Forest Stewardship Council®

Guidance for Stakeholder Engagement

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The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the true value of forests is recognized and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

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1. Introduction

Stakeholder engagement is a key component of the FSC certification scheme, playing an important role in the FSC Principles and Criteria for Forest Stewardship and other parts of the FSC normative framework. Most FSC standards and procedures are set through participatory approaches based on the involvement of environmental, economic and social stakeholders. Stakeholder engagement is not only essential in standard development, it also represents a key element for certificate holders in building long-term relationships with local communities to monitor any social and environmental impact of their forest operations. While stakeholder engagement and participatory approaches in natural resources management can effectively address many issues, it can also be tricky and complicated, at times even frustrating and time consuming, leading to failures and dissatisfaction. To address this, this guidance aims to avoid common pitfalls and guide FSC certificate holders and other stakeholders toward successful mutual engagement by following a straightforward three-step approach: **MAP**, **PLAN** and **ACT**.

Effective stakeholder engagement is dependent on mutual trust, loyalty, transparency, empowerment, and continuity to ensure long term and fruitful relationships between certificate holders and stakeholders. It is an outstanding added value for both an organization and its stakeholders. Effective participatory approaches are based on a mix of diverse and complementary stakeholder views, balancing their multiple interests, and establishing a coherent vision for the management of natural resources while considering the expectations and needs of affected stakeholders. Not all participatory approaches are successful. Difficulties and failures in dealing with stakeholders are common as each stakeholder has a personal view. It might not be possible to meet all stakeholder interests, but it is expected that active listening and discussions with people of differing opinions is done without prejudice to ultimately engage in good faith.

Furthermore, handling participatory approaches benefits from trained staff to guide and facilitate the process. Performing participatory approaches without sufficient expertise risks stakeholder disinterest, lack of motivation, inequitable participation, low engagement and passive attitude.

1.1 FSC System and Stakeholder Engagement

FSC is a system based on a multi-stakeholder approach. As a member of the ISEAL Alliance, FSC is required to integrate stakeholder engagement into its requirements.

FSC incorporates stakeholder engagement in its operations by allowing both direct and indirect engagement throughout the system. The core of FSC is its three-chamber (economic, environmental and social) membership; where members are stakeholders that can directly influence the organization. FSC standards and policies are set through the engagement of other stakeholders along with members who are integral in the standard setting process through participation in working groups and public consultations.

Interwoven in FSC certification requirements is stakeholder engagement on the certificate holder level, and also by certification bodies that use stakeholders to verify conformity of certificate holders and publish stakeholder comments in public forest certification reports.

The FSC Principles and Criteria, the core rules for responsible forestry in FSC, outline requirements for the certificate holder in involving stakeholders in planning, implementation and monitoring activities by incorporating stakeholder engagement. It is commonly understood that to be successful and to really understand the effects of an organization's activities, stakeholders must be a major part of the certification process. Special care is given to local communities and Indigenous Peoples in the FSC system as actors that are required to follow the FSC Guidelines for the Implementation of the Right to Free, Prior and Informed Consent (FPIC) when interacting with affected rights' holders. Stakeholder engagement is further emphasized by the controlled wood standards, where stakeholder consultations are required for developing risk assessments and may be used as a method of mitigating identified risks.

Appropriate engagement should alleviate any future conflicts, but in the event conflict remains, FSC requires a robust grievance mechanism at the certificate holder level; while other FSC standards require complaint and feedback mechanisms at the certification body and Assurance Services International (ASI) level to ensure stakeholders always have a mechanism of addressing outstanding issues. Relevant FSC normative documents are referenced **at the end of this guidance** for further reading.

To guide stakeholder engagement of certificate holders and other actors in the FSC system, FSC encourages this three-step approach: **MAP**, **PLAN** and **ACT**. The three-step approach is described in this guidance, along with the presentation of specific tools and techniques aimed to motivate stakeholders and encourage a proactive attitude. The guidance also includes real life examples from FSC certificate holders selected from all over the world and are introduced hereafter.

1.2 FSC Certificate Holders as Case Studies

This guidance include case example ("From Theory to Practice") with tips and ad- vice taken from the direct experience of FSC certificate holders. These FSC certificate holder case studies were selected to represent a variety of stakeholder engagement approaches found within the FSC certification scheme.

This guidance cover examples from all six FSC regions (North America, Latin America, Africa, Europe, Commonwealth of Independent States (CIS) and Asia Pacific) and represent a mix of geographical locations, types of forest managed, types of organization, types of property, and presence of Indigenous Peoples. The certificate holders, identified with the support of FSC regional and national offices, were selected based on their innovative and dynamic approach towards stakeholder engagement, and volunteered to share success stories and difficulties. The certificate holders selected are not representative of the whole region they came from and should be considered as independent case studies.

Examples, tips and tools used by these FSC certificate holders to improve stakeholder engagement and solve some of the challenges linked to participatory approaches are included to enrich this guidance and presented throughout the document. Brief descriptions of the FSC case studies are as follows:

CMO Ltd (Africa) is an international company working mainly in Namibia and South Africa with operations in other countries as well, managing forests and also providing consultancy and advanced software solutions.

Luzales LLC (CIS) is one of the largest logging companies in the Komi Republic of Russia. It works along the whole timber value chain, from the harvesting operations to the finished products.

Waldplus Srl (Europe) is an Italian private company that manages a group certification with only small and low intensity managed forests, low and intensity managed forests associates, spread throughout Northern Italy. The associates are both private and public owners.

Harrop-Procter Community Co-operative (North America) is a Canadian co-operative that manages Crown land and runs a small sawmill. The local community is at the heart of this FSC certificate holder.

Forestal Arauco S.A. (Latin America) is an international company based in Chile that manages forests in Chile and other Latin American countries (e.g. Argentina, Brazil). The company manages both plantations and natural forests.

Grupo de Certificacion CMPC Pulp (Latin America) is an international company based in Chile that produces mainly pulp. The forests managed by the enterprise are in Chile and other countries.

MASISA S.A. (Latin America) is an international company that works in several Latin American countries with a retailers' network selling timber products.

Forico Pty Limited (Asia Pacific) is a company that works in Tasmania (Australia) where it is a leader in forest management. The company manages both plantations and natural forests.

PT Wijaya Sentosa (Asia-Pacific) is an Indonesian company in the field of forest management and a supplier of raw material for PT Sinar Wijaya Plywood Industries of the Sinar Wijaya Group that produces mainly plywood and decking.

2. Stakeholder Engagement Steps

Stakeholder engagement is a complex process as it requires understanding of stakeholders' interests, expectations and problems. This complexity brings richness to stakeholder consultation but at the same time requires adequate skills to manage stakeholder engagement processes and reduce conflicts while developing a shared vision. Engagement is an evolving and dynamic process to reflect the possibility that stakeholders and their needs might change over time.

To deal with this complexity and dynamism, those who decide to carry out stakeholder engagement must plan an appropriate strategy. Effective stakeholder engagement can be managed through three simple steps:

- **MAP** stakeholders, understanding their characteristics and needs, prioritizing their potential involvement and identifying local communities and Indigenous Peoples;

- **PLAN** stakeholder engagement, defining the objectives, deciding the level of engagement, selecting the actors, understanding the necessary resources, and finally choosing the technique to collect feedback from stakeholders;

- **ACT**, motivating the selected stakeholders, using proper skills, tools and channels to involve them and gather feedback and information to meet mutual objectives.

