action and of benefits from SBTs for nature. As companies proceed through the target-setting process, stakeholder engagement enables action in response to grievances or issues raised by local stakeholders, their representatives, and civil society. It also provides the enabling conditions for broader, multi-stakeholder collaborations that aim to address nature-related problems of shared interest.

These multi-stakeholder collaborations (e.g. landscape initiatives) must include representation from affected stakeholders and communities with lived experiences, but their participation base is necessarily much wider in terms of the stakeholders involved in order to reflect a focus on joint solution-finding and shared goals across a community/location. These initiatives should be grounded in a recognition of the interconnections between people and nature and are more likely to draw on participatory processes and governance structures that help empower marginalized groups, as recognized in the principles that commonly underpin them. When successful, these initiatives can create transformative change within the science-

based targets for nature framework by increasing the potential for creating change in the overall state of nature through long term relationships built on shared goals.

As part of this guidance, companies will find general principles and resources which are highly applicable to broader multi-stakeholder processes across different communities of stakeholders including but not limited to:

- local stakeholders such government actors and public agencies, civil society and rights holders (including Indigenous Peoples, smallholders, and other local communities) whose values, needs and goals are crucial considerations for *where* and *how* to act
- organization-level stakeholders such as shareholders and institutional investors
- value chain partners, service providers, and intermediaries such as suppliers or subsidiaries of a conglomerate¹

As companies move through this guidance, some sections center particular perspectives that are critical to understand and respect to avoid potential for harm. One example is the focus within this guidance on centering the inalienable rights of Indigenous Peoples. This is reflected in a specific section of the guidance focused on understanding, internalizing and respecting the particular perspectives of Indigenous Peoples in order that those insights can inform the identification of actual or potential negative social and ecological impacts and risks, potential responses to those impacts to both avoid and mitigate those impacts, and assessments of their potential and effectiveness. These approaches should feed into, and may be the impetus for, a broader multi-stakeholder process of collaboration (including landscape approaches), as a precursor to such initiatives.

The foundational knowledge within this document will guide companies through the process of stakeholder engagement in parallel with setting science-based targets. This guidance applies theory to practice woven together with case stories, best practices, questions for further consideration, and resources to support further learning.

Each following section provides greater detail on stakeholder engagement starting with:

¹ Recommended reading: Pacheco, Pablo. 2022. Corporate guidance for place-based engagement in setting and achieving science-based targets for nature. World Wildlife Fund-US, Washington DC.

- 1) the importance of engagement in setting science-based targets (*why*);
- 2) critical stakeholder identification (*who*);
- 3) engaging with stakeholders (*when* and *how*);
- 4) evaluating effective and just stakeholder relationships (*what*);
- 5) appendix: foundational principles, frameworks and values of stakeholder engagement

Although this content is presented in a sequential manner, the reader is invited and encouraged to navigate within the parameters provided – emphasizing sections that reflect your existing commitments to stakeholder engagement, probing deeper into areas that are less familiar, and implementing areas that further ambition towards the desired outcome of holistic wellbeing for nature and people.

The Importance of Engagement in Setting Science-based Targets (*why*)

Stakeholder engagement is critical in conceptualizing the five step SBTN framework – Step 1: Assess; Step 2: Interpret & Prioritize; Step 3: Measure, Set, & Disclose; Step 4: Act; Step 5: Track. Stakeholder engagement – is an essential to addressing nature-related impacts on people and their human rights. For any long-term solution to avoid and mitigate negative impacts, and to build positive responses, there is a need to understand, internalize, and respect the values, needs, interests, motivations, and goals of local stakeholders. This is the only way to build collective action that works towards more sustainable and resilient transitions in these landscapes, and to catalyze local collaboration.

Good stakeholder engagement practices play a central role in enabling companies to minimize social risks and uphold human rights for all. With the first-release of target-setting methods, SBTN is building on the guiding principles in the Initial Guidance to provide additional requirements and recommendations for companies to *identify, engage, and incorporate the perspectives of local stakeholders* within the Step 1 (v1), Step 2 (v1) and Step 3 for Land (v0.3) and Freshwater (v1) methods. The role of stakeholder engagement within the target-setting process can be seen as part of the following goals:

1. Safeguarding human rights in the locations where companies work and are setting science-based targets for nature.
2. Co-developing target aims and ambition in line with the needs, knowledge, values, interests, motivations, and perspectives of local stakeholders.

3. Establishing stakeholder relationships contribute to building collective action for the achievement of science-based targets.

The SBTN five step process for setting science-based targets for nature has some parallels to the human rights due diligence process, albeit for nature, by starting with assessment of impacts and dependencies (Step 1) prioritizing locations for action (Step 2), setting and disclosing targets (Step 3), taking action to achieve those targets (Step 4), and monitoring, reporting and verifying progress towards their achievement (Step 5). This parallel creates an opportunity to fully integrate stakeholder engagement into each of the five steps to help ensure that science-based targets for nature also support respect for human rights and create beneficial outcomes for humans and nature.

Because stakeholder engagement must occur in each location in which a company is setting science-based targets for nature, for example this may be happening in many landscapes or basins at a given time, the process has evolved slightly from the Initial Guidance, primarily in the recognition of the investments (time and resources) required for local stakeholder engagement in parallel to the target setting process. This process should include learning and growing from missteps, and identifying commonalities between needs and objectives of organizations and their respective stakeholders.

In the Step 1b: Value Chain Assessment, companies complete the first quantitative assessment of environmental impacts in every location within the target setting scope. During this process companies are recommended to review this Stakeholder Engagement Guidance document and understand and prepare adequate company resourcing to implement local stakeholder engagement.

In Step 2d: Evaluate Feasibility and Strategic Interest, companies are recommended to create a strong foundation for collaboration and safeguard human rights by: 1) understanding the rights of Indigenous Peoples and other impacted communities; 2) identifying stakeholders to consult when developing and implementing targets, 3) identifying prior company or collaborator (suppliers, ngo partners etc.) relationships with local stakeholders, 4.) researching the needs and perspectives of local stakeholders about relevant economic activities and sustainability activities.

Concretely, this means prioritizing locations where the negative impacts on people associated with existing environmental impacts associated with company activities are or may be most severe based on the severity (what is the potential magnitude of impacts on people), the scope (how widespread are potential impacts on people), and

the environmental footprint are or would be most severe, based on their scale (how grave they are), scope (how widespread they are) and remediability (how they would be to put right)

In the Step 3 Freshwater methods, in high priority basins, companies must consult local stakeholders within the model selection process. These local stakeholders may be able to:

4. Identify existing appropriate local thresholds and models.
5. Evaluate these approaches against recommended criteria.
6. Provide recommendations on a local model and threshold for companies to use in target setting.

Companies should consult with stakeholders who may be affected by Freshwater targets that are set and the actions undertaken to meet them, whether or not those stakeholders possess technical expertise relevant to the identification of local thresholds, targets, models or data. In some cases these stakeholders may use criteria reflecting their own knowledge and expertise or may evaluate existing freshwater management approaches, rather than the model itself. Companies must use this information and evaluation when setting their Freshwater Quantity and Quality targets.

In the Step 3 Land methods, companies setting No Conversion of Natural Ecosystems targets must respect the rights of Indigenous People, particularly the right to Free, Prior and Informed Consent (FPIC), and engage in collaborative land use planning processes with local stakeholders in order to ensure that respect for the land and human rights of communities is embedded in the actions taken by the company. In particular, companies are directed to urgently understand and address conversion of natural ecosystems that have cultural or social importance for people. Their approach should be aligned with the principles and practices in this Stakeholder Engagement Guidance.

Companies setting the Land Footprint Reduction target must, in particular, safeguard against sourcing strategies that prioritize yield and efficiency of agricultural suppliers without regard for the impacts of those strategies on local livelihoods. As an example, companies should use the Stakeholder Engagement Guidance when implementing this target to understand how best to work *with* smallholders and other local communities and producers toward shared sustainability goals in line with underlying rights-based approaches. Additionally, when evaluating actions for land removed from agricultural production, companies should work with stakeholders in determining sustainability goals for the land which should include working with local

stakeholders on the implementation of regeneration and restoration to ensure that changes sufficiently address both nature and human needs.

In the Step 3 Land methods, companies setting the Landscape Engagement target must show that they have tried to incorporate relevant (affected) local stakeholders in a preliminary assessment of potential negative consequences of the landscape initiative (with a focus on Indigenous Peoples, affected communities and smallholders affected directly or indirectly). Following the process outlined in this guidance, companies must first understand and map potential impacts on stakeholders and then take actions to address those risks through appropriate strategies for engagement (including recognition of the rights of Indigenous Peoples to Free, Prior and Informed Consent) and modification of target goals and aims to reflect shared goals and ambition. This is also reflected in the recommendation of social metrics for this target which reflect governance and health and well-being of local people.

Requirements and recommendations within the target-setting methods, in line with this Stakeholder Engagement Guidance document, may be updated based on the development and iteration of this guidance document (currently v0.1) as well as the revision of other target-setting methods (Step 1-3). This revision may be made either as part of the planned method revision process or in response to findings or red flags in the validation or Land methods pilot. In addition, some of the recommendations and guidance within this document are likely to be embedded as validatable requirements as part of the Step 4: Act guidance, which provides guidance on appropriate company actions for the achievement of science-based targets for nature. The SBTN will explore approaches for appropriate validation of stakeholder engagement in the context of the current validation pilot beginning in May 2023.

By enabling affected stakeholder groups to engage with the organization on an informed, mutually respectful and equitable basis in discussions of targets and action plans that will affect them, the organization can build mutually beneficial relationships and support the effective implementation of shared objectives with regard to addressing nature loss.

Effective engagement, including benefit sharing agreements, and the establishment of positive relationships through engagement, may also enable affected stakeholders to become sources of valuable data gathering, monitoring and verification regarding progress against agreed targets.

There are many valuable contributions and insights that come from engaging with those who live in and are connected to the places that organizations are working in, especially Indigenous Peoples whose identities have been tied to place since time immemorial. Setting science-based targets enables organizations to amplify the visibility of marginalized populations who may otherwise be excluded from decision-making that impacts their wellbeing. This engagement is a critical part of progress toward global goals, acknowledging that those goals may mask the impacts on marginalized communities.

Demographics most impacted are uniquely qualified to contribute given their lived experience and the resulting expertise. It is crucial for the achievement of science-based targets for nature and any sustainability and conservation initiatives to engage with frontline and fenceline communities. Some stakeholders in these sourcing landscapes are engaged with the organizations (companies/investors) directly, with different types of impacts and/or benefits, while others may only be impacted and benefit indirectly from an organizations' operations. The levels of engagement across these different types of stakeholders must be deeply rooted in a rights-based approach with the incorporation of underlying Justice, Equity, Diversity, and Inclusion (JEDI) principles to avoid the pitfalls of "box-ticking". It must be led by a true, authentic commitment to inclusion.

Critical Stakeholder Identification (who)

In the most general sense, companies' stakeholders are typically defined as the people who can affect or be affected by the organization's projects or activities. This guidance addresses engagement processes with stakeholders who may be positively or negatively affected in connection with a company's environmental impacts (causing both nature loss and degradation as well as land dispossession and livelihoods displacement) in addition to the companies' environmental impact mitigation strategies including science-based targets for nature. Given the multi-stakeholder strategies recommended for acting on and achieving science-based targets for nature, the first critical step is the identification of *who* the company must engage with in a given location.

