

FSC APP Roadmap & Track Process

Stakeholder Engagement Plan

**Approved by FSC Secretariat
8 November 2017**

Acronyms

APP	Asia Pulp and Paper
BRWA	Badan Registrasi Wilayah Adat
CSO	Civil Society Organisation
CET	Core Expert Team
EPN	Environmental Paper Network
FCP	Forest Conservation Policy (APP)
FPP	Forest Peoples Program
FSC	Forest Stewardship Council
HaKI	Hutan Kita Institute
ISFMP WG	Integrated Sustainable Forest Management Plan Working Group (APP)
Jikalahari	Jaringan Kerja Penyelamat Hutan Riau
Kahutindo	Indonesian Forestry and Allied Workers Union
LCMP	Landscape Conservation Masterplan Programme (APP)
PfA	Policy for Association
RAN	Rainforest Action Network
SAF	Stakeholder Advisory Forum (APP)
SCF	Stakeholder Consultative Forum
SG	Sub-Group (of the SWG)
SWG	Stakeholder Working Group
TWG	Technical Working Group
TFT	The Forest Trust
TPIVs	Track Performance Indicators and Verifiers
NGO	Non-Government Organisation
WWF	World Wildlife Fund

Table of Contents

1	Preamble.....	4
1.1	Note on the structure of the Roadmap	4
2	Terms and Definitions	5
3	Overview of stages in the process.....	6
3.1	Agreement on Stakeholder Terms of Engagement	6
3.1.1	Revision of and changes to the Stakeholder Engagement Plan.....	7
3.2	Finalisation Procedure for the Roadmap	7
3.3	Defining Track Performance Indicators & Verifiers (TPIVs) – The Track Verification Plans	7
3.4	Monitoring and verification of Progress against Track Performance Indicators and Verifiers	8
3.5	Illustrated overview of the Roadmap Process.....	8
4	Defining the stakeholders	9
4.1	Overview of discussion spaces	9
4.2	Stakeholder engagement forums	10
4.2.1	Stakeholder Working Group (SWG)	10
4.2.2	Stakeholder Consultative Forum (SCF):	13
4.2.3	Development of Track Performance Indicators and Verifiers s: Track Technical Working Groups	13
4.3	Other stakeholder input channels	13
4.3.1	Public Consultation.....	13
4.4	Discussions with APP – Dialogue Meetings.....	14
4.4.1	Dialogue meeting process.....	14
5	Terms of stakeholder engagement.....	15
5.1	Meeting and exchange formats for the SWG.....	15
5.1.1	Ensuring effective and efficient meetings	15
5.2	SWG Decision-Making Rules.....	15
5.2.1	Decision making outside of SWG main physical meetings	16
5.2.2	Alternate SWG members	16
5.3	Consultation periods.....	16
5.3.1	Public consultation	16
5.3.2	Constituent consultation	16
5.4	Stakeholder comments and proposals.....	17
5.5	Keeping stakeholders informed during the consultation process and implementation phase	17
6	Annex One: Stakeholder Analysis and Consultation	18
7	Annex Two.....	22
8	Annex Three.....	24

Table of Figures

Figure 1: Flow chart of steps in the Roadmap and Track process.....	8
Figure 2: Roadmap and Track process stakeholder groups	10
Figure 3: Dialogue Meeting constituents.....	10

1 Preamble

This document has been developed by FSC in collaboration with the CET and SWG and through a public consultation. The intention of this document is to clearly outline the terms of stakeholder engagement and consultation, the process for finalising the Roadmap and establishing and agreeing the Track Performance Indicators and Verifiers (TPIVs)¹ for ending APP's disassociation from FSC. It sets out to describe the steps and terms for finalising the Roadmap and developing Track Verification Plans to assess the status of the Roadmap compliance of APP for ending the disassociation. It does not describe the conditions that APP needs to fulfil for ending the disassociation from FSC as this shall be articulated and agreed within the Roadmap itself. This document should therefore be read in conjunction with the Roadmap for full understanding of what will be required of APP and how stakeholders can best inform that. The process and terms have been designed around standard international practice on consultation already applied by FSC. The first drafts of the Stakeholder Engagement Plan (SEP) were drafted prior to the inaugural meeting of the Stakeholder Working Group. The final version of the SEP will be approved by FSC approximately thirty (30) days after the inaugural SWG meeting.

The purpose of the Roadmap process is to produce a fair, credible and transparent framework, with input from affected and interested stakeholders, which defines the conditions to end the disassociation between FSC and APP. As both the Roadmap and the Track processes set out the terms for ending disassociation of FSC from APP they shall not be regarded as a negotiation process with APP but rather a set of clear conditions. Where APP feels the conditions are not clear, APP can request clarification from the Stakeholder Working Group (SWG) and FSC.

The verification of compliance with the final Board approved Roadmap shall be based on a set of TPIVs, contained within the Roadmap itself, developed by FSC with the assistance of a core expert team (CET), technical experts and the SWG engaged at all stages of the process. Progress of compliance against the TPIVs can only be assessed once the FSC Board has approved the final Roadmap that includes the TPIVs. Roadmap related activities, e.g. on restoration or conflict resolution, claimed by APP to have occurred prior to this date can only be considered if the verification assessment confirms their compliance with the final Roadmap requirements.

This process and the terms and conditions set out in this document shall be conditional on APP remaining committed to implementing its commitments. In circumstances where there is evidence that APP, its suppliers or its subsidiaries are actively breaching the FSC Policy for Association (PfA), this process may be suspended or terminated by FSC².

Drafting note: The SEP has been drafted with reference to FSC-PRO-01-001 the Development and Revision of FSC Normative Documents and FSC-STD-60-006 Process requirements for the development and maintenance of National Forest Stewardship Standards.

1.1 Note on the structure of the Roadmap

The "conditionally approved" Roadmap (draft 6, conditionally approved by the FSC Board of Directors in February 2017) envisaged a two-stage process to defining the set of conditions that APP would need to meet to end its disassociation with FSC: First conditional approval of the 'Roadmap' and then the defining of indicators, verifiers and other details in a set of 'Action Plans', which would be later approved by the FSC Board. The term action plans was however confusing as there were both FSC and APP Action Plans that needed to be defined. The CET therefore coined the terms TPIVs and Track Verification Plans (TVPs) (which describe the process of setting the TVIPs as well as containing the TPIVs themselves, replacing the term 'Action Plans') to describe this second track focused process stage of the Roadmap process.

¹ See section 2 for definition. Please note TPIVs will be in the form of a document referred to herein as Track Verification Plan.

² These circumstances would be where APP, its suppliers or its subsidiaries were actively breaching the Policy for Association (PfA), at the current time or at a time since the decision of the FSC Board in August 2015 (<https://ic.fsc.org/file-download.fsc-update-4-status-of-disassociation-from-app-2015-09-08-final.a-113.pdf>). Assessment of such a breach would be guided by the current FSC PfA. FSC-POL-01-004 V2-0 EN (2011).

A major outcome of the inaugural SWG meeting emphasised that the 'Roadmap' and the TPIVs need to be "re-unified" to make a single integrated document. The one integrated document containing requirements, indicators, verifiers and guidance sections is thus referred to as the Roadmap and allows the SWG to work on all parts of the document to ensure coherent and proper dependencies between the requirements and the TPIVs.³

2 Terms and Definitions

Affected Stakeholder: Any person, group of persons or entity that is or is likely to be subject to the effects of the activities of the disassociated organization. Examples include, but are not restricted to persons, groups of persons or entities located in the vicinity of the disassociated organization or its suppliers' forestry operations.⁴

Alternate Stakeholder Working Group Member: refers to the appointed substitute member to the Stakeholder Working Group in the case that the SWG member is not able to attend a meeting. The SWG member shall keep the Alternate continuously informed and up to date with all documents, discussions, and decisions of the SWG. Alternates may attend meetings as observers at their own cost (i.e. FSC does not cover these costs).

Core Expert Team (CET):⁵ is a group of FSC normative and procedural experts supporting FSC currently, its role it is to:

1. Facilitate consensus on the finalisation of the Roadmap.
2. Facilitate the setting of the Track Verification Plans (TVPs). Including ensuring adequate consultation processes on the TPIVs and coordinating the finalisation of the Roadmap with the SWG based on public consultation (see below).
3. As deemed necessary during the process: gather and analyse relevant information on key issues relating to the Roadmap Tracks and needed to define the TPIVs.
4. Advise on the normative process, quality of consultation and coordination by FSC, and offering solutions for improvement thereof.