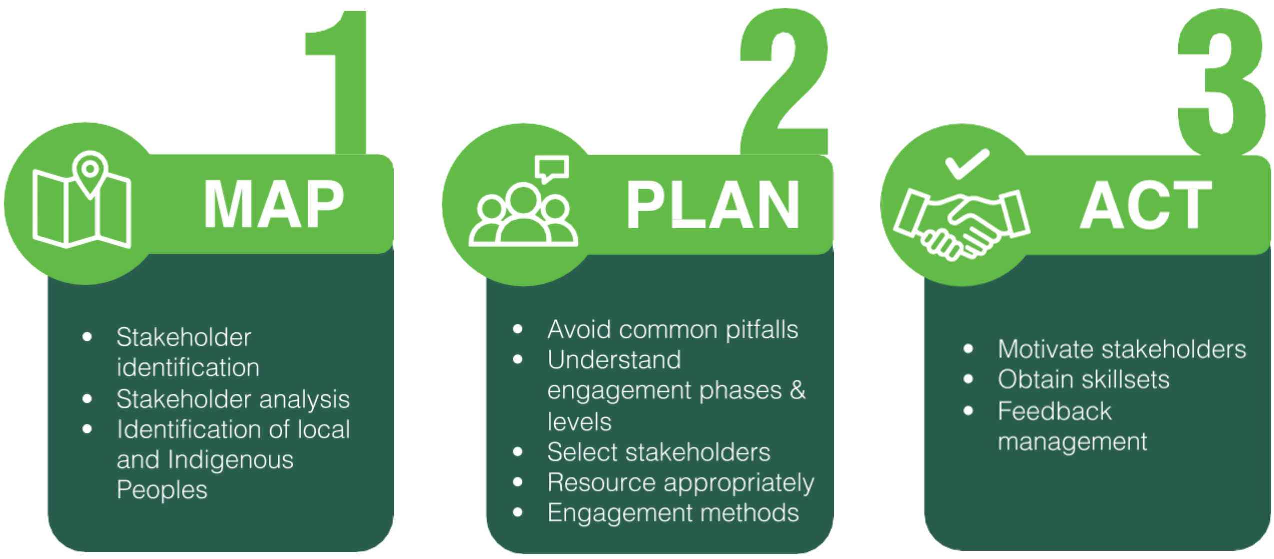

Figure 1. Summary of the three-step approach recommended in this guidance

3. MAP: Identify and Analyse Stakeholders

Stakeholders are actors (individuals or groups) with a vested interest in the policy, product, project, and/or activity being promoted by an organization. Stakeholder interest can depend on various factors: stakeholders might be affected by the activities of an organization, could influence the results of a decision-making process, have recognized power at the local level, or simply live near the area of intervention. Before involving stakeholders, it is important to initially create a list of potential stakeholders and then map them. This does not mean that all stakeholders will be contacted, but allows for better understanding of the activity area and informs how to carry out a transparent decision process, avoiding conflicts and complaints.

Proper stakeholder mapping includes:

1. the updated listing of allpotential actors of the activity area;

2. the analysis of their characteristics and capacity to influence the process; and

3. the identification of local communities and Indigenous Peoples.

3.1 Stakeholder Identification

The first step of mapping is the identification of stakeholders. To effectively identify stakeholders, consider the **desired output** and **stakeholder identification technique**.

3.1.1 The desired output

The final **output** of the stakeholder identification is an updated list of all potential stakeholders affected by or in- volved in an organization's activity. It will be- come the basis for the stakeholder analysis. Stakeholders should be listed and organized in tables where each row identifies a stakeholder, be it an individual or a group of individuals (*see Figure 3*). The basic information to be inserted in the columns of the table are:

- **Identification (ID)**: a distinct number/code given to each stakeholder;

- **Individual or group**, to understand if the person will speak for themself or on behalf of a more complex entity. In the case of a group, a contact person and their position within the organization must be identified;

- **Contact information**: could be email, phone, etc.;

- **Address**: personal or work according to the type of stakeholder.

The table can be enriched later with other data and information that will emerge during the stakeholder analysis.

3.1.2 Stakeholder Identification Methods

There are several methods and templates for stakeholder mapping. The expertise of those conducting the stakeholder mapping in terms of familiarity with the context and background will influence which method is selected based on whether stakeholders are already known, or if outside experts need to be consulted. Some suggested stakeholder identification methods are:

1) Use **existing lists** from other projects. It will still be necessary to check that the list of actors is updated and complete with all information necessary to identify and contact each single stakeholder.

2) **Categorize** the stakeholders already known. Categories will depend on the context (e.g. public entities, suppliers, beneficiaries/users, investors, citizens, etc.), and can be divided into subcategories. This can help identify other new stakeholders based on identified categories.

3) **Brainstorming** with a small group of key actors with knowledge of the activity area. This technique is based on the free and creative contributions of group members during the stakeholder identification. Some tips and best practices are as follows:

a) Suspension of judgment: all contributions are valid! Brainstorming participants are asked to list as many stakeholders as possible, and each proposed organization or individual is considered valid and transcribed without discussions or criticism.

b) The brainstorming sessions can be informal and can benefit from the creative use of sticky notes and posters by participants.

c) Facilitators can be useful during brainstorming activities to bring creative solutions for identifying further possible stakeholders' names but they should not guide the discussion too much.

d) Mind maps can be a useful tool. A mind map is a framework in which all names are represented visually, usually with categories placed in the middle and associated stakeholders arranged around it. See the example in *Figure 2*:

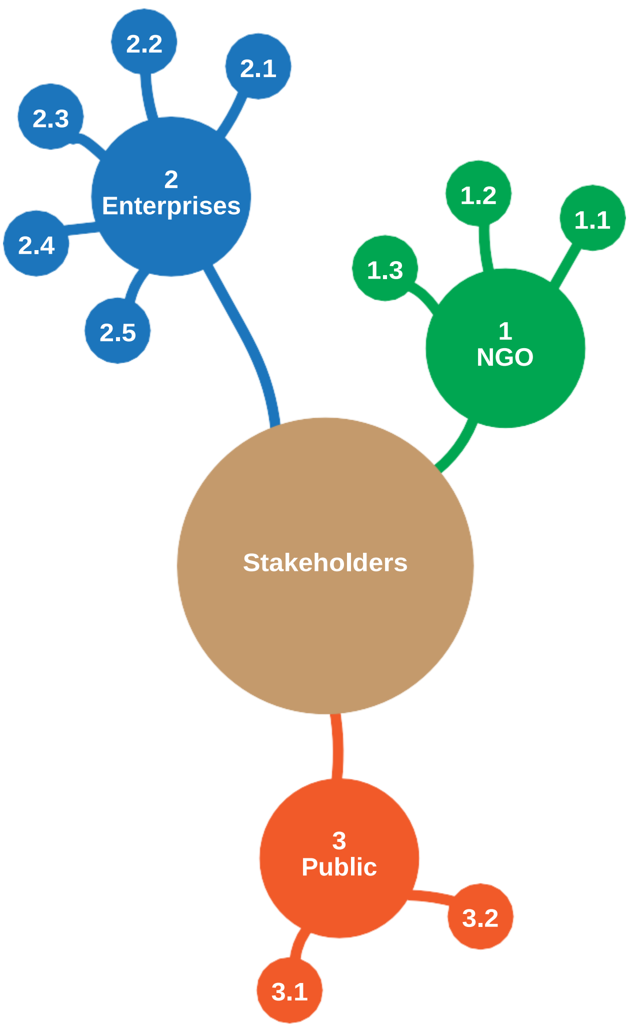

Figure 2: Mind mapping example

4) When the initial list of stakeholders is unknown, a **snowball sampling** can be carried out in the following steps:

a) Create a matrix grid for the stakeholder identification process (*see example in Figure 3*). Columns comprise the basic stakeholder identification information such as name, organization, contact information and address. The rows are divided by categories to relay to respondents to help brainstorm potential stakeholders.

b) Find an initial individual or group in the activity area. Invite them to contribute with a list of stakeholders that should be as diverse as possible, based on a few categories chosen beforehand. Categories should be sure to include prospective stakeholder groups that may historically be overlooked. Use this information to fill out the matrix grid.

c) Contact the newly identified potential stakeholders, or “referrals,” and ask them to submit their own lists of potential stakeholders.

d) Conduct a series of rounds of asking each new referral group for more referrals as deemed necessary.

e) Stakeholders identified in more than one list should be included in the final output of stakeholders.

f) Snowball sampling is typically able to reach an exhaustive list of stakeholders within 2-4 rounds.

