

# Shift



## Case studies

On the financial effects of engagement with Indigenous Peoples and local communities on nature-related issues

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*Photos in this report are used for illustrative purposes only and do not relate to specific case studies.*

# Value creation case studies:

**Cases where community engagement with regard to nature-related impacts and dependencies enhanced the financial value of projects, products, services and/or the company**





# 1. Amazonian BioIngredient Sourcing and Cosmetics Production, Natura & Co, Brazil

## Overview

Natura is a Brazilian cosmetics company with more than 25 years of experience working with local communities and smallholders in the Amazon. In 2000, it launched the Ekos product line, which sources natural ingredients from the region in partnership with Amazonian communities. Certified by the Union for Ethical BioTrade (UEBT) since 2019, the Ekos line is based on a socio-bioeconomy model that is closely linked to the Amazon and its communities.

## Context

Natura &Co is a Brazilian multinational cosmetics and personal care company, operating across global markets. The company positions sustainability, biodiversity protection, and social inclusion as central elements of its business model, particularly within its sourcing practices for natural ingredients.

## The company's impact and/or dependency on nature

Natura depends on Amazonian biodiversity and ecosystem services, as well as other biomes and regions, for ingredients used in its cosmetics and beauty products. Natura sources 46 natural ingredients from the Amazon region.

As part of the fair-trade business model, Natura is committed to honoring traditional knowledge of Indigenous Peoples and local communities, e.g., knowledge about uses of natural Amazon ingredients and extraction techniques for the development of new products and regenerative business solutions.

Since 2024, Natura has applied the Taskforce on Nature-related Financial Disclosures LEAP framework as part of a double-materiality assessment to evaluate nature-related dependencies, impacts, risks, and opportunities across its value chain.

## Community engagement, quality of engagement, and social effects

Natura partners with 45 local communities and smallholders in the Amazon as suppliers within its value chain. Its global biodiversity policy sets out commitments aligned with access and benefit sharing (ABS) and the Nagoya Protocol, including Free, Prior and Informed Consent and the fair sharing of monetary and non-monetary benefits arising from the use of genetic resources and associated traditional knowledge.

Engagement is supported by a locally based team, including anthropologists and agroforestry specialists, responsible for maintaining long-term relationships with communities. The approach emphasizes trust-building and ongoing dialogue as part of business continuity. To support additional local value creation, Natura is also helping establish local processing facilities in the Amazon. While communities currently generate income primarily from selling raw materials such as seeds and fruits, processing these materials into oils and butters enables higher-value transactions. Natura has also developed innovative financial mechanisms, such as the Living Amazon (Amazônia Viva) blended finance facility, which combines access to credit with capacity-building support to strengthen community governance and financial management.

Natura uses an Integrated Profit and Loss (IP&L) methodology to account for environmental, social, and human impacts and to assess the value created through community partnerships. According to company disclosures, this approach allows the company to track how engagement with local communities contributes to positive natural-capital outcomes. Based on 2022 results, Natura reported that for every R\$1 of revenue, the business generated a net return of R\$2.5 in benefits for society.

## Financial effects

The Ekos product line is intrinsically linked to the Amazon and the communities that supply its ingredients. Natura's approach to sustained relationship-building with local communities underpins a sourcing model that is central to its Ekos product line. Long-term community partnerships help Natura secure reliable access to

ingredients and traditional knowledge. It also supports product differentiation and brand credibility. Natura's investment in local value addition and community capacity also helps deepen these relationships and strengthen the resilience of its sourcing base.

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## 2. Kilombero Sugar AgroIndustrial Expansion, Kilombero Sugar Company Limited, Illovo Sugar Africa/ABF, Tanzania

### Overview

Kilombero Sugar Company Limited (KSCL) is Tanzania's largest sugar producer, operating an agro-industrial model combining estate farming with extensive smallholder sourcing. Structured engagement with smallholder farmers underpins supply reliability and has supported significant capital expansion.

### Community engagement, quality of engagement, and social effects

Engagement focuses on long-term collaboration with smallholder farmers and local communities, supported through training, extension services, and programs aimed at improving productivity, financial literacy, and environmental practices. Engagement is aligned with responsible business conduct standards under its parent company.

### Context

KSCL operates under the “Bwana Sukari” brand and is part of Illovo Sugar Africa, a subsidiary of Associated British Foods. The company operates two estates and mills in the Kilombero Valley and sources sugarcane from approximately 8,000 smallholder farmers.

### The company's impact and/or dependency on nature

Operations interact with nature through land conversion and water use in a sensitive wetland ecosystem. At the same time, KSCL is directly dependent on water availability, soil health, and ecosystem stability for crop productivity. The company undertakes water-efficiency and biodiversity measures and manages designated conservation areas alongside production.

### Financial effects

The company's expansion plans rely on smallholders converting from subsistence farming, to growing sugarcane. Between 2018 and 2020, engagement with growers supported expressions of interest from approximately 5,000 smallholders, contributing to investor confidence and enabling a US\$238.5 million expansion project. The expansion is expected to more than double annual sugar output and substantially increase the company's economic contribution.

As production scales, securing reliable sugarcane supply from smallholders becomes increasingly material. Engagement therefore focused on sustaining long-term supply relationships through transparent pricing mechanisms, revenue-sharing arrangements, and responsive communication. These measures are associated with reduced supply risk and support the financial viability of the expansion.

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# 3.

## CommunityBased Forest Fruit Sourcing and Beverage Production, AJE Group, Peru



### Overview

AJE Group is a Peruvian multinational beverage company that has developed a community-based sourcing model in collaboration with Amazonian communities. The company's Amayu juice line depends on non-timber forest products harvested by local communities in the Peruvian Amazon. Through this sourcing model, AJE has sought to support local livelihoods and forest protection efforts while strengthening the resilience of its supply chain.

### Community engagement, quality of engagement, and social effects

In 2017, AJE initiated collaboration with eight riverside communities living in remote villages in Loreto, Peru. Together, they established purchase agreements that linked sourcing of aguaje and camu-camu to non-deforestation practices. As part of these arrangements, communities received training to improve harvesting techniques, strengthening local skills while helping secure consistent quality of raw materials for the juice line.

### Context

AJE Group is a multinational beverage company headquartered in Peru, with operations across Latin America, Asia, and other international markets. The company produces a range of nonalcoholic beverages and has positioned sustainability and inclusive sourcing as part of its business strategy for selected product lines.

In response to growing demand for fruit and pulp, the initiative was formalized and expanded in 2020 to engage approximately 22 communities. Beyond income generation, the project also supported the development of local organizational capacity. Communities established 16 associations that enabled them to engage in commercial relationships with other buyers. The process also contributed to increased participation of women in harvesting activities and community decision-making.

### The company's impact and/or dependency on nature

AJE relies on Amazonian biodiversity and ecosystem services for key ingredients used in its Amayu juice line, particularly aguaje (*Mauritia flexuosa*) and camu-camu (*Myrciaria dubia*). These native fruits are important both ecologically and socially. They contribute to carbon sequestration and biodiversity conservation and provide food and income for local communities.

The sourcing model sought to address risks commonly associated with agricultural expansion and supply-chain conflict by linking commercial demand to forest-positive practices and ongoing engagement with affected communities. By promoting non-deforestation harvesting practices, the initiative has also contributed to forest conservation outcomes across large areas of the Amazon.