In defining the collective term *stakeholder* it is important to be mindful of the power and privilege that the company holds as well as the variation in the levels of marginalization experienced by different people. This creates individual identities with unique needs within local stakeholder communities including the company's workforce, value chain workers, affected communities, and end users and consumers.

Embedded within this and every subsequent step in stakeholder engagement are considerations of human rights and of core JEDI principles.

Particularly relevant to the identification of key local stakeholders, is the analytical framework of intersectionality, which recognizes variation in how peoples' social and political identities combine to create different potential privileges leading to potential for positive outcomes as well as those which create discrimination leading greater potential for negative outcomes as well as the principle of recognition justice, embedded in the concept of 'earth system justice'² put forward by the Earth Commission, which prioritizes the most marginalized and poorest people. For more detail on these concepts please review the appendix of this document.

Cultural pluralism among global demographics result in stakeholder groups being far from homogenous: Migrant workers, women workers, young workers, persons with disabilities and some ethnic or racial groups may have distinct vulnerabilities and perspectives that need to be included through the stakeholder engagement process; and may have particular experiences and perspectives that are important to help identify and understand the range of impacts, risks and opportunities at play as a result of organizations' nature-related strategies and action plans. Companies should not assume that other groups are not affected without substantive evidence for that conclusion.

This guidance focuses on those most susceptible to harm from the company's economic activities and target-setting as they should be prioritized for engagement. These stakeholders are sometimes termed "affected" because of this potential for experiencing negative impacts. However, as when identifying broader stakeholders, it is important to note that this group is itself composed of different stakeholders with different potential for both negative impacts and positive outcomes. The knowledge of *who* is affected by the companies activities is context dependent but can include the following non-mutually exclusive groups of people:

- Indigenous Peoples
- Communities living adjacent to company operations or sourcing activities (fenceline communities)
- Communities living at a distance but affected by the company's environmental impacts (frontline communities). These groups are disproportionately Black, and Indigenous, and People of Color

² Gupta, J., Liverman, D., Prodani, K. et al. Earth system justice needed to identify and live within Earth system boundaries. Nat Sustain (2023). <https://doi.org/10.1038/s41893-023-01064-1>

- Value Chain Workers, individuals performing labor in the company's upstream or downstream, including smallholders
- Company's workforce, full time and part-time direct employees including those on short-term contract or seasonal work



These groups of stakeholders may be frequently underrepresented, marginalized, and often erased from the narrative around development, sustainability and conservation, particularly when those who belong to these groups also have identities which exposes them to greater systemic disenfranchisement (e.g. Two-Spirit Peoples, people who are transgender, women, and/or people who are non-binary)

Within the broader multi-stakeholder context of science-based targets, companies will engage with many other stakeholders beyond the list of groups above. Again, this will vary depending on the company, the target that is being set, and the location in which action is occurring. These additional core stakeholders include: policy makers (particularly local governments and regulators), academics, researchers and practitioner experts, other businesses, civil society, investors and shareholders, and consumers/end users. Understanding the needs, impacts and benefits for these stakeholder groups is also important for informing company target-setting strategy and achieving progress on science-based targets for nature.

The prioritization of local communities may also be informed by their sensitivity both to nature loss and degradation and to companies' nature-related strategies due to a range of factors, including³:

- Land in question has cultural or spiritual value;
- Local communities have insecure land ownership/tenure status;
- Local communities are dependent on global trade for livelihoods
- There is a scarcity of land and natural resources capable of supporting local communities;
- Local communities are dependent on marine or other natural resources for subsistence and livelihood needs.
- Local communities rely on natural water sources within the area of impact (e.g. rivers, bores) for their daily water needs;
- Local communities are reliant on land and natural resources in surrounding areas for their livelihoods;

³ OECD SE Guidance, pp: 45-47

- Concerns have been raised by human rights groups or others about the lack of basic freedoms in the region and/or country (e.g. freedom of speech, freedom of assembly, etc.);
- There is a history of repression in the region and/or country against people or groups who participate in civil protest;
- There is currently or has historically been violent conflict between groups in the area.

It is also important to note that companies' labor and organizational practices may render stakeholders more vulnerable to harm from nature loss. For example, where companies pay below a living wage, or make contractual agreements that impact farmers/smallholders income, they keep the very people that keep their business running at a level of poverty where they cannot readily adapt to the effects of nature loss. Many of the foods grown around the world today are indigenous to the Americas, and yet, those less likely to be able to afford these foods in grocery stores are Black, and Indigenous, and People of Color in the Americas, especially those who work the land for inadequate wages.

Companies should take care to ensure that the process of setting, validating, and taking action on science-based targets for nature does not enable or conceal trade offs that create harm for stakeholders. Engagement with those most marginalized stakeholders is critical to understanding where such unsustainable trade-offs may occur in pursuing a particular nature-based target, and how the risks to the groups concerned can be avoided and positive outcomes for them can be maximized. These stakeholders also stand to gain the most from approaches that integrate their concerns and perspectives into a company's nature-related strategies, generating social benefits alongside environmental ones.

Comprehensive Stakeholder Mapping

Comprehensive mapping and understanding tenure rights and customary authority systems are key components to stakeholder engagement with science-based target setting. Mapping provides the starting point for stakeholder engagement is to develop a full understanding of the stakeholders who:

- may be indigenous to place where companies undertake operations, even if Indigenous Peoples have been displaced and/or dispossessed
- may have shared dependencies on nature alongside the company's dependencies, in particular in areas with low integrity ecosystems, important ecosystems or areas of water stress, and potential impacts of nature loss and degradation on their basic rights and welfare;

- may be affected positively or negatively by the company's responses to nature loss and degradation, including mitigation and adaptation strategies and any related innovations or changes in business model;
- may be important to new opportunities for addressing nature loss and degradation and bring added value to the realization of such opportunities.

The mapping process enables organizations to more effectively distinguish sub-groups clearly and seek to understand the distinct ways in which these groups may need to be engaged to enhance understanding of how sub-groups may be affected by nature-related activities. The depth of stakeholder engagement should correlate with the potential adverse impacts of affected communities and underrepresented individuals.

The process for conducting this stakeholder mapping can vary by company and by location but should be a means to visualize relationships with stakeholders. This can take the form of a simple graph or matrix or be represented as a complex social network of stakeholders. Common to both approaches should be a visualization of the potential impacts on a given stakeholder group as well as the level and kind of engagement needed during the target-setting process. Companies utilized a network analysis approach may also find that it shows broader influence and power dynamics as well as potential pathways for addressing those through relationship building. Future versions of this guidance will contain some clear examples of company stakeholder mapping in the context of science-based targets.

Centering Indigeneity in Stakeholder Engagement

“The Earth, our Mother Earth, has always been part of our collectivity. We belong to her, she does not belong to us. Land and community are the souls of our peoples.” (Weaver, 1996, pp. 12–13).

Ancestral knowledge recognizes “nature” as the teacher, mother, and connector of all beings.

Nature loss and degradation can impact people in a variety of ways, some of which can affect basic human rights, in particular when the people impacted are marginalized, underrepresented, or vulnerable. Some cultures bury their childrens’ umbilical cords in the earth; they are of the land physically, spiritually, and relationally. People with cultural and subsistence ties to land risk losing their land-based livelihoods or cultural heritage, face reduced access to clean water or food or medicinal or ceremonial plant sources, or suffer health impacts from water, soil or air pollution.

Companies' responses to nature loss and degradation can also impact people and their human rights. Efforts to mitigate nature loss by protecting and preserving certain areas of land may prevent local communities' access to those lands for their livelihoods and undermine Indigenous peoples' cultural rights in relation to those lands. For example, efforts to adapt to nature loss by relocating an operating site away from a water-stressed region can leave local workers without job opportunities, with particularly harmful effects for over-exploited, underpaid laborers. The land also suffers when she is deprived of her people. Indigenous Peoples have been engaging land management practices relationally since time immemorial. "Untrammelled wilderness" is a fallacy romanticized in settler narratives.⁴

Companies should also be mindful that Indigenous Peoples enjoy specific human rights as recognized 'peoples' under international human rights law when setting science based targets. These are set out in the [International Labour Organization's Convention 169](#) on Indigenous and Tribal Peoples, the [United Nations Declaration on the Rights of Indigenous Peoples](#) (UNDRIP) and the [Convention on Biological Diversity](#) (CBD).

Organizations engaging with Indigenous stakeholders should note that there is no single, agreed definition of Indigenous Peoples. The primary principle is that groups are able to self-identify as Indigenous Peoples as a means of honoring the self-determination of the multiplicity of sovereign nations predating global encroachment on indigenous places. ILO Convention 169 highlights that Indigenous Peoples are typically distinct cultural groups with traditional lifestyles that differ from other segments of a country's population in terms of language, customs, their relationship to the land and livelihoods. They have their own social organization, typically including their own traditional customs and/or laws.

Given the longevity of connection to place, engaging with Indigenous stakeholders provides opportunity for organizations to learn from the scientific process as it has been observed, in some instances, for millennia. Indigenous stakeholders have a range of substantive rights with relevancy to nature-based solutions:

- to own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership or other traditional occupation or use, or which they have otherwise acquired;

⁴ (<https://wilderness.net/learn-about-wilderness/key-laws/wilderness-act/default.php>)

- to determine and develop priorities and strategies for the development or use of their lands or territories and other resources;
- to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and cultures, including human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs, sports and traditional games and visual and performing arts;
- to maintain, control, protect and develop their intellectual property over such cultural heritage, traditional knowledge, and traditional cultural expressions.

The [OECD Due Diligence Guidance on Meaningful Stakeholder Engagement](#) in the Extractive Sector highlights general steps and principles for meaningful stakeholder engagement apply in the context of engagement with Indigenous Peoples.⁵

Table B.1. **Understanding context when engaging with indigenous peoples**

Type of information	Description
Regulatory context	Expectations, commitments or legal requirements for engaging with indigenous peoples about resource development, specifically whether there are domestic legal requirements to obtain free, prior and informed consent (FPIC) from indigenous peoples for impacts of extractive activities; recognition of the collective rights of indigenous peoples, special legal status of indigenous peoples, recognition (or lack thereof) of indigenous peoples' rights under domestic legal frameworks, and international instruments.
Area of impact	Area of impact, which may be broader in the context of indigenous peoples (e.g. indigenous peoples may be adversely affected by impacts to land which affect migration patterns of animals they rely on for sustenance or damage biodiversity which may be an aspect of their cultural heritage).
Land rights: Customary land tenure	Pre-existing land uses; existence of customary land tenure rights; extent of customary tenure systems (over land, surface, subsoil resources); and whether such customary tenure is formally recognised in the jurisdiction.
Self-governance	Indigenous peoples' governance structures, legal systems, scope of authority and processes for decision making, consultation and giving or withholding consent; and whether such governance structures are formally recognised in the jurisdiction.
Historical marginalisation or discrimination	This may include discriminatory laws, social stigmatisation and poor or non-existent service delivery arrangements.
Cultural and spiritual heritage	This may include "tangible" aspects (e.g. archaeological sites, buildings, etc.) and "intangible" aspects (e.g. oral traditions, languages, beliefs, religion and traditional practices like hunting) or genetic resources or traditional knowledge.