ID	Stakeholder / Organization	Position with respect to the organization	Referring person	Address	Contacts (phone, e-mail, etc.)	Notes
Category 1						
Category 2						

Figure 3: Stakeholder identification matrix example

From Theory to Practice: Stakeholder Identification

“We have a software platform where stakeholders are recorded and from where we can contact the stakeholders. We have categorized stakeholders in several types that help us to focus on the appropriate group depending what we need to communicate.”
-CMO Ltd (Africa)

“At least once a year we update the list of stakeholders, including Local and Regional authorities, Neighbouring community organizations of our operations area, Community organizations that are in the area of influence of our operations and environmental organizations with interests in our heritage. For registration we use Geographic Information System (GIS) software to generate geodata analysis in the different territories.”
-Forestal Arauco S.A. (Latin America)[1]

“All interested stakeholders are mapped and informed of our activities. Stakeholders are separated into different groups. There are families where the head of the household is the representative, and groups such as neighbourhood councils where the councils select their representatives, and there are also indigenous communities where their cultural authorities or those they designate according to theme, who are their representatives.”
-Grupo de Certificacion CMPC Pulp (Latin America)

“We identified the key categories of stakeholders of the territory, and then we had a long interview with a few key actors where we brainstormed to create the most exhaustive list possible.”
-Waldplus Srl (Europe)

…Stakeholder identification is the first step in a stakeholder engagement process. It is essential to collect all useful information and to identify all stakeholders. Specific tools, like specialized software, can be used to structure the collection of information.

1 For sample software see the CMO Ltd. software platform or Forestal Arauco S.A. GIS software

3.2 Stakeholder Analysis

Stakeholders do not all have the same influence, needs, or reputational power as the other actors. Thus, a stakeholder analysis is required to describe stakeholders by assigning characteristics or scores, or both, that will subsequently inform the selection of stakeholders during the engagement phase.

3.2.1 Criteria selection for stakeholder analysis

The criteria used for analysis can be many and are chosen based on the context and the objectives of stakeholder engagement. They can include the following parameters:

• **Geographical** (e.g. a valley), **administrative** (e.g. a municipality, a protected area), **working boundaries** (e.g. an organization);

• **Proximity** to the organization/area of interest;

• **Affected** stakeholders;

• **Leadership**, the formal role within an organization or activity area;

• **Responsibility:** who are the people responsible for the activities or the tasks?

• Is the **position** supporter, opponent, or neutral? Who will speak for or against the initiative? This is essential information to prevent potential conflicts;

• **Knowledge** of the topic/area/policy;

• **Inclusion** by ensuring to include any underrepresented actors;

• **Effectiveness**: who can make the initiative more **effective** through participation?

• **Support** through either financial, technological, or human **resources** that the stakeholder has or can mobilize;

• **Interest** in the project, and the advantages it may bring to the stakeholder;

• Active **participation** in previous initiatives;

• Positive and negative **impacts** of stakeholders' activity (e.g. economic, environmental, social) on the activity area;

• **Policy** commitment; and

• The **reputational power** of a stakeholder, defined as the social power of an individual within their community. This could be the ability to affect the decision-making process, the influence on the other stakeholders, or the capacity to implement and accomplish something. Even if they have no formal power or don't have strong knowledge, the opinion of individuals with a high and recognized reputational power should be taken into consideration because they can influence the opinions of other stakeholders.

Information on these parameters can be collected in three ways:

• **what is known** about stakeholders, through personal knowledge or secondary data already published and easily collectable;

• **what stakeholders say**, through targeted interviews (face-to-face, e-mail, telephone);

• **what stakeholders think of each other**, through ad hoc interviews, the snowball sampling if used, or group interviews and focus groups.

3.2.2 How to analyse the stakeholders

Once the criteria are chosen, there are various frameworks that can be used for the analysis to identify key actors and visualize the stakeholders. This guidance lists a few examples, but there are many more. The below examples are classified by number of parameters that can be analysed simultaneously. Users must adapt them to each specific context on a case by case basis. Some sample stakeholder analysis tools based on the number of parameters being considered are as follows:

a) One parameter: A **radar** diagram (*Figure 4*) helps create a representation or map of stakeholders to visualize essential and other stakeholders. Those closer to the core should be considered as key stakeholders and those on the outer sections can be contacted as the consultation widens.

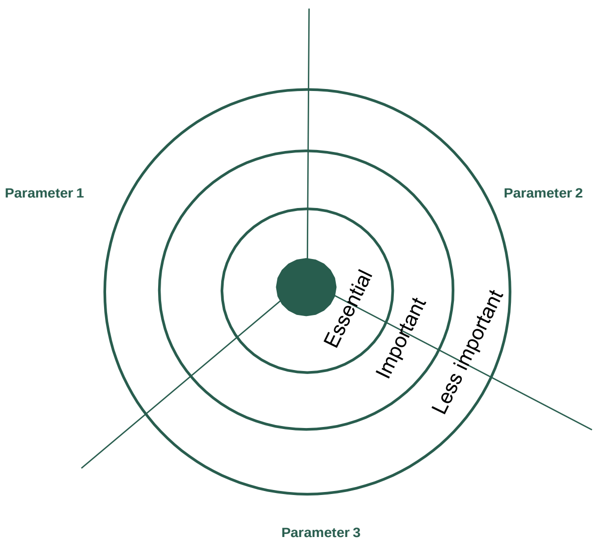

Figure 4: Radar diagram example

b) Two parameters: A **double-entry table** diagram (*Figure 5*) is used with **two or more parameters**. This table allows for both qualitative and quantitative stakeholder analysis. Based on the type of variables chosen, it is possible to give a name to each quadrant of the table; usually the first quadrant represents key actors to always be consulted, while the fourth quadrant includes the less "important" stakeholders; the other quadrants could contain actors who need to be listened to, or actors that require more motivation.

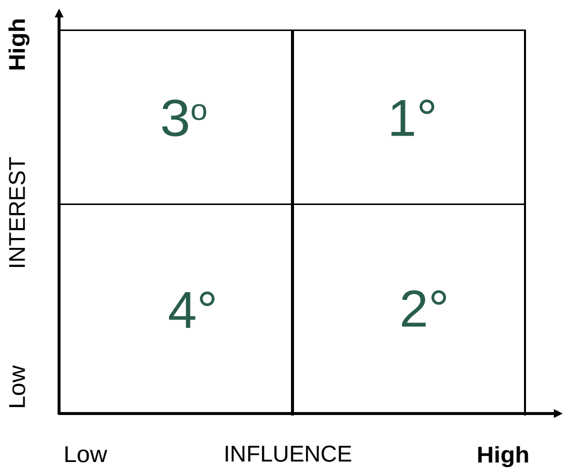

Figure 5: Double entry table example

c) **A Venn diagram** (*Figure 6*) compares stakeholders according to three or more qualitative variables. An actor that possesses a characteristic analyzed by the diagram is inserted into the group relating to that parameter; actors with multiple characteristics are placed in the intersections of the graph. According to the needs of the consultation, the most suitable actors will be reflected in the centre of the diagram and considered to be key stakeholders.

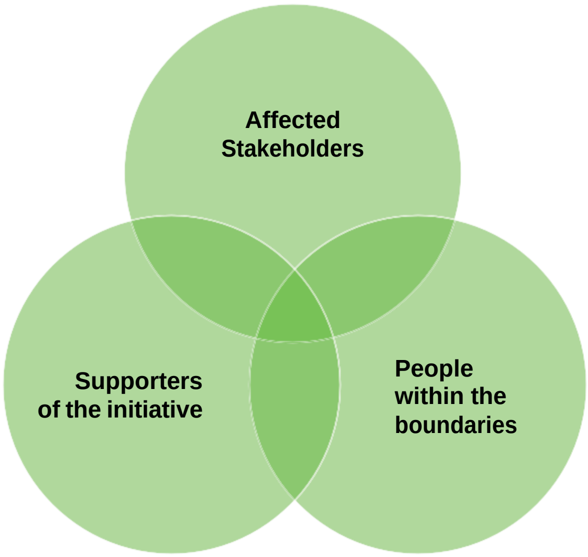

Figure 6: Venn diagram example

d) A **Matrix** allows for the use of multiple variables to which a score is given (normally on a scale of 1 to 5).

The score can be based on the judgment of an expert, the result of a group consultation, or the average of several judgments; the stakeholders will be ranked on the basis of the sum of the scores obtained.