Aguaje supports wildlife such as tapirs, primates, and bird species including macaws and parrots, while camu-camu plays a role in riverine ecosystems and supports aquatic species. Continued access to healthy forest ecosystems is therefore central to both environmental outcomes and the viability of AJE's sourcing model.

## Financial effects

The initiative created value for both local communities and AJE by reducing supply bottlenecks and mitigating risks across the value chain, including supply interruptions, and reputational impacts. Partnership with communities and sustainable sourcing has also enabled the company to meet growing demand for its products and expand its market presence.

By positioning the Amayu product line around positive health, social, and environmental outcomes, AJE reduced exposure to risks such as land-conversion controversy, NGO campaigns, and costly supply disruption.

The growth of the beverage line illustrates how conservation-aligned sourcing can support commercial performance. AJE is now replicating this approach in Colombia and Ecuador.

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# 4.

## Zinc Mining Operations with Indigenous Co-Ownership, Red Dog Mine, Teck Resources / NANA Regional Corporation, United States

### Overview

The Red Dog Mine is one of the world's largest zinc operations and has operated for more than three decades on Indigenous-owned land in northwest Alaska. The project illustrates how early consent, co-ownership and long-term partnership with an Indigenous landowner can secure durable social license and deliver stable financial outcomes in a highly sensitive ecological and social context.

### Context

The Red Dog Mine is operated by Teck Resources under a long-term operating agreement with NANA Regional Corporation, the Alaska Native corporation that owns the land on which the mine is located. NANA represents the Iñupiat people of northwest Alaska and received title to the land under the Alaska Native Claims Settlement Act.

Under the partnership structure, NANA is not only a passive landholder but a long-term economic partner. The operating agreement includes royalty payments, employment commitments, contracting opportunities for Indigenous-owned businesses, and defined governance arrangements. Teck manages mine operations, processing and logistics, while NANA retains ownership of the land and receives a share of revenues linked to production. The mine's output is transported via a dedicated haul road to a port facility on the Chukchi Sea, reflecting the project's geographic isolation and logistical complexity.

### The company's impact and/or dependency on nature

The Red Dog Mine depends on access to high-grade zinc deposits located within Arctic ecosystems that also support subsistence hunting, fishing and cultural practices. Operations affect tundra landscapes, water systems and wildlife habitats in an environment with limited resilience to disturbance.

These dependencies mean that long-term operational viability is closely tied to environmental management and ongoing acceptance by the landowner and surrounding communities. Seasonal constraints, extreme weather and sensitive habitats further heighten the importance of planning, monitoring and environmental stewardship.

### Community engagement, quality of engagement, and social effects

Engagement at Red Dog is embedded structurally rather than treated as a mitigation exercise. From the project's inception, Free, Prior and Informed Consent was operationalized through land ownership, negotiated agreements and co-ownership arrangements.

NANA participates in governance through formal agreements, and the partnership has prioritized Indigenous employment, training and business development. A substantial proportion of the mine's workforce comes from NANA shareholders, and Indigenous-owned contractors provide services ranging from catering to logistics. Royalty revenues are redistributed through NANA to support social programs, dividends and regional development, reinforcing local benefits and trust.

This integrated approach has largely avoided the protest, litigation and regulatory escalation seen in comparable extractive projects lacking strong Indigenous partnerships.

## Financial effects

The partnership has enabled more than 35 years of uninterrupted operations, providing Teck with predictable production and long-term cash flows in a remote and otherwise high-risk operating environment. More than US\$327 million in cumulative royalties have been distributed to the Indigenous landowner, strengthening economic resilience and reinforcing social license.

For Teck, the arrangement has reduced exposure to delay, shutdown and reputational risk, supporting sustained access to capital, long-term offtake relationships and operational continuity in a region where conflict could otherwise quickly disrupt value creation.

## Sources

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# 5.

## Forest Plantation Operations and FSC Certification in Misiones, Arauco, Argentina

### Overview

Arauco's forest operations in northern Misiones province represent around 90% of the company's forest assets in Argentina and are central to its integrated value chain. After failed attempts to obtain Forest Stewardship Council (FSC) certification and prolonged tensions related to land use, impacts on native forests, and unilateral relationship practices, the company initiated a multi-stakeholder forest-environmental dialogue. This process became a key factor in overcoming opposition, redesigning forest management practices, and ultimately securing FSC certification, with implications for market access and long-term operational stability.

### Context

Arauco manages approximately 115,000 hectares of pine and eucalyptus plantations in Misiones, Argentina, along with a comparable area of native forest. Its operations are integrated with pulp, sawmill and panel plants, forming a vertically integrated value chain from forest production to construction materials. Arauco is one of the province's main employers and taxpayers and plays a significant role in regional land use and forest governance.

### The company's impact and/or dependency on nature

The operations are located in a high-biodiversity landscape that includes native forests, plantations, watersheds, protected areas, and land within a Biosphere Reserve adjacent to a National Park. External stakeholders raised concerns regarding the conversion of native forests to plantations, the protection of ecosystem services, and long-term biodiversity conservation.

Arauco's land management practices have a strong influence on water availability, soils, habitat connectivity and biodiversity in a territory that supports Indigenous

and non-Indigenous rural communities, cooperatives, SMEs, environmental organizations, academic institutions and multiple levels of government, with long-standing tensions related to land tenure and resource use.

### Community engagement, quality of engagement, and social effects

Following unsuccessful certification attempts, Arauco launched a structured forest-environmental dialogue focused on improving relationships with stakeholders as a prerequisite for reapplying for FSC certification. The process was designed and facilitated jointly with Fundación Vida Silvestre (WWF Argentina), Rigou, and an independent facilitation team with experience in multi-stakeholder dialogue.

The approach included internal preparation within the company, comprehensive stakeholder mapping, and a shift from fragmented bilateral engagement to a shared roundtable with agreed rules, transparency, and information exchange. Trust-building relied on allowing third-party scrutiny, listening to grievances, and making explicit commitments that dialogue outcomes would lead to changes in forest management and business practices.

As part of the dialogue, Arauco committed to conserving approximately 89,000 hectares of native forest, protecting and monitoring more than 60,000 hectares of high conservation value areas, and restoring over 3,000 hectares of native forest along stream margins previously converted to plantations. Over time, relationships evolved from mistrust to more cooperative dynamics, and from charitable philanthropy to a strategic approach focused on shared value.

The process produced more than 40 concrete agreements and multiple thematic working groups on issues such as agrochemical use, ecological connectivity, Indigenous relations, environmental education, health and local development. Dialogue practices later became embedded within Arauco's operations and were replicated in other territories.

## Financial effects

The redesigned management plan and improved stakeholder relationships enabled Arauco to overcome objections that had previously blocked certification and ultimately secure FSC certification across a mixed estate of plantations and native forest. This consolidated access to demanding international markets, particularly in Europe.

Beyond certification, the process contributed to reputational improvement, stronger relationships with authorities, communities, media and allied organizations, and lowered the risk of conflicts, adverse campaigns or unexpected regulatory interventions. Internally, the dialogue came to be understood as an investment in social license, operational continuity and long-term value creation in a complex forest landscape.

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# 6.

## Loru Forest Carbon Project, Serakar Clan (Serthiac) & Nakau Program, Vanuatu



### Overview

The Loru Forest Project is a community-owned forest conservation and carbon-credit project in Vanuatu, implemented through the Nakau Programme and verified under the Plan Vivo Standard. The project is notable for FPIC-based engagement, customary landowner governance, and evidence linking the quality of participation to project continuity and revenue generation.

