SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

Stakeholder engagement and science-based targets for nature

Integrating the perspectives of affected stakeholders into target setting and evaluation

Version 1.0 – October 2024

Version History

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1.0	Update to Stakeholder Engagement guidance	October 2024	October 2024 – Indefinite
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"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. How these targets are planned, executed, and achieved will have differing impacts on different groups of people.

Companies engaged in target setting must understand the structural and historical impediments to equal and representative participation in decision-making processes and use this work to unseat historically inequitable and socially damaging power structures.

Taking a just and responsive approach to target setting will not only help ensure that targets met are targets kept, but it will also guarantee a higher degree of equality in terms of bearing the costs of action, as well as better distribution of the benefits created through science-based targets for nature."

SBTN's Initial Guidance for Business

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Disclaimers for readers

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i. The scope of this guidance is stakeholder engagement to accompany the methods issued as SBTN's first release.
ii. This is guidance to direct *voluntary* corporate actions in line with company commitments to science-based targets for nature and is not a regulatory framework.
iii. The guidance document is written with the assumption that the primary audience is familiar with core technical concepts and expertise embedded within this guidance and the other SBTN methods.
iv. Supplements to this guidance will be published at a future date, likely including a set of tools for business practitioners and expanded guidance for specific stakeholder groups such as workers in the supply chain and smallholder farmers.

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This guidance draws on TNFD's Guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders. SBTN would like to acknowledge this excellent resource and recommends that readers treat the TNFD document as companion guidance.

Letter from SBTN's technical director

Dear Reader,

On behalf of the Science Based Targets Network (SBTN), I am pleased to share version 1 of our guidance for stakeholder engagement, which marks a significant step toward equitable and effective science-based targets for nature.

At SBTN, we define nature as the diversity of living organisms, including people, and their interactions with each other and their environment. This perspective emphasizes the deep connection between ecological and human wellbeing. Integrating stakeholder engagement into the target-setting process ensures that companies setting science-based targets for nature—and the actions they take to achieve them—can drive lasting, transformative change for both ecosystems and communities.

This guidance, which complements the methods, tools, and resources of SBTN's 5-step process, serves as a valuable resource for companies working to set science-based targets. It includes principles, best practices, examples, and resources to help companies: 1) identify key stakeholders, 2) integrate local stakeholder values and goals into target setting, 3) develop effective stakeholder engagement strategies, and 4) establish holistic evaluation approaches for both targets and the stakeholder engagement process. While this guidance will not be validated independently, it forms the basis for compliance with validation requirements on stakeholder engagement and human rights in the SBTN methods.

Developed with input from leaders in human rights, justice and equity, and community-based sustainability and conservation, this guidance emphasizes the importance of engaging those most likely to be affected by company actions. It supports companies in creating action plans that amplify the voices of marginalized populations, ensuring their inclusion in decisions that impact the wellbeing of both people and place.

By embracing this approach to stakeholder engagement, companies can build effective partnerships that enrich their nature-related strategies with valuable insights into the social, economic, and political context of each place.

We look forward to your feedback on this version as we continue to evolve this important guidance together.

Varsha Vijay, Ph.D.
Technical Director
Science Based Targets Network

Introduction

The importance of stakeholder engagement for science-based targets

We are not alone in this world. All life, all ecosystems on our planet are deeply intertwined and rely on each other. Past and current nature and biodiversity loss impacts human survival and wellbeing by affecting human health and cultural values, practices, and traditions. As captured within the Global Biodiversity Framework's vision of "living in harmony with nature" by 2050, government, civil society, business, and finance must engage in partnership with Indigenous peoples, local communities, women, and youth to implement goals at the global, national, and local level.

Effective and equitable stakeholder engagement is critical for the success of science-based targets for nature and any global and societal goals aimed at addressing nature loss and degradation. This is true whether companies are developing targets in specific locations, in isolation, or in ways that are coordinated with others, such as with peer companies or local government. But it is also true for companies that are undertaking global processes of target setting that will then be adapted through specific place-based engagements with workers and communities. Given the critical importance of stakeholder engagement and the complexity of conducting this process effectively and equitably, we encourage companies to work with community organizations, local nonprofits, and consultancies with experience and expertise in this topic, showing care to complement existing relationships and engagements.

Appropriate engagement during all stages of target setting increases the likelihood that:

- Those most directly affected by the outcomes will see the targets and metrics as credible and as reflective of the positive outcomes or risks that are of greatest significance to their interests, wellbeing, and welfare.
- Affected stakeholders become partners in data collection, analysis, and learning, which is especially important when they are the ones best positioned to gather, provide, and make sense of certain types of data.
- Relationships that contribute to building collective action for the achievement of science-based targets are established with affected stakeholders.
- There will be accountability for outcomes because of clarity and transparency about how they will be measured and evaluated. This requires transparency about decision-making processes, actions, or omissions, and putting redress mechanisms in place.
- Companies' climate and nature-focused strategies and action plans will not expose them to reputational, ethical, legal, operational, or regulatory risks.

The focus on affected stakeholders

This guidance focuses on a company's engagement—as part of target setting and evaluation—with "affected stakeholders," meaning the people or groups who can directly or indirectly be affected, negatively or positively, by the organization's activities or through its value chains. This

recognizes that the human rights and wider interests of these stakeholders may at times be affected by an organization's target setting and by the activities undertaken to achieve those targets. But it also recognizes that these same groups—in particular Indigenous communities—may have knowledge that makes them important partners for organizations to engage with in the design or implementation of nature- and climate-related strategies and solutions.

Part 1 of this guidance elaborates on this scope and provides definitions of these different groups. **For climate- and nature-related impacts and strategies, affected stakeholders typically fall under one of the following categories: affected communities, a company's own workforce, and the workers in the value chain**. Across the guidance, particular emphasis is put on the special considerations companies may need to undertake when engaging with *Indigenous peoples* and *frontline and fence line communities* (also known as overburdened communities in the environmental justice literature). While this guidance touches upon engagement with *smallholders* and other workers within companies' value chains, and many of the principles and best practices are applicable to this stakeholder group, additional guidance is needed to address their specific rights and concerns. SBTN aims to provide this in future guidance.

While a company's stakeholders also include those who might have an interest in or may influence the organization's activities, such as financial institutions (including investors, other capital providers, and insurers), government agencies, policymakers, and regulatory authorities, this guidance is not primarily concerned with engagement with this wider set of actors. However, the approaches highlighted in this guidance are applicable to multi-stakeholder processes that commonly involve this wider set of stakeholders (see Section 2.2.5: Multi-stakeholder place-based approaches).

Stakeholders' perspectives on science-based targets

Various scenarios may arise in which agreed targets based on purely science-based criteria do not reflect the rights of affected stakeholders. In these cases, 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. While the SBTN target-setting methods contain some safeguards to protect the rights and livelihoods of affected stakeholders, affected stakeholders may:

- **agree with and have a shared interest in the adoption of a particular target that might impact their community and does not directly undermine their own interests, including their human rights**. It will be important to know that the stakeholders concerned are sufficiently informed about the target's 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, cooperative farming communities that 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 equal allocation that assumes the co-op and the company should bear the same burden might be seen as inequitable considering the farmers' 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 inequitable 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, in the instance where ecological wellbeing is at odds with local economic wellbeing, science-based targets 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 and accompanying indicator that addresses the issue of livelihoods and is supported by a program aimed at achieving 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 right to the traditional use of those lands and their access to sites of cultural significance based on historical harms. While there may legitimately be "winners" and "losers" from actions to achieve some targets, targets should at a minimum not harm people. For this reason, the SBTN land targets include consideration of Free, Prior, and Informed Consent (FPIC). 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: ones that leverage the expertise and experience of Indigenous communities as stewards of biodiversity, with deference given to their sovereignty and land tenure, which are globally applicable.

Alignment to international due diligence standards

Engaging affected stakeholders in target setting and evaluation also allows companies to meet their responsibilities as laid out by the *UN Guiding Principles on Business and Human Rights (UNGPs)* and the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines):* the authoritative global standards of responsible business conduct regarding impacts on people and the planet. This in turn enables companies to align their practice with the growing number of due diligence regulations and reporting requirements based on these international standards.

Shift Project, Ltd 2022

The SBTN five-step process for setting science-based targets for nature has strong parallels to the human rights due diligence process set out in the UNGPs and OECD Guidelines: Human rights due diligence is the central process expected of companies under the international standards, and it includes (a) identifying and assessing actual and potential negative impacts on human rights, including prioritizing them for action based on their relative severity; (b) taking action to prevent, mitigate, or remedy impacts; (c) tracking the effectiveness of action; and (d)

communicating with regard to actions and their effectiveness and engaging with affected stakeholders throughout the ongoing due diligence process.

Under these standards, engagement with external stakeholders is integral to the ongoing process of human rights due diligence (and, in the case of the OECD Guidelines, environmental due diligence), which is expected of all companies. The UNGPs define stakeholder engagement as an "Ongoing process of interaction and dialogue between an enterprise and its stakeholders that enables the enterprise to hear, understand and respond to their interests and concerns, including through collaborative approaches." Priority should be given to affected stakeholders whose human rights are adversely impacted by business operations. The UNGPs provide that organizations should "seek to understand the concerns of potentially affected stakeholders by consulting them directly in a manner that takes into account language and other potential barriers to effective engagement."

This guidance is also consistent with other existing international law and best practice international standards, guidelines, and frameworks: most notably the UN Declaration on the Rights of Indigenous Peoples, the Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework, and relevant voluntary guidelines. A full list of sources is provided in the reference list for this guidance (see Appendix).

Stakeholder engagement in sustainability reporting requirements.

In recent years, reporting standards setters have been substantially raising the bar for company reporting on engagement with affected stakeholders.

Within the **European Sustainability Reporting Standards** (ESRS) stakeholder engagement is a recurring theme. This starts with the materiality assessment; Section 3.1 of ESRS 1 clarifies that engagement with affected stakeholders is meant to be conducted in the context of a company's due diligence process "to understand how they [affected stakeholders] may be impacted." In addition, various ESRS require disclosures on stakeholder engagement beyond the materiality assessment. This includes processes to remediate negative impacts and raise concerns, in relation to actions taken on material sustainability matters, and when tracking effectiveness of policies and actions through targets.

The **Global Reporting Initiative** (GRI) standards set the expectation that companies report on their engagement with stakeholders in various ways and defines stakeholder as an "individual or group that has an interest that is affected or could be affected by the organization's activities" (GRI 3: Material Topics standard). GRI General Disclosures (2–29) state that a company shall "Describe its approach to engaging with stakeholders, including: the categories of stakeholders it engages with, and how they are identified; the purpose of the stakeholder engagement; and how the organization seeks to ensure meaningful engagement with stakeholders." Additionally, a number of the GRI topical standards, including GRI 411 on Indigenous people's rights, require companies to report on their management of impacts on people with reference to GRI 3, which includes that companies shall "describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective" (GRI 3-3).

Finally, the 2024 update to the GRI biodiversity standard included that a company shall "report how it applies the mitigation hierarchy by describing: i. actions taken to avoid negative impacts on biodiversity; ii. action taken to minimize negative impacts on biodiversity that were not avoided; **iii. actions taken to restore and rehabilitate affected ecosystems, including the goals of the restoration and rehabilitation, and how stakeholders are engaged throughout restoration and rehabilitation actions**; iv. actions taken to offset residual negative impacts on biodiversity; v. transformative actions taken and additional conservation actions taken" [emphasis added].