ILO Convention 169, UNDRIP and the Center for Biological Diversity set out certain duties of states parties to those conventions in situations where public or private sector activities affect Indigenous Peoples' lands, territories and resources, or their broader right to self-determination. In a growing number of countries, such duties

⁵ OECD Due Diligence Guidance on Meaningful Stakeholder Engagement, Annex B, p.93

are reflected in national legislation in varying degrees and with varying levels of specificity.

Care should be taken to ascertain the extent and quality of any prior engagement process with Indigenous Peoples on which a company proposes to rely. As the International Finance Corporation (IFC) notes in its [Stakeholder Engagement Handbook](#):

*"In some sectors, such as natural resource extraction for example, government may be required to engage with indigenous communities prior to the involvement of a private company in the project. The manner in which such consultation takes place and the level of stakeholder satisfaction following such engagement can have direct implications for the project company that is subsequently granted an exploration license in an area impacting indigenous communities. For this reason, it is advisable to conduct due diligence on prior consultations with indigenous peoples to determine at what stages such engagement took place and what commitments were made or what unresolved issues still exist."*⁶

In many countries there are special legal, statutory, and/or regulatory obligations for consulting Indigenous Peoples if they are to be impacted by a project. In some sectors such as natural resource extraction, for example, the government may be required to engage with Indigenous communities prior to the involvement of a private company in the project. The manner in which such consultation takes place and the level of stakeholder satisfaction following such engagement can have direct implications for the project company that is subsequently granted an exploration license in an area impacting Indigenous communities.

It is advisable to conduct due diligence on prior consultations with Indigenous Peoples to determine at what stages such engagement took place and what commitments were made or what unresolved issues still exist. Depending on the stage of the process, some consultation must be carried out by the government or under government supervision, while the consultation around the activity or production can be carried out in a more autonomous manner by the private sector company.

Some rights, such as those to Free, Prior and Informed Consent are specific to Indigenous Peoples but in some cases that approach as well as the principles outlined here may be applied to other communities with the greatest likelihood to experience harm as a result of company action. When drawing from this guidance to build

⁶ IFC Stakeholder Engagement Handbook, p.47

relationships with different stakeholder groups companies should make sure to, as stated above, embed their understanding both in a sense of place (the specific environmental and social context associated with that science-based target) as well as the peoples that live and are connected to these landscapes. It is also important for companies to embed their stakeholder engagement in the context of the target-setting methods and the actions being taken on specific environmental pressures.

For Whose Benefit, At Whose Expense? Engaging With Stakeholders (when and how)

Access and inclusion are essential conduits to mutualistic stakeholder engagement. Communities that disproportionately hold the burden of negative environmental impacts require companies to enact additional due diligence in the stakeholder engagement process. A “one-size-fits-all” equality approach to stakeholder engagement is inadvisable because it weighs stakeholder inclusion equally without appropriate consideration for positive and negative impacts on stakeholders. This section focuses on protocols for implementing equity-based methodologies that proactively address disproportionately negative impacts on affected communities.

Companies working to address nature-based targets have both opportunity and responsibility to move the needle on place-based justice utilizing equitable engagement methodologies such as The [Principles of Environmental Justice](#) or principles of earth system justice. Successful equity engagement models begin with a foundational internal inquiry: “For whose benefit, and at whose expense?”. Equitable stakeholder engagement takes into account a multiplicity of stakeholders, and centers engagement with, and input from, negatively impacted communities more prominently. Equitable stakeholder methodologies revisit the “whose benefit/expense?” question throughout the stakeholder engagement process, and incorporate equity audit and accountability measures to identify benefits and address harms. Equity audits center environmentally harmed stakeholders and proportionately weigh their influence more heavily than other stakeholders.

Dedication of additional resources (time, funding, access, in-kind contributions, etc) is part of an equitable stakeholder engagement process in order to rebuild the capacity of disproportionately impacted stakeholders, help mitigate negative impacts, and to enhance positive outcomes. Implementing focused equity audits helps to not only identify where harm has been done, but also where opportunities exist to heal and prevent further harm. Engagement that leads to transformational change is carried out on a continuous basis, throughout the science-based target setting process, and as environmental and social (E&S) risks and impacts may arise or change.

Equitable stakeholder engagement methodologies consider the practical arrangements that need to be in place. Attention should be paid to barriers negatively impacted stakeholders may face that limits participation. Examples of barriers include, however are not limited: access to certain locations, trust and confidence to engage openly and without fear of retaliation, the digital divide, cultural appropriateness of venues (such as meetings in official office buildings with heavy security as opposed to at a local village or farm site), language or literacy, and/or health and mobility impacts. Committing resources to improve stakeholder's equitable access for their engagement purposes, often has the added benefit of improving social and economic access for stakeholders more broadly.

Stakeholder Representatives

Stakeholder engagement is complex in terms of the number and range of actors involved, and the nature of the issues under discussion. It may be helpful to consider the use of expert third-party facilitation. This can enable companies to:

- be a peer in solution-finding without also having to manage the process and manage potential conflicts of interest;
- ensure that all stakeholders are adequately informed and included in the process, and are able to participate on an equal footing;
- facilitate the identification of different stakeholders' underlying interests, beyond their asserted positions, as the basis for identifying common solutions.

Some companies welcome the opportunity to engage with stakeholder representatives when engaging with the entire stakeholder group is not appropriate, or is size-prohibitive. Successful engagement in the representative space takes the form of representatives being legitimized by stakeholders, with consideration for reasonable and compensated time-asks for their subject matter expertise.

Companies that engage equity methodologies authentically and transformationally support representatives from disproportionately harmed stakeholders in sharing a diversity of their community's perspectives, and provide resources to ensure the transparency of communications between the representatives and the impacted communities they are a part of. One way companies hold themselves accountable to ensuring representatives' communications are reaching communities, and community priorities are reaching companies via representatives, including periodically connecting directly with a sample of individual stakeholders.

When to Engage Directly

Companies who have successfully implemented stakeholder engagement equitably have appropriately resourced direct engagement where possible, and not allowed perceived challenges to become a default to engagement with proxies or alternative sources. This is because (while appropriate in a small number of cases), engaging with proxies can contribute to poor relationships with affected stakeholders, those facing the most potential for harm, as well as posing risks to the success of sustainability goals like science-based targets for nature through missed opportunities for collaboration, and potential degradation of place.

In certain circumstances, it may not be advisable for a company to engage directly with disproportionately harmed stakeholders, for example where engaging puts them at risk or where there are relevant protections in place, such as Brazil's Department of Indigenous Affairs (FUNAI) policy for uncontacted Indigenous Peoples. In these cases, and in others where the direct engagement is infeasible (e.g. in the case of corruption), companies have engaged with credible stakeholder representatives or proxy organizations (e.g., non-governmental organizations, trade unions).

This is also relevant in cases where engaging with individuals could undermine certain rights or collective interests. For example, when considering a decision to restructure or shut down a factory, it may be important for a company to engage with trade unions to mitigate the employment impacts of the decision. In such a case, engaging with individual workers could undermine the right of workers to form or join trade unions and to bargain collectively. It is unethical and poor stakeholder engagement for companies to fuel split labor markets whereby creating ethnic antagonism between subordinated prospective employee groups results in companies exploiting labor.⁷

Note: SBTN partner nonprofits offer strong expertise on this topic, with country and regional offices deeply involved in community-based and participatory sustainability initiatives and supporting publications and resources aimed at corporate end users.

Organization and Stakeholder Co-Creation of Processes

Once disproportionately affected stakeholders and/or their legitimate representatives have been identified, there is an opportunity for involvement of these stakeholders in the design of the engagement process. This can help ensure that there is alignment

⁷ For additional information on Split Labor Market Theory, review Edna Bonacich's *A Theory of Ethnic Antagonism: The Split Labor Market*, *American Psychological Review*, Vol. 37, No. 5 (Oct., 1972), pp. 547-559.

between the company and the stakeholders concerned regarding the purpose of the engagement, the mode of engagement used and its potential outcomes. It can also help ensure that the approaches adopted are culturally appropriate, non-tokenizing, and supportive of participation and inclusion when developing science based targets for nature-related strategies. Equitable stakeholder engagement methodologies include problem-solving dialogue with stakeholders, partnering and sharing power of decisions and actions, and honoring stakeholders' agency.

Stakeholder Engagement Methodologies

Disproportionately impacted stakeholders may also need time, resources and support to rebuild their own capacity which may have been removed by unjust systems. Providing requested resources better enables stakeholders to engage as equals in the process. Companies have the opportunity to provide much-needed capacity rebuilding support through in-kind donations and direct redistribution of resources such as funding affected communities.⁸

For example:

- If a company and its collaborators are drawing on scientific data regarding natural resources to assess the viability of a certain activity or strategy, it is important that the stakeholders have the capability to understand and interpret that information and trust that it is gathered and used without bias.
- In instances where there are diverse stakeholders involved – such as BIPOC smallholder farmers from across a region, or who farm different commodities, they may need support and resources to organize their own voices and concerns so that they can engage effectively with the company.

Outcomes from engagement processes where negatively impacted stakeholders – at the time or subsequently – did not have the opportunity to engage on an informed and equal basis will be inherently fragile and may generate increased risks in terms of lost trust and poor relationships into the future. They may also lead to formal objections and obstruction to the company's plans.

In the design phase, a company can engage with environmentally impacted stakeholders and their representatives to identify such needs and how they can be resourced in ways that are acceptable to the stakeholders, including, as necessary, by

⁸ The term "capacity rebuilding" is intentionally used instead of "capacity building" because capacity existed and was intentionally and systematically depleted by the sanctioned displacement and dispossession of marginalized peoples.

bringing in third-party expertise that the stakeholders identify or otherwise recognize and accept.

As SBTN's Initial Guidance to Business states:

"Those groups of society that have been historically marginalized, discriminated against, or persecuted must be given fair opportunities to participate in decision making related to benefits generated by the company and its operations, and to accessing these benefits (where applicable). An orientation toward equity requires giving attention to other forms of knowledge beyond that in the technical, hard, or natural sciences." (p.43)

Affected stakeholder groups may already have the expertise – or have connections to trusted individuals with the expertise – necessary to engage in technical discussions related to the identification of science-based targets. Companies should ask about, rather than make assumptions about, what resource needs exist in affected communities.

Certain affected stakeholder groups, including Indigenous Peoples, may have alternative forms of knowledge reflecting their traditions, knowledge, and experience of nature and ecosystems and their relationships to them. This may not replicate the types of technical expertise valued by the company from a scientific perspective, however it should be valued and respected by the company as part of equitable stakeholder engagement and honoring stakeholder agency.

Being alert to the importance of being respectful and inclusive of such alternative forms of knowledge in target-setting processes enables companies to build better relationships with disproportionately impacted community members. Individual staff members who are part of the target-setting company may see stakeholder engagement as motivation to develop their own understanding and expertise in these traditions and practices, and may benefit from third-party expertise in doing so.