### Community engagement, quality of engagement, and social effects

Engagement is centered on Indigenous customary landowners and grounded in FPIC, participatory mapping, and locally embedded governance structures. Projects are owned and governed by landholders, with ongoing information-sharing in locally appropriate formats. Engagement mechanisms include grievance procedures, independent verification, and inclusive participation, including significant involvement of women in decision-making and project employment.

### Context

The project is implemented through the Nakau Programme, which develops community-led ecosystem conservation projects across the Pacific. The Loru Forest Project is owned and governed by the Serakar Clan through its business entity, Serthiac, which retains ownership of the project and its carbon credits. At least 80% of financial benefits are retained locally, with Nakau and its partners providing technical and implementation support.

### The company's impact and/or dependency on nature

The project's financial viability depends directly on maintaining forest carbon stocks and ecosystem health across a 293 hectare tropical rainforest. The project protects habitat for endangered and endemic species and contributes to climate mitigation through verified emissions reductions. Environmental risks are limited and are addressed through agreed management measures.

### Financial effects

The project has generated measurable revenue through carbon credit sales, with more than US\$233,000 in sales and over US\$115,000 distributed directly to community members. Carbon credits are owned by the Serakar Clan, and revenues are reinvested into community priorities, including ranger employment and forest management.

Community ownership and participation underpin both the operational stability of forest protection activities and the credibility of carbon credits, illustrating how high-quality engagement supports financial viability in community-led, nature-based projects. By way of comparison, the Northern Rangelands Trust carbon credit project in Kenya was suspended by the Kenyan courts for establishing a nature conservancy without community consent. This and other carbon credit projects with inadequate engagement approaches have been the subject of international scrutiny affecting both the carbon project developers and the buyers of carbon credits, including British Airways, Meta and Netflix.

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# 7. Run-of-River Hydropower Development with Indigenous Co-Ownership, Okikendawt Project, Hydromega / Dokis First Nation, Canada

## Overview

The Okikendawt Hydropower Project demonstrates how FPIC-aligned engagement and Indigenous codevelopment can enable timely permitting, stable operations and predictable revenues. By embedding partnership and consent from the outset, the project avoided the litigation and delays that often affect infrastructure developments on Indigenous lands.

## Context

The Okikendawt Project is a 10 MW run-of-river hydropower facility developed by Hydromega in partnership with Dokis First Nation in Ontario, Canada. The project was structured as a joint venture, with Indigenous equity participation and shared governance arrangements.

Hydromega contributed technical expertise, capital structuring and power-development experience, while Dokis First Nation participated as a co-owner and decision-maker rather than as a stakeholder consulted after project design. Electricity generated by the project is sold under a long-term feed-in-tariff (FIT) contract, providing revenue certainty over multiple decades.

## The company's impact and/or dependency on nature

The project depends on river flow and aquatic ecosystem integrity, particularly in a landscape that supports fishing, recreation and cultural use. As a run-of-river facility, the design avoids large reservoirs but still requires careful management of water flows, habitat connectivity and seasonal variability.

## Sources

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These dependencies mean that environmental performance and Indigenous stewardship are directly linked to long-term asset value, regulatory compliance and operational acceptance.

## Community engagement, quality of engagement, and social effects

Engagement was initiated at a very early stage and centered on co-design rather than consultation on a predetermined project. Dokis First Nation participated in site selection, project design, environmental studies and governance structures, ensuring that Indigenous priorities informed technical decisions.

Consent was secured prior to construction, and the co-ownership structure institutionalised long-term engagement. The project has supported employment, skills development and local economic participation, while also reinforcing Dokis First Nation's role as steward of the river system.

This approach eliminated litigation risk and significantly reduced the likelihood of future conflict over operations or license renewal.

## Financial effects

The project benefits from a 40 year feed-in-tariff revenue structure, delivering stable, long-term cash flows and lowering the cost of capital. The absence of delays, shutdowns or legal challenges associated with community opposition has protected project economics and enabled predictable operation.

For both partners, the arrangement demonstrates how FPIC-aligned development can convert potential social risk into financial stability and long-term value creation.

# Value-protection case studies:

**Cases where community engagement with regard to nature-related impacts and dependencies protected the financial value of projects, products, services and/or the company.**



# 8.

## Eskay Creek Gold–Silver Project, Skeena Resources Limited, Canada, British Columbia



### Overview

Eskay Creek is a brownfield open-pit gold-silver mine in northwest British Columbia, being redeveloped by Skeena Resources on the site of a former high-grade underground mine. The case is notable for extensive engagement and formal agreements with Indigenous Nations, alongside efforts to incorporate environmental and cultural considerations into project design. The company attributes efficiencies in its environmental permitting process to strong relationships with Indigenous Peoples. Investor-facing sources similarly associate positive sentiment and valuation confidence with progress on Indigenous agreements and permitting certainty. The project is planned to commence production in 2027.

### Context

Skeena Resources Limited is a Canadian mining company listed on the Toronto Stock Exchange, focused on restarting and developing precious metals assets in British Columbia's Golden Triangle. Its flagship 100% owned Eskay Creek project is a past-producing mine that operated from 1994 to 2008 and is now being redeveloped as an open-pit operation with on-site processing. The project is designed as a high-grade, low-cost gold-silver asset with a projected lifespan of 12 years and a projected start date of Q2 2027.

### The company's impact and/or dependency on nature

The project has significant interactions with nature through land disturbance, water management, tailings storage, and potential impacts on fish habitats and migratory birds in a sensitive subarctic ecosystem. It also presents opportunities for environmental remediation, including the reclamation of legacy infrastructure associated with previous operations. The project's viability depends on water availability, geotechnical stability, and regulatory approval of environmental

management plans. Key nature-related risks include permitting delays, regulatory scrutiny, and other risks related to impacts on downstream ecosystems.

### Community engagement, quality of engagement, and social effects

Eskay Creek is the first mining project in Canada to receive permits authorized by an Indigenous government, achieved through sustained engagement (starting in 2017 and continuing through 2026) with Indigenous Nations, particularly the Tahltan Nation. This process resulted in a free, prior and informed consent-based agreement in 2022 between the Tahltan Nation and Skeena Resources under section 7 of British Columbia's Declaration on the Rights of Indigenous Peoples Act.

Engagement is structured through formal regulatory and Indigenous-led processes, including the federal and provincial environmental assessment regimes, which require documented and ongoing public engagement. Skeena reports having addressed more than 2,380 comments during the Environmental Assessment review process.

Additional engagement mechanisms include the Tahltan Community Liaison Committee, facilitated site visits, collaborative project-design sessions, and Indigenous-led assessment processes operating alongside state-based review, including the Nisga'a and Gitanyow sustainability assessment processes.

The company-community relationship is also formalized through an Impact Benefit Agreement, negotiated with the Tahltan Central Government, which establishes benefit-sharing, governance, and employment commitments.

Public reporting and media sources indicate that some community members have raised concerns regarding transparency and potential conflicts of interest, highlighting that engagement outcomes are not uniform across all stakeholders.

## Financial effects

Eskay Creek remains in preproduction; accordingly, available evidence relates primarily to project valuation, financing, permitting milestones, and investor perceptions rather than realized operational returns.