Dialogue Meeting: a meeting where FSC, the SWG (or a representative number of its members) and APP are present and where presentation of the Roadmap (including its TPIVs) and Track Verification Plans and discussion with APP takes place. The purpose of these sessions is to reach mutual understanding.⁶

Feasibility Study: refers to the document presented to the SWG by Asia Pulp and Paper in response to the final draft Roadmap. APP shall indicate those Roadmap conditions which are not legally feasible to implement, and those conditions which are not financially feasible. For every condition indicated as not feasible, APP shall present a solution for consideration by the SWG

Interested Stakeholder

Any person, group of persons, or entity that has shown an interest, or is known to have an interest, in the activities of the disassociated organisation.⁷

³ This SEP was first draft with a two-stage Roadmap in mind. Revisions have therefore been made throughout the document to reflect the new re-unified process. In many places this means that the term "TVP" has been replaced with the term "TPIVs" and that the qualifier has been added that the Roadmap includes the TPIVs, rather than describing the Roadmap and TVPs as separate documents.

⁴ Definition based on that contained within:

FSC (2016) FSC STD-01-002 *Glossary of Terms*. April 2016.

⁵ The CET are Karen Edwards, Anna Jenkins and Aisyah Sileuw.

⁶ Mutual understanding here is intended to mean that stakeholders and APP share their perspectives on the changes, they do not necessarily have to agree.

⁷ Definition based on that contained within:

FSC (2016) FSC STD-01-002 *Glossary of Terms*. April 2016.

Public Consultation: consultation advertised publicly allowing any stakeholder, individual or organisation to submit comments. A minimum of 30 days is allocated for any public consultation. A period of 60 days has been allocated for the final Roadmap. These time periods are in line with FSC and global public consultation standard practice. FSC reserves the right to extend these consultation periods under certain circumstances if it deems necessary, e.g. where given circumstances have led to a low level of stakeholder input. An organisation forgetting to comment is however not a justifiable reason for extending a deadline.

Roadmap: Roadmap refers to final transparent, fair and measurable approach for creating the final conditions for ending the disassociation with APP resulting out of a consultative stakeholder process. The Roadmap includes the TPIVs and guidance.

Stakeholder Consultative Forum (SCF): the constituency of stakeholders with a strong interest in the Roadmap process, who choose to be more closely involved. SCF members will be informed and consulted by the SWG and FSC.

Stakeholder Working Group (SWG): is the group, including the alternates, of Affected or Interested Stakeholders who are recognized experts and act as conveners of Affected or Interested that advise and provide content related input to the final Roadmap. The SWG works by consensus. See 4.2.1 below for further details of what this group looks like and section for 5.2 how it operates.

Sub-Groups (SGs): Smaller groups within the SWG convened to work on specific issues as needed. The SGs report back to the full SWG for discussion and any assignments or next steps for the SG to work on. The SG is not a decision making body. Alternates may participate in SGs as long as the main representative for that SWG seat is not a member of the same SG.

Track Technical Working Group (TTWGs): Specific stakeholders and experts with professional or direct experience in the field in question specifically targeted for inclusion by FSC/CET/SWG in the process of developing specific Track Verification Plans (see 4.2.3 for further information on how these groups shall work in this context.)

Track Performance Indicators and Verifiers (TPIVs): a set of indicators and verifiers and associated guidance for each track of the Roadmap. The TPIVs are integrated into the Roadmap. The thresholds for the minimum performance level for ending disassociation shall be set for each indicator and as well as on going targets to fulfil post the ending of disassociation.

Track Verification Plan: describes the entire process of setting Track Performance Indicators and Verifiers (TPIVs) as well as the TPIVs themselves and associated guidance. It replaces the term “action plan” - previously used in the draft Roadmap conditionally approved by the FSC board (Roadmap process phase 1) - to ensure that the difference is clear between action plans proposed by APP and the performance indicators for ending disassociation that shall be set by FSC.

3 Overview of stages in the process

3.1 Agreement on Stakeholder Terms of Engagement

In order to ensure that all Affected and Interested Stakeholders have confidence and opportunities to participate in an equitable consultation process, the stakeholder terms of engagement shall be set out and agreed in this document and followed by FSC, CET, SWG, TTWGs, SCF and technical advisors to the SWG.

This document has been put out to public consultation for a period of 30 days in April and May 2017. The document contents shall be reviewed, commented, and any proposed changes agreed by consensus and these changes shall be brought into a final document by FSC staff for approval by FSC within approximately thirty (30) days after the close of the inaugural Stakeholder Working Group (SWG) meeting.

The SEP shall govern the SWG throughout its term of service and until the finalisation of the Roadmap. The SWG shall dissolve upon approval of the final Roadmap by the FSC Board of Directors.

3.1.1 Revision of and changes to the Stakeholder Engagement Plan

FSC, CET and the SWG can together take stock of lessons from the on-going Roadmap process and amend this SEP accordingly by consensus (that includes the FSC staff and CET members as well as SWG members), as needed for application during the subsequent stages of the Roadmap process.

When amendments are proposed they shall be detailed in a table of changes that gives the rationale for making the change. The table shall be made available to all SWG members, relevant FSC staff and CET members as well as to APP prior to the changes being approved. Comments shall be invited from all parties before the decision to change the SEP is made and all comments shall be considered by consensus as part of the FSC, CET and SWG decision to change the SEP. Changes to the SEP may be proposed at SWG in-person, telephone meetings as well as by email. The FSC Secretariat is responsible for making the final approval to change the SEP after careful consideration of all input from the parties.

3.2 Finalisation Procedure for the Roadmap

The first draft of the Roadmap shall be reviewed by the SWG and then presented to APP for review. APP shall present to the SWG the highest areas of critical concern and significant barriers to implementation. APP shall have a minimum of ten (10) business days to provide written feedback to the SWG and may request an in-person “Dialogue Meeting” with the SWG to present its findings. The SWG together with FSC and CET shall consider this feedback and present a second draft of the Roadmap for review by APP. APP shall be informed by the SWG of the review period, but shall have a minimum of ten (10) business days to review the second draft. APP shall identify areas of critical concern and any remaining barriers to implementation. The SWG together with FSC and CET shall create the final draft Roadmap for public consultation having considered the input from APP and technical experts from TTWG.

Public consultation on the final draft Roadmap shall be at minimum sixty (60) days. In parallel to public consultation, APP shall have a minimum sixty (60) days to conduct a Feasibility Study on the implementation of the Roadmap and corresponding timelines.

The SWG shall be responsible, with the CET, in considering public comments on the Roadmap and all comments shall be registered. Any changes to the final draft Roadmap as a result of public comment and the APP Feasibility Study shall be highlighted and the final text of the Roadmap presented to the FSC Board of Directors for approval and to APP for information. The FSC Board of Directors (BOD) and its Members shall not be approached directly by APP, CET or the SWG during the BOD review of the final draft Roadmap. This is to avoid any undue influence or possible conflict of interest during this final review. The Board of Directors shall take the final decision on approval of the Roadmap.

FSC staff are responsible for preparing the FSC Board decision documents and for presenting a final report evaluating the final draft Roadmap from the SWG to the Board. The final evaluation shall include a report on the quality of the SWG work product; an evaluation considering whether the Roadmap represents a fair, credible and equitable framework; and an evaluation on the quality of the verification methods for ensuring continued implementation of the Roadmap. This final report will be shared with the SWG under the terms of the Non-Disclosure Agreement. The Board of Directors shall take the final decision on approval of the Roadmap.

3.3 Defining Track Performance Indicators & Verifiers (TPIVs) – The Track Verification Plans

Track Performance Indicators and Verifiers (TPIVs) shall be developed for each Track of the Roadmap and this overall process is referred to as a Track Verification Plan process, with a Track Verification Plan developed for each of the first four Roadmap Tracks.

The template format for communicating the TPIVs along with guidance notes for verification processes shall be agreed between the SWG and the CET before proceeding to define the TPIVs themselves. TPIVs

shall not be set beyond the scope of the criteria detailed in the FSC Policy for Association or of the FSC Board's guiding principles (see 5.4 below). Reaching consensus may benefit from developing guiding criteria to help frame and define the TPIVs (e.g. in terms of legality, precedent and feasibility).

A work plan for key topics to be covered under each Track shall be published to the SWG and technical experts identified to be engaged in further technical consultation via Technical Working Groups (TTWGs). APP and concerned Affected and Interested Stakeholders shall be requested to submit relevant baseline information for development of the different track TPIVs. The CET shall review and research further information, as necessary and appropriate, to assist realistically setting TPIVs in consultation with the members of the SWG and TTWGs as appropriate.

3.4 Monitoring and verification of Progress against Track Performance Indicators and Verifiers

The TPIVs for each Track shall provide enough guidance for an independent, third party auditor to assess compliance by APP. Thresholds for compliance for ending disassociation shall be clearly set within the Roadmap as well as additional on-going TPIVs that are needed to ensure a status of continued compliance with FSC.