Ensuring follow-through and feedback

Providing substantive and timely feedback to stakeholders negatively impacted by environmental harms on how their inputs in an engagement process have influenced the company's decisions or actions maintains positive relationships and a foundation for future engagement. It is also a company's responsibility to report back on any reasons that stakeholders' particular feedback has not been acted upon.

Addressing and adjusting to stakeholder feedback has proved to minimize frustrations that may otherwise fester and helps to mitigate negative assumptions about the

company's motivations and practices, thus minimizing pushback or protest when the company seeks to proceed with its plans. It is essential the companies move forward with consent, versus consultation utilizing the resource in the appendix section on Free, Prior, and Informed Consent.

Governance of stakeholder engagement through formal and accountable internal processes, tracking, and grievance mechanisms that answers "For whose benefit, and at whose expense?" in a manner that accounts for disproportionate stakeholder impact, increases company's efficiency in reporting back regularly on commitments and agreements made. This approach, when engaged appropriately, ultimately results in heightened mutualistic benefits to companies and stakeholders.

Governance of Stakeholder Engagement

Effective engagement with stakeholders who may be disproportionately affected by the company's nature-related activities should be formally integrated into the companies' policies, processes and systems.

To be effective, this should include a clear policy framework on stakeholder engagement that takes a long-term view and focuses on building relationships, avoiding negative impacts on stakeholders, achieving equitable outcomes for stakeholders and identifying opportunities for mutual benefit. The company should have robust policies to prevent and address any interference, coercion, manipulation or intimidation of harmed stakeholders, especially when engaging Indigenous Peoples and other marginalized peoples.

Information flows, responsibilities and accountability

The skills required to develop science-based targets are distinct from the skills necessary to conduct meaningful engagement with affected stakeholders. Companies will need to consider how they can bring both sets of skills to target-setting processes to ensure due diligence adequately prioritizes and weighs the concerns of stakeholders most impacted by environmental degradation. Setting the company up for success in its engagement with these affected stakeholders involves benchmarking, and developing metrics with tracking and accountability measures that include honest reporting that is accessible to affected communities.

Equitable stakeholder engagement methodologies for companies include committing to:

1. Ensuring all staff are aware of the stakeholder engagement policy and processes;
2. Informing third-parties who interact with affected stakeholders in connection with the business about the policy and all current engagement processes or resulting agreements, in order to help ensure that these are supported and not undermined.
3. Establishing clear responsibilities and accountabilities for the appropriate conduct of engagement with affected stakeholders, in line with the company's policies;
4. Making sure all staff responsible for stakeholder engagement have appropriate training and experience and understand the local context and operating environment;
5. Building a culture where staff who are not part of formal engagement processes with affected stakeholders recognize their own responsibility for supporting and sustaining positive relationships with stakeholders through their own practices;
6. Having appropriate processes and expectations for informing senior management and the Board of significant issues arising in the conduct of stakeholder engagement or regarding significant issues raised through those processes.
7. Enacting the Jemez Principles for Democratic Organizing

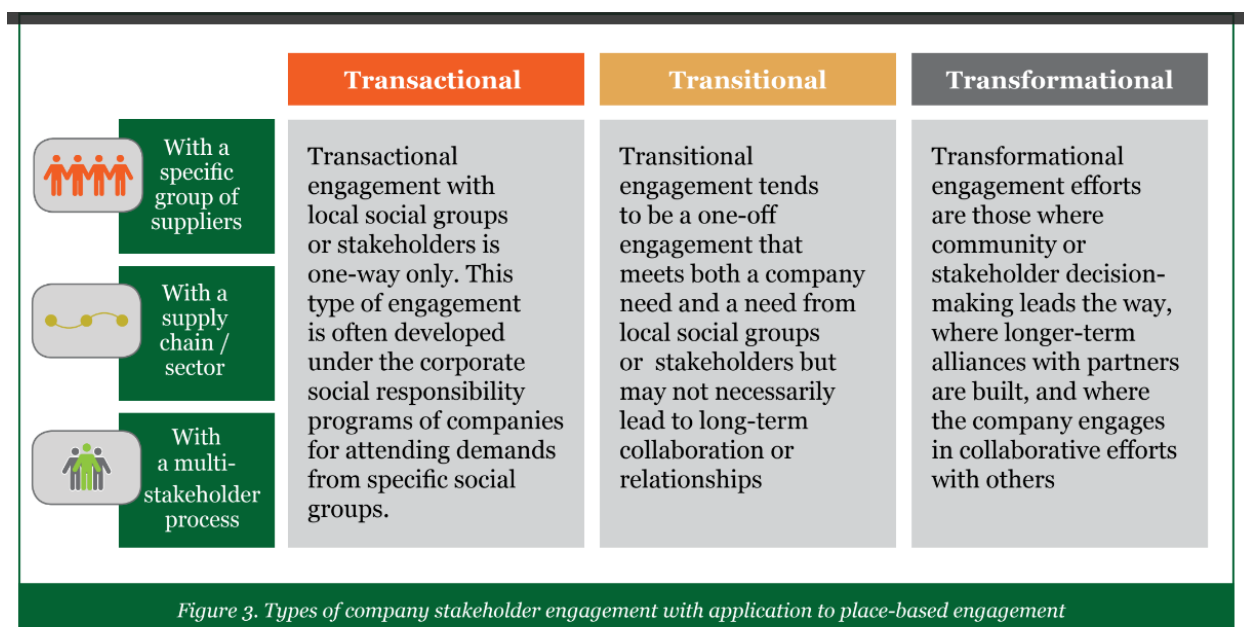
Support in facilitating stakeholder engagement may be sourced from expert third parties, who can work with the company's technical experts and with affected stakeholders to bring the various considerations, interests and inputs together.

Integration into systems for action and feedback

Stakeholder engagement with affected communities and individuals will only succeed and add value for all parties if it delivers results. Without this, the process risks being seen by stakeholders as insincere, and relationships may worsen rather than improve as a result. Diminished relationships increase risks for the company and undermine opportunities that may otherwise have materialized. Equitable stakeholder engagement prioritizes transformational company actions over transactional interactions.

“Improving the quality of engagement from transactional to transformational is critical for companies to move from partial response options with suppliers to longer-term engagement

with multi stakeholder processes. This is part of a process of building trust through longer-term commitments with multiple stakeholders in the landscapes/jurisdictions, such as suppliers, service providers, development practitioners, and government officials.” – Pacheco 2022.



Corporate guidance for place-based engagement in setting and achieving science-based targets for nature

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It is important that the company has internal systems for integrating the views of affected stakeholders into decision-making at management level, ensures that commitments or agreements are formally recorded and integrated into systems to ensure they are implemented, with accountability for action and consequences for inaction and keeps affected stakeholders informed of progress, changes or delays in the implementation of commitments or agreements, and explains any reasons for changes or delays.

Grievance Mechanisms

Functional grievance mechanisms are distinct from the process of stakeholder engagement; they are complementary and mutually reinforcing. Stakeholders who experience higher levels of risk resulting from a company's business practices need to be given more space to provide critical feedback. Companies that have in place a well-functioning and accessible grievance mechanism provide an effective channel for issues to be surfaced and formally addressed.

Identifying such grievances early and addressing them before they compound and escalate and undermine the engagement process is key; in some instances with frontline and fenceline communities, it may be the difference between life and death. In alignment with international standards on responsible business conduct, companies should have an effective operational-level grievance mechanism for individuals and communities who may be adversely impacted by their actions. SBTN's Initial Guidance for Business states that: *"Target decision-making processes must be documented and include a verified stakeholder grievance mechanism prior to target implementation."*

Some companies have encountered instances when stakeholder concerns are either not addressed, or not addressed successfully, through the engagement process. This is not acceptable when outcomes impact individuals and communities that are particularly vulnerable to nature degradation. Companies with formal grievance mechanisms are better positioned to raise and resolve these issues, and therefore better situated to move the needle towards equity as part of the solution rather than compounding the problem. Such mechanisms have also played a role where unforeseen impacts on stakeholders' health due to environmental degradation from company practices arise. The processes double as action plans, helping ensure that problems are surfaced in a timely fashion and addressed before they escalate providing the added benefit of minimizing risk and culpability for the company. The primary goal of grievance mechanisms is to provide a comprehensive approach that mitigates harm, and helps to heal and restore stakeholder relationships where harms have already occurred.

International standards on the responsibility of businesses to respect human rights provide insight into key criteria for effectiveness of stakeholder grievance mechanisms identifying the need for them to be legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning. It is recommended that companies who wish to engage the processes themselves should embrace dialogue and have a formal means of referring issues to appropriate and independent third parties for any adjudication of outcomes. Affected stakeholders as internal personnel in positions of decision-making power provides another means through which accessibility and inclusion can further justice and lessen uneven and negative impacts on frontline and fenceline communities. Triangulated approaches enable the harmed party, the culpable organization, and the adjudicator to collaboratively address injustices.⁹

⁹ Review [United Nations Guiding Principles on Business and Human Rights](#), foundational principle number 13, p. 14

Stakeholder engagement should be trust-based, scaled up to equitably account for demographic barriers, engaged in ongoing capacity building, responsive to stakeholder needs (rather than company assumptions), facilitate connection points for stakeholders to company and other organizational networks, further opportunities for stakeholders to share their own stories, increase companies' cultural competencies, honor stakeholders as collaborators and knowledge holders, unlearn harmful colonial mindsets, follow intention with action, follow-up and follow-through, respect the agency of stakeholders, listen deeply and value constructive feedback as a gift, create space for intergenerational stakeholder input, apply lessons learned innovatively and collaboratively.

Resource Allocation

Human and financial resources, time, and technology have proven helpful resources to further equitable stakeholder engagement.

“Economic growth and corporate profit should not come at the expense of people’s health, livelihood and their immediate environment, so we must listen to communities and collaborate to change systems and structures which propagate this inequality of outcomes.”¹⁰

Working models of companies providing resources to affected stakeholders include providing technical training for a representative to participate on equal terms, and/or resourcing the ability to hire an expert advisor of their choosing. [NDN Collective](#), [International Funders for Indigenous Peoples](#), [Pawanka Fund](#), [True Cost Initiative](#), [Decolonizing Wealth Project](#), [Foundation for a Just Society](#), and [Talmalpays Trust](#) are leaders in protocols and tracking methods for liberating capital in the stakeholder engagement space.

“True Costs Initiative seeks to increase corporate accountability and to strengthen legal systems in the Global South by driving collaboration among communities, funders, and creative leaders in an effort to tip the balance so corporations are held accountable for and internalize the true environmental and human costs of their actions.”¹¹

Embedding Stakeholder Engagement into organizational strategy

¹⁰ True Cost Initiative, [Corporate Accountability](#) statement.

¹¹ True Cost Initiative, [Mission statement](#)

Companies engaging successful stakeholder engagements recommend posing the following inquiries with regard to nature-related impacts, dependencies, risks and opportunities:

- where and how vulnerable stakeholders depend on the same resources as the business, in particular in areas with low integrity ecosystems, important ecosystems or areas of water stress, and the potential impacts of nature loss and degradation on their basic rights and welfare;
- where and how the company's strategy for mitigating or adapting to nature loss and degradation implies impacts on or opportunities for affected stakeholders, and whether and how negative impacts will be avoided or minimized;
- whether and how estimations of the company's resilience with regard to nature-related impacts, dependencies, risks and opportunities take sufficient account of the perspectives, priorities, needs and plans of affected stakeholders and the quality of the organization's existing relationships with those stakeholders.