Feasibility studies and subsequent analyst coverage value the project at approximately US\$1-1.5 billion (after tax net present value), with estimated internal rate of return of 43-50% and preproduction capital costs of US\$431-519 million. In 2024, Skeena secured a US\$750 million financing package to advance development.

Public statements from regulators and the company link the efficiency of the later-stage environmental assessment process to coordinated engagement between Skeena, the Tahltan Central Government, and provincial authorities. Investor-facing sources similarly associate positive sentiment and valuation confidence with progress on Indigenous agreements and permitting certainty.

The Impact Benefit Agreement provides for royalty payments, equity participation, community funding, and environmental contributions over the life of the mine. These arrangements reflect how sustained, structured engagement is associated with improved permitting outcomes, financing access, and perceptions of project resilience.

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# 9.

## Water Infrastructure and Service Provision on Indigenous Territory in South America



### Overview

A company's decision to implement a free, prior and informed consultation process with an Indigenous community enabled the company to operate in a highly conflict-prone region without interruptions or litigation. The case shows how a service provider voluntarily adopting FPIC-inspired engagement can reduce operational and financial risks while creating longer-term collaborative and regenerative opportunities in Indigenous territories.

### Community engagement, quality of engagement, and social effects

Rather than relying solely on administrative permits, the company proposed a consultation process inspired by ILO Convention 169, despite no provincial legal requirement to do so. With support from an independent facilitation team and the Indigenous confederation representing the interests of the local community, a permanent dialogue table was established involving community authorities, technical advisors and the company's local management.

### Context

The company sought to supply water for hydraulic fracturing in a sensitive geological formation and basin, offering engineering, abstraction, pumping and transport services to oil and gas operators. The project required developing aqueducts, pipelines, pumping stations and service roads across territory ancestrally used by the Indigenous community.

### The company's impact and/or dependency on nature

Water is the project's critical resource dependency, operating in an arid plateau where water availability is central to livelihoods, ecosystems and cultural practices. Infrastructure development posed potential impacts on watercourses, soils, traffic and landscape in a territory already under intense pressure from the rapid expansion of unconventional oil and gas extraction.

The community has a continuous registered presence in the area since the beginning of the 20th century and combines livestock livelihoods with strong territorial, cultural and spiritual bonds to the land.

Over approximately 18 months, information sharing, site visits and technical discussions explored routes, impacts and alternatives, with a commitment that no works would begin without mutual understanding. The process resulted in a ten-year agreement establishing land-use conditions, coexistence rules and a compensation mechanism, recognizing the community as a legitimate counterpart.

Over time, the agreement evolved into a broader collaborative platform, expanding compensation, extending timeframes and incorporating projects for livestock improvement, shelterbelts, productive water use and ecosystem restoration. Years later, the relationship continues without roadblocks or litigation.

### Financial effects

The agreement enabled uninterrupted operations in a region where community conflict frequently leads to shutdowns, asset damage, lost pumping days and reputational crises. Although the process involved higher upfront engagement costs, it reduced exposure to contract losses and operational disruption.

### Sources

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# 10.

## Community-led Solar Photovoltaic Development with Indigenous Equity Participation, ANTU Project (Cla Nehuen Antú S.A.), Argentina



### Overview

ANTU is an 18 MW solar photovoltaic project developed on Indigenous land in Neuquén province, Argentina through a community equity partnership. The Mapuche Millaqueo community is not only the landholder but also a co-initiator, equity partner and future co-owner of the asset. This configuration has enabled the project to progress from the pre-feasibility stage through permitting without conflict, positioning it as a reference model for reducing investment risk and aligning energy transition projects with Indigenous economic self-determination.

### Context

The project is being developed by Cla Nehuen Antú S.A., a special purpose vehicle formed by the Mapuche Millaqueo community together with Meliquina and Sustentar Energía. It is the first utility-scale solar PV project in Latin America in which an Indigenous community participates as an equity partner and co-developer from the outset.

The plant will occupy 42.5 hectares within a 9,500 hectare communal territory near Zapala and is designed to sell electricity into Argentina's wholesale market. Total investment is estimated at US\$16 million, with financial close and construction targeted for 2026.

### The company's impact and/or dependency on nature

The principal resource affected is land used for extensive pastoral grazing in a Patagonian rangeland landscape with deep cultural significance for the Millaqueo community. From the outset, the project prioritized avoiding sensitive environmental and cultural areas through the joint identification of exclusion zones.

No significant impacts have been identified on water resources, forests, biodiversity or other critical natural systems. Engagement focused instead on managing land-use trade-offs and protecting cultural and pastoral practices.

### Community engagement, quality of engagement, and social effects

Engagement began at an early stage when Meliquina approached the community to explore a joint development model based on equity participation rather than a conventional land lease. Dialogue expanded from community leadership to assemblies and family-level discussions, using formats aligned with community decision-making practices.

The community has played a central role in decisions on land use, plant layout, environmental studies, permitting strategy and future governance of the asset. Engagement efforts have also supported internal governance strengthening, with women now holding 60% of board positions, and training programs aimed at preparing young people for construction and operational roles.

A key milestone was the Environmental Impact Assessment public hearing held on 7 March 2025 in the community hall, where the Millaqueo community participated as co-proponent of the project rather than a consulted stakeholder. Since 2018, the partnership has advanced without protests, blockades or litigation.

## Financial effects

The community equity model reduces typical financial risks associated with infrastructure development on Indigenous lands. Land access is secured through ownership and partnership rather than contested consent, and environmental permitting rests on a robust participatory process.

Although the model entails higher upfront transaction and structuring costs, the project has avoided conflict-related delays that commonly affect similar developments. Land-use compensation arrangements,

such as livestock-based payments agreed within the community, internalize trade-offs and reinforce local support.

ANTU has also served as a proof of concept informing Meliquina's Community Equity Opportunity Fund, designed to replicate Indigenous equity partnerships in future energy transition projects. This demonstration value strengthens access to finance and supports scalability, linking decarbonization goals with the creation of long-term productive assets under Indigenous ownership.

## Sources

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# 11.

## Wind Farm Development and Community Conciliation in Litueche, Statkraft, Chile

### Overview

Statkraft's development of three wind farms in the commune of Litueche, Chile became the subject of conflict following rapid changes in the local settlement pattern and concerns over cumulative impacts and project modifications. Escalating opposition led to construction suspension and judicial proceedings. The dispute concluded with a court-approved conciliation agreement in 2024, which introduced project changes and joint environmental and social measures, restoring construction and strengthening long-term operational stability.

### Context

Statkraft is a Norwegian energy company developing three wind farms – Cardonal, Manantiales and Los Cerrillos – with a combined installed capacity of 105 MW in Chile's O'Higgins Region. The projects are located in a rural commune historically characterized by dispersed settlements and grazing activities.

### The company's impact and/or dependency on nature

Nineteen wind turbines were installed in an arid, eroded landscape with limited prior residential density. Following a wave of land subdivision during and after the Covid-19 pandemic, new residents settled very close to wind infrastructure, significantly increasing sensitivity to operational impacts. Key concerns included turbine noise, shadow flicker, heavy truck traffic on narrow rural roads, dust, and changes to landscape character.

A specific incident involving the cutting of 0.6 hectares of native forest to facilitate turbine-blade transport was perceived as an environmental breach and became a focal point for broader community concerns.

