

Enabling social and environmental remedy

FSC's approach to addressing past conversion and harms

What constitutes the *conversion, association and remedy* package of work?



Revised Policy for Association (PFA V3)
- Definition of destructive activities by a corporate group unacceptable to FSC.



Procedure for Disclosure (PFD)
- Procedure for screening of organizations applying for association.



Policy to Address Conversion (PAC)
- FSC's position on conversion and associated provisions.



FSC Remedy Framework (RF)
- Remedy requirements for past social and environmental harm.

Intended **outcomes**:

- Enable a **non-judicial approach** to remedy for environmental and social harms.
- **Strengthen FSC's position on conversion**, while encouraging restoration and restitution.
- Enable and encourage **more organizations** to yield positive changes through remedy.
- Increase transparency around **corporate ownership and responsibility** for conversion and other destructive activities.
- **Detect destructive activities earlier** and ensure remedy before organizations enter the FSC system.

Which policy or procedure applies when

| Policy for Association (PFA) | | Effective from 1 January | |
|--|---|---|---|
| Policies and procedures not applied pre-1994 | Application of PFA V2 | | PFA V2 & V3 applicable |
| | 1994 | 2022 | 2023 |
| Procedure for Disclosure (PFD) | | Effective from 1 July | |
| Policies and procedures not applied pre-1994 | Screening currently not required for associated organizations | | Screening of new organizations joining FSC |
| | 1994 | 2022 | 2023 |
| Policy to Address Conversion (PAC) | | Effective from 1 July | |
| | 31 December 2020: Conversion cut-off date | | |
| Policies and procedures not applied pre-1994 | Land converted from 1994 to conversion cut-off date eligible for certification [#] | Land converted after cut-off date not eligible for certification | |
| | 1994 | 2021 | 2023 |
| FSC Remedy Framework (RF) | | Effective from 1 July | |
| | Remedy for... | | |
| Policies and procedures not applied pre-1994 | ... land converted between 1 December 1994 and 31 December 2020 | | |
| | Remedy for ... | | Remedy for ... |
| Policies and procedures not applied pre-1994 | ... unacceptable activities as defined by PFA V2 | | ... unacceptable activities as defined by PFA V2 & V3 |
| | 1994 | | 2023 |

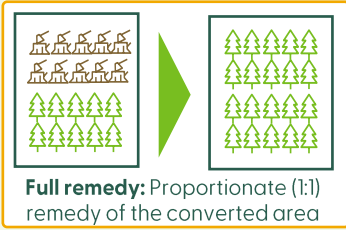
[#] Eligibility for certification dependent on remedy provided, as per RF

Conversion scenarios and remedy pathways

Forest management certification of management unit (MU) pathways 1994-2020

Association with FSC until 2023

Organization directly or indirectly **involved** in conversion in MU:



Organization **not involved** in conversion in MU:



[#]Restored area (part or total) dedicated for conservation purposes.

Corporate group involved in **significant conversion**:



Full remedy of all environmental and social harms



Additional requirements

Most significant changes to the FSC system

| Topic | Current practice | Changes introduced | Effect on the FSC system |
|--|--|--|--|
| PfA, PAC and Remedy Framework | | | |
| 1. Remedy of past social & environmental harms | No remedy required from organizations not involved in conversion when pursuing certification. Remedy requirements developed on a case-by-case basis for PfA violations. | Social & environmental remedy will be required for certification of lands converted between 1994-2020. For a corporate group to be eligible for association, remedy of social and environmental harms caused by unacceptable activities will be required through standardized requirements. | FSC is at the forefront of creating a route for non-judicial access to remedy in the forestry sector; encouraging restoration and social remedy. Standardized and consistent process to provide remedy, following FPIC processes for affected rights holders. |
| 2. Overall alignment | Concept of conversion is not aligned for certification and association. | PfA, PAC, and Remedy Framework use aligned terms and concepts based on the time of applicability. | Normative framework clearer to implement, more consistently. Strong alignment between requirements for association (PfA) and forest certification (PAC) for addressing past conversion through an integrated Remedy Framework. |
| Policy for Association (PfA) | | | |
| 3. Scope of unacceptable activities | Unacceptable activities focus on forestry operations. | Activities expanded to operations in forest products sector as well as forestry operations. | Wider range of activities of corporate groups covered across the forest product supply chain. |
| 4. Screening of organizations | No active screening before association with FSC. PfA operates reactively. | Information disclosure requirements and screening process introduced through Procedure for Disclosure. | Earlier detection of organizations not committed to FSC values, thereby strengthening FSC's ability to protect its reputation. |
| 5. Defining responsibility | Defined through majority ownership, by a minimum of 51% stake in an operation. | Defined in terms of control under a wider range of scenarios. For more details, refer to page 19 of the Information Booklet . | Larger range of organizations covered, which will further protect FSC's reputation. Aligned with Accountability Framework Initiative's (AFi) definition. |

Most significant changes to the FSC system

| Topic | Current practice | Changes introduced | Effect on the FSC system |
|---|---|---|--|
| Policy for Association (PfA) | | | |
| 6. Unacceptable conversion | Threshold of “significance” exceeded when 10% or 10,000 ha of forest under the organization’s responsibility, or any HCV forest, has been converted in the past five years. | Unacceptable activity of conversion of forest cover has been aligned with all aspects in PAC. The term ‘significant’ has been removed. | Conversion that was not previously detectable as a violation of the PfA will be considered unacceptable. |
| Policy to Address Conversion (PAC) | | | |
| 7. Definition of conversion | No definition of conversion; regulated in Criteria 6.9 and 6.10 of FSC Principles & Criteria (P&C) as, “a change from natural forests to plantations or from natural forests or plantations on sites converted from natural forests to other land uses”. | New definition of conversion to apply from 2020 onwards: <ul style="list-style-type: none"> • Lasting change of natural forest cover or High Conservation Value (HCV) areas, induced by human activity. • Gradual forest degradation will qualify as conversion. | Establishment of a stronger and more comprehensive definition than currently stated in the FSC normative framework. |
| 8. Cut-off date | No certification of land converted after 1994 if the organization was involved in the conversion. If the organization was not involved, the land is eligible for certification (ownership loophole). | Land converted (not only natural forests but also HCV areas) after 2020 will not be eligible for certification. Land converted between 1994–2020 will be eligible for certification after a remedy process for social and environmental harms. Level of remedy is related to the level of involvement in past conversion by the organization. See page 2 for remedy pathways. | FSC will be able to contribute to remedy of harms caused in the past, while strengthening the position for the future alignment with post-2020 zero deforestation goals, called for by the international community. Ownership loophole is closed. |
| 9. Minimal conversion | The P&C and International Generic Indicators (IGIs) allow limited conversion (5% of MU) if there are proven conservation benefits, and it does not damage HCVs. It is not clearly stated if it is 5% before certification, after certification, or both. | 5% minimal conversion of a MU permitted if there is proven conservation and social benefit, and it does not damage HCVs. Clarification provided that minimal conversion cannot exceed 5% in total. | Concept of minimal conversion strengthened, and better clarity provided for implementation. Does not create obstacles for conservation and social projects (e.g., community development). |
| PAC and Remedy Framework | | | |
| 10. Conservation requirements | IGIs require at least 10% of the MU to be designated as Conservation Area Network (CAN). | Certification of converted lands only possible after fulfilling additional conservation requirements, along with IGI requirement. Additional conservation threshold of 20% set by the Remedy Framework. | Increase in land area managed for conservation purposes only. |