Guidance scope and structure

This guidance focuses on stakeholder engagement as part of target setting and evaluation, the essence of the SBTN five-step framework. This is because, despite the growing recognition of the importance of stakeholder engagement in corporate sustainability and environmental management, the perspectives and knowledge of Indigenous peoples and other affected stakeholders are regularly underemphasized in the process of target setting and evaluation. Throughout this guidance document, connections to the SBTN steps are bolded for reference when addressing validation requirements embedded in those methods.

The guidance is organized into the following sections.

Part 1: Who to engage elaborates on the different types of affected stakeholders—in particular Indigenous peoples—that a company may need to engage with as part of target setting and evaluation. It also spotlights the dynamics that companies must work with when engaging stakeholders, in particular heterogeneity within these groups and intersectionality.

Part 2: Foundational practices provides an overview of key concepts and approaches that companies should internalize across their organizations as a foundation for engaging affected stakeholders in target setting and evaluation. This content is organized into four subsections: Preparedness for Engagement; Stakeholder Mapping; Designing and Conducting Engagement, and Enabling Participation—all of which are relevant to the SBTN five steps. This aspect of the guidance references a number of existing resources companies can use to inform their stakeholder engagement, in particular *TNFD's Guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders.*

Part 3: Stakeholder engagement in evaluation addresses the often-missed practice of company engagement with affected stakeholders as part of target setting and evaluation. This is particularly relevant to Step 3: Measure, Set, & Disclose and Step 5: Track of the SBTN five-step process. The guidance elaborates on the benefits of engagement as part of target setting and offers a framework and key tips for integrating the voices of affected stakeholders across the full life cycle of evaluation, including data collection, data analysis, and communicating findings. Part 3 also lays out key considerations to aid companies in identifying and navigating competing interests and trade-offs that can often arise in the process of target setting.

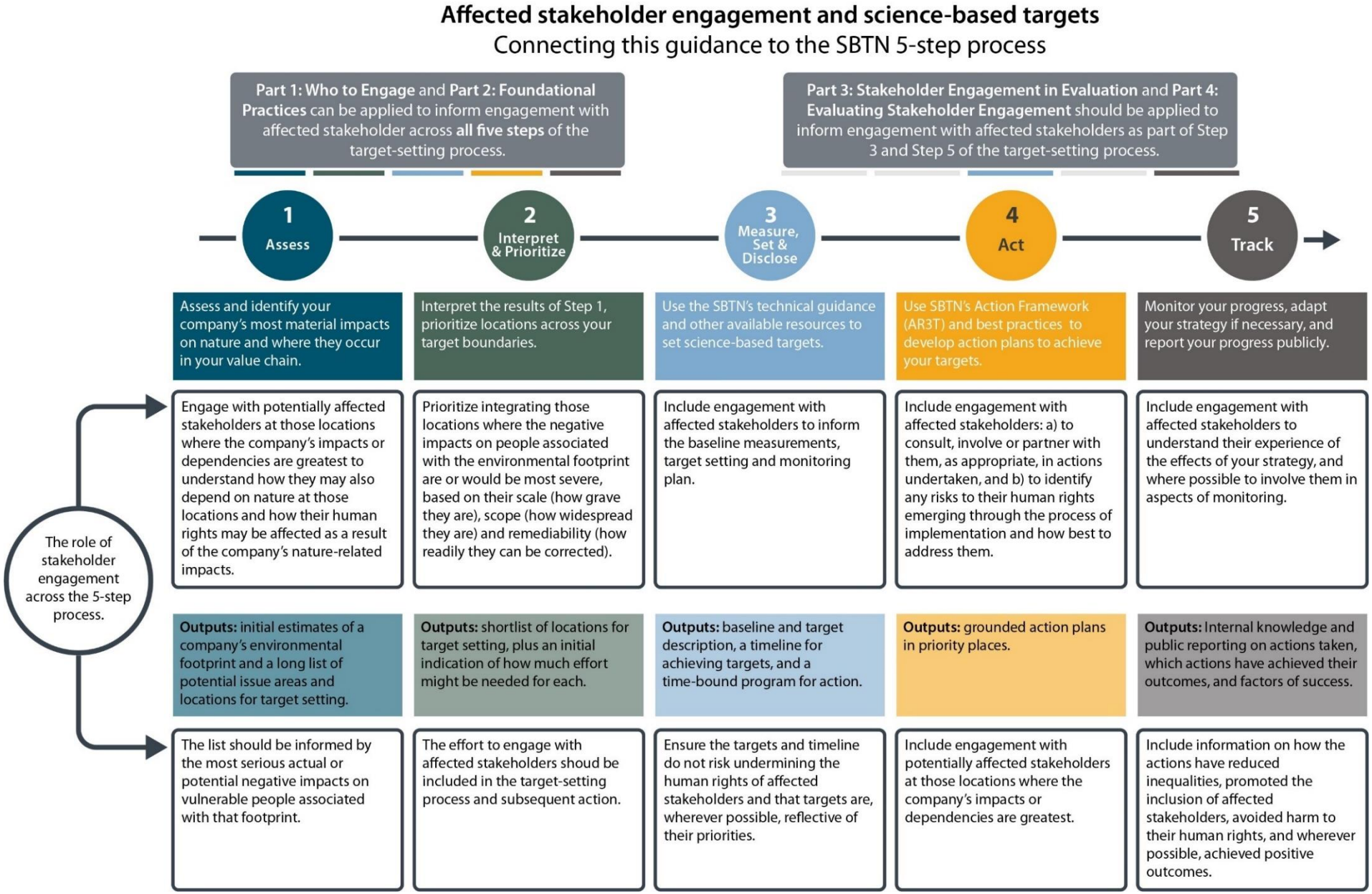
Part 4: Evaluating stakeholder engagement introduces indicators that companies can use to evaluate their engagement with stakeholders. This is critical because companies implementing SBTN's five-step process need to evaluate whether an engagement process is leading to the desired targets and to positive relationships with affected stakeholders in order to identify opportunities for learning and improvement that can strengthen both ongoing and future engagement processes. Using this section of guidance helps identify when this is not the case, and to continuously improve its stakeholder engagement approach via incorporating feedback from stakeholders.

The diagram below visualizes how each part of the guidance maps to the SBTN five-step process and includes a summary of the relevance of engagement with affected stakeholders for each step.

Recognizing that the voices of workers and local communities are often excluded from corporate strategy development and implementation of business activities, this guidance emphasizes the importance of engagement with affected stakeholders as part of the SBTN five-step process. This process should complement companies ensuring that they gather additional information and conduct or commission credible research to inform target setting and implementation, some of which may draw on local stakeholder knowledge.

Moreover, stakeholder engagement should not shift the responsibility of identifying and expressing potential risks to the company solely on local communities or workers. Instead, one key purpose of engagement is to ensure that information about potential negative effects gathered by the company is accurately presented as a basis for meaningful dialogue.

Stakeholder Engagement and Consultation: Step 3 Freshwater
Step 3a: Freshwater consists of a consultation process with relevant stakeholders (e.g., water management agencies, local communities, and Indigenous groups) to identify appropriate hydrological models and thresholds for setting targets in basins. The stakeholder consultation is facilitated by a decision tree that helps companies focus on the higher-priority basins and provides recommendations of what to do when local models are not immediately found. The stakeholder engagement guidance in this document and SBTN's Stakeholder Consultation for Model Selection Recommendations are helpful resources for conducting the consultation.


Affected stakeholder engagement and science-based targets
Connecting this guidance to the SBTN 5-step process
Part 1: Who to Engage and Part 2: Foundational Practices can be applied to inform engagement with affected stakeholder across all five steps of the target-setting process.
Part 3: Stakeholder Engagement in Evaluation and Part 4: Evaluating Stakeholder Engagement should be applied to inform engagement with affected stakeholders as part of Step 3 and Step 5 of the target-setting process.
1 Assess
2 Interpret & Prioritize
3 Measure, Set & Disclose
4 Act
5 Track
Assess and identify your company's most material impacts on nature and where they occur in your value chain.
Interpret the results of Step 1, prioritize locations across your target boundaries.
Use the SBTN's technical guidance and other available resources to set science-based targets.
Use SBTN's Action Framework (AR3T) and best practices to develop action plans to achieve your targets.
Monitor your progress, adapt your strategy if necessary, and report your progress publicly.
The role of stakeholder engagement across the 5-step process.
Engage with potentially affected stakeholders at those locations where the company's impacts or dependencies are greatest to understand how they may also depend on nature at those locations and how their human rights may be affected as a result of the company's nature-related impacts.
Prioritize integrating those locations where the negative impacts on people associated with 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 readily they can be corrected).
Include engagement with affected stakeholders to inform the baseline measurements, target setting and monitoring plan.
Include engagement with affected stakeholders: a) to consult, involve or partner with them, as appropriate, in actions undertaken, and b) to identify any risks to their human rights emerging through the process of implementation and how best to address them.
Include engagement with affected stakeholders to understand their experience of the effects of your strategy, and where possible to involve them in aspects of monitoring.
Outputs: initial estimates of a company's environmental footprint and a long list of potential issue areas and locations for target setting.
Outputs: shortlist of locations for target setting, plus an initial indication of how much effort might be needed for each.
Outputs: baseline and target description, a timeline for achieving targets, and a time-bound program for action.
Outputs: grounded action plans in priority places.
Outputs: Internal knowledge and public reporting on actions taken, which actions have achieved their outcomes, and factors of success.
The list should be informed by the most serious actual or potential negative impacts on vulnerable people associated with that footprint.
The effort to engage with affected stakeholders shoud be included in the target-setting process and subsequent action.
Ensure the targets and timeline do not risk undermining the human rights of affected stakeholders and that targets are, wherever possible, reflective of their priorities.
Include engagement with potentially affected stakeholders at those locations where the company's impacts or dependencies are greatest.
Include information on how the actions have reduced inequalities, promoted the inclusion of affected stakeholders, avoided harm to their human rights, and wherever possible, achieved positive outcomes.

Part 1: Who to engage

"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." - SBTN's Initial Guidance to Business

1.1 Definitions

The first step for general stakeholder engagement is to identify *who* the company should engage in a given location. In the most general sense, companies' stakeholders are typically defined as the people who can affect or be affected by the company's projects or activities. Equitable stakeholder engagement implements processes with stakeholders whose human rights are **most likely to be negatively affected both in connection with a company's impacts and with the strategies used to address those impacts, creating the need for a just transition.** Input from these stakeholders should be prioritized by companies for target setting. *Who* is affected by a company's activities is context dependent but can include the following non–mutually exclusive groups of people:

Affected communities, in particular Indigenous peoples	This includes people or groups that have been, or may be, affected by an organization's nature-related activities or through an organization's value chain relationships. Affected communities can range from local communities living adjacent to the organization's operations or the site of its activities to those living at a distance but whose human right to a clean, healthy, and sustainable environment may be negatively impacted by business activities. These impacts might include, for example, nature loss, such as the loss of migratory species, or water or air pollution that the organization generates alone or cumulatively with industry peers.
A company's own workforce	This includes an organization's full-time and part-time direct employees; employees on short-term contracts or zero-hours contracts; non-employee workers who are individual contractors supplying labor (including so-called gig workers); workers provided through employment agencies; and migrant workers.
Value chain workers	This includes all individuals performing work in an organization's upstream or downstream

	value. They may include migrant workers, workers providing on-site security or cleaning services, smallholder farmers, workers involved in waste picking in a recycling process, and informal workers. They may be at any tier in the organization's value chain.