From Theory to Practice: Stakeholder Analysis

"Within the Forico Stakeholder Engagement Management Plan we have plotted "Stakeholder Groups" on a graph based on their interest versus influence to understand the most appropriate communication strategy to deploy – inform, consult, involve, collaborate, empower."
-Forico Pty Limited (Asia-Pacific)

"Priority is given to formal and locally representative organizations. In the stakeholder analysis we consider a wide range of variables such as gender, age, type of organization, characteristics of the territory. For instance, in designing a Local Development Plan, we assure that participation by different type of stakeholders is assured."
-MASISA S.A. (Latin America)

"Stakeholder analysis is determined by a "score" of interests based on the situation and conditions at the local FM/Industry, that reflects the specificity of the local situation. The score helps us to be more organized and objective in the analysis."
-PT Wijaya Sentosa (Asia-Pacific)

…Stakeholder analysis describes stakeholders by assigning characteristics through parameters and/or scores that will subsequently inform who to reach out to during the engagement phase.

3.3 Local Communities and Indigenous Peoples

Not all stakeholders have the same opportunities to participate and contribute during the engagement phase. There may be linguistic, age, gender, social class, literacy, religious, technological, infrastructural, or any other existing barriers to participation. These factors must always be carefully considered in the mapping phase because they create explicit or implicit access barriers that can influence the result.

Special attention should be given to Indigenous Peoples of the area since they can be subject to different types of risks and severity of impacts including loss of identity, culture, traditional lands, and natural resource-based livelihoods. Therefore, during the stakeholder mapping, the identification of Indigenous Peoples and local communities that live in the area and whether any of their rights, resources, land or territories could potentially be impacted by forest operations is fundamental. FSC requires free, prior and informed consent (FPIC) when engaging with Indigenous Peoples as rights holders, and expects certificate holders to follow the most recent FSC FPIC guidelines. Consulting with organizations, such as local or national non-governmental organizations or civil society organizations, can be an effective tool to identify and work with local communities and Indigenous Peoples.

From Theory to Practice: Local Communities and Indigenous Peoples

““On the territory of our presence, the community of indigenous peoples “Udorachi” is registered, which includes residents of the Udora region of the Komi Republic. We communicate not only with leaders, but also with other people permanently living in the territory (hunters, fishermen, native inhabitants). Upon request (e.g. oral, written), we organize dedicated meetings on the territory of the community where we invite not only residents, but also representatives of the administration, employees of the forestry enterprise and experts.”
-Luzales LLC (CIS countries)

“We support local and Mapuche (i.e. the local indigenous community) employment, incorporating Mapuche workers and local entrepreneurs in our company. Furthermore, we interact with traditional leaders and the legal representatives of the local Mapuche community to collect their perspective on relevant issues.”
-Forestal Arauco S.A. (Latin America)

“Indigenous communities are the main/important stakeholders for the operational process of our FM/Industry. Specifically, each FM/Industry has a Standard Operational Procedure (SOP) for carrying out interactions with indigenous communities. For example, we discuss and agree with them on the map of customary territories in all FM areas and on the Annual Cutting Block.”
-PT Wijaya Sentosa (Asia-Pacific)

…The identification of Indigenous Peoples and local communities in the area and whether any of their rights, resources, land or territories could potentially be impacted by the forest operations, is fundamental.

4. PLAN: Choose Engagement Method

When initiating stakeholder engagement, it is important to have a clear vision of the objectives and the expected outputs for planning the process in all its phases. Planning must include flexibility and space for changes due to the results of the process itself. Too often the engagement method is chosen because it is the only known one, or because it has been conducted in another context, so new and innovative methods are encour- aged. When selecting an engagement meth- od, the following should be taken into consideration:

a) the **reason** for starting stakeholder engagement;

b) the potential **pitfalls** that could interrupt the process and the precautions to be taken to avoid creating false expectations of participation;

c) the **level of involvement** expected from stakeholders;

d) how many and which **stakeholders** to involve;

e) the actual **resources** available.

4.1 Benefits of Stakeholder Engagement and Pitfalls to Avoid

Benefits of stakeholder engagement include decision quality, process democracy, and social cohesion and are summarized below:

Decision quality

· New knowledge (e.g. local knowledge and traditions) and competencies from non-traditional sources are acquired

· Complexity can be easily managed

· All participants can mutually learn from one another

· Diversity is appraised and conflicts identified

· Multi-sectoral and multi-level projects can raise awareness

· Priorities of intervention are identified
Ability to assess and manage risks is strengthened

Process democracy

· The dialogue between all actors increases and consequently, reciprocal trust and mutual legitimization is achieved

· Social, environmental and economic changes can be guided and welcomed

· Controversy after agreement can be avoided

· All opinions and values are represented in the process

· The local democratic processes can improve

· The “rules of the game” are decided together

· Equitable and sustainable development is ensured

Social cohesion

· The human and social capital of a community is increased by promoting information, education and greater capacity for action

· Values are shared by multiple actors of the territory

· Sense of belonging to the context increases. Co-responsibility is encouraged

· Enhanced informal networks among participants

· Consensus building can overcome the conflicting conception of majority voting

· A sense of identity, belonging and co-responsibility is created

Stakeholder engagement also includes several risks and its success is not always guaranteed. Engagement methods can be abused, and an incorrect strategy can lead to more harm than benefits. Stakeholder disinterest, participation fatigue, and inequitable participation are some common problems of stakeholder engagement. Most problems related to stakeholder engagement deal with one critical issue: engagement creates expectation! Participants devote time and resources, and if expectations are not managed properly, participant frustration will lead to mistrust of those who promoted the process.

To avoid common mistakes when engaging with stakeholders, best practices are as follows:

· the person conducting a stakeholder engagement process is **as impartial as possible** regarding the outcome of the consultation process;

· the initial objective is clear;

· there is no rhetoric and false promises of participation;

· the person conducting the consultation takes responsibility for **implementing** and considering the **feedback** received;

· **communication** on how the results will be used is **transparent and effective**;

· engagement is not duplicated (excess of consultation);

· participants should represent all sectors/topics as well as possible;

· **enough time and budget** are given to the process;

· the person conducting the stakeholder engagement process has expertise in managing the process and facilitating the interaction among stakeholders;

· the person conducting the stakeholder engagement minimizes political presence that might inhibit and slow down the process;

· the person conducting the stakeholder engagement process is familiar with the socio-political environment and the hierarchical structure of the local context;

· the chosen methodology is adequate for the context;

· carrying out continuous communication with stakeholders even if there are no planned activities;

· the person conducting the stakeholder engagement process believes in it!

The best way to avoid ineffective stakeholder consultation processes is early adoption and highlighting of the objectives of stakeholder engagement. Explicitly naming the objectives and sharing them with partners and stakeholders is the first step in planning. There are no specific rules on how to set engagement goals, but the following guiding questions can help define them mutually with stakeholders:

• What benefits can we gain from stakeholder engagement?

• What do we lose by not engaging?

• How do the stakeholder engagement goals fit the objectives of the organization?

• What new strategic contacts could be acquired?

• What could be learned from the stakeholder consultation?

• What outputs could be achieved?

• What are the expectations about the process?

From Theory to Practice: Choosing Engagement Method

"We are still struggling with communicating widely, for instance when we announce external audits, as this is a certification requirement. We often get responses back where people don't want us to contact them, but some of these stakeholders are key and we cannot leave them off the list. However, generally, due to the effective categorization of our stakeholders we don't find over communication problems arising."
-CMO Ltd (Africa)

"We have created training spaces for social and local leaders with the support of the "Universidad del Bio-Bio", in order to strengthen the capacities of each actor, empower them for dialogue, agreement building and conflict resolution. These programs have been positively valued by the community."
-MASISA S.A. (Latin America)

"For effective work and maximum preservation of productive interaction from the very beginning, it is necessary to identify representatives of the collective stakeholders. Preferably, in every settlement in the territory of the enterprise's presence. The goal is to maintain a balanced management, which will take into account the priorities of the procurement company and the interests of local residents."
-Luzales LLC (CIS Countries)

…The benefits of stakeholder engagement must be recognized and embraced by the organization. Nevertheless, stakeholder engagement also includes several risks, and its success is not always guaranteed.

4.2 Phases and Level of Engagement

Once the objectives have been defined it will be easier to decide which phase and what level of engagement are the most suitable for the specific context.

4.2.1 Phases of engagement

There are two engagement **phases**: divergence and convergence.