When company's take an integrated approach to environmental due diligence, and underpin these processes with meaningful engagement with affected stakeholders, they will be well placed to develop a holistic understanding of nature-related impacts, dependencies, risks and opportunities. Such approaches incorporate both positive and negative impacts on people and enable responses that minimize harm to, and maximize positive outcomes for affected stakeholders.

Meaningful engagement with affected stakeholders serves a number of valuable purposes. It:

- enables companies to gain early and on-going insights into the ways in which their decisions and actions could affect vulnerable groups so that they can course correct to avoid harm to people and related risks to the business;
- builds relationships with stakeholders whose support can be important to the company's success in achieving its goals, and which may lead to opportunities for mutually beneficial collaboration;
- helps companies meet expectations under international standards of responsible business conduct and the growing range of related legislation in different jurisdictions as well as related reporting requirements and investor expectations

While the focus of stakeholder engagement processes will vary depending on the issues of concern, the processes and principles that make such engagements effective are broadly the same independent of subject matter.

Evaluating Effective and Just Stakeholder Relationships (what)

In a study on *Green Gatekeeping*¹², Aboriginal land managers (who elected to use relational pseudonyms to protect their anonymity) shared some of the challenges they experienced as subject matter experts in nature-based solutions working with organizations on science based technologies. “Aunty” and “Brother” shared the necessity of companies to transition their thinking of “Country (land) as a place of commodity”. Self-transformation ranked among the highest or approaches to engagement needed “to gain a better understanding of honest, equitable and reciprocal relationships” according to the Aboriginal stakeholders (“co-creators”). “Uncle’s” Case Story focused on organizations limiting access to land (private sector and public government) limiting access to land for frontline communities causing negative health impacts due to “colonial values” that “value money” and “eating toxic food” over the wellbeing of people and place. Moving beyond these negative blinders, includes collaborative development and reporting of accountability measures with affected stakeholders.

Development of metrics and targets

Where a company is seeking to develop metrics and targets with regard to its nature-related strategies, it can be important to include the development of these within the stakeholder engagement process to ensure:

- that the metrics and targets are seen as credible by those most directly affected by the outcomes, including being reflective of aspects of outcomes that are of greatest significant to their interests and welfare;
- that inputs to the evaluation of progress against targets are seen as credible and provide for qualitative as well as quantitative factors, as appropriate;
- that there will be accountability for outcomes due to the clarity and transparency as to how they will be measured and evaluated; accountability requires transparency about decision-making processes, actions, or omissions, and putting redress mechanisms in place.
- that there is ease of access to the data needed to evaluate progress against targets, not least where affected stakeholders may be the ones most able to gather and provide certain types of data.

¹² Purdy, (2019), *Green Gatekeeping and the Jemez Principles*. JSTOR

As noted, affected stakeholder groups may have the expertise – or have connections to trusted individuals with the expertise – that is necessary to engage in technical discussions related to the identification of science-based targets. However, where this is not the case, and where there are no feasible ways to build their expertise in the technical issues relevant to target-setting, their status as potentially affected stakeholders requires that their views and perspectives nevertheless have a role in shaping decisions on target-setting.

Company processes should recognize the unique impacts of science-based targets on vulnerable stakeholder groups, and any potential risks to their well being, as an essential input to the target setting process. Furthermore, effective engagement processes with affected stakeholders, can help organizations identify approaches to target-setting that both meet science-based criteria while also delivering just and equitable outcomes for affected groups.

Various scenarios may arise where targets agreed on purely science-based criteria, do not reflect the rights of affected stakeholders, and where stakeholder engagement has a central role to play in finding appropriate solutions to ensure that the targets and associated action plans are just and equitable. Affected stakeholders may:

- agree with and have shared interest in the adoption of a particular target, where actions to achieve it will also help advance, and not undermine their own interests, including their human rights. In order for companies to have confidence in an agreement on specific targets, it will be important to know that the stakeholders concerned are sufficiently informed about its implications and understand how it is likely to affect their own interests and objectives.
- have a shared interest with the company in a particular objective or target, but disagree on the model or methodology proposed. For example, farming communities that are part of a cooperative and depend on local waterways for their livelihoods may share an interest with the company in preserving and restoring those waterways. However, a target based on an allocation that assumes the cooperative and the company should bear the same burden might be seen as inequitable in light of the farmers' own contribution to the degradation of the waterways and the disproportionate effect of that allocation on their livelihoods. It will be important for the organizations concerned to engage with the communities to identify an equitable solution that addresses their concerns.

- consider that a target, while not unjust or unequitable when considered in isolation, ignores or overlooks separate but related issues that are of primary concern to them. For example, a target that is based on working with local communities to introduce sustainable fishing methods may represent a shared interest in seeing stocks of fish restored and sustained into future decades. However, it may ignore local communities' concerns that the methods proposed will lead to an attrition in fishing jobs on which they depend for a living income. Without effective stakeholder engagement, this divergence in interests may not come to light, and unless the concerns are addressed, the success of the target itself may be in jeopardy. Conversely, stakeholder engagement may offer avenues for identifying ways to sustain livelihoods, including alternative livelihoods. It can be important then to accompany the ecologically-focused target with a related, mutually-agreed target that addresses the issue of livelihoods and is supported by a program aimed to achieve that complementary target.
- be concerned that a target will directly undermine their interests. For example, Indigenous Peoples may view a target based on the preservation of large land areas to meet biodiversity goals as threatening to their rights to traditional use of those lands and their access to sites of cultural significance. While there may legitimately be 'winners' and 'losers' from actions to achieve some targets, targets should at a minimum not harm people. Engagement with the affected Indigenous Peoples would be essential to adjust the targets or related action plans in order to avoid harm – where possible – to find mutually beneficial approaches, for example that leverage the expertise and experience of Indigenous communities as stewards of biodiversity, with deference given to their sovereignty and land tenure which is globally applicable.

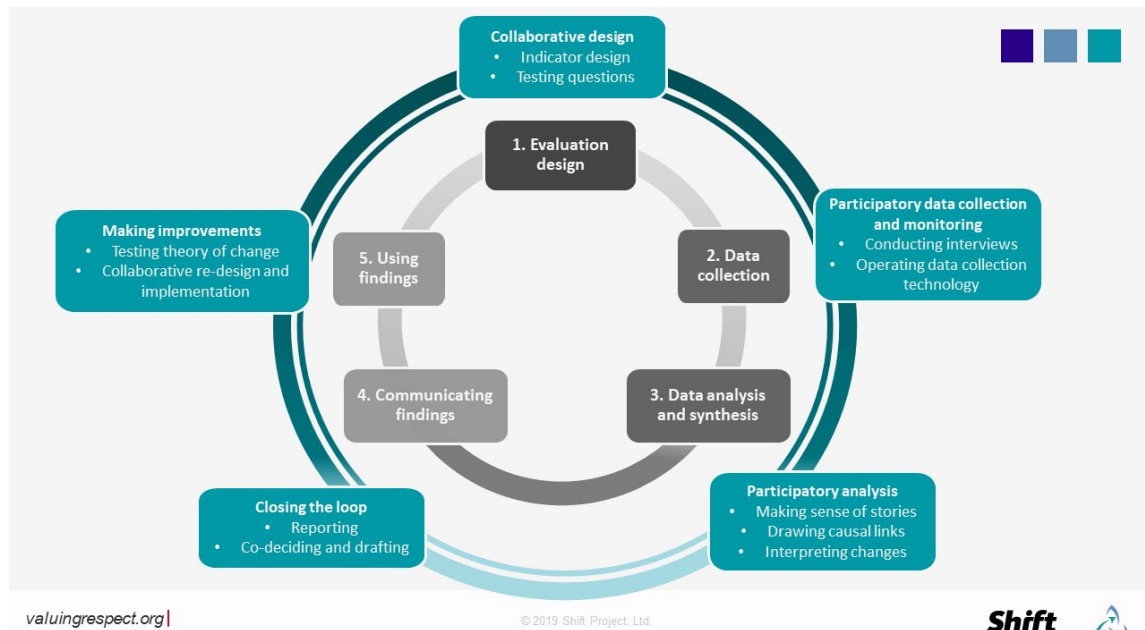
Engaging Stakeholders in Monitoring and Evaluation¹³

Including affected stakeholders in the monitoring and evaluation of progress towards agreed targets can help ensure the credibility of the outcomes that the organization reports back to stakeholders, including through formal reporting.

As seen in the following figure, stakeholder engagement can extend to the five key steps of evaluation of an initiative or collaboration: *evaluation design, data collection, data analysis and synthesis, communication of findings, and using findings*. Communities

¹³ [The West Principles](#) regarding the use of technologies in engagement with workers

at high risk of negative impacts, rather than only figuratively being “at the table” should have the agency to design and affect outcomes supported by company’s resources.



Evaluation design involves deciding the scope of evaluation, finding data gaps, formulating questions and indicators and setting other parameters of the evaluation. In this phase, stakeholders can participate in the evaluation through:

1. Formulating evaluation questions and criteria
2. Designing indicators
3. Designing and testing data collection methods

Data collection involves gathering the missing information using different qualitative and quantitative methods, including scientific measurements, surveys, interviews, randomized controlled trials. Affected stakeholders may be trained in data collection, for example in conducting interviews, operating data-collecting technology for the purpose of the evaluation, as well as for the purpose of implementing field monitoring systems. Of note, it is appropriate to compensate engaged stakeholders for their time in a manner that honors their expertise and acknowledges the impact. Pairing economies, ecologies, and Elders is an example of a culturally appropriate way to engage with Indigenous Peoples and places with regard to data collection. Stakeholders also may have increased access to communities because of their in-group status, through earned trust. Stakeholders’ relationships with their community should not be extracted or exploited as part of this process, which is why doing the pre-work to learn the nuanced and diversified ways in which engaging each

community and identity is key to furthering equity through science-based target setting, and minimizing nature degradation.

Data analysis and synthesis enables the interpretation of data that has been collected and organized using a variety of methods and tools such that conclusions can be drawn. Established techniques for involving stakeholders in data interpretation include:

1. Assigning meaning to collected stories and narratives
2. Interpreting the significance of different elements of the evaluated intervention
3. Interpreting changes to their lives
4. Drawing causal links

Communication of findings will happen within an organization, but should also involve communication back to stakeholders (beyond those involved in the evaluation process). Closing the feedback loop can improve relationships with affected stakeholders, increase trust and mutual respect and contribute to greater buy-in for future evaluation and engagement. Attention should be paid to minimizing the digital divide that may be a limiting factor in communications access for stakeholders in rural areas, or urban areas with infrastructure limitations. Organizations can play an important role in bridging those divides through capacity rebuilding, whilst stakeholders can play a role in drafting final reports, making recommendations, including co-deciding the order of recommendations, lessons and next steps. Organizations should practice “Asking” rather than “Telling” when interacting with local stakeholders to enhance co-creation of approaches for effective and equitable data collection and information sharing. This can happen through collaborative workshops and quick surveys in which stakeholders rank lessons/recommendations based on their importance, or categorize next steps as short-, medium- or long-term.