Workers in the workforce or value chain may be members of affected communities, while others may be consumers of products. This guidance does not cover specific standards and expectations regarding trade union rights and workers' human rights to freedom of association and collective bargaining, nor does it address engagement through social dialogue. However, where workers are affected by the organization's activities and responses to nature-related issues, this guidance should be applied with reference to international standards and with due attention to ensuring that engagement processes do not undermine the role of trade unions or opportunities for workers to organize through trade unions.

1.2 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." - Jace Weaver, Notes from a Miner's Canary: Essays on the State of Native America, 2010

"Sometimes the groups that survive disasters are the ones that preserve a single piece of vital information ... Life and death shouldn't be determined based on the preservation of one fact. But if it is, at least we know it is eminently possible to do better." - Amanda Ripley, The Unthinkable: Who Survives When Disaster Strikes, 2008

There is no single agreed-upon definition of "Indigenous peoples" or "Indigeneity". The primary principle is that groups can self-identify as a means of honoring the self-determination of the multiplicity of sovereign nations predating global encroachment on Indigenous places. The International Labour Organization (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.

Indigenous peoples' ancestral knowledge recognizes nature as the teacher, mother, and connector of all beings. Some cultures bury their children's umbilical cords in the earth; they are of the land physically, spiritually, and relationally.

Nature loss and degradation can impact the human rights of Indigenous peoples, local communities, and other stakeholders, in particular when these groups are marginalized or underrepresented. For example:

- Indigenous peoples with cultural and subsistence ties to land can risk losing their land-based livelihoods or cultural heritage; face reduced access to clean water, food, or medicinal or ceremonial plant sources; or suffer health impacts from water, soil, or air pollution (Purdy, 2021).
- 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.
- Indigenous peoples have been engaging in land management practices that weave people and nature relationally since time immemorial. The idea of "untrammeled wilderness", embedded in some conservation and restoration efforts such as the United States Wilderness Act of 1964, ignore this reality and can lead to systematically inequitable outcomes for Indigenous peoples (Ornstein, 2024).

Example: The role of ancestral knowledge in risk management.

In Aneyoshi, a small village on Japan's northeastern coast, large stone tablets warn residents of tsunamis. The warnings loosely translate to "Remember the calamity of the great tsunamis. Do not build any homes below this point." In this case, ancestral knowledge informs communities how they can mitigate the loss of life and property from natural disasters.

Given the longevity of Indigenous peoples' connection to place, engagement with Indigenous stakeholders provides opportunities for organizations to learn from the scientific processes that have been engaged through tested hypotheses and observations passed down generationally, in some instances through millennia, by Indigenous peoples. Companies must learn and respect the unique cultural protocols of each Indigenous community as part of stakeholder engagement processes.

1.2.1 Internationally recognized human rights of Indigenous peoples:

Companies setting science-based targets should respect Indigenous lands and abide by international law by assessing and responding to impacts in a manner that upholds Indigenous peoples' specific human rights. These rights 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). In situations in which public or private sector activities affect Indigenous peoples' lands, territories, and resources or their broader right to self-determination, any states party to these conventions are required to meet the duties laid out within them. In a growing number of countries, such duties are reflected in national legislation to varying degrees and with varying levels of specificity. They provide important

guidelines for equitable stakeholder engagement.

Indigenous stakeholders have a range of substantive and unique human rights relevant to nature-based solutions:

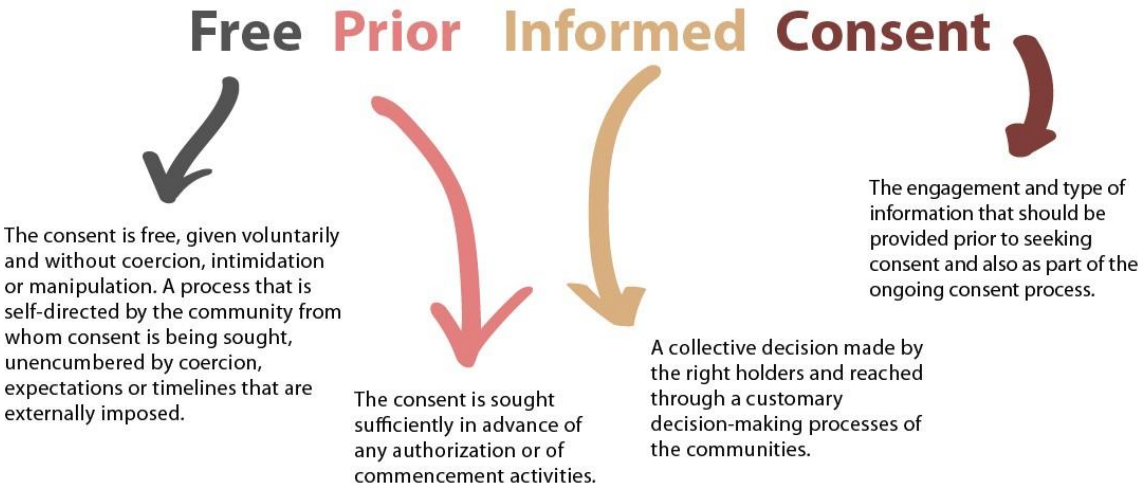
- to own, use, develop, and control the lands, territories, and resources that they possess by reason of traditional ownership or other traditional occupation or use, or which they have otherwise acquired;
- to determine and develop priorities and strategies for the development or use of their lands 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 factors that companies should seek to understand as a basis for meaningful stakeholder engagement with Indigenous peoples (Annex B, p.93).

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 recognized 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 recognized in the jurisdiction.
Historical marginalization or discrimination	This may include discriminatory laws, social stigmatization, and poor or non-existent service delivery arrangements.
Cultural and spiritual heritage	This may include "tangible" aspects (e.g. archaeological sites and buildings) and "intangible" aspects (e.g. oral traditions, languages, beliefs, religion, and traditional practices like hunting) or genetic resources or traditional knowledge.

1.2.2 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 of Indigenous peoples in relation to activities affecting their land, territories, or other resources. This principle is embedded within the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and further established within international conventions (see International Labor Organization Convention 169) and national laws. This includes that Indigenous peoples maintain the right to provide or to withhold that consent. The Food and Agriculture Organization of the United Nations defines the elements of FPIC as shown in the figure below.



FPIC protocols are also addressed in the International Finance Corporation Performance Standard 7 requiring Indigenous peoples' free, prior, and informed consent on projects:

- 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.

The 17 Principles of Environmental Justice further affirm sovereignty and self-determination. This foundational recognition enables organizations to build scaffolding for effective stakeholder engagement that moves beyond transactional consultation of Indigenous peoples towards (transformational) consent. While the right to FPIC is particular to Indigenous peoples, when 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 of "honoring the cultural integrity of all our communities and providing fair access for all to

the full range of resources."

1.2.3. Domestic, legal, and regulatory obligations:

In many countries there are additional legal, statutory, or regulatory obligations for consulting Indigenous peoples if they will 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 company that is subsequently granted an exploration license in an area impacting Indigenous communities.

When a company is planning to set science-based targets in areas traditionally owned, occupied, or otherwise used by Indigenous peoples, it is advisable for companies to conduct due diligence on prior consultations with Indigenous peoples to determine at what stages such engagement took place, what commitments were made, and what issues remain unresolved. 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. Utilizing this stakeholder engagement guidance and associated resources are advisable measures to transition from a transactional consultative approach to a transformational consent-based approach.

It is important, however, to recognize not all Indigenous groups have a constitutional recognition in a country. Not all Indigenous peoples "enjoy" their collective rights, in the sense that many groups are still in the process of fighting to obtain such rights. In addition, legal recognition may depend on the homogeneity of the group in terms of the occupation of a territory or use of common language, but some groups may be fragmented across the boundaries of a political locality or may have lost their common language, which doesn't mean that the group doesn't self-identify as Indigenous.

1.3 Navigating heterogeneity and intersectionality

"The abuse of women is well known in history and tells you a lot about what is happening on our earth." – LaDonna Brave Bull Allard, Standing Rock Sioux.

Gender is a critical factor that frequently increases the likelihood of people being underrepresented, marginalized, and often erased from the narrative around development, sustainability, and conservation. Understanding the needs and the benefits of effectively and equitably engaging these stakeholders is vital for informing company target-setting strategies and achieving progress on science-based targets for nature. Recent studies have emphasized the criticality of addressing gender inequities in conservation (The Nature Conservancy 2024) and the benefits of gender parity for outcomes of climate policy interventions (Cook et al. 2019). That said, the international Finance Corporation's (IFC's) *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging*

Markets highlights "the importance of remembering that women are not a homogenous group and will not share all the same interests or priorities, which necessitates attention to the representation of women across socioeconomic, racial, ethnic, religious and gender identity lines, as well as women of different ages, marital status and women with disabilities. Consultation with local NGOs or community-based organizations (CBOs) that represent women from minority groups may be helpful in ensuring representation." Indeed, no stakeholder group is homogenous, whether migrant workers, youth groups, persons with disabilities, or ethnic or racial groups.

Indigenous peoples are not a homogenous group. They do not have a generalizable set of interests across different ethnicities or even within the same ethnic group. Some Indigenous groups avoid contact with people outside their own group, while others are active members of political organizations and participants of enterprises in the territory. In addition, Indigenous peoples are often economic actors, with economic interests and partners in the exploitation or use of natural resources. Simplistic narratives that present Indigenous peoples and local communities exclusively as custodians of biodiversity and as groups interested in conservation and protection of the environment ignores that they may also have economic interests and productive processes and economies that are often disrupted by the operation of new production or sustainability activities in their territory.

Also relevant to identifying and understanding stakeholders is the analytical framework of intersectionality. Underrepresentation is especially pervasive for people with marginalized intersectional identities, such as gender and race including (but not limited to) Two-Spirit peoples or people of color who are transgender or non-binary. Intersectionality recognizes variation in how peoples' social and political identities combine to create different potentials for negative and positive outcomes.

The concept of recognition justice, embedded in "earth system justice" (Gupta et al., 2023) put forward by the Earth Commission, recognizes the unique worldviews, practices, and values of people at a local scale based on their unique identities. This is a critical aspect of meaningful stakeholder engagement when building relationships with those who hold marginalized identities. This aspect of justice along with procedure justice (inclusion in norms and decision-making processes) and distribution justice (allocation of costs and benefits) is particularly critical for engaging with Indigenous peoples and other marginalized identities.

Example: The role of ancestral knowledge in risk management.

In Aneyoshi, a small village on Japan's northeastern coast, large stone tablets warn residents of tsunamis. The warnings loosely translate to "Remember the calamity of the great tsunamis. Do not build any homes below this point." In this case, ancestral knowledge informs communities how they can mitigate the loss of life and property from natural disasters.

1.4 Legitimate representatives, proxies, and recognized experts

In situations in which engaging with the group collectively is not possible or not appropriate to the purpose or when stakeholders choose to engage via such representatives, organizations will be engaging with certain affected stakeholders through their representatives. In certain circumstances, it may not be advisable for a company to engage directly with disproportionately harmed stakeholders, for example, when engagements put communities at risk or when there are relevant protections in place, as in the case of Brazil's Department of Indigenous Affairs' policy for uncontacted Indigenous peoples (Survival International, "FUNAI").