• In the **divergence** phase, the goal is to “open up” to complexity, to collect as much information as possible from as many stakeholders as possible. The diversity of participants and disagreements among them are to be considered an added richness of the process.

• In the **convergence** phase, the goal is to reach a consensus regarding the topic of interest. The number of stakeholders to be involved and the number of issues to be discussed can be reduced.

A stakeholder engagement process can include both phases and those who plan the engagement process can adopt multiple engagement techniques for stakeholder feedback.

4.2.2 Levels of engagement

Moreover, engagement can be scaled down into several **levels**, from passive consultation to active and dynamic consensus building. The choice of engagement level to be implemented is fundamental in understanding what type of action to take.

Engagement levels include:

• **Knowledge transfer**, when the objective is to inform or educate stakeholders about decisions already made. This level is useful to start a process of engagement and can be integrated in other levels. However, if there is no wish or possibility to implement other levels of engagement, this **basic one-way communication** level can still be considered a good engagement if carried out transparently. Examples of knowledge transfer engagement methods are: webinars, training activities, events, open room meetings, newsletters and conferences.

• **Consultation**, when the main decisions have already been made, but there is still a need to collect feedback and advice to improve a proposal or change minor issues. **This two-way communication** allows the decision-maker to listen and obtain the information required. Examples of consultation engagement methods are: focus groups, tours, surveys and semi-structured interviews.

• **Active participation**, when stakeholders’ opinions are fully considered in decision-making and agreed solutions are developed. In active participation there is **two-way communication and an implicit aim to build long-term collaboration**. Active participation engagement methods include: open space technology , world cafè, and using questionnaires such as the Delphi method for active interaction among stakeholders.

• **Empowerment**, when stakeholders have been **delegated to carry out and independently manage the engagement process**. Empowerment ensures effective continuity over time as it engages stakeholders in the governance of the process.

Example engagement methods are further explained in the Engagement Method section.

From Theory to Practice: Understanding Engagement Phases & Levels

"Materials (maps, documentation on the policy of responsible management, regulations on the identification and suppression of illegal activities, the procedure for holding public discussions, the procedure for considering disputes, complaints and claims, and also the Summary of the management plan for the coming year) are regularly sent to all stakeholders registered on our list. Information is also presented on the official website of the company."
-Luzales LLC (CIS countries)-Luzales LLC (CIS countries) (Knowledge Transfer)

"We involved the production sector both in the responsible environmental management of our operations and in the management of our neighbors. The foregoing allows a wide coverage of relations with our neighbors and stakeholders. On the other hand, we have empowered teams with the aim of responding to stakeholders in a timely manner based on their different requirements."
-Forestal Arauco S.A. (Latin America) (Consultation)

"All local residents have an enduring interest in the community forest because they drink the water from the creeks that flow down the mountains in the community forest. Local residents are the owners of the organization and control the organization by electing the board of directors at an annual general meeting of the co-op."
-Harrop-Procter Community Co-operative (North America) (Empowerment)

"We deal with several different stakeholders within our group certification. Usually when dealing with public owners we organize public events where active participation is generated by working groups and other activities, in order to let people be actively involved in the management of the forests."
-Waldplus Srl (Europe) (Active Participation)

…Stakeholder engagement can be broken up into several levels to help guide the company to manage stakeholder engagement from knowledge transfer to active participation.

4.3 Stakeholder Selection

There are two key questions to ask oneself when organizing a stakeholder engagement process:

a) How many stakeholders should be involved?

b) What type of stakeholders should be selected?

The answers will emerge afterconducting the previous steps. For example, if the objective is to consult the local community to improve knowledge of the activity area, without a specific need to reach a consensus, it is worth involving as diverse and as many stakeholders as possible to have a broader overview.

At this point it would be necessary to use the stakeholder analysis previously prepared to understand which stakeholders to contact. The parameters used to analyze the stakeholders can be combined to obtain the desired ranking and proceed with the selection in a transparent and effective way.

Once the stakeholders have been pre-selected, before contacting them, it would be useful to first find out:

• What kind of **relationships** they have with each other to better understand potential conflicts and alliances;

• What kind of **expectations** they might have based on previous collaborations and engagements;

• How they are **represented** in larger groups, to understand with whom they will speak; and

• What their **willingness** is to be involved in and to contribute - this will affect the invitation message used to motivate them to participate.

Gathering this information is essential to understand the profile of the stakeholder group that will be engaged to prepare for possible conflicts and limit unexpected difficulties.

From Theory to Practice: Stakeholder Selection

“We rely mainly on the results of the stakeholder identification mapping to determine who and how many stakeholders we need to involve. The final selection depends also on the topic to be discussed.”
-PT Wijaya Sentosa (Asia-Pacific)

“As a general rule, effective categorization of our stakeholders is essential for an adequate selection. For example, we will not communicate regarding HCV issues with a stakeholder that has no interest in this field, but we ensure that the key stakeholders who may be able to contribute are included in such consultations.”
-CMO Ltd (Africa)

“We have a list of stakeholders who are engaged when appropriate. Furthermore, we have currently engaged an External Communications Specialist to assist in developing a communication plan so we can become more efficient in the way we engage and select the proper stakeholders.”
-Forico Pty Limited (Asia-Pacific)

…Not all stakeholders need to be involved: the stakeholder selection relies on the outcome of the stakeholder mapping and analysis exercises.

4.4 Resources

Stakeholder engagement requires adequate time and resources, which vary based on the selections made in the previous steps.

The costs of a stakeholder engagement process are often difficult to calculate because they depend on the context. The process may also change due to unexpected incidents such as conflicting interests, which may increase the time of decision-making.

As such, **do not underestimate the time and effort needed for the process:** development of a questionnaire and its pre-testing, sending out personalized invitations, participatory processes, result analysis and more require more time than expected!

From Theory to Practice: Resourcing Stakeholder Engagement

"We account stakeholder engagement resources within our Group scheme management budget. But the key is our software system that simplifies communication, while simultaneously keeping it effective and selective, depending on the issue at hand."
-CMO Ltd (Africa)

"We have an annual budget dedicated to the social management programs that we regularly implement in the territories. We have a corporate social management procedure that allows us to define the guidelines of the strategy and the local management tools for its implementation."
-MASISA S.A. (Latin America)

"We have a solid organizational structure, with specialists with experience in community work. In parallel, we have defined a budget to participate in the different projects that the Communities have prioritized, focusing on issues such as Education, Culture, Economic Entrepreneurship, among others."
-Grupo de Certificacion CMPC Pulp (Latin America)

...Stakeholder engagement requires time and resources that are often difficult to estimate and depend on the context.

4.5 Engagement Method

The engagement method is chosen based on the result of all previous planning steps. Choosing the right method, based on the context and specific needs, helps to achieve the set objectives. The most suitable methods will depend on:

• The initial objectives;

• The phase (i.e. divergence or convergence);

• The desired level of engagement;

• The selected stakeholders and the group profile;

• The time and budget available.

There are many stakeholder engagement methods available, both individual and in-group, face-to-face/in person and online. This guidance illustrates some sample methods that can be used in the context of the FSC certification scheme. If the selected method is unfamiliar to those who will apply it, it is advisable to involve an external professional.

Hereafter, the methods are classified by the number of stakeholders simultaneously involved, and usage of the internet. Some factors to consider are as follows:

• the **number** of stakeholders simultaneously involved:

- **one-to-one**: interviewers are needed, as well as the skills to develop questionnaires and to analyse the information collected;

- **group**: at least one professional facilitator is recommended.

• **face-to-face/in person** (no web usage): data collection ensures control over the quality, but at the same time there is a risk of influencing respondents if the interviewer is not well trained;

• **web-based methods**: facilitates the collection and analysis of data, but web access by some stakeholder groups need to be taken into consideration.