3.5 Illustrated overview of the planned Roadmap Process⁸

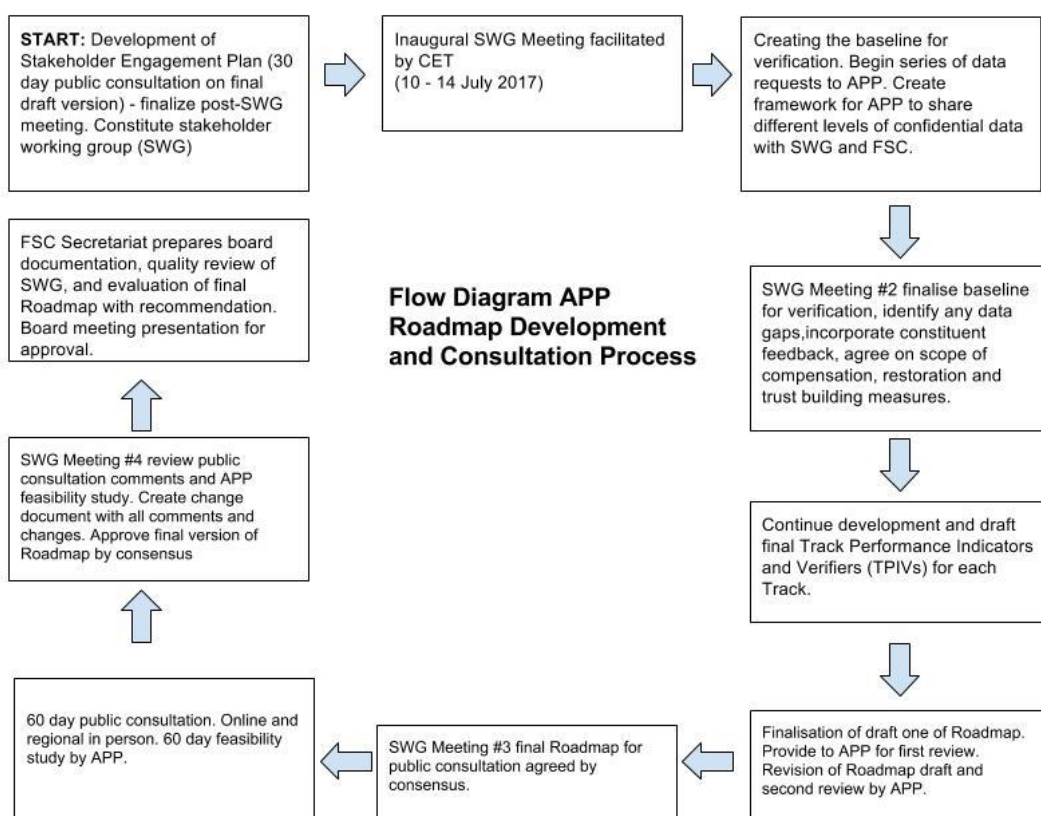


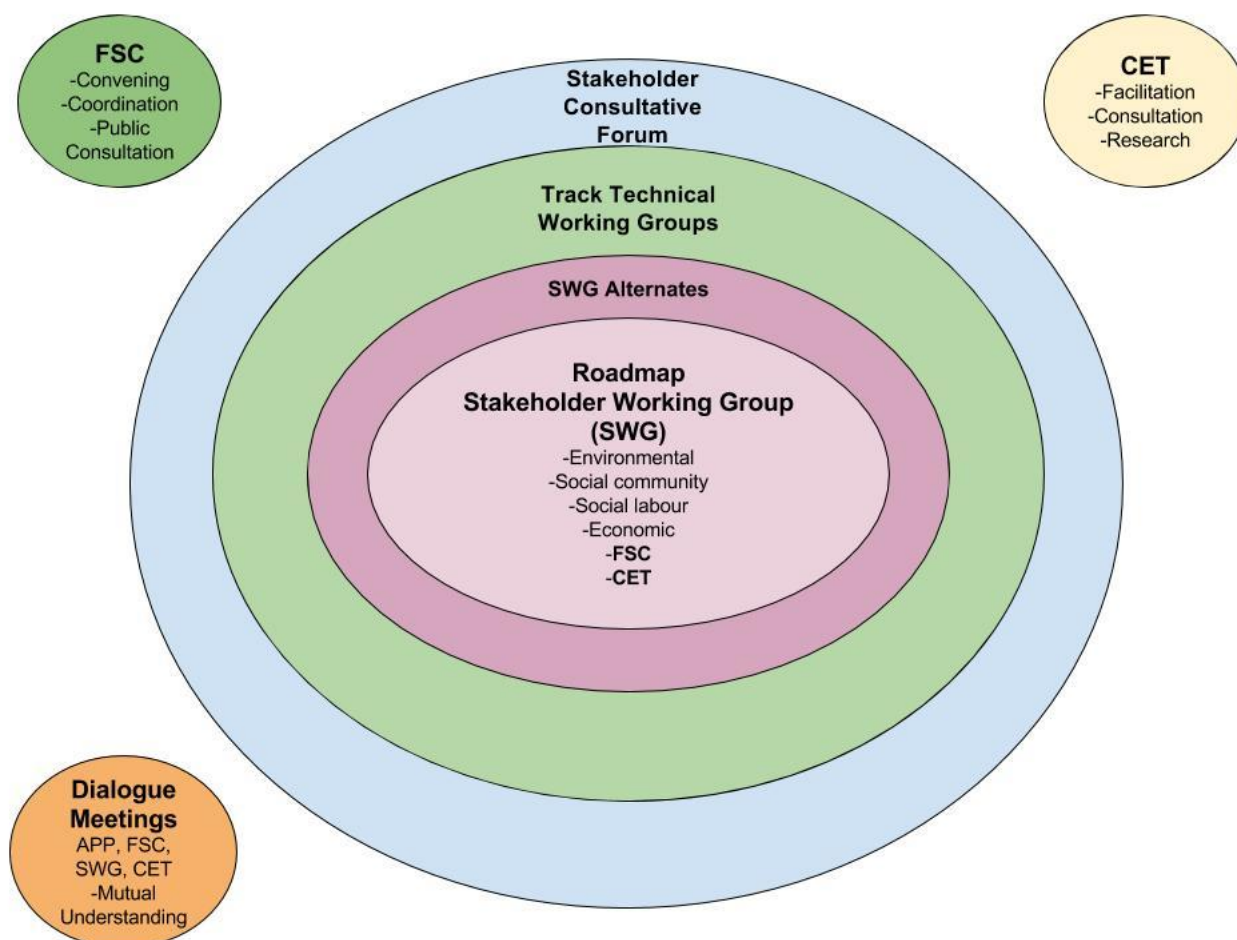
Figure 1: Flow chart of steps in the Roadmap and Track process

⁸ The time scales given here are rough estimates only. Exact timings will depend on progress made in and issues arising from SWG discussions, wider discussions and field based stakeholder consultation as well as requests for clarification from APP.

4 Defining the stakeholders

An analysis of Affected and Interested Stakeholders has been undertaken and can be seen in Annex 1 below.⁹ The discussion space can be seen as a series of concentric circles, wherein the centre most circle represents the group with the highest level of information, confidentiality, and responsibility in the Roadmap process. The level of information, confidentiality, and responsibility diminishes the further removed from the centre circle, as represented in 4.1, figure 2 below. The main SWG members, CET and FSC shall occupy the same level of discussion space. The Alternate SWG members shall be continuously informed by the main SWG members and shall participate in SWG meetings on an at-need basis or as observers. Thus, in many cases, the Alternate SWG members occupy the same discussion space as the SWG, FSC, and CET. Dialogue Meetings represented in 4.1, figure 3 below represent the discussion space between SWG, APP, and FSC. The Dialogue Meetings represent the highest level of confidentiality, information, and responsibility. It is noted that the CET maintains the same level of confidentiality, information and responsibility as the SWG, APP, and FSC, and in the Dialogue Meetings takes the role of facilitator. The Track Technical Working Groups (TTWG) will provide direct input into technical areas and themes connected to specific tracks. For this reason, the TTWG circle represents the next level of discussion space. The SWG will receive this information from the TTWG for further processing and although the TTWG will not maintain the overview over all tracks, in some cases the TTWG knowledge and expertise over specific track areas may require the same level of information and confidentiality as that of the SWG. The SCF shall be involved in a discussion space similar to that of the wider public and is thus not in receipt of confidential information. Unlike the SWG and TTWG members, SCF participants do not need to sign a Declaration of Interest and Non-Disclosure Agreement.

4.1 Overview of discussion spaces



⁹ It is anticipated, the process of Stakeholder and technical working group member identification and analysis will need to be repeated as part of the development of the TVIPs work and for any in-field stakeholder consultations, on a region/concession by region/concession basis.