### Community engagement, quality of engagement, and social effects

Engagement initially followed Statkraft's standard participation procedures, developed in a context with few nearby residents. As the stakeholder landscape changed, concerns intensified and communication channels weakened. Organized residents escalated opposition through road blockades, complaints, and legal claims, resulting in a court-ordered suspension of construction works in September 2023.

In 2024, at the joint request of Statkraft and local residents, the Environmental Court opened a conciliation process prior to issuing a ruling. The resulting agreement, approved in December 2024, introduced revised project designs, stricter environmental assessment of optimizations, participatory monitoring, a structured complaints-handling system, and household-level mitigation measures for noise and other impacts. A biannual Monitoring Committee comprising company representatives, organized residents and an independent specialist was established to oversee implementation.

### Financial effects

The conflict generated direct financial costs linked to construction suspension, litigation and delay. The conciliation agreement also entails additional expenditures, including new environmental assessments, monitoring systems, household-level mitigation, road improvements, ecological restoration, water solutions and social programs.

At the same time, the agreement generated financial and strategic benefits by ending legal proceedings, reducing the likelihood of further stoppages, improving regulatory predictability and securing long-term operational continuity. The case has also had reputational effects within the renewable-energy sector, positioning Statkraft as a reference for resolving community conflict through formal conciliation.

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# Value-erosion case studies:

Cases where a lack of, or poor-quality community engagement with regard to nature-related impacts and dependencies eroded the financial value of projects, products, services and/or the company.



# 12.

## Hyperscale Data Centre Development and Permitting Challenges, Multiple Developers, United States



### Overview

Across the United States, hyperscale data-center projects have faced increasing community opposition linked to water use, electricity demand and land-use impacts. Weak early engagement has translated into widespread permitting failures and project delays, exposing developers and investors to large-scale financial risk.

### Community engagement, quality of engagement, and social effects

Engagement was commonly reactive and technical in nature, focusing on regulatory compliance rather than community priorities. Residents mobilized around perceived tariff impacts, water stress and procedural flaws. Local governments responded with rezoning refusals, moratoria and court challenges, significantly altering development trajectories.

### Context

The cases involve multiple developers planning hyperscale campuses requiring multi-billion-dollar capital investment, long development horizons and close integration with local electricity grids. Projects are often sited near residential areas to secure connectivity, increasing exposure to local governance and community scrutiny.

### The company's impact and/or dependency on nature

Data centers are highly dependent on freshwater for cooling, grid capacity, and land-use approvals. In water-stressed or fast-growing regions, industrial demand was perceived as competing with household access and environmental quality, amplifying opposition.

### Financial effects

Between 2023 and 2025, opposition and permitting failures contributed to delays or cancellations affecting an estimated US\$64 billion in data-center projects, including individual developments ranging from US\$100 million to over US\$14 billion. Financial impacts included duplicated siting costs, extended timelines, loss of tax incentives, and higher cost of capital across the sector. Abandoned projects also lead to significant sunk investment costs and opportunity costs from time lost. For example, Diode Ventures' proposed US\$1.5 billion data-center project in Peculiar, Missouri faced organized local opposition citing visual impacts, noise and potential effects on property values; the proposal was sent back for reconsideration in August 2024 and was subsequently blocked when the city advanced an ordinance to remove data centers from its zoning code in October 2024.

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# 13.

## Palm Oil Plantation Operations and RSPO Certification Suspension, IOI Corporation, Malaysia/Indonesia

### Overview

IOI Corporation, a major global palm-oil producer, experienced substantial financial consequences following the suspension of its RSPO certification. The case illustrates how land-use conflict and inadequate stakeholder engagement can trigger supply-chain responses from buyers, credit-market reactions, and rapid value erosion in commodity-dependent business models.

### Context

IOI Corporation is a vertically integrated palm-oil producer with plantation, milling and downstream refining operations across Southeast Asia. The company supplies crude and refined palm-oil products to multinational food, consumer-goods and biofuel companies. Access to international markets, particularly in Europe and North America, depends heavily on compliance with voluntary sustainability standards, including RSPO certification.

### The company's impact and/or dependency on nature

IOI's operations depend on access to tropical land and forest ecosystems. Investigations linked certain operations to forest and peatland conversion,

### Sources

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biodiversity loss and contested land tenure. These impacts exposed the company to both environmental risk and community grievance, placing pressure on certification systems and downstream buyers seeking deforestation-free supply chains.

### Community engagement, quality of engagement, and social effects

Community and civil-society complaints progressed from local grievances to formal certification sanctions. Once buyer confidence declined, engagement efforts shifted toward remediation rather than prevention, limiting their ability to contain financial fallout.

### Financial effects

Following RSPO suspension, 27 major buyers halted procurement. IOI reported an approximate US\$42-45 million quarterly decline in net income, a share-price fall of around 18-20% (equivalent to US\$1.3 billion in market capitalization loss), and a 43% widening in CDS spreads, alongside a negative outlook from Moody's. The case demonstrates direct transmission of stakeholder conflict into market, credit and income impacts.



# 14.

## Onshore Wind Energy Development and Indigenous Land Tenure Conflict, Enel Wind Project, United States

### Overview

The Enel wind-energy project in Oklahoma demonstrates how insufficient consultation and unresolved Indigenous land-tenure issues can render a renewable-energy investment financially unviable. A U.S. federal court found that Enel had failed to secure required approvals for mineral rights associated with the Osage Nation, ultimately resulting in an order to dismantle the operational wind farm. An appeal against the court-ordered removal is ongoing.

### Context

The project was developed by Enel, a multinational electric-utility and renewable-energy company, and consisted of an 84 turbine onshore wind facility. The wind farm was constructed on land overlying the Osage mineral estate, which is legally owned and governed by the Osage Nation through the Osage Minerals Council.

### The company's impact and/or dependency on nature

While wind energy involves limited pollution, turbine construction required deep foundations that disturbed subsurface formations subject to Indigenous mineral

### Sources

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ownership. Lawful land access and consent were therefore a material dependency for the project's continued operation.

### Community engagement, quality of engagement, and social effects

According to the court's decision, although Enel had obtained surface rights to the land on which it had constructed the wind turbines, it had failed to secure the required mineral lease from the Osage Nation, which holds the rights to the underlying minerals. This would have required an engagement process to seek and secure their free, prior, and informed consent to grant such a lease. Grievances led to a prolonged legal dispute that culminated in findings of unauthorized mining and continuing trespass, rather than being resolved through negotiated engagement.

### Financial effects

In 2024, a U.S. federal judge ordered the dismantling of all 84 turbines. The estimated financial exposure is approximately US\$260 million, reflecting asset write-offs, teardown costs, legal fees and potential damages. The court order to dismantle the wind turbines is still in place, but paused pending an appeal.



# 15.

## Agribusiness Operations and Community Conflict in Plantation Landscapes, Kakuzi Ltd, Camellia plc, Kenya

### Overview

Kakuzi, a large Kenyan agribusiness and subsidiary of the London-listed Camellia plc, experienced prolonged community conflict linked to land disputes, access restrictions and environmental impacts. Failures in engagement and the absence of effective grievance mechanisms allowed tensions to escalate into protests, security-focused responses, allegations of serious human rights abuses, and international scrutiny. These dynamics resulted in legal action, certification suspension, buyer disengagement and material financial costs for the parent company.