In the following tables a selection of methods is presented:

Table 2: One-to-One Engagement Methods

Table 3: Face-to-Face Engagement Methods with a Group

Table 4: Web-based Engagement Methods with a Group

Table 2: One-to-One Engagement Methods

Method	Features	Best-Practices	Advantages
Structured questionnaire (face-to-face)	A face-to-face interview is used to draw answers from respondents and simultaneously observe the behaviour of the respondent. The structured format of the questionnaire can minimize interviewer bias.	The questionnaire should be short and focused on the topic. It is highly recommended to make a pilot test before starting interviews. Include notes on nonverbal communication and behaviour.	• Suitable for locations where telephone or email access are not ensured • High response rates • Longer interview is possible • Quality of data • Sensitive data can be collected • Less chance of misunderstanding • Visual aids can be used
Semi-structured interview (face-to-face)	The interviewer has guidelines to follow during the interview, but at the same time has flexibility in choosing the wording, the order of the questions and the data collection. Normally the semi-structured interview is carried out with motivated key stakeholders as it requires time.	To ensure an objective and accurate analysis of the data, the information collected must be carefully divided between direct quotes and interpretations of those carrying out the analyses.	• Detailed information collected • Possibility of creating a good relationship with respondents
Email interviews (web)	Email engagement is a method normally used with experienced and highly motivated stakeholders. The questionnaire should have a simple and attractive layout, avoiding complicated wording.	Short questionnaires can be embedded into the body of the email, but longer questionnaires should use an external platform or attachment to the email. Personalized emails work best. The text of the email should include a summary of the instructions, which are repeated in the introduction of the questionnaire.	• Cost effective • Respondents can answer at their own convenience • A lot of information can be obtained • Long questionnaires can be sent
Online questionnaire (web)	Tool for gathering a lot of information or comments quickly. However, the questions must be simple due to the absence of an interviewer.	There are several platforms that can be used to design appealing and interactive online questionnaires (e.g. Google Forms, Survio, SurveyMonkey, Microsoft Forms)	• Fast, simple, cost effective • Not intrusive • Complex skip patterns are invisible to respondent • Automation in data input and handling • Flexibility of design

Table 3: Face-to-Face Engagement Methods with a Group

Method	Features	Best-Practices	Advantages
Focus group	A small group of people (6-12) who share interests or characteristics interact with a facilitator who uses the group and its interaction to obtain information and feedback on a specific problem or goal.	The meeting should last 1-1.5 hours. Participants are seated on chairs arranged in a semicircle to facilitate dialogue. The facilitator(s) ask a few guiding questions and take notes and use interactive visual tools such as pens, post-it notes, and posters.	• Discussion and interaction in small groups helps deter internal conflicts • Few goals can be completed quickly
Tours	Going on a tour within the activity area and engaging in active listening allows for better understanding of the lived experience of the stakeholder. The facilitator goes with stakeholders to the place of interest (e.g. forest operation site) to collect feedback and comments. Participants should be people strongly involved in the initiative but not necessarily experts on the topic.	The preparation phase must be very detailed to provide useful tools to observe the context more effectively. During the process, the facilitator should recognize and enhance the participants' competence and ensure their complete involvement.	• Understand direct experience of stakeholders • Perception by participants of being heard
Open space technology	A meeting or conference interaction method suitable for very large and diverse groups of people facing complex problems in an innovative way. The meeting/ conference has no pre-announced schedules or keynote speakers. Very useful in the collection phase (divergence) and in managing conflict situations.	The facilitator creates an environment where each participant freely proposes the discussion topics. First, participants create their own agenda and throughout the day, join different group discussions of their choosing.	• Informal and creative context • Participants are responsible for the results and implementation (empowerment) • Dominant people are controlled by the group • Cost effective in terms of budget and time
World café	The world café is a creative process to facilitate dialogue and share knowledge and ideas spontaneously, helped by an informal atmosphere. Participants change tables and contribute to different conversations lending to a friendly atmosphere and collective intelligence.	Several tables are prearranged and managed by a stationary individual. Participants freely join tables with a maximum of 4-5 people. After 30 minutes participants move to a new table. At each table, the conversation is generated by one guiding question.	• Engagement is extended to a larger group of people than those already involved • Shared knowledge stimulates innovation • Helps strengthen relationships and promote exchange of results in an existing working group • Flexibility of design

Table 4: Web-based Engagement Methods with a Group

Method	Features	Best-Practices	Advantages
Online Forum	An online forum is a platform where people can discuss and interact. There should be a moderator to handle and manage discussions. Forums are quite flexible and usually organized in subforums with specific topics. Forums can remain active for long periods, even years. Forums can be open or with restricted access.	Opinions are collected in message format posted by users of the forum. The owner of the forum can generate discussion by posting specific questions or trending topics.	• Cost effective • Contributions are recorded on the platform • Flexible: specific stakeholders can be invited to the forum, or open access can be granted • Discussions can be organized in subforums with specific topics
Delphi method	A structured process for collecting knowledge and obtaining a consensus from a group (from 10 to 50) of key stakeholders, without direct interaction between the participants.	Opinions are collected through email questionnaires. After the first round, a second shorter questionnaire is sent, with only topics where consensus was not achieved. The number of rounds depends on the speed of convergence of the participants' opinions.	• Participants increase their own knowledge • Many issues can be tackled at the same time • Conflicts and influence of "dominant" actors are avoided.
Nominal Group Technique	This technique is used in groups of various sizes to quickly reach decisions, taking everyone's opinions into account. Participants should have knowledge about the initiative.	Participants write their ideas anonymously. The ideas are then discussed and evaluated by the group. Facilitators can also guide participants in an activity to anonymously rank the ideas.	• Individual opinions are not influenced • Everyone has the perception of having an active role • Conflicts are avoided • Cost effective • Can be carried out face-to-face or use available web-based tools for facilitation • Flexibility of design

From Theory to Practice: Engagement Methods

“We try to always be dynamic and active when it comes to organizing participatory events. For instance, with some of the members of our certification group, we organized a workshop based on the Open Space Technology technique. The event was facilitated by an external professional facilitator, and the informal and creative context was highly appreciated by local stakeholders, with fruitful and concrete outcomes.”
-Waldplus Srl (Europe)

“We use written surveys, semi-structured interviews and focus groups. All processes are managed by independent anthropologist experts, which allows the transparency of the consultation process. In written surveys, we sometimes recorded misunderstandings with some stakeholder groups. Focus groups are effective when all the actors participate actively.”
-MASISA S.A. (Latin America)

“We try to use several techniques to communicate and engage with our stakeholders. We send letters, manage our website with quarterly newsletters, hold open public meetings, post notices on a community bulletin board, use community email lists actively, hold tours of active operations, and talk directly with residents on the phone, by email, or in person. Tours of the forests are particularly appreciated because allow stakeholders to understand the problems and the dynamic on the field.”
-Harrop-Procter Community Co-operative (North America)

…There are numerous stakeholder engagement methods and selecting the correct application method helps to achieve the set objectives.

5. ACT: It's Time for Action

An effective and successful stakeholder engagement process requires the full commitment of participants and a long-term vision. Stakeholders are the core of participatory approaches and their willingness to be proactive is essential to have fruitful and positive outcomes. Recommendations on how to motivate stakeholders, the central role of professional facilitators and some tips on how to handle follow-ups and feedback are illustrated in this last chapter.

5.1 Motivate your stakeholders!

The selection of participants based on an accurate stakeholder analysis implies that an individual who does not accept the invitation to collaborate is not easily replaceable. For this reason, the invitation is one of the most delicate phases of stakeholder engagement. Sometimes a well-structured collective invitation via email will be enough, but it might be necessary to personalize the invitation to motivate stakeholders to participate.

Stakeholders are asked to dedicate their own time to you, and therefore their participation should be encouraged by:

- An accurate and personalized **invitation**. It can be made by email, letter, phone call or in person. It must contain all the necessary information. The objectives should be made explicit to not create false expectations. The invitation should be sent in advance by the person formally responsible for relations with the stakeholders.

- The process should have a precise and shared **agenda**, with the time-schedule managed accurately.

- The **language** must be appropriate to the context, using technical jargon only if necessary.

- **Confidentiality** and respect must be guaranteed, even if anonymity is not always recommended in a stakeholder engagement process.

- Stakeholders' **expectation** must be respected through compliance with the promises of involvement, transparent and accountable information exchange, and timely follow-up through clear and inclusive reports.

From Theory to Practice: Motivate your Stakeholders!

"In our experience, citizen participation has been very low. This is equally true in cities and rural areas. To stimulate and motivate our stakeholders, we have worked two different lines:
a.- through participatory surveys, which manage to raise the topics needed and prioritized by communities.
b.- through improving the skills (training) of community's leaders, who are the ones involving their neighbors."

