



EXPLAINER DOCUMENT: REMEDY MEMORANDUMS OF UNDERSTANDING

The purpose of this document is to provide an overview of the memorandum of understanding (MOU) between FSC and the company undertaking a remedy process. The content of the final MOU will vary widely based on the status of the organization with FSC (disassociated, certificate holder, etc.) and the reason for remedy (conversion, violation of human rights, etc.). This document provides examples of the likely sections and a brief explanation of the content of those sections.

1. Introduction

General language about the purpose of the MOU

2. Preamble

Information about the parties to the MOU and their history working with one another on the remedy process

3. Definitions

Definition of terms used in the MOU, including the most highly relevant terms from the FSC Remedy Framework

4. Scope of the MOU

The scope is determined by the requirements of the FSC-POL-01-007 *Policy to Address Conversion*, the relevant version of the Policy for Association (FSC-POL-01-004 V2 or V3), and ADV- 10-004-01 *Scope of remedy for outstanding magnitude or gravity of harm caused*.

5. Pre-Remedy Phase

5.1 Actions and commitments

- Working together constructively and in good faith
- Agreement to not use FSC trademarks until granted a license by FSC
- Company commitment to dedicate resources to the remedy process
- Company commits to providing a safe environment for FSC staff and others working on the remedy process
- Company agrees to provide access to information to confirm the scope of the corporate group, and for the verification, evaluation, and monitoring of implementation of the FSC Remedy Framework
- Company commits to ultimate responsibility for planning and implementing remedy
- Agreement that the company will sign the Remedy Plan to demonstrate the acceptance of the terms and commitment to concrete obligations
- Confirmation of understanding that FSC GD cannot ensure any fixed timelines for the start of the remedy implementation process

5.2 Moratorium

- Agreement to a moratorium on further conversion and other high-risk activities related to human rights and International Labor Organization core conventions that may be pertinent to the organization's past activities
- Agreement for FSC to implement monitoring and evaluation to ensure the implementation of the moratorium

5.3 Costs & Reimbursements

- Agreements on the organization reimbursing FSC for staff time and travel expenses
- Agreements for reimbursement in the case of hiring consultants and other independent actors on behalf of the company

5.4 Disclosure of information

- The organization agrees to disclose information about corporate structure and operations relevant to the remedy process.
- Agreement on timing and specific information that is allowed to be shared and must be shared publicly according to the FSC Remedy Framework

6. Pactum de non Petendo, Suspension

Agreement to not take legal action against one another while the MOU is in effect

7. Confidentiality and Non-Disclosure

Agreement on handling confidential information

8. Effective Dates, Terms, Termination, Suspension, and Consequences of Termination

- Setting of an effective date
- The initial MOU lasts 2 years from the effective date.
- Conditions for suspending or terminating the MOU by written notice for breaching the conditions or breaching confidentiality
- Conditions for terminating the MOU without giving reason

9. Jurisdiction, Law, and Alternative Dispute Resolution

- The MOU is governed by the laws of Germany, the location of FSC's main office.
- Agreement to pursue arbitration in Bonn, Germany in the case of disagreements which cannot be resolved by FSC and the company

10. Severability

If one or more of the provisions of the MOU becomes invalid or unenforceable, that does not render the remaining provisions invalid or unenforceable. Such provisions should be replaced by equitable provisions.

11. Miscellaneous

Information on making alterations and amendments to the agreement.