Figure 2: Roadmap and Track process stakeholder groups

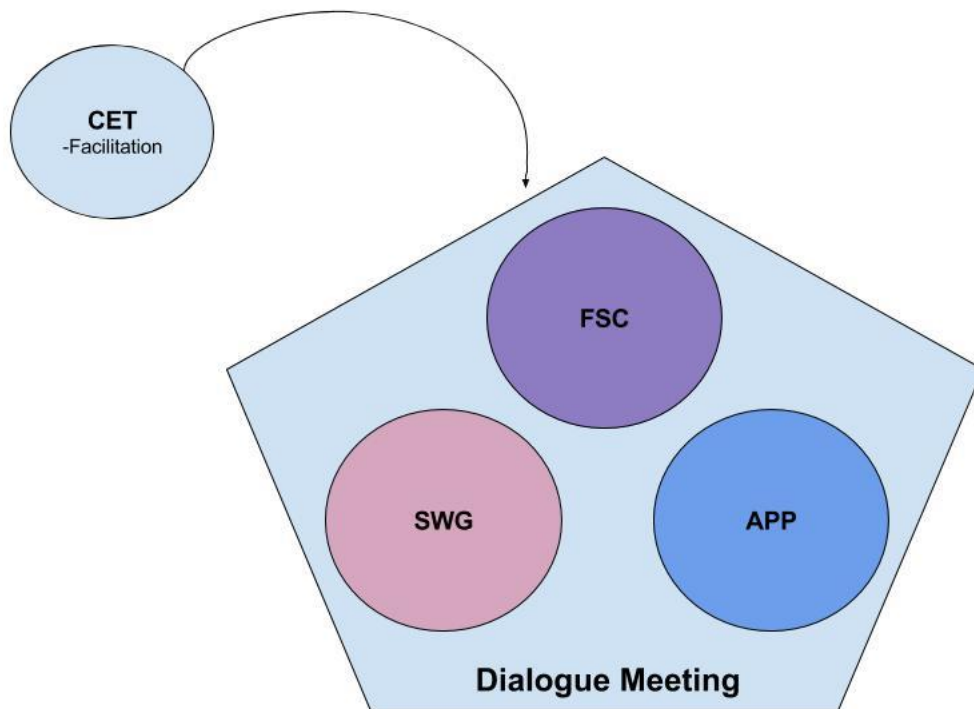


Figure 3: Dialogue Meeting constituents

4.2 Stakeholder engagement forums

4.2.1 Stakeholder Working Group (SWG)

This is the core stakeholder advisory group to FSC with whom it interacts to define the Roadmap and its TPIVs s. *This does not include APP*. The outcome of SWG discussions is documented and provided to APP via email or other form of writing. The SWG or APP may request Dialogue Meetings (see 4.4 below) at most once per quarter to discuss the Roadmap process in-person.

The SWG membership will represent those stakeholders in Indonesia with some appropriate¹⁰ economic chamber and union-type representation included in it, as well as the environmental and social (indigenous peoples and other rural communities) representation that has been very engaged in the Roadmap process to date. This is to ensure both a SWG that reflects all interests and not just those of NGOs/CSOs, as well as the confidence and support of all Affected and Interested Stakeholder groups. If such support is absent the likelihood of delays and disputes is increased, and the probability of achieving consensus support for the Roadmap and eventual ending disassociation of APP with FSC is diminished.¹¹

¹⁰ In this case 'appropriate' means: high performing within the FSC system, a good track record of positive engagement in FSC processes, a good understanding of APP issues, a track record of choosing not to buy from APP because of risk and performance issues to date, and a willingness to become an APP customer again once (and only once) it is proven to be performing at higher levels – in this case that means at a minimum only after APP is re-associated with FSC.

¹¹ FSC 2009. Process requirements for the development and maintenance of National Forest Stewardship Standards FSC-STD-60-006 (V1-2) EN NATIONAL

The key decisions made in SWG meetings shall be documented and reviewed by the SWG itself and will provide an overview of the final rationale reached for such decisions. This documentation shall be made available to stakeholders beyond the SWG on request and to APP.

4.2.1.1 Representation (and substitution) on the SWG

In most cases there should be a minimum of two seats and a maximum of four seats for each of the following types of stakeholder category:

- Environmental NGOs/CSOs
- Social (indigenous/local community focused) NGOs/CSOs
- Social (workers' rights/issues) unions/NGOs/CSOs
- Economic

Exceptional circumstances that result in differing from this norm include, for example: not enough stakeholder interest, conflict of interest, a large number of differing Affected and Interested Stakeholders.

The NGO/CSO environmental and social (community seats) may be grouped together if need be as many Indonesian NGOs/CSOs span both areas. Ensuring there is representation of stakeholders from the different regions of Indonesia in which APP works will also be important for verification of TVIPs dealing with social, labour and indigenous peoples and community harms.

Named individual members shall be required as representatives on the SWG to ensure consistency in the dialogue.

All potential seats do not have to be filled. FSC will determine whether additional seats over and above the minimum number for each stakeholder category need to be taken up. The SWG does not need to be balanced in terms of the number of seats taken up in each category, as the SWG works according to consensus. This allows for all voices to have the same weight regardless of the number of seats taken.

SWG members do not have to be members of FSC International, although preference to FSC Members is given.

4.2.1.2 Alternate members shall be designated at the same time as the primary representative, in case a specific member cannot be present.¹² Criteria for the selection of SWG members

Representatives on the SWG shall be selected according to the criteria¹³:

1. "Members of FSC Working Groups shall be selected according to the following criteria:
 - a. Expert knowledge and/or experience of the issue under consideration;
 - b. Up-to-date knowledge and experience of FSC's systems and procedures;
 - c. Understanding of the potential impact of a normative document on affected stakeholders;
 - d. Understanding of and support for FSC's mission and vision;
 - e. Ability to review and comment on documents submitted in the working language(s) agreed for the Working Group (see Clause 5.1);
 - f. Capacity to represent broadly supported chamber perspectives for chamber and sub-chamber balanced Working Groups;
 - g. Gender balance, where possible."
 - h. Either the organisation is Indonesian or has a working relationship with Indonesian organisations and/or affected stakeholders.

Some of the above criteria are considered to be more essential: a, c, e and f. The others are more ideal as opposed to essential: b, d and g. Where criteria cannot be met FSC and the CET are happy to hear from candidates as to why they should still be considered. FSC will support organisations with less background in FSC systems with presentations/training in the FSC system and procedures.

¹² The burden of responsibility to keep alternate SWG members informed shall sit with the designated SWG member and not the CET or FSC.

¹³ Criteria a) – g) as per those detailed in FSC-PRO-01-001 (V3-1) EN *The Development And Revision Of FSC Normative Documents*

In addition, all candidate SWG members will be asked to answer the following questions and provide the following documentation before confirmation:

1. Please state very briefly any track record of positive engagement in FSC processes to date.
2. If you have a connection with APP please state what that is. [*E.g. have a contract with APP to provide goods or services or receive funding from APP or the Belantara Foundation. Please note that a connection with APP will not necessarily preclude an organization from the SWG however any connections must be stated upfront at this time. I.e. full disclosure is being asked for. Subsequent discovery of a connection may put SWG membership in jeopardy*]
3. What is your motivation for becoming a SWG member? Are you committed to the process set out in the Stakeholder Engagement Plan (SEP)?
4. Provide a signed SWG Cooperation and Non-Disclosure Agreement
5. Provide a complete and signed Disclosure of Interest Form

Economic chamber candidates only shall be asked the following:

6. Please give evidence that shows the following criteria are met.
 - a. High performance within the FSC system; [*Examples include: Holding an increasing number of FSC certificates; producing or stocking an increasing amount of FSC certified product; working with suppliers to achieve FSC certification*]
 - b. A track record of choosing not to buy from APP because of risk and performance issues to date;
 - c. A willingness to become an APP customer again once it is proven to be performing at higher levels – in this case that means at a minimum only after APP is re-associated with FSC (i.e. when APP holds an FSC certificate of some description: CW, CoC or FM).
 - d. Has no conflict of interest in sitting on the SWG [*E.g. is not a direct competitor of APP in any given market place*]
 - e. Provide a signed SWG Cooperation and Non-Disclosure Agreement
 - f. Provide a complete and signed Disclosure of Interest Form

Stakeholder Working Group members and alternates shall sign a Stakeholder Working Group Cooperation Agreement and Non-Disclosure Agreement to ensure that SWG members have a safe space in which they may raise controversies, ask questions and raise grievances. This also ensures that the roles and responsibilities of both FSC and the SWG members are clearly defined.

Successful SWG candidates' answers shall be made available to the Stakeholder Consultative Forum members.

4.2.1.3 Conflict of Interest

Stakeholder Working Group members and alternates shall complete and submit a Declaration of Interest according to the Conflict of Interest Guide (see Annex 3).

The SWG members shall conduct a due diligence exercise on conflicts of interest and on a regular basis, every quarter, as a condition of membership.

4.2.1.4 Stakeholder mandate for SWG representatives

NGOs/CSOs have stated that there needs to be a mandate given to the environmental and social (community) members of the SWG by the larger body of Affected and Interested Stakeholders in these categories.

Prior to the first SWG meeting, the SWG Environmental and Social (Community) members have requested that they hold their own meeting in order for the mandate to be given to the respective SWG members. This shall not be an FSC or CET facilitated meeting (unless the NGOs/CSOs request otherwise), however it will be FSC supported (cost of meeting room etc.). FSC and CET members shall be available to be at such a meeting as a resource to answer questions if so requested.