-Grupo de Certificacion CMPC Pulp (Latin America)

"One of the most controversial points is the direct transfer from interested parties to company representatives of information about the location of hunting huts and wood grouse stomping grounds. Observing confidentiality and entering "encrypted" information in publicly available resources allow us to preserve the game population, as well as the property of hunters, as much as possible. Furthermore, most of the stakeholders are Komi (local population) and as a consequence the communication takes place in the Komi language (and its dialects)."

-Luzales LLC (CIS countries)

"To motivate our stakeholders, since 2015 we promoted a participatory methodology for measuring the Social Progress Index (SPI) in the Cabrero municipality, an area with a high industrial presence of MASISA, as a tool for making social investment decisions. The initiative was appreciated by locals, allowing focusing efforts on social investment from the local government and the private sector, and promoting collaborative alliances through a common roadmap for the different actors in the territory. As part of the innovative initiative, the results obtained from the SPI in its first measurement (2016) were shared with the Cabrero community in a large event, using playful techniques (e.g. theatrical representation of the most significant results) and then working groups and discussion by theme raised with the participation of young people and adults."

-MASISA S.A. (Latin America)

…Selected stakeholders are not easily replaceable, so their motivation is key to successful engagement.

5.2 Professional skills

An effective stakeholder engagement process should be managed by motivated and experienced professionals as interviewers, facilitators, assistants and coordinators. The first step is to understand the capabilities of the internal staff and, if possible, learn and develop the required skills through courses and trainings. If necessary, the involvement of external professional figures should be included in the budget. A professional can help make decisions quickly and resolve unexpected difficulties.

To be effective and successful, a stakeholder engagement process should include:

- a person responsible for data collection and analysis including creating questionnaires and conducting interviews;

- a facilitator of participatory processes if the engagement involves meetings with groups of stakeholders.

The desired skills required of those who manage the **one-to-one/in person** data collection are:

- ability to create structured questionnaires both on paper and using an online format;

- knowledge of how to plan semi-structured interviews;

- ability to manage an interview professionally and politely;

- knowledge of the bias that can be created by wrong question wording, and ability to remain neutral in all phases of data collection;

- management of data collection, both qualitative and quantitative.

A facilitator should be able to manage both the content of the discussion and the **group** dynamics. Specifically, they:

- plan and professionally conduct the meeting in detail, leaving nothing to chance;

- are the organizer of the whole meeting, ensuring the presence of all the necessary material, explaining the participation rules and objectives;

- know the topic of the discussion, ensuring neutrality;

- manage participatory dynamics, ensuring that everyone can express their opinions, reacting professionally to unexpected events, and checking that everyone listens to the interventions of other participants;

- stimulate discussion without influencing it;

- create an open atmosphere.

From Theory to Practice: Professional Skillsets

“We have carried out participatory surveys with greater success through external professionals. However, in recent times, we hired personnel with backgrounds in sociology and anthropology, who have been training internal staff to improve participatory approaches.”
Grupo de Certificacion CMPC Pulp (Latin America)

“Regular engagement is handled by staff and board members while for large meetings or controversial issues, we used to hire a professional facilitator. Furthermore, due to the strong sense of community of our context, professionals from our community occasionally volunteer and contribute with their expertise.”
-Harrop-Procter Community Co-operative (North America)

“We do rely on external professional when it comes to participatory approaches. For instance, during one of the last workshops, a team made of 1 professional facilitator and 4 assistants coordinated the whole Open Space Technology event.”
-Waldplus Srl (Europe)

We currently engage with an external service provider to assist in our communication/stakeholder engagement. This has involved assisting in the preparation of media releases as well as engaging with identified Forico staff and providing training on how to improve external communication techniques.”
-Forico Pty Limited (Asia-Pacific)

…An effective stakeholder engagement process should be managed by motivated and experienced professionals to work as interviewers, facilitators, assistants or coordinators.

5.3 Feedback Management

Stakeholder engagement is a continuous process that should be based on a long-term vision. Therefore, it is fundamental to track the process, take notes, ask for feedback, and report back to stakeholders. For this reason, it is recommended to regularly update the list of stakeholders consulted and to let them know the results and the next steps of the engagement process. A continuous follow-up can contribute towards improving and refining the proposed approaches and collecting concerns and suggestions that were not adequately considered during the engagement process.

An analysis of these feedbacks and inputs can increase credibility and help manage expectations while reducing consultation fatigue and cynicism. Summarizing and reporting feedback collected increases transparency and informs the stakeholders that were not initially involved.
There are numerous ways to report back to stakeholders consulted, such as:

- One-on-one conversations;
- Follow-up telephone briefings;
- Press releases and digital updates (e.g. newspaper, websites, social media);
- Letters of thanks, summarizing results and next steps of stakeholder engagement.

From Theory to Practice: Feedback Management

"We have support tools that allow us to communicate efficiently with our stakeholders, such as the L800 call centre that allows us to collect and systematize complaints, claims and requests from the communities. We work also with a platform developed in the CMR Microsoft dynamics that allows managing compliance with community commitments. Finally, in the ESRI environment (i.e. GIS platform), community management and planning are carried out at the territorial level."
-Forestal Arauco S.A. (Latin America)

"We record attendance and take minutes at every meeting. We maintain a database (i.e. Excel spreadsheet) of all our membership and try to keep email addresses and phone numbers updated. Furthermore, in our quarterly newsletter we provide feedback and information to the local community."
-Harrop-Procter Community Co-operative (North America)

"We have a Recorded Issue Database whereby stakeholder concerns/queries/requests are documented, and actions are assigned in an appropriate timeline to ensure stakeholder feedback is provided. We also have a portal on our website whereby stakeholders can provide feedback directly to the business. Lastly, there is also an opportunity to subscribe to the "Forest Activities" portal to see where Forico operational activities are planned."
-Forico Pty Limited (Asia-Pacific)

…Stakeholder engagement is a continuous process that should be based on a long-term vision. Therefore, it is fundamental to track the process, take notes, ask for feedback and report back to stakeholders.

Annex 1

Summary of instances where stakeholder engagement is present in FSC Principles and Criteria for Forest Stewardship (refers to V5-2, references to V4-0 are indicated in brackets).

PRINCIPLE 1: COMPLIANCE WITH LAWS

Criteria 1.6 The Organization shall identify, prevent and resolve disputes over issues of statutory or customary law, which can be settled out of court in a timely manner, through engagement with affected stakeholders (Indicator 1.6.1).

PRINCIPLE 3: INDIGENOUS PEOPLES'

Criteria 3.1 The Organization shall identify the Indigenous Peoples that exist within the Management Unit or those that are affected by management activities. The Organization shall then, through engagement with these Indigenous Peoples, identify their rights of tenure, their rights of access to and use of forest resources and ecosystem services, their customary rights and legal rights and obligations, that apply within the Management Unit.

Criteria 3.2 The Organization shall recognize and uphold the legal and customary rights of Indigenous Peoples to maintain control over management activities within or related to the Management Unit to the extent necessary to protect their rights, resources and lands and territories. Delegation by Indigenous Peoples of control over management activities to third parties requires Free, Prior and Informed Consent.

Criteria 3.5 The Organization, through engagement with Indigenous Peoples, shall identify sites which are of special cultural, ecological, economic, religious or spiritual significance and for which these Indigenous Peoples hold legal or customary rights. These sites shall be recognized by The Organization and their management, and/or protection shall be agreed through engagement with these Indigenous Peoples.

PRINCIPLE 4: COMMUNITY RELATIONS

Criteria 4.1 The Organization shall identify the local communities that exist within the Management Unit and those that are affected by management activities. The Organization shall then, through engagement with these local communities, identify their rights of tenure, their rights of access to and use of forest resources and ecosystem services, their customary rights and legal rights and obligations, that apply within the Management Unit.

Criteria 4.2 The Organization shall recognize and uphold the legal and customary rights of local communities to maintain control over management activities within or related to the Management Unit to the extent necessary to protect their rights, resources, lands and territories. Delegation by local communities of control over management activities to third parties requires Free, Prior and Informed Consent.