It is not uncommon for affected stakeholders to have identified representatives who can speak for their interests and concerns. Some examples of stakeholder representatives can be tribes' officials, community groups, trade unions, and neighborhood leaders. Representatives must be acknowledged as legitimate by the stakeholders they purport to represent.

In these situations, organizations should:

- take care to be sure that the individuals concerned are recognized by the stakeholders as their legitimate representatives, whether based on their culture and established practices and traditions (e.g., in the case of Indigenous peoples) or, in the case of workers, based on processes that align with the right to the freedom of association;
- consider the demands of an engagement process on representatives' time and whether to offer compensation, where this is culturally appropriate and does not compromise their perceived independence;
- understand whether representatives are representing the perspectives of all groups within their constituency, including otherwise vulnerable and marginalized individuals. Organizations can seek verification that representatives are communicating the results of engagement back to their constituents by talking periodically to a sample of individuals from the wider community.

In certain circumstances, it may not even be possible for an organization to engage directly with representatives of affected stakeholders, for example, when this would expose those stakeholders to risk or when they are physically difficult to reach. This requires that an organization look for other avenues through which it might gain insight into their likely perspectives and experience, such as through credible proxies or third-party experts. Care should be taken not to allow a perceived lack of time to become a rationale for defaulting to engagement with alternative sources, as this can quickly contribute to poor relationships with affected stakeholders, risks to the success of the activities or initiative on which engagement is focused and missed opportunities for collaboration.

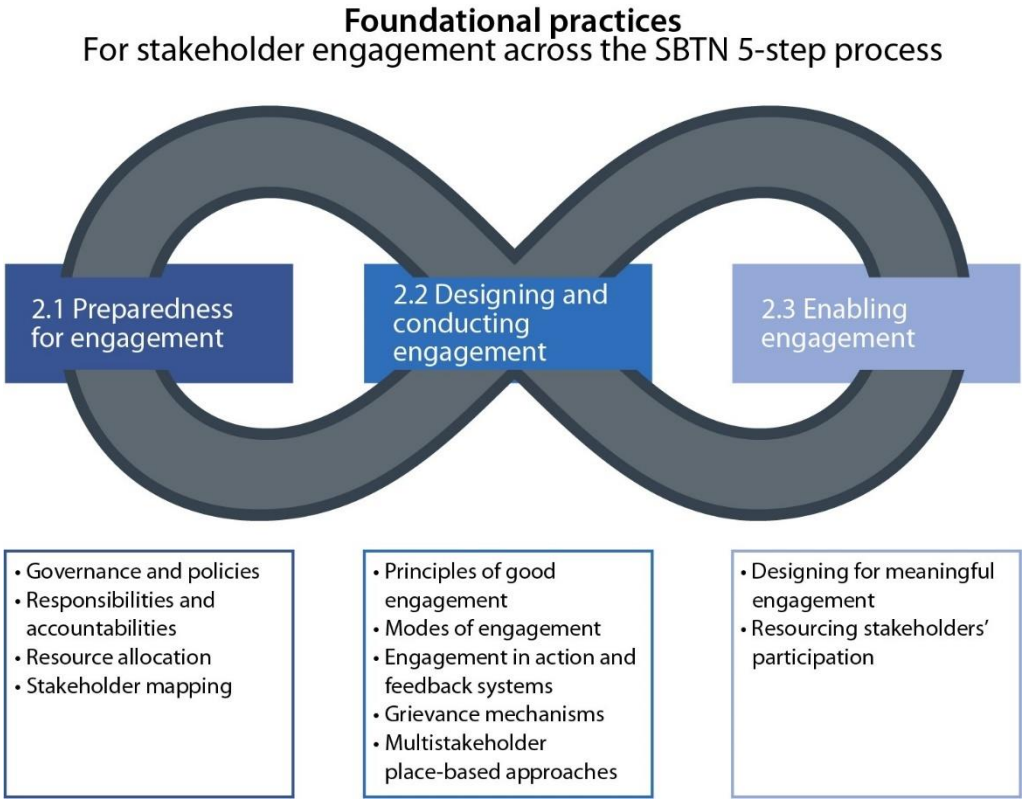
The table below is based on "Doing Business with Respect for Human Rights"—a product of the Global Perspectives Project, led by the Global Compact Network Netherlands, Oxfam,

and Shift.

Affected stakeholders and their legitimate representatives	Credible proxies	Recognized experts
Individuals who 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.	Individuals with sufficiently deep experience in engaging with affected stakeholders from the relevant region or context (for example, with women workers on farms within the region, local Indigenous peoples, or migrant workers) 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.	Individuals who can bring particular knowledge or expertise regarding the kinds of concerns, issues, and priorities that affected stakeholder groups have been known to convey with regard to the types of nature-related activities or natural resources concerned within relevant geographical contexts. Recognized experts might include academics and other researchers with expertise in the groups concerned.

Part 2: Foundational practices

Engaging with affected stakeholders across the five steps of the SBTN target-setting process will only be effective if organizations are well prepared to do so and are constantly building competency to identify all relevant stakeholders, hear from them, and act on the engagement. This section is focused on the most essential information for business leaders and practitioners to grasp, spotlighting the importance of the foundational practices in the following areas: **preparedness for engagement, designing and conducting engagement,** and **enabling engagement.**



The content in this section draws extensively on TNFDs *Guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders*, in particular Section 4: Preparedness for Engagement; Section 5: Designing and Conducting Engagement; and Section 6: Engagement in Systems for Action and Feedback. **SBTN recommends that readers use these sections of the TNFD document as companion guidance. TNFD's guidance include signposts to more detailed guidance and best practices that companies can use to inform their practice.**

2.1 Preparedness for engagement

2.1.1 GOVERNANCE AND POLICIES: Boards can play an important role in establishing an organizational culture that seeks out and values the perspectives of Indigenous peoples, local communities, and affected stakeholders, including those who are most marginalized. Boards may themselves look for appropriate ways to engage directly with the perspectives of stakeholders that are respectful and culturally appropriate. Guidance developed by the World Economic Forum Global Future Council on Human Rights provides questions for an organization's board to determine how well the organization engages with affected stakeholders.

Effective engagement with Indigenous peoples, local communities, and stakeholders who are, or may be, affected by the organization's nature-related issues and responses should be formally integrated into the organization's policies, processes, and systems. To be effective, this should include a clear policy framework on engagement with Indigenous peoples, local communities, and affected stakeholders that takes a long-term view and focuses on building relationships, avoiding negative impacts on stakeholders, achieving positive outcomes for stakeholders, and identifying opportunities for mutual benefit. The organization should have robust policies that respect Indigenous peoples' and local communities' rights and that prevent and address any coercion, manipulation, intimidation, redress, and grievances of Indigenous peoples, local communities, and affected stakeholders.

2.1.2 RESPONSIBILITIES AND ACCOUNTABILITIES: Engagement with affected stakeholders needs to be effectively managed, with a clearly defined strategy, set of objectives, timetable, budget, and allocation of responsibilities. Setting an organization up for success in its engagement involves:

- ensuring all staff are aware of the engagement policy and processes for engagement with affected stakeholders;
- informing third parties who interact with affected stakeholders in connection with the organization's business about the policy and any current engagement processes or resulting agreements to help ensure that these are supported and not undermined;
- establishing clear responsibilities and accountabilities, including to senior leadership within the organization, for the appropriate conduct of engagement in line with the organization's policies;
- ensuring staff responsible for engagement have appropriate training and experience and understand the local context and operating environment, including an understanding of local languages, customary law, and community protocols;
- building a culture in which staff who are not part of formal engagement processes practice respectful engagement when they interact with community members and workers.

2.1.3 RESOURCE ALLOCATION: Engagement with affected stakeholders requires adequate resources to succeed, including human and financial resources; time; and, in some situations, technological resources. This may include the availability of key representatives and assistance with building the capacity of Indigenous peoples, local communities, and affected stakeholders.

Engagement processes can fail if they overlook the resource of time. Project and activity timelines need to factor in the time needed for Indigenous peoples, local communities, and affected stakeholders to put their own preparations in place for the engagement. Sufficient time must also be allowed for the engagement itself—that is, for traditional/customary governance systems (particularly where there are complex issues) to consider divergent perspectives and significant consequences to the decisions made.

2.1.4 STAKEHOLDER MAPPING: Robust stakeholder mapping enables companies to more effectively distinguish sub-groups clearly, identify potentially highly impacted groups, and seek to understand the distinct ways in which these groups may need to be engaged. In practice, such mapping can provide companies with a fuller understanding of stakeholders who:

- may be Indigenous to a place where companies undertake operations, even if they 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, whose nature loss and degradation might impact the stakeholder's basic rights and welfare;
- may be affected positively or negatively by the company's responses to nature loss and degradation, including their 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.

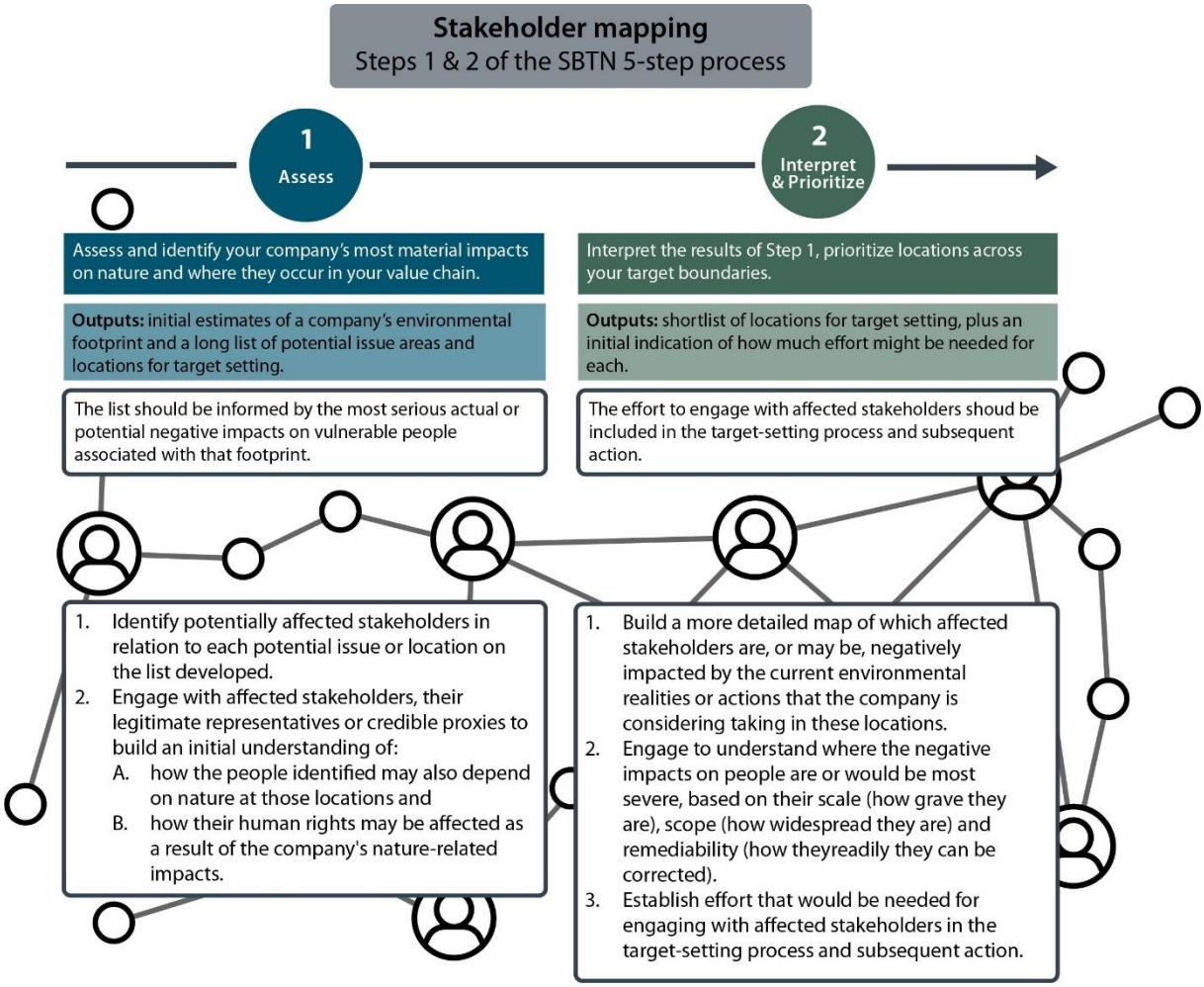
Comprehensive mapping is an essential component of SBTN Step 1: Assess and **Step 2: Interpret & Prioritize locations for action.** A robust stakeholder map will also then be a critical tool for companies to use, update, and reuse as part of decision-making and action across the remaining steps of the SBTN five-step process.