4.2.1.5 Role of FSC staff on the SWG

The role of the FSC staff that participate in the SWG is to inform the SWG of the normative FSC documents that apply to the Roadmap process and that must be met. These may include standards,

policies, procedures and interpretations or guidance. Staff shall also inform the SWG of case history and similar processes relevant to the Roadmap process. Specifically in the case of the APP Roadmap the staff shall advise the SWG on keeping the Roadmap focused on actions that will result in APP meeting the terms of the Policy for Association (assuming its proper application by APP).

During SWG meetings and public consultation, FSC shall ensure that consultation materials are available in Bahasa Indonesia and translators/simultaneous interpretation shall be made available.

4.2.1.6 Financial support for SWG members

FSC shall cover the expenses of SWG members according to the SWG Agreement. FSC shall seek grant funding to cover these costs to ensure these funds do not come from APP.

4.2.2 Stakeholder Consultative Forum (SCF):

The term Stakeholder Consultative Forum shall be used for a wider group of stakeholders with whom consultation on various drafts takes place and where consensus agreement is not sought or necessary.

Affected and Interested Stakeholders that do not sit on the SWG itself and that are keen to be closely involved in the process shall be invited to be part of the Stakeholder Consultative Forum (SCF) by FSC.

Any Stakeholder Consultative Forum meetings held in person shall be announced publicly on the FSC website and a public summary report for each consultation produced and shared by FSC.

4.2.3 Development of Track Performance Indicators and Verifiers s: Track Technical Working Groups

Each Track is anticipated to need its own Track Technical Working Group (TTWG). Each TTWG shall contain at least one member of the SWG (either substantive or alternate SWG representatives) and the involvement of a CET member to ensure continuity with the central SWG process and discussions. The TTWG shall be responsible for development of specific Track's TPIVs and shall deliver this input for review by the CET, SWG and FSC. Before being confirmed as a TTWG member, technical experts shall sign a Declaration of Interest and Non-Disclosure Agreement with FSC.

There may need to be concession by concession/regional-focused consultation, especially for Tracks 1 and 2, and FSC and the CET shall ensure that local community and Indigenous Peoples stakeholders will be included in the TTWG process. The SWG will provide oversight with the CET to ensure the various TTWGs provide a productive, meaningful and representative exercise for Affected and Interested Stakeholders, including in particular Affected and Interested Stakeholders that have suffered human rights violations related to loss of land, forest resources and livelihoods as a result of APP legacy activities. To ensure that consultation with and the involvement is meaningful and effective FSC and the CET shall ensure that sufficient resources, including expert personnel, are assigned to this work, including engaging personnel for the task over and above the CET members. The SWG shall be involved in developing these plans and determining the additional resources needed. This aspect is further covered in Annex 2.

4.3 Other stakeholder input channels

4.3.1 Public Consultation

The revised Roadmap and its TPIVs after having been agreed by the SWG shall be published for wider public consultation (for consultation time see 5.3.1 below). Mechanisms for providing feedback to FSC by organisations and individuals will include online feedback, emails and in person meetings (limited). Affected and Interested Stakeholders and others shall be encouraged to provide specific changes to text with a clear rationale for the change to ensure the perspective of those commenting is clear to the SWG and CET who shall be considering the comments. All comments gathered during public consultation shall be registered and considered by the SWG in producing the finished text for FSC Board approval.

4.4 Discussions with APP – Dialogue Meetings

Dialogue Meetings are the official forum for APP and the SWG to interact and discuss the Roadmap and the Roadmap process and progress. These meetings are between APP, FSC and the Stakeholder Working Group (SWG) (or a representative number from the SWG) - see Figure 3 above. APP and the SWG shall each appoint a minute-taker to record the meeting minutes. The meeting minutes may be used by the parties for updating their organizations. There shall not be public summaries of the meeting minutes published. Conclusions and next steps shall be captured and identified during the meeting on a flip chart and shall be confirmed by the parties at the close of the Dialogue meeting.

The purpose of these sessions is not to reach agreement between parties. It is not a negotiation forum. The FSC Board of Directors is the final decision-making body for the Roadmap process. Dialogue sessions are an opportunity to share progress and to raise issues in the drafting of the Roadmap, to present and discuss constructive solutions, and to reach mutual understanding.¹⁴

The numbers of participants and exact personnel attending the meetings shall be agreed ahead of time with the CET to ensure that there is a fair and balanced representation of all parties within the room (or on the call).¹⁵

- When needed, a smaller number of members from the SWG may be mandated by the wider SWG to act as representatives at Dialogue Meetings. A main spokesperson/s for the SWG shall be identified.
- There shall be a team from FSC present with one appointed as main spokesperson.
- There shall be a team from APP, also with one appointed main spokesperson.
- Others attending shall sit as observers. The number of observers from APP shall not exceed the number from the SWG (both SWG representatives and their alternates may sit together as SWG observers in Dialogue Meetings)

The same rules shall apply as in SWG meetings regarding the conduct of alternate representative observers in Dialogue meetings (see section 4.2.1.1), observers must not interject in the meeting in any way, and however they may confer with their colleagues during meeting break times.

The CET will facilitate, structure, and ensure a represented balance of views throughout the process encouraging the norms detailed below.

4.4.1 Dialogue meeting process

Dialogue meetings shall broadly follow the below process:

- Presentation of specific topics, data sets, and proposals by the SWG
- APP response to the SWG presentation and offering alternative solutions where possible.
- Identification of next steps around the key outstanding issues.

The CET will encourage the group to use the following norms in the dialogue meetings:

- Always test assumptions and inferences.
- Share all relevant information.
- Use specific examples and agree on what important words mean.
- Ask if you do not understand the terms being used.
- Explain your reasoning and intent.
- Focus on interests/challenges/perspectives, not positions.
- Combine advocacy and inquiry.
- Ask open questions to understand better the perspective of others.
- Jointly design next steps and ways to test disagreements.
- Try to find ways to bring important but apparently “un-discussable” issues to the table and open them up for discussion.

¹⁴ Mutual understanding here is intended to mean that stakeholders and APP share their perspectives on the changes, they do not necessarily have to agree.

¹⁵ The first Dialogue Meeting after the SWG I meeting is an exception as those who will attend the meeting for the SWG shall be decided during that first meeting.

5 Terms of stakeholder engagement

5.1 Meeting and exchange formats for the SWG

In person meetings and conference calls shall be used as the format for the SWG as necessary, agreed in advance with the members. The official language of the SWG shall be English, simultaneous translation shall be provided for in-person meetings in English-Bahasa Indonesian.

The SCF shall be kept informed by FSC and the CET via email and the FSC public website. SCF members shall let their SWG colleagues know their views directly via email and other formats. Formal submissions to the SWG will need to be copied to the CET and FSC staff.

The method of consultation by SWG with its constituents may depend on the nature of the issues involved. Consultation methods appropriate for indigenous and local communities that allow for participation without access to computers or written materials shall be implemented where needed. This will be determined on a Track by Track and region/concession by region basis. Public social media channels, public websites, and other non-specific communication channels are not recommended for consultation with constituents.

Where appropriate and deemed necessary by the SWG, FSC and the CET will organise oral briefings or in-person meetings to explain the outcome of meetings to wider stakeholders such as the members of the SCF or the different TTWGs.

5.1.1 Ensuring effective and efficient meetings

In order to ensure effective and efficient meetings, to guard against stakeholder fatigue and to build on going trust in the process, the SEP, other agreed (in SWG or Dialogue Meetings) procedures, approaches and deadlines shall be respected and adhered to at all time by all involved (including FSC and the CET). Any deviation from such procedures must be agreed ahead of time with the CET or, where the CET advise it is necessary, at the appropriate meeting.

As far as possible efficient use of meeting time and stakeholders' resources (at all stages and levels of the process) shall be made a priority. For example single meetings covering several issues shall be planned for rather than several meetings covering separate single issues.

5.2 SWG Decision-Making Rules

The SWG shall work by consensus, defined as "an absence of sustained opposition".¹⁶ If consensus cannot be reached the group must aim to redefine the issue and clarify on what parts they do agree upon, whilst revisiting relevant normative FSC frameworks as a guideline e.g. FSC Policy for Association FSC Controlled Wood standards and referring to relevant precedents (the referencing of relevant FSC frameworks and precedents is a key task for FSC technical staff).

The SWG shall agree by consensus to the final draft Roadmap and other necessary text. If consensus cannot be reached after a reasonable amount of time and using appropriate facilitation and mediation techniques, the areas where there is agreement as well as the nature of on-going issues where there is as yet no agreement shall be highlighted to the Board by FSC staff.

FSC itself will not facilitate the SWG meetings but will be present as a participant. Meetings shall be facilitated by the CET. FSC staff shall make relevant FSC technical information available and may assist in documentation of the meetings and provision of support materials.

Public consultation comments shall be addressed through the SWG. The SWG shall consider the comments and decide by consensus on any changes. The SWG shall also consider the inputs from the TTWGs, the APP Feasibility Study and the SCF in the same manner.

¹⁶ ISO/IEC Guide 2:2004, *Standardization and Related Activities -- General Vocabulary* quoted in: <http://www.duhaime.org/LegalDictionary/C/Consensus.aspx> See Note 1 within the link.