Using findings is the ultimate purpose of any evaluation, in order to improve an existing or future such process or initiative. Learnings about data collection methods can be incorporated into the design of continuous tracking systems. If the findings lead to changes, stakeholders can participate in re-designing the new approaches.

Evaluation of stakeholder engagement process

Stakeholder engagement is a process, not an event or a one-off exercise. Companies need to evaluate whether an engagement process is leading to the desired outcomes and positive relationships with affected stakeholders in order to identify

opportunities for learning and improvement that can strengthen both on-going and future engagement processes.

The evaluation of engagement processes requires measurable indicators and necessitates feedback from the stakeholders concerned. Indicators will be most credible if developed with the stakeholders concerned, and if agreed up-front in the design of the engagement process. Feedback may be gathered through existing means of engagement or through separate in-person, survey-based, digital or other interactions. Story Sharing circles and listening forums have also proven effective means of data gathering as well as for sharing results with Affected communities. As part of that exchange, organizations may be invited to go to community, rather than placing the expectation (and potentially undue burden) of locational access on engaged stakeholders. The invitation for organizations to join stakeholders in their respective places for data gathering, sharing, or social purposes is a gift that should not be taken lightly; nor should the invitation be imposed, coerced or contingent.

In instances where stakeholders are not directly available to engage, and/or there are other immovable barriers to inclusion, organizations may engage an independent expert to evaluate their stakeholder engagement activities. Examples in Indigenous communities within the United States of America include engaging with Tribal Historic Preservation Officers, or an elector from an Elder's council. Global coalitions may identify expert witnesses, or recommend paid consultants that have earned the trust of affected communities. Stakeholders should be included in identifying and approving the expert in all circumstances.

In order to ensure that feedback from stakeholders is of maximum value in highlighting opportunities to strengthen and improve stakeholder engagement processes, it is important to ensure that at minimum, individuals are safe and protected in providing their honest views, without fear of repercussions. Special consideration needs to be weighed with regard to stakeholder populations who are already at list. As previously identified in the document, ability, migration status, gender, economic status, racialized identity, and their intersections systematically impact affected communities differently, and the resulting power and access differential needs to be accounted for as foundational to stakeholder engagement with affected communities.

Indicators and Metrics

Creating a question and answer metrics with color-coded (red/yellow/green) or numerical (scale 1-5) rankings can be a helpful tool when engaging with stakeholders

who are members of affected communities. Ranking helps to identify patterns of strengths that organizations can bolster and lean on as they continue to exercise their engagement approaches. Qualitative reflections reflected upon whilst answering open-ended questions enable a different depth of processing that may be highly individualized, and provide a more comprehensive depth of insight into variables of influence in data collection. This approach also provides a means for participants with differentiated learning styles (organization staffers and stakeholders) to more fully engage the process.

Questions that can assist in the evaluation of stakeholder engagement processes include:

- *For whose benefit, and at whose expense?*
- *Is stakeholder engagement planned and implemented in a timely manner (i.e. prior to business decisions and activities that have impacts on affected stakeholders)?*
- *Are the organization's managers and staff trained to conduct stakeholder engagement in a professional, empathetic and sensitive manner? Do stakeholders perceive them to be so?*
- *Do organization's managers recognize and value the subject matter expertise of the stakeholder being engaged? How are they honoring that?*
- *How/was the stakeholder engagement process transactional or transformational?*
- *Are all potentially affected stakeholders included? Are vulnerable groups specifically considered in the stakeholder mapping and engagement planning and is the process adapted to their specific needs to ensure their participation?*
- *Have stakeholders agreed on the modes of engagement and do they feel that they meet their needs and cultural preferences?*
- *Does the organization share information and engage on potential adverse impacts and not just about positive contributions?*
- *Are affected stakeholders able to raise new issues, either informally or through a formal dialogue or grievance mechanism? Do affected stakeholders have opportunities to set the agenda?*
- *Are the stakeholder engagement activities properly documented? Are ongoing stakeholder commitments systematically integrated into management systems and is their progress regularly reviewed?*
- *Has stakeholder engagement influenced the form or conduct of planned activities or initiatives? Are affected stakeholders informed about how their engagement efforts have contributed to decisions or actions (or reasons why they have not)?*
- *Are the results of stakeholder engagement documented, analyzed and reported?*
- *Does the organization adopt measurable indicators early in the process to evaluate stakeholder engagement activities and results? Does it include stakeholders in the determination of those indicators?*

- Does the organization employ participatory monitoring and evaluation techniques to evaluate stakeholder engagement?
- Has the organization changed its engagement practices in response to stakeholder feedback?
- Does the organization have tools to obtain stakeholders' perceptions of the quality of stakeholder engagement processes? If so, how do affected stakeholders characterize the quality of those processes?
- Does the organization have tools to obtain stakeholders' perceptions of the quality of their relationship with the organization? If so, how do affected stakeholders characterize the quality of the relationship with the organization?

Indicators for validating stakeholder engagement processes will typically require triangulation between evidence held by the organization, and feedback provided by the stakeholder groups involved.¹⁴

The following indicators rely on evidence from the company alone:

Extent to which potentially affected stakeholder groups have been mapped, distinct from other local stakeholders, in locations where the organization's nature-related dependencies and impacts are most material
Timing of contact with affected stakeholder groups in relation to (a) the assessment of material dependencies and impacts and (b) target-setting processes
Extent to which the views of affected stakeholders have been fed into the company's internal discussions and decision-making processes related to target-setting and how they have influenced decisions.

The following indicators rely on feedback from stakeholders alone:

Ability of a range of affected stakeholders to explain and communicate material aspects of the target-setting or related processes that are the focus of engagement
Percentage of stakeholders participating in engagement activities that feel the process

¹⁴ Build on indicators provided in OECD's Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector, Annex A; and in the [UN Guiding Principles Assurance Guidance](#), Section C2

(a) is fairly conducted (b) would be worthwhile continuing or repeating in the future
Percentage of stakeholders who feel channels for raising grievances are accessible, fair and worth using.

The following indicators rely on a mix of organizational evidence and feedback from stakeholders:

Level of involvement of affected stakeholders in planning engagement activities
Responsiveness of the organization to requests from stakeholders for information and support to help them engage in target-setting and related discussions
Percentage of conclusions or agreements reached between the organization and affected stakeholders that are not later refuted ¹⁵

Other indicators that would be equally relevant and valuable in the context of stakeholder engagement on nature-related activities or initiatives include the following¹⁶:

1. Degree to which information provided to stakeholders corresponds to what they¹⁷ view as material;
2. Ability of a range of stakeholders to explain and communicate material aspects of the project, such as what the anticipated impacts [or benefits] are, and how the engagement process is structured;
3. Level of comfort of stakeholders with how information concerning them is managed;
4. Responsiveness of the organization to requests from stakeholders for support;
5. Ratio of resources needed to resources obtained for stakeholder engagement;

¹⁵ See OECD Stakeholder Engagement Guidance p86-90 for full table of indicators and performance considerations

¹⁶ The OECD Guidance for Meaningful Stakeholder Engagement in the Extractive Sector includes a range of proposed indicators for the evaluation of a stakeholder engagement process and suggests how to assess good, moderate and poor practices in relation to each indicator.

¹⁷ Of note, the term “they” can be very divisive. It makes harmful and exclusionary assumptions about stakeholders being otherized by organizations. The false us/ them dichotomy may result in organizations not feeling as responsible to populations most impacted because they are either invisibilized as a homogeneous group of “them”/ other, and may create a situation in which organizations cannot relate to stakeholders. The stakeholder to staffer pipeline exists and is recommended to help blur the lines and further the needle towards equity.

6. Timing of initial contact with stakeholder groups in relation to project plans;
7. Average length of notice stakeholders are given regarding meetings and other engagement activities;
8. Level of involvement of stakeholders in planning engagement activities;
9. Degree to which engagement priorities reflect the perspectives of stakeholders and key partners;
10. Percentage of conclusions or agreements reached that are not later refuted;
11. Percentage of stakeholders participating in engagement activities that feel the process was fairly conducted;
12. Percentage of stakeholders who feel channels for raising grievances are accessible, equitable and effective;
13. Number of complaints from stakeholders regarding inappropriate personnel conduct;
14. Rate of recurring issues related to stakeholder engagement processes;
15. Percentage of commitments met;
16. Level of stakeholder satisfaction with enterprise performance with regard to its commitments;
17. Length/frequency of delays in meeting commitments;
18. Degree of participation of stakeholders in the design and execution of monitoring and evaluation activities;
19. Progress based on assessment criteria of monitoring and evaluation frameworks over time.

Conclusion

Embracing place-based approaches to stakeholder engagement in affected communities depends on incorporating the social, economic, and political context of each place, despite the challenges that brings. Stakeholder engagement that prioritizes those mostly likely to experience harm from company activities is a necessity and critical opportunity for companies setting science-based targets for nature; and the challenges of doing so are not insurmountable.

The tips, tools, and takeaways provided throughout this document provide scaffolding that companies can build on to complement internal work on science-based target setting by co-creating metrics, goals and action plans with their most affected stakeholders. Many of the recommended approaches in this document are good guidelines for engagement with all stakeholders, regardless of power and privilege. However, the emphasis in this document is on the special considerations for organization engaging with those most impacted.

Engagement with affected stakeholders is relevant to all five steps of the SBTN process for setting science-based targets. This engagement can be important in the following ways:

- informing an organization's understanding of impacts, by clarifying where they have shared dependencies on nature with other stakeholders, and where the company's environmental footprint – or its potential actions to address that footprint – could affect stakeholders' human rights, and particularly economic, social, and cultural rights.
- shaping the prioritization of locations for target-setting, the nature of the targets developed and action plans for their achievement, based on an understanding of the severity of impacts on both nature and people with explicit considerations for social costs and benefits, and impacts on vulnerable groups.
- ensuring that targets reflect, respect, protect, and support the human rights and well-being of vulnerable stakeholders;
- enabling effective implementation of action plans through collaboration with affected stakeholders in ways that provide the facilitation means to stakeholders to meet the agreed targets
- helping embed equity and justice for otherwise marginalized and disadvantaged groups in the process of implementation.
- enriching the monitoring and verification of progress towards targets by ensuring that data gathering and analysis enables a holistic understanding of success in terms of delivering both a more safe and a more just world.

These SBTN engagement approaches include key aspects of an equitable due diligence process, albeit with the focus on impacts on nature rather than on people. These parallels create an opportunity to integrate appropriate stakeholder engagement into the SBTN five-step process to help ensure that the targets and action plans adopted also support respect for Justice, Equity, Diversity, and Inclusion (JEDI); the Free, Prior and Informed Consent (FPIC) of Indigenous peoples, to help reduce the unequal access of affected communities to healthy personhood and places.

Appendix: The Foundational Principles, Frameworks and Values Underlying Stakeholder Engagement (In Progress)

The UN Guiding Principles on Business & Human Rights (UNGPs) define stakeholder engagement as an “ongoing process of interaction and dialogue between an enterprise and its potentially affected stakeholders that enables the enterprise to hear, understand and respond to their interests and concerns, including through collaborative approaches”. International standards of responsible business conduct make clear that stakeholder engagement in the context of human rights due diligence is centered on those stakeholders who may be affected by the organization's activities. ([UN Guiding Principles](#)).