The process for conducting stakeholder mapping can vary by company and by location. The mapping can take the form of a simple graph or matrix or be represented as a complex social network of stakeholders. In all cases, it should be a means to visualize relationships with stakeholders, the potential impacts on a given stakeholder group, and the level and kind of engagement needed during the target-setting process. Companies using a network analysis approach may also find that mapping shows broader influence and power dynamics as well as potential pathways for addressing those through relationship building.

When mapping stakeholders, it is also important for companies to proactively include, and

not exclude, local stakeholders who already have grievances with the company or broader actions taken by business or local governments.

Companies may find that their stakeholder mapping efforts are iterative as they progress through the SBTN target-setting journey. In the **Step 1** and **2** methods, companies may leverage existing information to understand where they have existing relationships with stakeholders that can be built on during target setting and identify Indigenous communities, local communities, and other affected stakeholders in those locations. When moving to setting and acting on a science-based target for nature, companies should return to this mapping exercise to deepen their understanding of key stakeholders in each location relevant for target setting and to better understand their needs and contributions to the targets.



Stakeholder mapping should also be informed by an analysis of local dynamics. For example, identifying influential individuals and groups whose political and economic interests lead them to support science-based targets that more vulnerable workers and community members may oppose can, among other things, identify threats that vulnerable individuals or groups may face when speaking up about their concerns. (See Section 2.3.3 Protecting groups from violence or intimidation.)

Stakeholder for: The following guidance materials can be used by companies when mapping stakeholders who may be affected by business activities, including actions to implement science-based targets.

- The IFC's Stakeholder Identification and Analysis, which is Part One of its *Practice Handbook for Companies on Stakeholder Engagement.*
- The International Council on Mining and Metals stakeholder identification tool, which is part of **ICMM's** Community Development Toolkit.
- The Danish Institute for Human Rights' **Stakeholder Engagement Practitioner Supplement** contains a section on stakeholder mapping, which provides a template for identifying the various stakeholders as part of conducting a Human Rights Impact Assessment (HRIA). The full HRIA toolbox and practitioner supplements can be downloaded here.

2.2 Designing and conducting engagement

2.2.1 GENERAL PRINCIPLES OF MEANINGFUL ENGAGEMENT: Respected guidance identifies a range of principles that should guide any engagement process, regardless of the mode of engagement. Engagement process should:

- target those most severely and likely to be impacted;
- be responsive to the perspectives, needs, and interests of marginalized groups, including Indigenous peoples and local communities;
- be based on the prior disclosure and dissemination of relevant, objective, meaningful, and easily accessible and understandable information in a time frame that enables engagement in a gender-, age- and culturally appropriate format;
- ensure the diversity of participants based at a minimum on gender, age, ethnicity, and disability status;
- consider the different access and communications needs of various groups and individuals, especially those who are vulnerable or disadvantaged, and use language, formats, and techniques that are culturally appropriate;
- include sensitivity to, and where necessary, protections for individuals who may be at risk of violence or intimidation for expressing their concerns or opposition against a company, industry in general, or the government.
- facilitate two-way communication, enabling all participants to exchange views and information, hear from others, take the initiative in raising issues, and have their issues addressed, including outside of formal meetings;
- be carried out in a non-discriminatory manner, free of external manipulation, interference, coercion, and intimidation and be carried out using ethical codes of conduct to ensure cultural behaviors are respected, especially those of Indigenous peoples and local communities;

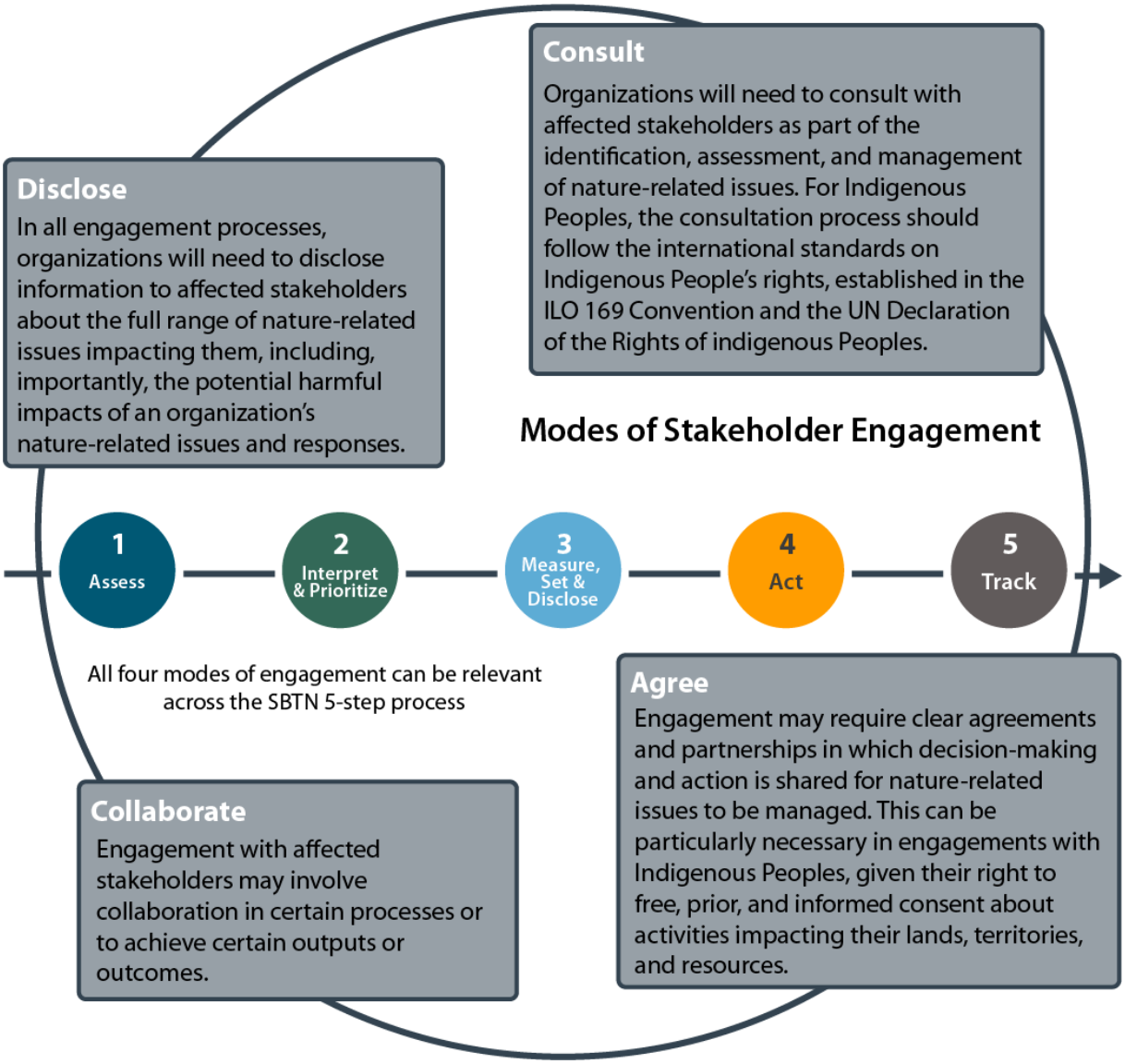
- be gender-inclusive, recognizing that men and women often have differing views and needs;
- be adequately documented, both in substance and process;
- report back in a timely way to those engaged, with clarification of next steps; and
- be ongoing to account for changes in a company's strategies and activities or changes to the local context on which those activities are being implemented.

Further engagement principles are covered in in the IFC guidance for companies doing business in emerging markets, the International Union for Conservation of Nature and Natural Resources (IUCN) stakeholder engagement guidance, and the International Council on Mining and Metals (ICMM) Stakeholder Research Toolkit.

The Tkarihwaié:ri Code of Ethical Conduct—engaging local communities on biological diversity.

A number of principles exist that build on internationally accepted stakeholder engagement principles and best practices but focus on specific groups and sustainability challenges. One such example is the Tkarihwaié:ri Code of Ethical Conduct, which was developed to ensure respect for the cultural and intellectual heritage of Indigenous and local communities relevant to the conservation and sustainable use of biological diversity and was adopted under the Convention on Biological Diversity. It is intended to provide guidance on activities and interactions with Indigenous peoples and local communities and on the development of local, national, or regional codes of ethical conduct. The aim of this code of conduct is to promote respect and preserve and maintain the traditional knowledge, innovations, and practices from these communities that are valuable for the conservation and sustainable use of biodiversity. The key principles underlying this code include **respect for intellectual property of Indigenous peoples and local communities; free, prior, and informed consent; intercultural respect; fair and equitable sharing of benefits; and the precautionary approach. The Tkarihwaié:ri Code also emphasizes that the prediction and assessment of potential harms to biological diversity should include local criteria and indicators and fully involve the relevant Indigenous people and local communities.**

2.2.2 MODES OF ENGAGEMENT**:** Engagement with affected stakeholders encompasses a broad variety of methodologies. As shown in the diagram below, these include "pushing" information out ("pitch" or "**disclose**"), "pulling" information in ("**consult**"), engaging in a problem-solving dialogue ("**collaborate**"), and partnering and sharing power over decisions and actions ("**agree**"). These different modes of engagement are not mutually exclusive and may take place in parallel with different groups or in cycles, with the caveat that "pitching" will never be sufficient on its own.



By way of illustration:

Disclose

- In considering a strategy to improve plastic waste management and recycling in settings where waste pickers typically do most of the work collecting and sorting the waste, it is essential to begin the engagement process by disclosing what the changes in the strategy will mean for their livelihoods and for their health and safety in the waste-picking process.
- In advance of an engagement with local communities about planned changes in water usage and recycling, those communities will need to understand the opportunities and benefits that these changes might bring, such as the sustainability of their own water supply or potential job creation in the area, and any potential negative impacts, such as changed water flows and distribution.