5.2.1 Decision making outside of SWG main physical meetings

Between the main SWG meetings, conference calls and email discussions shall be held as necessary. Decisions made using these formats shall also be made by consensus.

5.2.2 Alternate SWG members

Alternate members may attend all meetings as observers when the main SWG member is present. This means the alternate must take a back seat in the meeting and must not interject or interfere with the meeting process in any way. They may confer with their counterpart and other SWG members only outside of the meeting sessions (during break-times etc.). To maintain consistency within a given meeting representatives may not swap seats with their alternate during a single meeting, unless the representative unexpectedly and urgently needs to leave a meeting and is unable to return.

To maintain consistency between meetings the alternate may not re-open issues that the main representative had already agreed to in a previous meeting (by way of consensus being achieved amongst the group members). The exception to this shall be circumstances when the SWG as a whole takes the decision that discussion on a topic needs to be re-opened in the light of new information.

Outside of main SWG meetings alternates may participate in Sub-Groups (SGs) as long as the main representative for that SWG seat is not a member of the same SG.

When there are SWG calls the alternates may participate in addition to the main representative, however as in the SWG physical meetings they may not contribute to or participate in the discussion; they may only observe. The CET and FSC staff is responsible to ensure this is maintained.

Email discussions shall include the main representatives only. The SWG email list shall only include the email addresses of the main representatives. A wider email list that includes the addresses of the alternates shall only be used for major announcements such as the date of the forthcoming main SWG meeting or the start of a public consultation period.

5.3 Consultation periods

Specific consultation periods are set out in the sections below. In all cases FSC reserves the right to extend these consultation periods under certain circumstances if it deems necessary, e.g. where given circumstances have led to a low level of stakeholder input. An organisation forgetting to comment is however not a justifiable reason for extending a deadline.

5.3.1 Public consultation

The standard period to submit comments on the first draft for public consultation shall be a minimum of sixty (60) days from the date of publication. The period for public consultation on intermediate drafts shall be a minimum of thirty (30) days from the date of publication.

The start and end dates of the public consultation shall be published along with the draft Roadmap for comment. Comments received after the end of the consultation period shall not be considered.

5.3.2 Constituent consultation

Between public consultations, the default timescale for the SWG organisations and APP to consult with colleagues and constituents (members of the SCF) on the latest on-going drafts agreed at meetings (in person or virtual), shall be ten business days.

The consultation period may be made longer than two weeks – up to 30 days – when agreed as part of the last SWG or Dialogue meeting to work on the Roadmap draft. Longer time periods may be given for more complex issues/discussion topics.

Other methods that allow for colleague and constituent consultation shall be possible to replace the default and 30-day timescales. For example, at final meetings where consensus needs to be achieved,

time may be built into the meeting format to allow for virtual side meetings with SWG constituents. Such measures shall be formally agreed by FSC/CET with the SWG prior to the meeting. Such extraordinary arrangements shall be announced with a minimum of 30 days' notice to allow for constituent coordination.

In all cases the deadline is the deadline, no individual consultation period extensions shall be given, and the next meeting/stage of the process will proceed as planned. Where agreement between parties cannot be reached or further work is needed, further stages/meetings may need to be planned and this shall take place as appropriate.

5.4 Stakeholder comments and proposals

Stakeholder comments and proposals on the Roadmap shall relate to/be justifiable in terms of the FSC normative framework, the FSC Policy for Association (FSC-POL-01-004), the Policy for Association Complaints Procedure (FSC-PRO-01-009), the reasons for FSC's disassociation with APP, and the FSC Board's guiding principles and decisions relating to the Roadmap.:

- a) Changed management approach, leading to demonstrable change (continued top management commitment, consistent adoption (and implementation) of policies that are suited to ensure change of previous business practices and manifestation of PfA compliant ones ('walk the talk'))¹⁷;
- b) Compensation for social and environmental damage;
- c) Transparency of change process and credible involvement of stakeholders;
- d) Independent verification of corrective/compensatory and preventive measures.

5.5 Keeping stakeholders informed during the consultation process and implementation phase

Any constituent consultation forum meetings held in person shall be announced by the SWG member responsible for convening the consultation and a summary report for each consultation produced and shared by the SWG member to the full SWG, FSC and CET.

The table below provides an overview of the type of channels that FSC is considering to keep stakeholders informed and to ensure transparency in relation to progress on the on-going Roadmap process.

Group to keep informed	Accessibility Level	Geographical coverage
FSC APP Roadmap Mailing List	Subscriber	Global
FSC Website	Open online	Global
FSC Dispute Resolution APP page	Open online	Global
SWG and SWG SF	Members	Global
TTWGs	Those involved in TPIV technical consultation	Global
Roadmap and TPIVs public consultation list	Those who contributed to Roadmap and TPIVs consultation	Global

6 Annex One: Stakeholder Analysis and Consultation

For purposes of engagement and consultation stakeholder have been divided into the following categories and how they will be engaged in the overall process has been detailed in the table below:

No	Stakeholder Type	Characteristics	How will they be involved? - Role in the Roadmap and Track Process	Potential Stakeholders
<i>The main categories of stakeholder</i>				
1	Affected Stakeholder	Those individuals and groups who have been affected in the past and are presently affected by APP's activities and the Roadmap, either as beneficiaries (positively impacted) or dis-beneficiaries (adversely impacted).	<p>These stakeholders shall typically be directly involved in the Stakeholder Consultative Forum (SCF) and where appropriate Track Technical Working Groups (TTWGs).</p> <p>SCF members shall be consulted with both on a virtual basis and directly at local level where appropriate measures shall be put in place to ensure that they receive information in an accessible format.</p> <p>Where needed focus group discussions may be used for communities at a local level to gain clarification on specific issues in the preliminary information gathering stage and to ensure that they can input their views into the process.</p> <p>The views and conclusions from the SCF shall be considered by consensus by the SWG and shall be used for drafting documents by the CET, TTWGs and SWG.</p> <p>Affected Stakeholders shall be given higher weight than Interested Stakeholders. In the SWG, consideration of information from SCF</p>	<p>Affected Stakeholders include:</p> <ul style="list-style-type: none"> -Community members adjacent to the concessions, especially rights holders (could also be delegated by their representative persons/organizations); -Adjacent concession holders including smallholders; -Conservation and restoration organisations with on-the-ground projects adjacent to concessions; -CSOs with projects adjacent to concessions, -Workers' unions/representative organisations; -District government with responsibilities in and adjacent to affected areas.

No	Stakeholder Type	Characteristics	How will they be involved? - Role in the Roadmap and Track Process	Potential Stakeholders
			<p>consultation shall be given higher priority when it is from Affected Stakeholders.</p> <p>Primary stakeholder comments from public consultations shall be given greater priority than those from secondary stakeholders.</p>	
2	Interested Stakeholder	All other individuals or institutions with a stake, interest or intermediary role in the Roadmap implementation.	<p>Interested stakeholders shall be engaged primarily through public consultations on the final Roadmap.</p> <p>The comments received via the public consultations shall be considered by consensus by the SWG.</p>	<p>Interested Stakeholders include:</p> <ul style="list-style-type: none"> -National government; -NGOs/CSOs; -Donors and development organisations, -Buyers; -Academia and other technical experts etc.
Other stakeholder considerations and analysis				
	APP linked stakeholders	Stakeholders that are linked to APP through service agreements and contracts that are based, on financial or commercial interests.	<p>APP linked stakeholders may be either Affected or Interested stakeholders. They are eligible to be considered for the SWG and TTWGs provided a Declaration of Interest is signed and Non-Disclosure Agreement. Conflict of Interest will be managed through the Conflict of Interest Guidelines in Annex 3.</p> <p>It is anticipated that most APP linked stakeholders shall be primarily be consulted with via public consultations.</p> <p>APP is responsible for keeping these stakeholders updated and informed with the Roadmap process.</p>	<p>APP linked stakeholders include:</p> <ul style="list-style-type: none"> -APP suppliers; -Yayasan Belantara and projects receiving major funding from the foundation; -TFT.
	SWG candidates	Those that: - Can significantly influence the success of	Stakeholders shall be represented through the Stakeholder Working Group (SWG) and	<i>NB: The list here is not intended to be exhaustive, other candidates are expected to be found/exist.</i>