Criteria 4.4 The Organization shall implement additional activities, through engagement with local communities, that contribute to their social and economic development, proportionate to the scale, intensity and socio-economic impact of its management activities.

Criteria 4.5 The Organization, through engagement with local communities, shall take action to identify, avoid and mitigate significant negative social, environmental and economic impacts of its management activities on affected communities. The action taken shall be proportionate to the scale, intensity and risk of those activities and negative impacts.

Criteria 4.6 The Organization, through engagement with local communities, shall have mechanisms for resolving grievances and providing fair compensation to local communities and individuals with regard to the impacts of management activities of The Organization.

Criteria 4.7 The Organization, through engagement with local communities, shall identify sites which are of special cultural, ecological, economic, religious or spiritual significance, and for which these local communities hold legal or customary rights. These sites shall be recognized by The Organization, and their management and/or protection shall be agreed through engagement with these local communities.

PRINCIPLE 6: ENVIRONMENTAL VALUES AND IMPACTS

Criteria 6.1 The Organization shall assess environmental values in the Management Unit and those values outside the Management Unit potentially affected by management activities. This assessment shall be undertaken with a level of detail, scale and frequency that is proportionate to the scale, intensity and risk of management activities, and is sufficient for the purpose of deciding the necessary conservation measures, and for detecting and monitoring possible negative impacts of those activities.

PRINCIPLE 7. MANAGEMENT PLANNING

Criteria 7.4 The Organization shall update and revise periodically the management planning and procedural documentation to incorporate the results of monitoring and evaluation, stakeholder engagement or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.

Criteria 7.6 The Organization shall proportionate to scale, intensity and risk of management activities, proactively and transparently engage affected stakeholders in its management planning and monitoring processes, and shall engage interested stakeholders on request.

PRINCIPLE 8: MONITORING AND ASSESSMENT

Criteria 8.2 The Organization shall monitor and evaluate the environmental and social impacts of the activities carried out in the Management Unit, and changes in its environmental condition.

PRINCIPLE 9: HIGH CONSERVATION VALUES

Criteria 9.1 The Organization, through engagement with affected stakeholders, interested stakeholders and other means and sources, shall assess and record the presence and status of the following High Conservation Values n the Management Unit, proportionate to the scale, intensity and risk of impacts of management activities, and likelihood of the occurrence of the High Conservation Values.

Criteria 9.2 The Organization shall develop effective strategies that maintain and/or enhance the identified High Conservation Values, through engagement with affected stakeholders, interested stakeholders and experts. (C9.2 P&C V4)

Criteria 9.4 The Organization shall demonstrate that periodic monitoring is carried out to assess changes in the status of High Conservation Values and shall adapt its management strategies to ensure their effective protection. The monitoring shall be proportionate to the scale, intensity and risk of management activities, and shall include engagement with affected stakeholders, interested stakeholders* and experts. (C9.4 P&C V4)

Annex 2

Documents Related to Stakeholder Engagement in the FSC System

1. Overall FSC Normative Documents:
- FSC-STD-01-001: FSC Principles and Criteria for Forest Stewardship
- FSC-PRO-01-009: Processing Policy for Association Complaints in the FSC Certification Scheme
- FSC-PRO-01-008: Processing Complaints in the FSC Certification Scheme

A) Certification Bodies:
- FSC-STD-20-006: Stakeholder Consultation for Forest Evaluations
- FSC-STD-20-011 V4-1: Chain of Custody Evaluation
    - *Section 6.1*
- FSC-STD-20-007 V3-0: Forest Management Evaluations
    - *Sections 1.2, 3.2.1, 3.3, 4.3, 5.4.4*

B) Manufacturers and Traders:
- FSC-STD-40-005 V3-1: Requirements for Sourcing FSC Controlled Wood
    - *Sections 4.6, 4.7, 7, Annex A (2.2), Annex B*

C) Forest Managers:
- FSC-STD-30-010 V2-0: FSC Controlled Wood Standard for Forest Management Enterprises
    - *Sections 1.3, 4.4, and 5.2*
- FSC-POL-30-001 V3-0: FSC Pesticides Policy
    - *Sections 4.3, 4.9, 4.11, 4.12*

2. FSC Guidance Documents
- FSC-GUI-03-003: FPIC guidelines for the implementation of the right to free, prior and informed consent (FPIC)

Recommended Readings

AccountAbility (2018) **AA1000 Stakeholder Engagement Standard**

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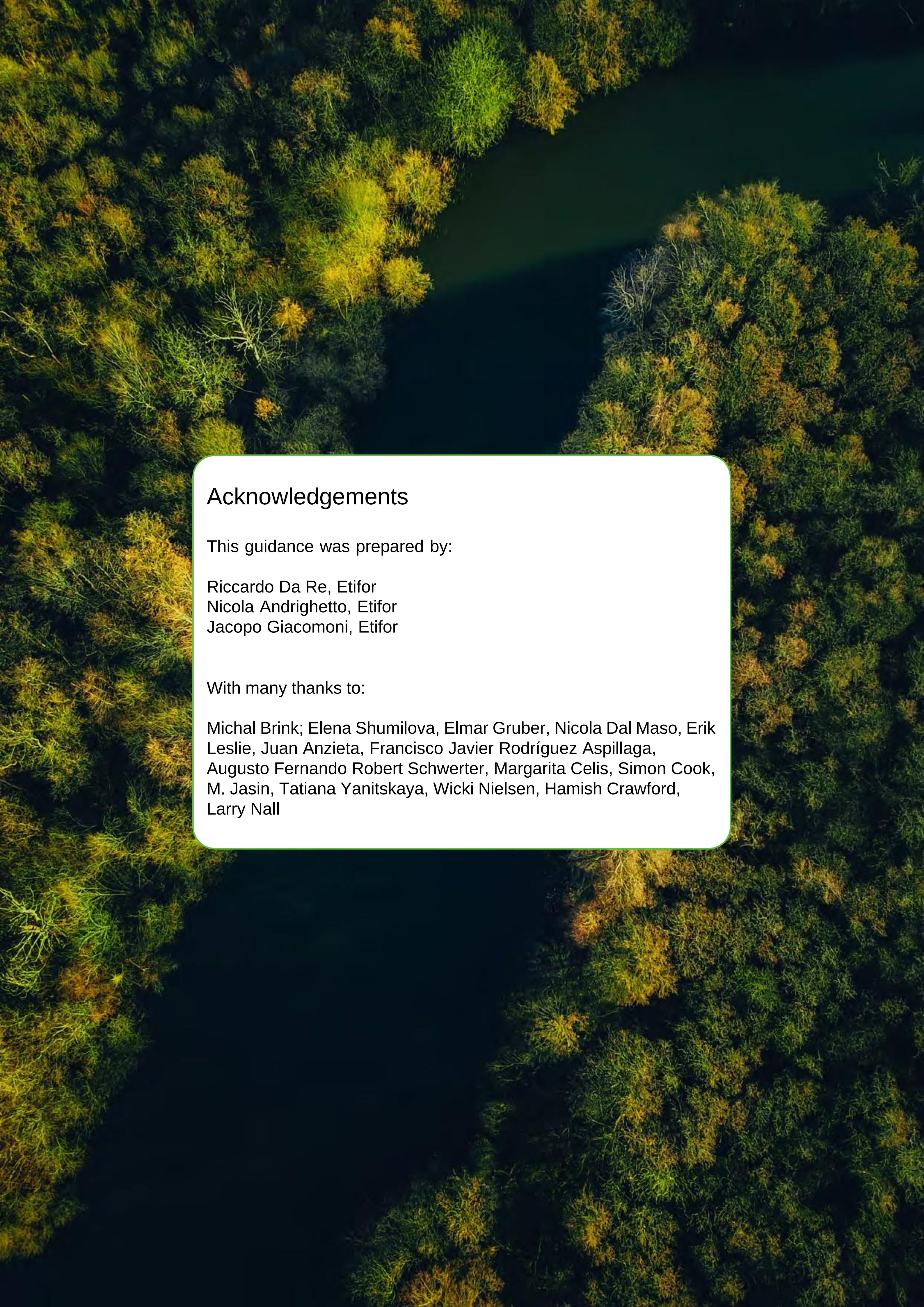

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