Consult

- 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 effects on jobs, 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.

Agree

- An organization working on a science-based target for freshwater quantity may engage with smallholder farmers to reach a form of agreement or partnership that introduces more sustainable farming methods that reduce water use and benefits livelihoods by supporting the creation of a local cooperative. An organization may engage and negotiate with Indigenous peoples to reach an Access and Benefit-Sharing (ABS) agreement on the use of pharmaceutical compounds that derives from Indigenous peoples' traditional knowledge, and it may then share the economic benefits with those peoples.
- 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. The organization will also need to engage with stakeholders who can offer insight into working conditions across the solar technology supply chain as a basis for establishing goals and programs to advance respect for labor rights.

Collaborate

- An organization may collaborate with affected communities in a joint fact-finding process to assess how a target focused on restoration can be delivered in ways that preserve traditional uses of that land or offer alternative livelihoods. Additionally, an organization may collaborate with community leaders through joint monitoring of local natural resources and engage in town hall meetings alongside those leaders to inform the wider populations of the target progress and achievements.

Using third-party facilitators: A company may consider the use of expert third-party facilitation to support an engagement process, in particular when the process is complex, when relationships and trust are weak, or when there are various affected (or other) stakeholder groups involved, such as multiple communities with differing interests and perspectives. This can enable companies to:

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

2.2.3 ENGAGEMENT IN SYSTEMS OF ACTION AND FEEDBACK: Engagement processes will only succeed and add value for all parties if they are part of authentic efforts by a company to deliver positive outcomes for affected stakeholders engaged. Without this, the process risks being seen by stakeholders as insincere, and relationships may worsen rather than improve as a result, increasing risks for the organization and undermining opportunities that may otherwise have materialized. It is therefore important that, as the organization prepares to respond to nature-related issues, it also:

- has internal systems for integrating the views of affected stakeholders into decision-making at the management level;
- formally records and integrates commitments and agreements into systems to ensure they are implemented and be held accountable for action;
- keeps affected stakeholders informed of progress, changes, or delays in the implementation of commitments or agreements and explains any reasons for changes or delays; and
- keeps affected stakeholders informed of the results and conclusions of the project.

Providing feedback to stakeholders on how their inputs in an engagement process have influenced the organization's decisions or actions or on why particular feedback has not been acted on is important to maintain positive relationships and a foundation for future engagement. Without such feedback, frustrations can fester and assumptions may be made about the organization's motivations and practices.

> *"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 Smith

At worst, this may culminate in pushback or protest when the organization seeks to proceed with its plans. When the mode of engagement is intended to be one of collaboration or to reach and implement an agreement, continuous updates on developments from all involved are essential to ensure success.

As part of their governance of engagement processes, organizations should have formal and accountable internal processes and mechanisms to track and report back regularly on commitments and agreements made.

2.2.4 GRIEVANCE MECHANISMS: 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."* In order for companies to identify and rectify situations in which stakeholders have been treated improperly in the engagement process, effective grievance mechanisms should be in place. Effective grievance mechanisms are distinct from the process of stakeholder engagement; they are complementary and mutually reinforcing. Companies that have a well-functioning and accessible grievance

mechanism provide an effective channel for issues to be surfaced and formally addressed.

Identifying grievances early and addressing them before they escalate and undermine the engagement process is key. 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 activities. The standards define key criteria for the effectiveness of stakeholder grievance mechanisms, identifying the need for them to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, based on dialogue and engagement, and a source of continuous learning. They make it clear that companies should embrace dialogue when addressing disputes and have a formal means of referring issues to appropriate and independent third parties for any adjudication of outcomes. Internal personnel in positions of decision-making power who are actively part of the target community can also lessen uneven and negative impacts on frontline and fenceline communities.

To ensure that grievance mechanisms are effective, companies should design them in line with the following effectiveness criteria laid out in *the UN Guiding Principles on Business and Human Rights*, which state that grievance mechanisms should be:

1. **Legitimate**: enabling trust from the stakeholder groups for whose use they are intended and being accountable for the fair conduct of grievance processes;
2. **Accessible**: being known to all stakeholder groups for whose use they are intended and providing adequate assistance for those who may face particular barriers to access;
3. **Predictable:** providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of processes and outcomes available and means of monitoring implementation;
4. **Equitable**: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice, and expertise necessary to engage in a grievance process on fair, informed, and respectful terms;
5. **Transparent:** keeping parties to a grievance informed about its progress and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
6. **Rights-compatible**: ensuring that outcomes and remedies accord with internationally recognized human rights;
7. **A source of continuous learning:** drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;
8. **Based on engagement and dialogue:** consulting the stakeholder groups for whose use they are intended on their design and performance and focusing on dialogue as the means to address and resolve grievances.

2.2.5 MULTI-STAKEHOLDER PLACE-BASED APPROACHES: Collaboration with other stakeholders, including supply chain partners and downstream consumers, governments, and other businesses that interact with the same ecosystems is critical when assessing and responding to nature-related dependencies, impacts, risks, and opportunities. Nature-

related risks and opportunities extend beyond the organization's direct operations and value chains into surrounding areas and are often shared.

This is where organizations and investors can have blind spots in their risk assessment, and physical risks along the value chain can create transition risks, including policy, legal, and reputational risks, that have not been adequately foreseen. There may be nested risks present in the broader landscapes that overlap with an organization's farm, facilities, and supply chain. Engaging with other businesses that share similar dependencies or impacts in a specific ecosystem or biome may provide the organization with new and useful perspectives and help them identify collaborative opportunities that can be mutually beneficial.

Multistakeholder engagement, like landscape approaches, can enhance the implementation of all five steps of the SBTN process. Engagement actions with local communities and civil society groups might include involvement in landscape partnership agreements or multistakeholder governance structures, which can enable the sharing of unique place-based insights and data, the identification of risks and opportunities in the landscape, and agreements on shared goals and strategy. For more, see CDP guidance on "Landscape and Jurisdictional Approaches" (2023), IUCN *Business for Sustainable Landscapes: An action agenda for sustainable development* (2017), and additional case studies included in the Appendix.

Navigating Trade-Offs: An integrated management approach is more likely to lead to sustainable landscapes in the long term by explicitly addressing trade-offs and synergies among stakeholders and between different parts of the landscape and by building collaborative relationships. Although synergies may have been identified, trade-offs are sometimes unavoidable. Achieving multiple objectives means accepting trade-offs (Holl & Brancalion, 2020), and these should be assessed and agreed upon with Indigenous peoples, local communities, and affected stakeholders at the start of projects. It is crucial that the reasons for trade-offs are substantiated and based on sound science and best practices to achieve the "highest and best outcomes" (Gann et al., 2019).

2.3 Enabling participation

Processes where stakeholders feel, at the time or subsequently, that they did not have the opportunity to engage on an informed and equal basis result in inherently fragile outcomes and may lead to loss of trust and poor relationships into the future. They may also lead to formal objections and obstruction to the organization's plans.

2.3.1 DESIGNING FOR MEANINGFUL ENGAGEMENT: The design of any engagement process will need to consider the practical arrangements. Attention should be paid to any barriers to engagement, such as:

- access to timely information
- barriers of language or literacy;
- ease of access to certain locations;
- barriers to the trust and confidence necessary to engage openly and without fear of retaliation;
- cultural appropriateness of venues, such as meetings in large, official office buildings with heavy security compared to a local village or farm site;
- barriers to respect for Indigenous peoples' and local communities' structures of decision-making;
- barriers of language and knowledge systems;
- timing of meetings, with attention to when attendance might be limited by holidays, harvest time, or busy work periods, including times of the day when women are typically busy;
- barriers faced by certain sub-groups who may need separate spaces and means to raise their voices, for example, women whose voices are marginalized in community decision-making or migrant workers who fear for their jobs if they raise concerns.

The International Finance Corporation's *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets* highlights several key factors that should be considered to ensure the effective integration of gender considerations in stakeholder engagement processes.

Stakeholders will need to be fully informed in advance of any engagement process so they can understand what the process, time frame, timetable, and objectives are and so they can consult background information and any supporting resources and prepare their thinking.

2.3.2 RESOURCING STAKEHOLDERS' PARTICIPATION IN ENGAGEMENT PROCESSES: Organizations need to consider the resources engagement requires of the stakeholders concerned, and this should inform the resources that the company brings to the engagement. Engagement with those concerned can be important in understanding those resource needs. 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.

Companies might need to commit resources to improve stakeholders' access to engagement processes. Dedication of adequate resources (time, funding, access, in-kind contributions) is important to the success of an equitable stakeholder engagement process. Human and financial resources, time, and technology have proven helpful resources to further equitable stakeholder engagement. For example:

- If an organization is drawing on scientific data on ecosystems to assess the viability of an activity or strategy, it is important that the stakeholders have the capability to understand and interpret that information and trust that it is legitimate and gathered and used without bias.

- When there are diverse stakeholders involved, such as smallholder farmers from across a region or farming different commodities, those diverse stakeholders may need specific support and resources to organize their own voices and concerns so that they can engage effectively with the organization.

One way for companies to secure stakeholders' participation in company-led engagement processes is to collaborate with established funds or NGOs already doing such work. In the context of Indigenous peoples, the following are examples of the types of organizations that businesses can seek to partner with: International Funders for Indigenous Peoples, Pawanka Fund, Tamalpais Trust, NDN Collective, Decolonizing Wealth Project, and Foundation for a Just Society.

2.3.3 Protecting groups from violence or intimidation:

Engaging stakeholders in target setting and the evaluation of progress also requires that companies take action to protect individuals or communities voicing their concerns about the company's business activities, targets, and plans to meet those targets. This is because, for some vulnerable individuals within identified groups, expressing their concerns or opposing the company, its operation, or its presence, may result in threats of violence, including violence within the household, the community, or the territory.

By way of example, women within Indigenous groups may have grievances against the presence of a company, but because the men in the community perceive an economic benefit resulting from the interaction with the company or its presence, a potential consequence for women expressing opposition could include household violence, repression, discrimination, or in general, the violation of their human rights. Companies should seek to guarantee that in the aftermath of their engagement with women, no violence or retaliation is perpetuated against them. This is a key part of ensuring that women are gathering and expressing their thoughts freely and without fear of reprisal by their own communities, spouses, or elders.

Companies have to be aware of such local dynamics and risks and ensure that engagement with individuals or vulnerable groups includes mechanisms to protect these individuals even after the communication or engagement with the company has ended.