No	Stakeholder Type	Characteristics	How will they be involved? - Role in the Roadmap and Track Process	Potential Stakeholders
		<p>the Roadmap process/implementation; and/or</p> <p>- Have significant knowledge of APP and its historical forest management and working practices.</p> <p>Can be an affected or interested stakeholder.</p>	<p>the Stakeholder Consultative Forum (SCF) and be engaged fully in the process.</p> <p>There should be a full range of FSC chamber representation in the SWG including economic and social (labour rights). Key SWG participation shall be sought from Affected Stakeholders and stakeholder associations representing Affected Stakeholders.</p> <p>The SWG shall have the highest input weight in the Roadmap and Track process. It represents FSC's main advisory committee for the process and decisions shall be made by consensus.</p> <p>The SCF shall contain stakeholders with a particular interest in the Roadmap process. These stakeholders are those that may not want to, or be able to, commit to the SWG process. The SWG shall consider SCF's comments by consensus.</p>	<p>Organizations in former Solution Working Group of APP (WWF, RAN, Greenpeace, EPN, HAKI)</p> <p>Organizations that have had significant involvement with APP's FCP and Landscape Conservation Masterplan Programme (LCMP) development OR organizations that participated in the in-person workshop organized by FSC on 9 September 2016.</p> <p>Additional stakeholders from the social chamber representing workers' rights and from the economic chamber.</p> <p>The members shall be selected from a pool of organisations as listed below based on their perspective, representation and previous interest and commitment to the Roadmap process.</p> <p>Those suggested for SWG based on an analysis of previous interaction:</p> <p>-Environmental Pool: Greenpeace, WWF Indonesia, Jikalahari, Wetlands International, KKI WARSI, EPN, Titian, Woods and Wayside International. <i>To be discussed further during the consultation period</i></p> <p>- Social Pool (indigenous local community focused): RAN, FPP, Scale Up, Auriga, HAKI, Community Peat land Network, and/or local community/ indigenous peoples'</p>

No	Stakeholder Type	Characteristics	How will they be involved? - Role in the Roadmap and Track Process	Potential Stakeholders
				<p>representative. <i>To be discussed further during the consultation period</i></p> <p>- Social (Workers' Rights) Pool: Kahutindo, Regional labour rights unions. <i>To be discussed further during the consultation period.</i></p> <p>- Economic Pool: <i>To be discussed further during the consultation period.</i></p>

7 Annex Two

Annex Two: Engaging Indigenous People and Local Communities in the Roadmap Process

Background

This annex highlights the minimum protocol that will be used to ensure the engagement of Indigenous People and local communities in the APP Roadmap process and seeks to clarify the key guiding principles that will be followed during that engagement.

The main purpose of engagement of Indigenous People and local communities in the Roadmap process will be to *inform the Roadmap development and seek inputs in the development of the track verification plans in particular at the level of verification and guidance*¹⁸.

Due to the historical disenfranchisement of Indigenous Peoples and local community rights in decision-making over natural resources, which are the foundation of their culture and livelihoods, a deliberate and conscious effort shall be made to ensure they have opportunity to participate meaningfully in the Roadmap dialogue and to address past and present harm to their traditional rights affected by APP activities. The Roadmap both seeks to ensure that affected communities are compensated for the activities of APP not aligned with the PfA and ensure APP practices have been changed to safeguard against similar non-compliance in the future after re-association. With this in mind inputs from such local groups that have experienced past issues is critical not just through SWG representatives but also through extended consultation efforts particularly in relation to developing guidance for verification of compliance.

This process aims to ensure that community stakeholders are both aware of the APP Roadmap process and have an opportunity to provide their inputs on how the requirements set out in the Roadmap should be applied and verified on the ground.

Currently FSC has a number of normative policy documents that will provide the framework for guiding this engagement. These include:

- Relevant aspects of the FSC Policy for Association (FSC-POL-01-004)
- The BoD agreed principles for development of the Roadmap (72nd Meeting)
- FSC FPIC guidelines (FSC-GUI-30-003 V1-0) (2012)
- FSC International Standard (FSC-STD-20-006 V3). Stakeholder consultation for forest evaluations

How will FSC ensure local communities and Indigenous People are engaged in the APP Roadmap process?

FSC will ensure the following steps are taken:

- Seek to engage organizations that have been mandated to represent communities and Indigenous People in Indonesia and or APP affected communities in the Roadmap SWG (e.g. A SWG member having connections to the Community Peatland Network.)
- Identify key organizations within the SWG or partners of SWG members who can reliably inform relevant communities affected by APP activities about the Roadmap process and ensure they are updated at major decision points in that process through a clear feedback mechanism.
- Design and resource a consultation mechanism for both Track #1 and Track #2 TPIVs across a representative sample of APP affected communities to ensure key community concerns are addressed within the Roadmap.

¹⁸ Inputs from Indigenous People and Local Communities are critical across all tracks not just Track #2.

Principles of Best Practice in consulting with Local Communities and Indigenous People

FSC will ensure that the following minimum protocol is used to ensure that local people can participate in the Roadmap process.

- **Identifying and acknowledging all relevant affected Indigenous People and Communities** (affected by APP activities) and making contact with them as early as possible in the Roadmap process.
- **Clarify expectations at an early stage** by making clear to communities and their relevant partners what this process will NOT do and ensure agreement on this “scope of consultation”.
- **Use of appropriate methods and overcoming barriers to participation** for specific groups to participate in the consultation (language, location, timing, cultural).
- **Setting appropriate time frames for consultation** particularly on priority issues in relation to specific Roadmap tracks which have high relevance for APP affected communities.
- **Provide complete and accessible information and support** during the consultation including any documents in Bahasa Indonesia and provision of local dialect interpreters where necessary.
- **Engaging competent local facilitators** who can ensure that consultation representation and decision-making provisions are followed correctly within the context of that community respecting traditional structures where appropriate. In the Roadmap consultations individual communities will not have any direct decision-making power but at the very least the process needs to ensure that the views expressed from communities reflect that of its members and their cultural decision making structures.

What this process will not do?

As part of the process in clarifying what the objectives of the Roadmap consultation are, it is as important to clarify what this consultation process will not do. This process will not replace site-by-site conflict resolution or social compensation legacy that may or may not be done by APP as part of their requirement to fulfill the Roadmap. It is to ensure that affected communities are consulted to inform the development of the TPIVs for the Roadmap and where relevant provide ideas for guidance on how verification of the requirements in the Roadmap should take place during the Roadmap independent audit process.

Although SWG member partners will be engaged in informing and updating affected communities on the Roadmap development and implementation progress there will not be consultation of all affected communities on all issues in relation to the tracks. The SWG group will be asked to prioritize the issues on which Affected Stakeholder communities should be consulted when developing the TVIPs. Where appropriate communities may also be invited into relevant Technical Working Groups to provide expert input. They will be invited to participate in the Stakeholder Consultative Forum or they will be given the choice to mandate the participation of others on their behalf.

Any sampling to get inputs from “representative” views of Affected Stakeholder communities will be agreed within the SWG. It is unlikely that there will be scope for every region that APP has concessions in but it will be possible to categorize conditions and conflicts and conduct sample consultations in relation to these.

Resourcing Community and Indigenous People Consultation and Participation in the Roadmap process

FSC will seek to secure independent funds for consultation and participation of affected communities in the Roadmap process. The design of this funding mechanism as a possible rotating fund with some costs recovered from disassociated companies is still being considered and open for further discussion with the CET and potential funders.

8. Annex Three

Section 1: Stakeholder Working Group Conflict of Interest Guide

§1 Purpose

- 1.1 This conflict of interest policy is designed to provide a fair, transparent and credible framework for defining, identifying and managing actual and perceived conflicts of interests in stakeholder working groups convened by Forest Stewardship Council (FSC).

§2 Definitions

- 2.1 **‘Affected Stakeholder’** Any person, group of persons or entity that is or is likely to be subject to the effects of the activities of the Disassociated Organization. Examples include, but are not restricted to persons, groups of persons or entities located in the vicinity of the Disassociated Organization’s or its Suppliers’ forestry operations.
- 2.2 **‘Board Complaints Resolution Committee’** is a standing committee of the FSC Board of Directors which shall be responsible for judging conflicts of interests and for acting as the arbiter of conflicts within the Stakeholder Working Group.
- 2.3 **‘Conflict of interest’** is present when in the judgment of the Board Complaints Resolution Committee a Stakeholder’s Interest or involvement in a Transaction is such that it reduces or is perceived to reduce the likelihood that a Stakeholder can be impartial and act in the best interest of the Stakeholder Working Group.
- 2.4 **‘Disassociated Organization’** is an organization or legal entity against whom FSC has terminated the FSC Trademark License Agreement for violations of the Policy for Association.
- 2.5 **‘Family Member’** shall mean any spouse, children, grandchildren, great-grandchildren, and siblings (whether by whole or half-blood).
- 2.6 **‘Financially Controlled’** means a Stakeholder wherein the Disassociated Organization holds, represents or accounts for more than 35 percent of the total combined voting power, more than 35 percent of the product sales, more than 35 percent of the beneficial interest, or funds either directly or indirectly 35 percent or more of annual accounts receivable.
- 2.7 **‘Interest’** means any commitment, investment, agreement, relationship, obligation, or involvement, financial or otherwise, direct or indirect, perceived or real, that may influence an Affected Stakeholder and Interested Stakeholder’s impartiality.
- 2.8 **‘Interested Stakeholder’** Any person, group of persons, or entity that has shown an interest, or is known to have an interest in the activities of the Disassociated Organization.
- 2.9 **‘Member’** means for the purpose of this Agreement an active Stakeholder Working Group Member.
- 2.10 **‘Politically Interested’** means a Stakeholder which has a member of the board of directors, a member of the advisory board, the president, chief executive officer, chief operating officer, treasurer, or executive regardless of title who is an employee, agent, executive, board member or Family Member of the Disassociated Organization.
- 2.11 **‘Stakeholder’** is the term used to describe both Affected Stakeholders and Interested Stakeholders collectively and generally.
- 2.12 **‘Stakeholder Working Group Member’** is an organization, association, foundation or company that has been approved by FSC to provide expert advice and input into a stakeholder process convened by FSC. The Stakeholder Working Group Member shall appoint an alternate to attend meetings, provide input, and sign the Stakeholder Disclosure Form as an authorized alternate.
- 2.13 **‘Transaction’** means any transaction, agreement, arrangement, collaboration, outcome, and decision between an Affected Stakeholder and the Disassociated Organization, an Interested Stakeholder and the Disassociated Organization or between the Disassociated Organization and any third party where a stakeholder has an Interest in the transaction or any party to it.