### Context

Kakuzi is a Kenya-based agribusiness operating more than 14,000 hectares of land. Its activities include the cultivation of avocados, macadamia nuts, timber production and livestock farming, with a significant share of output destined for export markets. Kakuzi is majority owned by Camellia plc, which is listed on the London Stock Exchange and supplies agricultural products to major international retailers and food companies.

### The company's impact and/or dependency on nature

As a land and water-intensive agribusiness, Kakuzi's operations depend on access to land and reliable water resources for irrigation. From the late 1990s, the company was involved in longstanding disputes with neighbouring communities concerning contested land ownership, alleged restrictions on community access to natural resources such as firewood, denial of access to roads within Kakuzi property, and environmental concerns including water impacts. These nature-related dependencies intensified community sensitivity to land use and environmental management practices.

### Community engagement, quality of engagement, and social effects

Kakuzi did not have a functioning grievance mechanism through which community members could raise issues and seek remedy. As a result, concerns hardened into confrontation rather than being addressed through dialogue.

Between 2002 and 2016, local communities periodically protested over land access, land ownership and environmental impacts. According to NGO reports, some protests escalated into violent confrontations.

Between 2011 and 2020, Kakuzi's security providers were the subject of nearly 70 allegations of assault, torture, sexual violence and wrongful deaths. These allegations concerned both incidents during protests and the conduct of security personnel while performing routine duties on company land. The absence of credible grievance and accountability channels contributed to the persistence of abuse allegations.

The situation attracted sustained attention from Kenyan and international civil-society organizations, certification bodies and international organizations, including the Rainforest Alliance, the UN Working Group on Business and Human Rights and the Ethical Trading Initiative. As a result of these allegations, Kakuzi developed an operational grievance mechanism, and commissioned a human rights impact assessment to strengthen its approach to human rights.

## Financial effects

The escalation of conflict and human rights abuses had significant financial consequences. In 2018, following complaints related to harassment and sexual violence, the Rainforest Alliance suspended Kakuzi's certification, explicitly citing the company's inability to demonstrate adequate mechanisms for reporting and addressing abuses. Loss or suspension of certification threatened access to export markets and retailer customers.

Major international supermarkets, including Tesco, Sainsbury's and Lidl, subsequently suspended Kakuzi as a supplier, resulting in lost sales and damaged commercial relationships.

In parallel, a legal case was brought in the UK High Court by the law firm Leigh Day on behalf of 85 community claimants against Camellia plc. The case was settled out of court in February 2021, with Camellia reporting £4.6 million in settlement payments and litigation-related costs. The dispute attracted extensive negative media coverage in Kenya and internationally, compounding reputational damage and reinforcing buyer and investor concerns.

## Sources

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# 16.

## Azure Power, Solar Development on Agricultural Land in Assam, Solar Project, India

### Overview

A utility-scale solar project in Assam encountered sustained resistance from Indigenous tenant farmers. Inadequate consultation and land-rights concerns escalated into litigation and delay, demonstrating how renewable projects can face material financial risk when land and livelihood impacts are not addressed early.

### Context

The project involved development of a grid-connected solar installation on agricultural land intended to supply regional electricity markets. Land acquisition and leasing arrangements were central to project feasibility, financing and commissioning schedules.

### The company's impact and/or dependency on nature

The project depended on productive agricultural land and groundwater systems essential to subsistence farming. Land conversion risk, rather than technology or grid factors, became the dominant constraint on project progress.

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### Community engagement, quality of engagement, and social effects

Stakeholder engagement prior to land acquisition was characterized by civil-society researchers and conflict-monitoring organizations as insufficient, with assessments pointing to weak consultation, disputed land tenure arrangements, and ineffective grievance mechanisms. Allegations of coercive practices and weak grievance mechanisms led to resistance, NGO scrutiny and court action. As trust eroded, engagement shifted to dispute management rather than solution-building.

### Financial effects

The project experienced commissioning delays, deferred revenues and increased legal and administrative costs. Comparable land-contested renewable projects show elevated financing risk and reduced investor confidence when consent and grievance pathways are unresolved.

# 17.

## Forestry Operations on Sámi Indigenous Lands and Commercial Supply Chain Impacts, Svenska Cellulosa Aktiebolaget (SCA), Sweden



### Overview

Swedish Cellulosa Aktiebolaget (SCA) is Sweden's largest private forest company and Europe's largest private forest owner. The company's forestry operations across Sweden, including within Sámi Indigenous lands or in close proximity, depend on and affect forest ecosystems and the Sámi communities who rely on these resources. In Ohredahke Sámi territory, concerns regarding the quality of engagement with Sámi communities have contributed to sustained civil society scrutiny and reputational impacts, culminating in the termination of a commercial partnership with a long-standing client.

### Context

SCA is an integrated forestry company operating across the pulp, paper, and wood-based products value chain. It owns and manages extensive forest holdings across Sweden and supplies raw materials and finished products to domestic and international markets. Forestry operations form a core component of the company's business model and long-term strategy.

### The company's impact and/or dependency on nature

SCA's operations in old-growth and continuity forests with high conservation values may contribute to deforestation, habitat fragmentation, biodiversity loss, and ecosystem degradation. These forests are also central to Sámi livelihoods, particularly reindeer husbandry, which depends on access to intact grazing areas and seasonal migration routes.

An ongoing civil-society-led investigation has highlighted concerns regarding logging on Sámi ancestral lands. The loss or degradation of forested areas in these territories affects both ecological integrity and the cultural and economic foundations of Sámi communities.

### Community engagement, quality of engagement, and social effects

In Ohredahke Sámi land, where the Sámi Ohredahke community lives and conducts reindeer husbandry, concerns have been raised regarding the quality and effectiveness of consultations undertaken by SCA. In January 2025, following alleged deforestation in areas previously identified for preservation, the community reportedly withdrew its consent and suspended consultations with the company.

SCA is certified under the Forest Stewardship Council (FSC), a global forestry standard that seeks to uphold the rights of Indigenous Peoples, including Free, Prior and Informed Consent (FPIC). Investigations by environmental organizations have alleged that SCA's practices did not align with FSC requirements and Indigenous rights standards. In April 2025, SCA announced plans to withdraw from FSC certification for an undetermined period. Following dialogue with the National Sámi Association (SSR) and FSC, this decision was reversed, and the company confirmed in May 2025 that it would retain its certification.

SCA's forestry activities have also been the subject of investigations, campaigns, and petitions by civil society and environmental organizations. Swedish and international media have covered the issue extensively. Activist groups, including Greenpeace Sweden and Skogsupproret, have directly interfered with forestry operations by entering logging sites, patrolling forest areas, and halting machinery. Safety requirements to halt operations when people are present on the logging sites may have resulted in operational disruption and project delays. In November 2025, SCA issued a public statement reaffirming its commitment to responsible, sustainable, and science-based forestry.

## Financial effects

In addition to physical disruption of operations by protestors, the controversy surrounding SCA's forestry operations has resulted in reputational damage and increased commercial risk. In August 2025, Nestlé, a long-term client of SCA, stated that it had decided to cease sourcing virgin fibre from suppliers involved in

controversy in Northern Sweden. In March 2026 L'Oreal stated that it is suspending purchasing of packaging materials from SCA. Reputational effects may also affect investor confidence and, over time, limit access to capital.

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# 18.