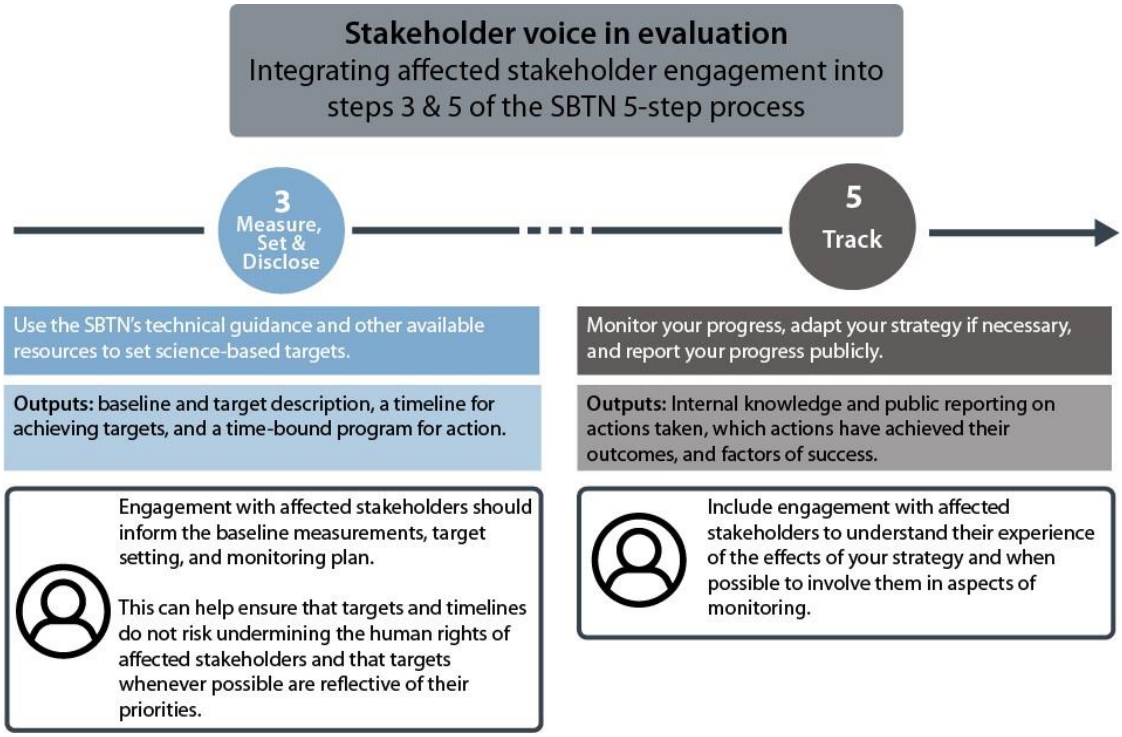
Part 3: Stakeholder engagement in outcome evaluation

Engagement with affected communities and workers in the target-setting process—*including in the technicalities of baseline assessments, target setting, and monitoring*—will significantly contribute to ensuring that companies address the unique impacts of science-based targets on these groups, in particular any potential risks to their human rights and wellbeing. Communities at high risk of negative impacts, rather than only figuratively being "at the table," should have the agency to design and affect how the outcomes of nature-based activities that impact their interests are measured and evaluated.

As shown in the diagram below, stakeholder engagement within evaluation is relevant for **Step 3: Measure, Set, & Disclose** and **Step 5: Track** of the SBTN five-step process. Various scenarios may arise in which agreed targets based on purely biophysical science-based criteria do not reflect the rights of affected stakeholders and in which 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. For example, Indigenous peoples, local communities, and workers may:

- agree with and have a shared interest in the adoption of a particular target that might impact their community and does not directly undermine their own interests, including their human rights;
- have a shared interest with the company in a particular objective or target but disagree on the model or methodology proposed;
- consider that a target, while not unjust or inequitable when considered in isolation, ignores or overlooks separate but related issues that are of primary concern to them; or
- be concerned that the implementation of a target will directly undermine their interests.

This section provides initial orientation to the ways in which engaging stakeholders should be pursued. The content draws extensively on the discipline of participatory evaluation from the international development and public policy fields. This approach, sometimes referred to as participant centered or stakeholder centered, involves the stakeholders of a program or policy in the evaluation process. The guidance below covers: **the benefits of engagement as part of science-based target setting and monitoring; integrating social considerations into what gets measured; an introduction to participatory evaluation; integrating social considerations into what gets measured; stakeholder voice across the cycle of evaluation;** and **navigating tensions and trade-offs.**



3.1 The benefits of engagement in science-based target setting and evaluation

Effective engagement processes with affected stakeholders can help organizations identify approaches to target setting that meet SBTN criteria while also delivering just and equitable outcomes for affected groups. When a company is seeking to develop metrics and targets with regard to its nature-related strategies, it can be important to include their development within the stakeholder engagement process to ensure:

- metrics and targets are seen as credible by those most directly affected by the outcomes and reflect the outcomes that most significantly support stakeholders' rights, interests, and wellbeing;
- inputs to the evaluation of the progress of targets are seen as credible and provide for qualitative as well as quantitative factors, as appropriate;
- accountability for outcomes by ensuring clarity and transparency about how they will be measured and evaluated; accountability requires transparency about decision-making processes, actions, or omissions and putting redress mechanisms in place;
- ease of access to the data needed to evaluate the progress of targets, not least when affected stakeholders may be the ones most able to gather and provide certain types of data.

3.2 An introduction to participatory evaluation

Evaluation can take different forms, using a variety of methods and tools. Participatory evaluation emerged from the fields of international development and public policy in

response to calls for more evidence about program outcomes and for greater transparency in spending. This approach to evaluation engages stakeholders in identifying what to measure and how to measure it.

Participatory approaches are not about a single method. However, a good participatory evaluation will typically include the following ingredients:

- active involvement and inclusion of multiple and diverse stakeholders. This includes historically marginalized groups, such as women and youth.
- valuing stakeholder knowledge, insights, subjectivity, and experiences, including giving them the same weight as quantitative data.
- providing opportunity for participants to shape targets/outcomes and the evaluation process.
- being adaptable and flexible. The evaluation process should evolve by incorporating lessons learned and recommendations made during the process.
- empowering and enabling affected stakeholders to engage in the activities of evaluation by sharing skills, technology, and knowledge with participants through training and workshops.

Engaging stakeholder voice in evaluating outcomes should not be done to the detriment of legitimate, rights-compatible, and trusted intermediaries, such as workers' organizations or local organizations/structures. Rather, it should be considered as complementary to the efforts of these actors. Participatory evaluation will likely be most successful when companies partner with trusted actors to meaningfully involve stakeholder voice in any evaluative exercise.

The degree of stakeholder involvement in evaluation can depend on the nature of the goal or problem that an intervention is seeking to address and on the objectives and motivations for engaging stakeholders. This is depicted in the "Spectrum of Affected Stakeholder Participation" diagram below.

Shift Project 2019

3.3 Pathways for measuring what matters to affected stakeholders

Step 3 of the SBTN target-setting process is an opportunity for a company to formalize

attention and action to address the social risks that arise from science-based target setting and the impacts of the company's target-related actions on stakeholders. At this point, the knowledge and insight from the earlier steps in the five-step process can be crystalized into a commitment to measure what matters to affected workers and community members, in particular Indigenous peoples.

But identifying what indicators and related measurement methods to use will take time. It will require debate and respectful cocreation involving relevant experts and stakeholders who have insights about what makes for good, and bad, social indicators and metrics. It will also need attention from organizations and groups with insight into how best to measure company interventions on one (or more) of many issues, including natural resource rights, living wages, freedom of association, forced labor, child rights, Indigenous people's rights, rights-respecting security, non-discriminatory access to training and professional development, and much more.

Taking the time to establish how best to introduce measurements of what matters to affected stakeholders is consistent with SBTN's overall approach to iterating guidance, tools, and best practices. SBTN is here proposing two potential pathways that could be pursued by companies already setting science-based targets and by the wider community working to set a higher bar for and ultimately mainstream good practice.

- **Pathway One: Adjust targets while remaining scientifically sound**. It may be necessary for a company to consider ways to adjust certain details of a prospective science-based target to account for risks to people in the specific context(s) in which actions will be implemented to meet that target. When exploring this pathway, companies must be sure not to compromise on the design principles for setting science-based targets including that the targets are measurable, actionable, time-bound, and that the ambitions of targets are consistent with efforts to stay within the Earth System Boundaries. In particular, companies looking to address local stakeholder perspectives within their science-based targets may draw on guidance in the **Step 3 Freshwater and Land** methods, which note that companies may exceed the biophysical target threshold to address local socio-ecological needs or policies.

- **Pathway Two: Introduce companion social targets or indicators**. In certain circumstances, companies may need to set additional targets or indicators focused squarely on the most severe impacts to people that have been identified as likely to occur as a consequence of its targets.

  By way of illustration, where a company plans to set a Landscape Engagement Target (one of the three science-based targets for Land (**Step 3**)) that includes forest restoration, it may need to establish a companion target to ensure that in *100% of locations in which Indigenous peoples have connections and dependencies on landscapes in question*, agreements based on the principles of free, prior, and informed consent are reached about all relevant facets of restoration likely to impact those groups. Or, if a company plans to set targets focused on increasing organic soil through the

restoration and regeneration in critical value chain locations by 2030, that company may need to consider associated targets focused on *avoiding or mitigating instances of forced labor* in locations where restoration and regeneration activities will require an influx of foreign migrant workers.

3.4 Participatory data collection, analysis, and interpretation

Integrating the expertise and perspectives of affected stakeholders into **Step 3** and **Step 5** of the SBTN five-step process should also go beyond their engagement in the design of targets and supporting indicators. Workers, Indigenous peoples, and other local community members will invariably *need to be part of data collection, and the analysis and interpretation of those data*, whether as part of baseline assessments or while monitoring progress against targets. This subsection provides an overview of key considerations and good practices to aid companies in approaching this task, with special attention to respecting the rights of affected stakeholders to privacy and other data-related human rights.

3.4.1 DATA COLLECTION: This typically involves gathering information using different qualitative and quantitative methods, including scientific measurements, surveys, and interviews. Some of these methods will require in-person presence in the field with affected communities or workers. Some can be applied through the use of technology. Real-time data collection can reduce time and resource commitment. The proliferation of innovative solutions in recent years has reduced previous limitations to qualitative data collection, including scalability and replicability.

The choice of data collection technique itself affects stakeholder participation. In order to remove barriers between participants and field workers when collecting data in person, methods and tools should be adapted to local conditions (for example, language, knowledge, and skills) and take into consideration participants' needs (for example, cost, time, travel requirements, and anonymity). Failure to do this can prevent stakeholders from sharing their insights.

Stakeholders can also be trained in data collection, for example to conduct interviews, operate data-collecting technology for the purpose of evaluation, and implement field-monitoring systems. Companies should always compensate engaged stakeholders for their time in a manner that honors their expertise and acknowledges the impact they have.

3.4.2 DATA MANAGEMENT AND GOVERNANCE: When companies engage with affected stakeholders as part of evaluation, it is imperative that companies put in place good data management and governance practices. Alongside legal compliance requirements—for example, concerning data privacy and security—various principles and resources are available to guide companies in this endeavor.[1]

[1] See, in particular **Better Evaluation's Rainbow Framework.** There are many different methods and processes that can be used in monitoring and evaluation (M&E). The Rainbow Framework organizes

Of particular relevance for this guidance are efforts to address data governance regarding Indigenous data. The CARE Principles for Indigenous Data Governance were created to advance the legal principles underlying collective and individual rights by considering power differentials and historical contexts of data in advancing Indigenous innovation self-determination. They have been established to support Indigenous peoples to assert greater control over the application and use of Indigenous data and Indigenous Knowledge. This includes the right to create value from Indigenous data in ways that are grounded in Indigenous worldviews and realize opportunities within the knowledge economy.