§3 Application of Guide

- 3.1 This Agreement is applicable to all Members active in Stakeholder Working Groups convened by FSC and is being piloted in the APP Roadmap.
- 3.2 Members may have a Conflict of Interest when the Board Complaints Resolution Committee determines an Interest in a Transaction subject to the scope and/or subject matter of the Stakeholder Working Group which results in the perception or conclusion that the Member is not impartial and cannot act in the best interest of the Stakeholder Working Group. The Interest may be direct or indirect through another party to whom the Member has a Family Member, business, financial or other affiliation
- 3.3 Not all determined Conflicts of Interest require termination of membership in the Stakeholder Working Group.

§5 Obligations of Members

- 4.1 The Member has the duty to disclose all material facts including relevant affiliations regarding interests in the transaction. Not all Interests are conflicts of interest.
- 4.2 The Member has the duty to consult with its constituents, representatives, communities, networks, Affected Stakeholders and Interested Stakeholders on all issues, conditions, plans and frameworks, and other matters relating to the work of the Stakeholder Working Group not in violation of the Non-Disclosure Agreement signed between the Parties.
- 4.3 The Member shall complete and submit a signed Conflict of Interest Disclosure Form at the time of receiving confirmation of the application for Stakeholder Working Group membership.
- 4.4 The Conflict of Interest Disclosure Form shall be completed on a regular basis and is the responsibility of each Member to continuously observe and monitor potential Conflicts of Interest and disclose these.
- 4.5 The Board Complaints Resolution Committee shall determine if a Conflict of Interest exists.
- 4.6 Where a Conflict of Interest is determined by the Board Complaints Resolution Committee, the Member shall use the conflict mitigation measures in Section 5 to manage the Conflict of Interest. In the case the Board Complaints Resolution Committee determines that mitigation measures are not possible to manage the Conflict of Interest, the Member may be terminated as in 6.1.

§5 Conflict Mitigation Measures

- 5.1 Members shall not discuss with other Members any issue, matter, or Transaction in which the Board Complaints Resolution Committee is in the process of determining a Conflict of Interest case or where the Board Complaints Resolution Committee has determined that a Member has a Conflict of Interest.
- 5.2 Each Member shall abstain from consensus building around any issue, matter, or Transaction in which the Board Complaints Resolution Committee has determined that the Member has a Conflict of Interest.
- 5.3 All Members shall comply with the request of the Board Complaints Resolution Committee to temporarily resign from the Stakeholder Working Group until such time as the Conflict of Interest has been resolved. When the Board Complaints Resolution Committee finds that the Conflict of Interest has been sufficiently resolved, the affected Member can be invited to re-join the Stakeholder Working Group.

§6 Termination

- 6.1 The Board Complaints Resolution Committee may terminate a Member from the Stakeholder Working Group due to a determined Conflict of Interest.
- 6.2 Any failure to disclose a potential or actual Conflict of Interest by any Member shall result in a request by the Board Complaints Resolution Committee for the Member to temporarily resign from the Stakeholder Working Group until the Board Complaints Resolution Committee can make a determination on the Conflict of Interest as in Section 5.3.

Section 2: FSC Stakeholder Working Group Interest Disclosure Form

Please fill in the following disclosure form to the best of your knowledge and ability, providing concrete detail and explicit facts. The information provided in this form is confidential between the Stakeholder Working Group Member, FSC and the Board Complaints Resolution Committee. This information shall only be used to determine a Conflict of Interest as defined by the Stakeholder Working Group Conflict of Interest Guide. Please note that a “yes” answer does not necessarily imply a conflict of interest. The FSC Board Complaints Resolution Committee will make the final determination if a conflict of interest exists.

1. Please list all funders, investors, clients, or others for whom you have provided goods or services within the last five (5) years who contribute more than 35% or more of your company or organization’s total annual income. If you do not have enough space, please include an annex.

NAME OF FUNDER, INVESTOR, CLIENT, OTHER	PERCENTAGE OF YEARLY INCOME	YEAR IN WHICH REVENUE RECEIVED

2. Are you or have you been within the last five (5) years a member of the Board of Directors, an officer, or principal of any corporation, company, association, institution, foundation or other business owned or Financially Controlled by the Disassociated Organization?

Yes ☐

No ☐

If the answer to this question is “yes”, please specifically identify: the names of such corporations, companies, associations, institutions, foundations, and/or businesses; the office or other position you held or hold.

Name of Entity: _____

Title and position: _____

3. Does a member of the Board of Directors, an officer, or principal of the Disassociated Organization sit on the Board of Directors or act as president, principal, officer or executive of your Organization or have they in the last five (5) years?

Yes ☐

No ☐

If the answer to this question is “yes”, please specifically identify: the names of such persons and the position they hold.

Name of Board Member or other: _____

Title of position: _____

4. Are you or your organization Financially Controlled or Politically Interested in any other Member of the Stakeholder Working Group? Please consider funding relationships in answering this question.

Yes ☐

No ☐

If the answer to this question is “yes”, please provide: the name of the Member of the Stakeholder Working Group and describe how you or your organization is Financially Controlled or Politically Interested.

SWG MEMBER NAME	DESCRIPTION OF FINANCIAL CONTROL OR POLITICAL INTEREST

5. Do you, your organization, or does any Family Member have a direct or indirect ownership (35% ownership of the voting stock or other voting rights) or other financial interest (e.g., beneficiary of a trust) in any corporation, company, institution, or other business affiliated with or owned by the Disassociated Organization?

Yes ☐

No ☐

If the answer to this question is “yes”, please supply the following information: (a) the names of all corporations, companies, associations, institutions, foundations, and/or businesses in which you or a Family Member hold an ownership, financial, or other interest as defined above: (b) the nature of the respective interest held; (c) the name and relationship to you of each person holding such an interest:

(a) Names:

(b) Nature of interest:

(c) Name and relationship of each person:

6. Have you or your employer purchased goods and services from the Disassociated Company since the date of disassociation from FSC?

Yes ☐

No ☐

If the answer is “yes”, please describe the goods and services, the dates of these purchases, and the percentage of overall purchases these goods and services represented in annual purchasing?

NAME OF SELLER	DESCRIPTION OF GOODS AND SERVICES	DATES GOODS AND SERVICES PURCHASED	PERCENTAGE OF OVERALL ANNUAL PURCHASING

7. Within the past twelve (12) months, did you or any Family Member receive any gifts, in-kind support or services, reimbursement, loan, or other benefits from any corporation, company, association, institution, foundation, or other business in excess of USD 1,000 from the Disassociated Organization?

Yes ☐

No ☐

If the answer to this question is “yes”, please identify all such gifts, in-kind support or services, reimbursement, loans or other benefits, and specifically identify: the person(s) receiving and from whom the gift was received. If you require more space, please include an annex.

NAME OF GIVER OF BENEFIT (LEGAL ENTITY + INDIVIDUAL)	DESCRIPTION OF BENEFIT: GIFT/ IN-KIND/ SERVICES/ REIMBURSEMENT /LOAN	DATE OF BENEFIT	NAME OF RECIPIENT

8. Are you aware of any past or prospective involvement by you in an activity or Transaction within the previous twelve (12) months or planned in the next twelve (12) months that reasonably could be interpreted as a possible Conflict of Interest, or reasonably could be viewed as having an appearance of a divided interest or loyalty in your membership in the FSC Stakeholder Working Group?

Yes ☐

No ☐

If the answer to this question is “yes”, please describe the activity:

Section 3: Signatures

I certify that I have reviewed and understand the FSC Stakeholder Working Group Guide and FSC Stakeholder Working Group Disclosure Form. I have answered the Disclosure Form to the best of my knowledge and ability and the information I have provided in this form is true, accurate, and complete. Should any information provided in my responses become incomplete or inaccurate, I understand that I am required and obligated to revise or supplement the information in a timely manner.

Place, Date

Signature, Legal Representative, Stakeholder Working Group Member

Stakeholder Organization, Association, or Company and Legal Representative, Please Print