## Western Highway Duplication Road Infrastructure Project, VicRoads/Major Road Projects Victoria, Australia

### Overview

A state-led road infrastructure project in Australia has been subject to long-running controversy due to its impacts on Indigenous cultural heritage and the natural environment. The Western Highway duplication project involved the removal of ecologically and culturally significant ancient trees located on Aboriginal traditional lands. Deficiencies in stakeholder engagement processes contributed to sustained opposition, on-site protests, and litigation. These dynamics resulted in prolonged delays and significant financial costs for the Victorian Government. While this case concerns a state-owned entity, it illustrates dynamics that are closely comparable to company-community conflict in commercial infrastructure projects.

### Context

The Western Highway duplication is an AU\$656 million road development project in the state of Victoria, Australia, initiated in 2008. The project is led by VicRoads and its successor agency, Major Road Projects Victoria. It aims to upgrade sections of the Western Highway to improve road safety and transport efficiency.

Concerns emerged during the design phase regarding a 12.5 kilometre section between Buangor and Ararat, located on Djap Wurrung Country.

### The company's impact and/or dependency on nature

The AU\$157 million section of the upgrade was expected to destroy hundreds of ancient trees with high ecological and cultural significance, including birthing trees regarded as sacred by the Djap Wurrung people. These old trees play an important ecological role by providing habitat and nutrients for insects, mammals, and birds, including the endangered south-eastern red-tailed black cockatoo.

The trees also hold deep cultural and spiritual value, serving as important places associated with childbirth and community identity for Aboriginal women across generations.

### Community engagement, quality of engagement, and social effects

In 2008, VicRoads acknowledged that the project's impact on Aboriginal cultural heritage required consideration. Consultation with Aboriginal communities occurred at various stages through the Martang Registered Aboriginal Party, which was formally recognized as the Aboriginal authority for the area. Martang participated in the Cultural Heritage Management Plan process between 2012 and 2013, which identified environmental and social impacts associated with the project.

An agreement approving the project was signed in 2013. However, some Djap Wurrung traditional custodians reported that they did not feel adequately represented through this process. As a result, important environmental and cultural impacts were not fully identified or addressed.

Opposition to the project led to the establishment of the Djap Wurrung Heritage Protection Embassy in 2018. The Embassy sought protection for culturally significant trees, particularly six identified as highly significant. Works were temporarily halted and an additional independent cultural heritage assessment was commissioned. In 2019, the project design was revised to avoid some sensitive areas and preserve sixteen trees, including two birthing trees. The revised alignment received the support of the Eastern Maar Aboriginal Corporation, which had become the Registered Aboriginal Party.

Despite the redesign, Djap Wurrung representatives continued to raise concerns regarding environmental and cultural impacts. These concerns manifested through protests, legal challenges, and sustained public and media attention.

## Financial effects

Originally scheduled for completion in 2020, the highway duplication has experienced approximately six years of delays due to design changes, protest action, and litigation. The Victorian Government incurred additional costs related to project redesign and the commissioning of a new Cultural Heritage Management Plan in 2021, which was approved in March 2026.

In 2024, the government committed an additional AU\$100 million to cover escalating costs associated with delay and replanning. Early and more inclusive engagement with Djap Wurrung traditional custodians, including consideration of alternative alignments, is likely to have reduced environmental harm, social conflict, and financial exposure.

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# 19.

## Industrial Eucalyptus Forestry Operations and Pesticide Use, Suzano S.A., Brazil



### Overview

Suzano is a Brazilian publicly traded multinational producing cellulose and paper products from eucalyptus plantations. The company is the world's largest pulp exporter and operates across seven Brazilian states, managing more than one million hectares of plantations. Its operations depend on and affect land and water resources that are also central to the livelihoods of Indigenous Peoples and traditional communities. In Espírito Santo state, conflicts between Suzano and quilombola communities have led to legal action and financial consequences, particularly in relation to the aerial application of pesticides in plantation areas.

### Context

Suzano is a vertically integrated pulp and paper company supplying global markets. Its production model relies heavily on industrial eucalyptus plantations, which form the basis of its pulp operations. In 2018, Suzano acquired Fibria Celulose, expanding its plantation footprint and operational scale.

### The company's impact and/or dependency on nature

Large-scale eucalyptus plantations can contribute to biodiversity loss and water scarcity. Changes in land use and the decline of native flora and fauna affect ecosystems on which Indigenous and traditional livelihoods depend. In the Sapê do Norte region, pesticide use associated with plantation management has been linked to soil and water contamination. Communities in the area report that contamination has resulted in damage to crops, remaining forest areas, and in some cases serious physical and mental health impacts.

### Community engagement, quality of engagement, and social effects

Suzano's eucalyptus plantations in Sapê do Norte surround 32 officially recognised quilombola communities, AfroBrazilian communities with legally recognised collective land rights. Beginning in 2017, under the ownership of Fibria, aerial pesticide spraying was carried out in close proximity to community settlements.

In the quilombola community of Linharinho, residents reported being sprayed by pesticide planes flying over homes. In Morro da Onça, pesticide spraying resulted in the destruction of cassava crops. Communities reported not being informed in advance about the spraying activities or their potential risks.

These incidents prompted community complaints, media attention, and engagement by the Federal Public Prosecutor's Office. Following the acquisition of Fibria, Suzano issued statements asserting compliance with policies and standards and introduced procedures for notifying communities about pesticide application. Suzano has stated that it revised its procedures following the incidents and reports that no further complaints of the same nature have been recorded since those changes were implemented.

## Financial effects

The pesticide incidents in Sapê do Norte generated community complaints, investigative reporting, and legal proceedings. In 2022, in Morro da Onça, a payment of R\$5,000 for individual damages was reportedly agreed between the parties. The community also requested compensation for collective moral damages, on the basis that applicable ILO Free, Prior and Informed Consent requirements had not been followed by the company. As

a result, a broader civil lawsuit was filed by the Federal Public Prosecutor's Office on behalf of quilombola communities seeking to prohibit aerial pesticide spraying near settlements, with financial penalties of R\$50,000 per operation and collective damages of R\$1 million proposed. The conflict also appears to have caused reputational exposure for the company, as it was covered in international news media.

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# 20.

## Tourism Megaproject Development and Coastal Land Conversion in Lombok, Mandalika Project, Indonesia



### Overview

The Mandalika tourism megaproject illustrates how large-scale land conversion without meaningful engagement can generate prolonged conflict, reputational risk and financial exposure, even where national-level political support exists.

construction advanced. Residents and civil-society organizations also raised concerns regarding water availability, as tourism infrastructure increased demand in areas where communities already faced constraints in access to clean water and basic services. In summary, project development altered land use patterns and restricted access to coastal zones and common lands that had historically supported local livelihoods.

### Context

The project aimed to develop hotels, transport corridors and event infrastructure in Lombok, including facilities linked to international sporting events. Development was supported by state-linked entities and international finance.

### The company's impact and/or dependency on nature

Construction involved extensive coastal land conversion, affecting fisheries access, marine ecosystems and community water systems. Community concerns focused on the loss of access to land and marine resources, displacement from housing and farmland, and reduced ability to sustain fishing and seaweed cultivation as

### Community engagement, quality of engagement, and social effects

The project has been widely criticised for failing to conduct meaningful engagement with affected communities. Evictions and enforcement actions triggered protests, national mobilisation and international scrutiny, including UN attention.

### Financial effects

The project faced delays, increased monitoring and compliance costs, and reputational exposure affecting multilateral-linked finance. Comparable tourism megaprojects show that unresolved land conflict materially alters delivery risk and cost structures.