In the context of implementing **Steps 3** and **5** of the SBTN process, companies should review the briefing on *Applying the "CARE Principles for Indigenous Data Governance" to ecology and biodiversity research*. This elaborates on the application of the 12 CARE principles (see below), noting (in the section of the document titled "Increase in demand for Indigenous Knowledges") that "Although engagement with data from Indigenous Knowledges has increased, most scientific training neglects the data rights, data relationships and ethics protocols that Indigenous communities have regarding their knowledge systems. Researchers will benefit from recognizing that Indigenous Data Sovereignty can be exercised only by Indigenous Peoples as rights holders through the retention and control of their data".

- **On Collective benefits.** Collective benefits within biodiversity research reflect intergenerational timescales and restore and maintain the relationships and responsibilities of Indigenous peoples to personal, collective, and environmental data. To realize collective benefits, environmental data ecosystems must be designed to align and function with community aspirations.
- **On Authority to control.** Indigenous communities have the authority to control data about their lands, community members, and cultural traditions. Data management plans ensure the authority to control by identifying the current and long-term stewardship of Indigenous data, protocols, governance, and knowledge.
- **On Responsibility.** Community–researcher partnerships must be driven by community needs and aspirations and be inclusive of Indigenous values, worldviews, and methodologies. These partnerships should be built around long-term relationships and community investments centered around community-defined benefit sharing and capacity sharing, such as developing a sustained data workforce with fair compensation for community researchers and reviewers.
- **On Ethics.** Researchers working with Indigenous communities have ethical obligations that should guide their conduct and partnerships. This includes learning the history of research relationships in the community, determining community-

these in terms of the tasks that are undertaken: Manage, Define, Frame, Describe, Understand Causes, Synthesise, and Report & Support Use. The guidance can help users to "… plan an M&E activity by prompting you to think about each of these tasks in turn, and select a combination of methods and processes that cover all tasks involved. You might also choose an approach, which is a pre-packaged combination of methods."

defined needs for future research relationships, and going beyond the minimum required protections.

When using technology to gather insights, companies also need to consider potential risks to workers' data privacy and the risk of displacing traditional means of engaging workers, including trade unions. A good guide on how to engage workers in a respectful way is Worker Engagement Supported by Technology (WEST) Principles. The principles were formulated in collaboration with mobile technology providers, worker representatives, experts, and civil society organizations and aim to maximize the value of worker voice tools for all parties, in particular workers. They address a number of issues including how to build trust with workers, facilitate uptake and ownership, manage security and risks, and collaborate and share learnings.

3.4.3 DATA ANALYSIS AND INTERPRETATION: A key value of involving stakeholders in data analysis and interpretation is that they are well placed to identify causal, not just correlative, links between an intervention and changes in their daily lives. For example, workers and community members are best placed to discern which of their numerous life changes are the result of the program—including actions by companies to achieve science-based targets—and which are independent of the program.

There are different methods to analyze data. Some are more appropriate for understanding qualitative data than for quantitative data; others are more suitable for exploring causality between outcomes and efforts or deciding which factors contribute to observed outcomes. For example, techniques have been developed to allow stakeholders to interpret time series data revealing changes over time, and the Most Significant Change method is a way to interrogate a program by asking stakeholders to describe, in their own words, which changes resulting from the program have had the greatest impact on their lives. Such methods can be used separately or in combination with each other or other methods.

Data interpretation or synthesis is a key process in which data are approached systematically in a way that reflects evaluation questions and objectives and can help evaluators to reach justifiable conclusions. The objective of synthesis is to converge information into bottom-line judgments, which interpret collected data and facilitate decision-making.

Bring in stakeholder voices through convening consensus workshops, conferences, or less formal gatherings to seek agreement about conclusions and findings. Asking participants to rank (or organize) conclusions gives them a chance to express the importance of some findings over others. Joint, collaborative sense-making strengthens participants' involvement in the evaluation process and helps to achieve common understanding of data among stakeholders. Real-time data collection and analyses, such as those possible through stakeholder convenings or workshops, often allow for immediate data aggregation and interpretation, making the data analysis step of the process more effective and efficient, both in terms of time and resources.

3.4.4 CLOSING THE FEEDBACK LOOP: Once data has been collected, analyzed, and interpreted to inform action, companies should ensure that the decisions, actions and insights that the data have informed are communicated back to all relevant stakeholders, including those not 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 accessibility to digital communications as a limiting factor in communications with stakeholders in rural areas or in urban areas with infrastructure limitations. Organizations can play an important role in bridging digital divides through capacity rebuilding or alternative communication methods. Stakeholders can play a role in making recommendations and drafting final reports. This includes co-deciding the order of recommendations, lessons, and next steps.

Participatory Evaluation Guidance and Methods from INTRAC. *There is considerable expertise among civil society and development practitioners about how to undertake data collection to learn about the views and experiences of "program beneficiaries." SBTN recommends INTRAC's Participatory Evaluation for a concise and practical introduction to the topic. INTRAC is a not-for-profit organization that builds the skills and knowledge of civil society organizations to be more effective in addressing poverty and inequality.*
INTRAC also publishes supplemental, short introductory notes focused on specific evaluation methods. The following are of particular relevance for this guidance.

- ***Basic Tools for Data Collection:*** *This note is an introduction to different methodologies for data collection and analysis, including "interviews, focus group discussions, observation, photography, video, surveys, questionnaires and case studies" as well as "…reviewing secondary data, and informal project/program management processes."*
- ***Sampling****: This note describes different methods of sampling, which is a "process that enables information to be collected from a small number of individuals or organizations within a project or program, and then used to draw conclusions about a wider population."*
- ***Participatory Learning and Action (PLA****): This note is described as "a type of qualitative research. It is used to gain an in-depth understanding of a community or situation and is always conducted with the full and active participation of community members. PLA is applied through a range of participatory tools and approaches. It is also a philosophy that emphasizes reversals in power relations between communities and outsiders."*

Most Significant Change (MSC)*: as According to INTRAC, this note is "a form of participatory monitoring and evaluation. It involves the collection and selection of stories of change, produced by programme or project stakeholders. MSC can be used in projects and programmes where it is not possible to precisely predict desired changes beforehand and is therefore difficult to set pre-defined indicators of change."*

Part 4: Evaluating the process of engagement

4.1 The value of evaluating engagement

Engagement is a process, not an event or a one-off exercise. Organizations need to evaluate whether an engagement process is leading to the desired outcomes and positive relationships with Indigenous peoples, local communities, and affected stakeholders so they can identify opportunities for learning and improvement to strengthen both ongoing 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 the parties agree, placed upfront in the design of the engagement process. Feedback may be gathered through existing engagements or through separate in-person, survey-based, digital, or other interactions in simple and culturally appropriate language.

Organizations may also engage an independent expert to evaluate their engagement activities. To ensure that feedback from Indigenous peoples, local communities, and affected stakeholders effectively highlights opportunities to strengthen and improve engagement processes, it is important to ensure that individuals feel able to provide their honest views, without fear of repercussions. Guiding indicators to evaluate stakeholder engagement processes are detailed in "OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector."

4.2 Questions to inform evaluation of engagement processes

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

- 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 the organization's managers recognize and value the subject-matter expertise of the stakeholder being engaged? How are they honoring that?
- To what extent 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 through which they are engaged, and do they feel that they meet their needs and cultural preferences?
- Does the organization share information and engage about potential adverse impacts and not just 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 about the 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?

4.3 Indicators for evaluating engagement processes

Indicators for validating stakeholder engagement processes will typically require triangulation between evidence held by the organization and feedback provided by the stakeholder groups involved.[2]

The following indicators rely on evidence from the company alone:

Extent to which potentially affected stakeholder groups have been mapped, distinct from

[2] 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.

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 (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: (a) is fairly conducted (b) would be worthwhile to continue or repeat 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[3]

4.4.4 CLOSING THE FEEDBACK LOOP: Insights from stakeholder engagement process evaluations and relationship should be directly communicated back to both the company and local stakeholders to inform improvements in the engagement process and decisions regarding training, capacity building, resourcing, and future engagement. In cases where local stakeholders see past engagement as ineffective or inequitable, companies should additionally evaluate both informal and formal grievance processes to ensure that engagement processes can continue to evolve through science-based target-setting and implementation.

[3] See OECD Stakeholder Engagement Guidance p86–90 for full table of indicators and performance considerations.

Appendix

Stakeholder engagement standards, principles, and resources

1. CDP (2023), Landscape and Jurisdictional Approaches
2. Convention on Biological Diversity (2004), Akwé: Kon Voluntary Guidelines for the conduct of cultural, environmental and social impact assessments regarding developments proposed to take place on, or which are likely to impact on, sacred sites and on lands and waters traditionally occupied or used by Indigenous or local communities
3. Convention on Biological Diversity (2011), Tkarihwaié:ri Code of Ethical Conduct to Ensure Respect for the Cultural and Intellectual Heritage of Indigenous and Local Communities
4. Convention on Biological Diversity, Glossary of Relevant Key Terms and Concepts within the context of Article 8 (j) and related provisions, endorsed by the Conference of the Parties to the Convention at its fourteenth meeting, within the context of Article 8 (j) and related provisions in its decision 14/13.
5. Convention on Biological Diversity (2015), Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization
6. Convention on Biological Diversity (2019), Rutzolijirisaxik Voluntary Guidelines for the Repatriation of Traditional Knowledge of Indigenous Peoples and Local Communities Relevant for the Conservation and Sustainable Use of Biological Diversity
7. Convention on Biological Diversity (2019), Mo'otz Kuxtal Voluntary Guidelines
8. Food and Agriculture Organization of the United Nations (2014), Respecting free, prior and informed consent: Practical guidance for governments, companies, NGOs, Indigenous Peoples and local communities in relation to land acquisition.
9. International Council of Metals and Mining (2015), Stakeholder Research Toolkit
10. International Financial Corporation (2007), A Good Practice Handbook for Companies Doing Business in Emerging Markets
11. International Financial Corporation (2012), Performance Standards on Environmental and Social Sustainability
12. International Labour Organization (1989), Indigenous and Tribal Peoples Convention
13. International Union for the Conservation of Nature (2017), Business for Sustainable Landscapes: An action agenda for sustainable development
14. International Union for Conservation of Nature (2001), Stakeholder Engagement in IUCN projects
15. IPBES (2019), Global Assessment Report on Biodiversity and Ecosystem Services
16. IPBES (2022), Methodological assessment of the diverse values and valuation of nature
17. The Jemez Principles for Democratic Organizing
18. Kunming-Montreal Global Biodiversity Framework. Section C: Considerations for implementation (Linked to Introduction to the GBF for an overview)
19. Organization for Economic Co-operation and Development (2023), OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
20. Organization for Economic Co-operation and Development (2017), Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector

21. Shift Project (2019), Valuing Respect
22. Taskforce on Nature-related Financial Disclosures (2013), Guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders
23. United Nations (1948), Universal Declaration of Human Rights
24. United Nations (2022), The Human Right to a Clean, Healthy and Sustainable Environment
25. United Nations (2007), Declaration on the Rights of Indigenous Peoples: A Manual for National Human Rights Institutions
26. United Nations Human Rights, Office of the High Commissioner (2011), Guiding Principles on Business and Human Rights
27. UNESCO, Convention for the Safeguarding of the Intangible Cultural Heritage

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SCIENCE BASED TARGETS NETWORK

GLOBAL COMMONS ALLIANCE