From a due diligence perspective, priority should be given to those stakeholders for whom the risk of adverse impacts is greatest, or for whom the potential adverse impacts are severe or could become irreparable. (OECD Stakeholder Engagement Guidance, p. 19). Organizations’ economic activities may have negative environmental impacts which create human impacts for local stakeholders. International law via the UN Convention on Genocide and UN Declaration on Human Rights protects Indigenous Peoples, and frontline and fenceline communities who have been victimized by environmental injustice to “receive full compensation and reparations for damages as well as quality health care.”¹⁸ Organizations not conducting due diligence may be implicated in rectifying these injustices. Engaging stakeholders early and often is an effective approach to help mitigate environmental impacts through science-based targets for nature.

Science-based actions should utilize the Precautionary Principle which, as defined in the [Rio Declaration: Principle 15](#), exists where there are threats of serious or irreversible damage; lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation. Therefore, if harm is suspected, even without concrete evidence, actions to prevent harm to humans and the environment should be taken.

This guidance places specific emphasis on the right to Free, Prior, and Informed Consent, or FPIC, as an essential precept for engaging with Indigenous Peoples.¹⁹ and

¹⁸ Delegates to the First National People of Color Environmental Leadership Summit held, (1991), *17 principles of Environmental Justice*

¹⁹ It is important to capitalize racial and ethnic descriptive words as a sign of respect for historically erased identities.

Indigenous places. Operationalizing FPIC from a place of humility and gratitude provides a means through which organizations and individuals can engage reciprocally and respectfully with the world's foremost knowledge holders.

Respected guidance on stakeholder engagement identifies a range of principles that should guide any stakeholder engagement process, regardless of the mode of engagement concerned²⁰. These include that the engagement process should:

- affirm the sacredness of Mother Earth
- be targeted at those most likely to be affected;
- demand that public policy be based on mutual respect and justice
- be responsive to the needs and interests of disadvantaged and vulnerable groups;
- be based on the prior disclosure and dissemination of relevant, objective, meaningful and easily accessible and understandable information in a timeframe that enables engagement in a culturally appropriate format;
- take into account the different access and communications needs of various groups and individuals, especially those who are vulnerable or disadvantaged, and use formats and techniques that are culturally appropriate;
- commence early enough to scope key issues and have an effect on decisions to which they relate;
- be two way, enabling all participants to exchange views and information, hear from others, and have their issues addressed;
- mandates the right to ethical, balanced and responsible uses of land and renewable resources
- enable stakeholders to raise issues for discussion, including outside of formal meetings;
- be on-going to the extent of the issues/activities/impacts/initiative concerned, and responsive to new developments and changes;
- be carried out in a non-discriminatory manner, free of external manipulation, interference, coercion, discrimination and intimidation;
- be gender-inclusive, recognizing that men and women²¹ often have differing views and needs;
- be documented to keep track of who has been consulted and the key issues raised and commitments made;

²⁰ Nature-based solutions processes should begin with considerations of disproportionately impacted communities and the associated injustices. Several inclusions on the guiding list are sourced from the 17 Principles of Environmental Justice

²¹ Of note, though this bullet suggests gender inclusivity, the resulting word choice is limited to a false gender binary.

- provide for timely feedback and information updates to the stakeholders engaged regarding progress or setbacks.

“Two important ways not always addressed by scientific research are to do with ‘reporting back’ to the people and ‘sharing knowledge’. Both ways assume a principle of reciprocity and feedback.” – Linda Tuhiwai Smith²²

There is no one right way of undertaking consultation. Given its nature, the process will always be context-specific. This means that techniques, methods, approaches and timetables will need to be tailored for the local situation and the different stakeholders being consulted.

Performance standards of the International Finance Corporation, like the Principles of Environmental Justice, require a process of environmental and social assessment that includes stakeholder engagement. IFC’s assessment principles require clients to include culturally appropriate consultation and agreements with stakeholders, client documentation to be accessible to affected communities, and “Disclosure of environmental or social risks and adverse impacts should occur early in the Assessment process, in any event before the Project construction commences, and on an ongoing basis.”²³

[The Jemez Principles for Democratic Organizing](#) also include global equity objectives applicable to stakeholder engagement with nature-based targets. These principles were established by a diverse working group “on Globalization and Trade” with an intended outcome of common understandings to operationalize across cultural, political, and organizational affiliations. Working group members, hosted by the Southwest Network of Environmental and Economic Justice, formalized the following protocols that enable organizations to move beyond transactional stakeholder engagement methods of “consultation”, to power-sharing methods of “consent”:

1. Be inclusive
2. Emphasis on bottom up organizing
3. Let people speak for themselves
4. Work together in solidarity and mutuality
5. Build just relationships among ourselves
6. Commitment to self-transformation

²² Smith, L. (1999), *Decolonizing Methodologies: Research and Indigenous Peoples*

²³ IFC citation needed here

SBTN provides 10 principles to be embraced for the process of target-setting and implementation to be socially acceptable, legitimate, and appropriated by landscape stakeholders²⁴:

- Having a shared vision
- Building on local knowledge
- Using a participatory process
- Negotiating the relevance of place-based targets
- Collaboration in design, planning, implementation, monitoring, and learning
- Devising synergistic targets
- Delineating clear responsibilities
- Developing a user friendly process and monitoring scheme
- Ensuring transparency in decision-making, benefit sharing, and implementation costs
- Adaptively learning and communicating

Indigenous Peoples with regard to Free, Prior and Informed Consent

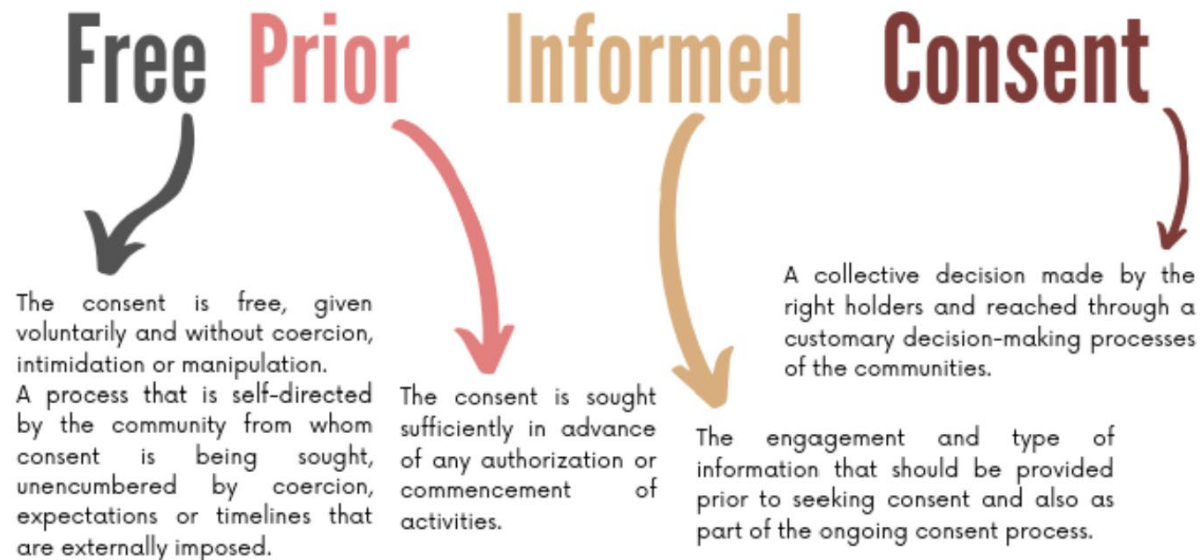
In addition to global land-based rights, it is important for organizations to uphold Indigenous stakeholders' Free, Prior and Informed Consent (FPIC) as an inherent right and responsibility for organizations/governments/individuals to engage in relation to activities affecting their land, territories or other resources.²⁵ Indigenous Peoples maintain the right to provide or to withhold that consent. The 17 Principles of Environmental Justice further affirm sovereignty and self-determination. These foundational recognitions enable organizations to build scaffolding for effective stakeholder engagement that moves beyond transactional consultation of Indigenous peoples, towards (transformational) consent.

"Each Contracting Party shall, as far as possible and as appropriate: Subject to its national legislation, respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices." – Article 7, Convention on Biological Diversity regarding Indigenous Peoples' Free, Prior, and Informed Consent.

²⁴ Pacheco 2022

²⁵ The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) codifies FPIC as international law

The [Food and Agriculture Organization of the United Nations](#) defines the elements of FPIC as follows:



FPIC protocols also align with International Finance Corporation Performance Standard 7 requiring Indigenous Peoples free, prior, and informed consent on projects²⁶:

- with impacts on lands and natural resources subject to traditional ownership or under the customary use of Indigenous Peoples;
- requiring the relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use;
- with significant impacts on critical cultural heritage essential to the identity of Indigenous Peoples; or
- using their cultural heritage for commercial purposes.

“This engagement process includes stakeholder analysis and engagement planning, disclosure of information, consultation, and participation, in a culturally appropriate manner. In addition, this process will: Involve Indigenous Peoples’ representative bodies and organizations (e.g., councils of elders or village councils), as well as members of the Affected Communities of Indigenous Peoples; and Provide sufficient time for Indigenous Peoples’ decision-making processes.” – IFC Performance Standard 7, Indigenous Peoples

²⁶ Additional information on IFC’s FPIC standards can be retrieved [here](#)

While the right to Free, Prior and Informed Consent is particular to Indigenous Peoples, where an organization's nature-related activities affect the lands and livelihoods of other local communities, they may judge it appropriate to apply the same approaches. Delegates to the First National People of Color Environmental Leadership Summit developed a list of over a dozen ways in which implementing informed consent through organizational accountability to stakeholders provides a means to “honoring the cultural integrity of all our communities, and provide(d) fair access for all to the full range of resources”.²⁷ Doing so may help reduce risks and secure opportunities and benefits associated with setting science based targets.