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# 21.

## Conservation and Tourism Development around Ruaha National Park, REGROW Programme (World Bank Financed), Tanzania



### Overview

The REGROW programme, financed by the World Bank, aimed to link conservation and tourism development. Failures in consultation and community safeguards, however, led to human-rights allegations and funding suspension. The REGROW programme demonstrates how conservation initiatives can incur significant financial consequences when community engagement is absent and safeguard obligations are breached.

areas, cropland, water sources and customary routes, undermining food security and traditional livelihood systems. Because the programme's conservation objectives were implemented in landscapes already used intensively by local communities, the project's dependency on ecosystem services was inseparable from its social impacts. Measures intended to protect biodiversity directly affected people's ability to continue pastoral and agricultural practices, making access rights, land tenure and livelihood safeguards central to the conflict.

### Context

REGROW supported conservation and tourism infrastructure around Ruaha National Park, involving land-use changes affecting pastoral and agricultural communities.

### The company's impact and/or dependency on nature

The initiative depended on access to pastoral lands, grazing corridors and riverine ecosystems vital to local livelihoods surrounding Ruaha National Park in Tanzania. Community concerns focused on the restriction or loss of access to these ecosystems under proposed conservation and tourism development plans. Residents reported fears that park expansion and tourism infrastructure would exclude them from grazing

### Community engagement, quality of engagement, and social effects

According to NGO reports, over 21,000 people who did not provide their Free, Prior and Informed Consent were evicted to make way for the national park. Civil-society complaints escalated to a World Bank Inspection Panel investigation.

### Financial effects

In April 2024, the World Bank suspended approximately US\$150 million in planned disbursements, alongside investigation, remediation and potential reparations costs affecting more than 21,000 people, illustrating direct financial consequences of engagement failures. The project attracted negative publicity in national and international news media, putting a global spotlight on the World Bank's connection to the alleged abuses.

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# 22.

## Crude Oil Pipeline Development and Indigenous Consultation Failures, Dakota Access Pipeline (Energy Transfer Partners), United States



### Overview

The Dakota Access Pipeline (DAPL) illustrates how inadequate consultation in the context of water-related and cultural risks can escalate into major regulatory, financial and reputational consequences. Concerns raised by the Standing Rock Sioux Tribe regarding threats to water supply and culturally significant sites were not resolved through engagement processes later found insufficient by the courts, triggering prolonged conflict and material project disruption.

### Context

DAPL is a large-scale crude-oil pipeline developed by Dakota Access LLC, an affiliate of Energy Transfer Partners, designed to transport oil from North Dakota's Bakken region to Midwest and Gulf Coast markets. The project required multiple federal and state approvals and relied on uninterrupted construction timelines and continued access to capital markets.

### The company's impact and/or dependency on nature

The pipeline route crossed near Lake Oahe, a primary source of drinking water for the Standing Rock Sioux Tribe, raising concerns over spill risk and long-term water security. The project also intersected with areas of

cultural and spiritual importance. These dependencies made water protection and land stewardship central to the project's social and environmental risk profile.

### Community engagement, quality of engagement, and social effects

Community engagement was characterized by compressed timelines which allowed affected tribes limited influence over routing and risk assessment decisions. This led communities to pursue grievances through litigation and protest. Peaceful protests coordinated by the Standing Rock Sioux Tribe were met with heavy-handed force, garnering widespread international attention and the heightened scrutiny of project financiers. The U.S. District Court for the District of Columbia later deemed the company's engagement with affected tribes inadequate.

### Financial effects

Project costs escalated from approximately US\$3.8 billion to around US\$12 billion. Estimated aggregate losses linked to delays, legal fees, operating disruption and share-price pressure are approximately US\$7.5 billion. During the main escalation period (2016–2018), associated equity underperformed by about 20%, while the S&P 500 rose roughly 35%. Several banks withdrew from or restricted involvement, increasing financing and regulatory risk.

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# 23.

## Large-scale Copper Mining Operations and Social Licence Breakdown, Cobre Panamá, First Quantum Minerals, Panama



### Overview

Cobre Panamá illustrates how insufficient consultation and failure to sustain social license can lead to abrupt regulatory reversal and asset shutdown. An expedited mining concession renewal process triggered widespread opposition and political backlash, culminating in a Supreme Court ruling that invalidated the mining contract and led to closure of the mine.

Concerns regarding biodiversity, water resources and land-use governance became central to public opposition during the contract renewal process.

### Community engagement, quality of engagement, and social effects

The accelerated approval process did not allow sufficient time for community consultation and engagement proved inadequate to maintain legitimacy. Driven by intertwined concerns about environmental harm and a lack of transparency over the mine's approval process, opposition escalated into nationwide protests, road and port blockades and broad civil mobilisation, transforming the dispute into a national political crisis. The Panama Supreme Court ruled that the legal basis for the mining concession contract was unconstitutional, leading to the mine's closure.

### Context

Cobre Panamá is a large-scale copper mining complex operated by First Quantum Minerals. The mine represented a core asset within the company's global portfolio in 2023/24 and was economically significant at the national level, contributing to exports, employment and fiscal revenues.

### The company's impact and/or dependency on nature

The project depended on land access, water use and proximity to communities, placing it in a context of heightened environmental and social sensitivity.

### Financial effects

Mine closure costs are estimated at approximately US\$800 million, with ongoing care and maintenance costs of around US\$17-18 million per month while exports remain halted. The forced shutdown removed a major revenue-generating asset and introduced sustained uncertainty and carrying costs for the operator.

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# 24.



## Large-scale Mining Expansion and Water Related Social Licence Breakdown, Conga Project, Newmont / Minera Yanacocha, Peru

### Overview

The Conga Project (2011-2016) demonstrates how unresolved water-related concerns and inadequate social license can halt a large-scale mining investment despite formal permitting. Community opposition in Peru's Cajamarca region led to repeated suspensions, regulatory intervention and eventual project abandonment.

### Context

The project was developed by Newmont Mining through its subsidiary Minera Yanacocha, in partnership with Compañía de Minas Buenaventura. Conga was conceived as a multi-billion-dollar expansion of existing mining operations and a central element of Newmont's regional growth strategy.

### The company's impact and/or dependency on nature

Conga would have affected high-altitude wetlands and natural lake systems critical to downstream water regulation and agricultural livelihoods. Proposals to replace natural lakes with engineered reservoirs failed to mitigate community concern over water stress, contamination and long-term ecosystem integrity.

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### Community engagement, quality of engagement, and social effects

Although formal engagement processes were undertaken, they failed to secure durable consent. Community opposition escalated into mass protests, road blockades and violent clashes, prompting the government to declare a state of emergency. Public opposition remained high despite subsequent engagement efforts, and courts questioned the project's environmental and social legitimacy. In 2024, the Cajamarca High Court ruled that Minera Yanacocha and the Conga project lacked adequate measures to prevent environmental degradation and ordered that efforts to advance the project should cease, following a lawsuit brought by former priest and congressman Marco Arana.

### Financial effects

During peak unrest, losses were estimated at approximately US\$2 million per day due to construction stoppages, with additional losses from destroyed equipment. Newmont invested approximately US\$1.46 billion in capital expenditures, while Buenaventura invested about US\$498 million. The project has never entered production and has been effectively abandoned, representing substantial sunk costs and long-term opportunity loss.

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