**Supplementary Data Sheet 3**

**Indices calculated at household and village level**

**Forest Dependence Index (FDI)**

Forest dependence index at household level was calculated using two components: Resource Dependence Index (RDI) and Income Dependence Index (IDI). RDI was calculated for each household considering six variables namely, extraction of firewood for cooking, grazing inside forest, medicinal plant extraction, use of plant parts in house construction, fishing for self-consumption, collecting fruits and leaves for food. The index was formulated as

(1)

where, (2)

Value of X is 0 if the resource *i* is not extracted by the household, and 1 if the resource *i* is extracted from the forest. Values of *i* range from 1 to 6 for the six variables described.

Income Dependence Index (IDI) was formulated using variables that reflect dependence on forest and wildlife for livelihood. The index was formulated as

(3)

where (4)

*X* is the number of members engaged in livelihood *i*. Value of X ranges from 1 to *m*, where *m* is the family size. *i* ranges from 0 to *n*, where *n* is the sources of livelihood that are directly related to forest and wildlife, such as eco-tourism, selling of NTFP, and employment by the forest department. M is the number of months in a year for which the livelihood type engages the member. P is the total number of livelihood options available in the study area.

FDI is calculated by adding RDI and IDI and taking computing the average as described in equation (5). The value of FDI ranges between 0 and 1.

(5)

**Economic well-being index**

Economic well-being index was computed using ten variables that represent economic wellbeing, such as household income, land-size, household amenities (television, radio, fan, bulb, kerosene lamp, refrigerator and mobile phone), number of vehicles, number of agriculture equipment, access to electricity (power lines or solar panels), number of animals, concrete wall, and concrete roof. For variables that had a variation in monetary values (household amenities, vehicles, agriculture equipment, domestic animals), we multiplied the number of items by their current approximate market values. Each of the ten variables was given equal weightage. The continuous variables were normalized in the range of 0 to 1. The normalized values of each variable were added and mean was computed. The value of this index ranges between 0 and 1, where 0 indicates poor economic well-being and 1indicates good economic well-being.

**Village Economic Diversity Index**

Village Economic Diversity Index (VEDI) was calculated for each village to study the degree of variability in livelihood options. It is based on Shannon Weaver Diversity Index and captures the heterogeneity of livelihood opportunities within a village (Dewi et al., 2005). The index was formulated as

(6)

where, *pi* is the proportion of people of a village engaged in a particular occupation. *i* ranges from one to *n*, where n is the number of occupation categories observed in the village.