“International governmental organizations, governments and financiers publicly and discretely support and/ or finance large-scale corporate megaprojects in the Global South. Such entities should be held to rigorous corporate accountability standards to ensure that they deliver on the promises made to communities and that they do not engage in practices which undermine the social and environmental fabric of these communities.” – [True Cost Initiative](#)

Engagements where the expectations of the organization and the affected stakeholders are misaligned can lead to an erosion in relationships rather than achieving the intended benefits

DON'T Push	PIVOT	DO Disclose
<p>Don't Push without predetermined information out to stakeholders without prior engagement undermines the agency and misses opportunities to engage the subject matter expertise of stakeholders.</p> <p>Coercion corrupts. Engagement with affected stakeholders may involve collaboration in certain processes or to achieve certain outcomes. Collaboration may lead to agreement on specific actions in which the communities and the organization work in a formal partnership to achieve a shared objective, while consulting with</p>	<p>Example 1) an organization may engage with its workforce in a particular location to co-develop a reskilling program that will enable workers to be maintained in new roles, using technologies adapted to reduce impacts on natural resources.</p> <p>Example 2) an organization may collaborate with affected communities in a joint fact-finding process to assess how a 'rewilding' program can be delivered in ways that preserves traditional uses of that land or offers alternative livelihoods. Additionally, an organization may collaborate with</p>	<p>Do Disclose – Own mistakes and missteps, be transparent about operations, share reasons why some information may not be accessible to stakeholders (NDAs, client confidentiality, etc), and be willing to listen and learn rather than dominate and dictate.</p> <p>Collaborate to co-create! In all engagement processes, organizations will need to disclose information to affected stakeholders about the full range of potential impacts of the nature-related activities affecting them, including –</p>

²⁷ The quoted content was in specific reference to urban and rural ecological policies as one of 17 Principles of Environmental Justice (1991)

workers whose jobs may be affected to mitigate any negative impacts they may face.	community leaders through joint monitoring of local natural resources, and engage in town hall meetings alongside those leaders to inform the wider populations of progress and results.	importantly - potential negative impacts for stakeholders.
DON'T Pitch	Pivot	DO Dialogue
Don't Pitch without consulting affected stakeholders as part of the identification and assessment of impacts associated with potential nature-related activities. Move away from models of empty and transactional consultation to meaningful consent.	<p>Example 1) in considering a strategy to improve plastic waste management and recycling, where wastepickers typically do the majority of work collecting and sorting the waste, it is essential to being an engagement by disclosing what the changes will mean for their livelihoods and for their health and safety in the wastepicking process;</p> <p>Example 2) in advance of an engagement with local communities regarding planned changes in water usage and recycling, those communities will need to understand both the opportunities and benefits that these changes might bring in terms of the sustainability of their own water supply or potential job creation in the area, and also to be informed about any potential negative impacts in terms of water flows and distribution, or other effects.</p>	<p>Do Dialogue - Orgs that share honestly and transparently rather than selectively build trust with stakeholders. engage in a problem-solving dialogue with stakeholders collaboratively with appropriate compensation and access considerations. This may lead to positive co-creations and results in partnering and sharing power of decisions and actions.</p> <p>Stakeholders will need to be sufficiently informed in advance of any engagement process to understand what the process is, what the timeframe and timetable and objectives are, and background information so they can prepare their thinking and any supporting resources. Where the design phase is itself conducted through engagement with the stakeholders or their legitimate representatives, that can ease the way to identifying what information needs to be shared, when and how.</p>
DON'T Pull	Pivot	DO Defer
Don't Pull without considering impacts (outweighing intent) - 'pulling' information in from stakeholders as a transactional consultation is a common	Example 1) In considering a strategy to move a part of its operations to a less water-stressed region, an organization may consult with workers and	Defer - Deference to populations most impacted is essential to constructive stakeholder engagement. Consultation and honoring

<p>mistake organizations make which can lead to appropriation, and has the negative potential to coerce stakeholders into disclosing information that may harm people and communities with shared identities.</p> <p>Tokenizing and stereotyping disrupt healthy outcomes for stakeholder engagement. Certain subordinated groups may need separate spaces and means to raise their voices, such as women in situations where their voices are marginalized in community decision-making, or migrant workers who fear for their jobs if they raise concerns.</p>	<p>their representatives about the impacts on jobs and particularly on low-paid workers. This may help identify opportunities for reskilling, for some workers to transfer to other locations, or for other terms that ease the transition for that workforce.</p> <p>Example 2) In considering the development of dedicated solar energy resources, an organization may consult with communities that use or otherwise claim rights to the lands that would be acquired for those purposes. This can help identify their dependencies on the land and the cultural and land-related concerns of any indigenous peoples that are present. It can lead to a better (and shared) understanding of the viability of different land-related options and of the agreements that would be needed with affected communities to avoid impacts on them, maximize potential benefits, and ensure business continuity.</p>	<p>agency with stakeholders as decision-makers with appropriate veto powers on issues relevant to their lived experience is essential to ethical and equitable stakeholder engagement. Reference FPIC and the Jemez Principles for Democratic Organizing for additional guidance on deference practices.</p> <p>Organizations can work with stakeholders to identify costs and how they can be minimized, or covered, so that they are not a barrier to engagement. Equally, attention may be needed to avoid undermining participants' legitimacy with their peers or constituencies if they are seen to be paid by the organization. Engagement can be a key means to resolve these needs and tensions.</p>
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How To EXAMPLES

Disclose with Deference: In all engagement processes, organizations will need to disclose information to affected stakeholders about the full range of potential impacts of the nature-related activities affecting them, including – importantly – potential negative impacts for stakeholders. For Example:

- in considering a strategy to improve plastic waste management and recycling, where wastepickers typically do the majority of work collecting and sorting the waste, it is essential to being an engagement by disclosing what the changes will mean for their livelihoods and for their health and safety in the wastepicking process;
- in advance of an engagement with local communities regarding planned changes in water usage and recycling, those communities will need to understand both the opportunities and benefits that these changes might bring in terms of the sustainability of their own water supply or potential job creation in the area, and also to be informed about any potential negative impacts in terms of water flows and distribution, or other effects.

Move from Consultation to Consent: organizations will need to consult with affected stakeholders as part of the identification and assessment of impacts associated with potential nature-related activities. For example:

- In considering a strategy to move a part of its operations to a less water-stressed region, an organization may consult with workers and their representatives about the impacts on jobs and particularly on low-paid workers. This may help identify opportunities for reskilling, for some workers to transfer to other locations, or for other terms that ease the transition for that workforce.
- In considering the development of dedicated solar energy resources, an organization may consult with communities that use or otherwise claim rights to the lands that would be acquired for those purposes. This can help identify their dependencies on the land and the cultural and land-related concerns of any indigenous peoples that are present. It can lead to a better (and shared) understanding of the viability of different land-related options and of the agreements that would be needed with affected communities to avoid impacts on them, maximize potential benefits, and ensure business continuity.

Collaborate to Co-Create: engagement with affected stakeholders may involve collaboration in certain processes or to achieve certain outcomes. For example:

- an organization may engage with its workforce in a particular location to co-develop a reskilling program that will enable workers to be maintained in new roles, using technologies adapted to reduce impacts on natural resources.
- an organization may collaborate with affected communities in a joint fact-finding process to assess how a 'rewilding' program can be delivered in ways that preserves traditional uses of that land or offers alternative livelihoods.
- An organization may collaborate with community leaders through joint monitoring of local natural resources, and engage in periodic open town hall meetings alongside those leaders to inform the wider populations of progress and results.
- The collaboration may lead to agreement on specific actions in which the communities and the organization work in a formal partnership to achieve a shared objective, while consulting with workers whose jobs may be affected to mitigate any negative impacts they may face.

Agree: engagement may need to arrive at clear agreements and forms of partnership where decision-making and action is shared, in order for nature-related impacts or risks to be addressed, or for opportunities to be realized. This can be particularly necessary in engagements with indigenous

peoples given their human right to Free Prior and Informed Consent with regard to activities affecting their lands, territories and other resources.

1.3 Justice, Equity, Diversity, and Inclusion (JEDI).

Even the sustainability actions that companies take can impact people. JEDI approaches provide a valuable lens through which to engage with affected communities when utilizing nature-based solutions and setting science-based targets. Rather than focusing on just “diversifying” stakeholder engagement by connecting with a cross section of demographics, beginning with Justice provides a path upon which meaningful engagement can ensue and further the needle towards equity.

Co-creating the process in collaboration with affected stakeholders yields more comprehensive results through innovative inclusion. The principles of a human rights-based stakeholder engagement approach are closely aligned with Justice, Equity, Diversity and Inclusion (JEDI) as defined by the JEDI Collaborative:²⁸

<p style="text-align: center;">JUSTICE</p> <p>Dismantling barriers to resources and opportunities in society so that all individuals and communities can live a full and dignified life. Making sure everyone is treated impartially, fairly, and ethically.</p>
<p style="text-align: center;">EQUITY</p> <p>Allocating resources to ensure everyone has access to the same opportunities. Equity recognizes that advantages and barriers exist, and aims to allocate resources according to folks’ needs. It is also the acknowledgement that structural and systemic inequities exist: racism, sexism, white supremacy, homophobia, ableism, etc.</p>
<p style="text-align: center;">DIVERSITY</p> <p>All the differences between us based on which we experience advantages or encounter barriers to opportunities. These differences can be racial, gender or sexual orientation based, rooted in ableism, etc.</p>

²⁸ Source: <https://jedicollaborative.com/>

INCLUSION

Fostering a sense of belonging by centering, valuing, and amplifying the voices, perspectives and styles of those who experience more barriers based on their identities. It is also being mindful and deliberate of seeing and celebrating the differences that make us diverse instead of erasing and white washing.

It is especially important to be intersectional about JEDI work. Intersectionality recognizes the ways in which privilege and power collide with levels of marginalization in individuals and recognizes that people's identities are complex and we cannot simply classify humans into categories. Organizations working on stakeholder engagement must be intentionally inclusive and equitable.²⁹

The same principles that are central to human rights-based approaches are reflected in the forms of justice that underpin the concept of 'earth system justice' put forward by the Earth Commission, whereby:

- 'Recognition Justice' includes the excluded and marginalized – women, Indigenous peoples, local communities, the global south, and accounting for inclusive views and ways of knowing.
- 'Procedural justice' focuses on inclusiveness through fair and transparent processes and comprises providing access to information, decision-making, civic space and courts for all. This enables people to develop informed opinions, participate in and influence the processes of decision-making, and object to decisions if these are perceived as unfair
- 'Substantive justice' concerns fairness of access and final allocation of benefits and burdens including rights, resources, capital, responsibilities, risks (including risk of harm) and blame.

Distinctions Between Peoples Disproportionately Harmed, their Credible Proxies, and Recognized Experts

Disproportionately harmed communities and individuals & their legitimate representatives have been or could be

affected by an organization's nature-related impacts or strategies, for example, its own workforce, workers in the value

chain, smallholder farmers and their families, members of local communities and Indigenous Peoples.

²⁹ Recommended additional reading: <https://www.jstor.org/stable/1229039> for a deeper dive on intersectionality

Credible proxies have sufficiently deep experience in engaging with peoples harmed from the relevant region or context who can help to effectively convey their likely concerns. Credible proxies might include development and human rights NGOs, international trade unions and community-based organizations, including faith-based organizations.

Recognized experts bring particular knowledge or expertise regarding the issues and priorities that groups disproportionately harmed convey regarding nature-related activities/resources concerned within relevant geographical contexts. Recognized experts might include academics, national human rights institutions, environmental defenders, trade unions, etc.

Resources and references (*In Progress*)

The West Principles regarding the use of technologies in engagement with workers:

IFC report on use of data in engaging affected communities:

https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/infrastructure/resources/unlocking+data+innovation+for+social+license+in+natural+resources

Weaver, 1996, pp. 12-13

Green Gatekeeping

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<https://www.ohchr.org/en/what-are-human-rights#:~:text=Human%20rights%20are%20rights%20we,language%2C%20or%20any%20other%20status.>

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[Based on: In 'Doing Business with Respect for Human Rights' – a product of the Global Perspectives Project, led by the Global Compact Network Netherlands, Oxfam and Shift]

https://www.ilo.org/dyn/normlex/en/fp=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169

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