



Forest Stewardship Council®





# Policy on Conversion

FSC-POL-01-007 V 1-0, Draft 3-0



Policy

<b>Title:</b>	Policy on Conversion
<b>Document reference code:</b>	FSC-POL-01-007 V1-0
<b>Approval body:</b>	FSC Board of Directors
<b>Effective date:</b>	This policy will become effective together with Remedy Procedure once these documents become approved by the Board of Directors
<b>Contact for comments:</b>	FSC International Center Performance and Standards Unit Adenaueralle 134 53113 Bonn Germany   +49-(0)228-36766-0  +49-(0)228-36766-30  <a href="mailto:psu@fsc.org">psu@fsc.org</a>

© 2020 Forest Stewardship Council, A.C. All rights reserved.  
FSC® F000100

No part of this work covered by the publisher's copyright may be reproduced or copied in any form or by any means (graphic, electronic or mechanical, including photocopying, recording, recording taping, or information retrieval systems) without the written permission of the publisher.

Printed copies are uncontrolled and for reference only. Please refer to the electronic copy on the FSC website ([ic.fsc.org](http://ic.fsc.org)) to ensure you are referring to the latest version.

**DRAFT 3-0**

The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the true value of forests is recognized and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

## Content

Introduction .....	4
A Objective.....	5
B Scope .....	5
C Effective and validity dates .....	5
D References .....	6
E Terms and Definitions.....	6
F Version History .....	10
Policy Principles.....	11

DRAFT

## Introduction

FSC has restricted conversion of natural forests to plantations with various standards and procedures since its establishment in 1994. In the course of time, inconsistencies have emerged between the different documents and definitions, impeding the original intention to halt the conversion by certifying responsible forest management.

Growing consumption of natural resources has posed an increasing pressure to convert the last remaining forest related ecosystems to other land uses in the past decades. At the same time, there has also been an increasing awareness to promote restoration of degraded ecosystems for fighting the climate change and for avoiding the loss of biological diversity.

This Policy was developed by a sub-chamber balanced working group, established by the request of FSC membership in the General Assembly 2017 (Motion 7) to:

1. Clarify FSC's position on conversion;
2. Strengthen FSC's capacity to support global conversion-free commitments;
3. Provide a pathway for forest areas converted after 1994 to enter the FSC system and to
4. Accelerate further conservation, ecological restoration and social restitution.

## A Objective

The Policy on Conversion provides FSC's general position and fundamental principles on conversion of natural forests and High Conservation Value areas to other land uses. The purpose of this policy is to:

- 1) Provide a framework for FSC to develop or join partnerships and alliances towards the goal of halting deforestation and conversion and promoting conservation, restoration and restitution;
- 2) Further elevate FSC as the preferred tool for responsible forest management to deliver economic, social and environmental viability;
- 3) Inspire FSC membership, certificate holders, associates and supporters to reaffirm commitment and efforts to end deforestation and foster conservation and restoration;
- 4) Ensure consistent application of the definition and interpretation of conversion throughout the FSC system;
- 5) Establish a permanent, equitable and effective Remedy Procedure for remediation of social and ecological damage of conversion;
- 6) Continually affirm FSC credible position in the global debates on climate change, conservation and restoration;
- 7) Present clearly FSC position on conversion of natural forests and High Conservation Value areas.

## B Scope

This document defines a holistic FSC Policy on Conversion. FSC will monitor the impacts of this Policy.

Other FSC policies and standards relevant to conversion will be amended and aligned with this Policy, including FSC-STD-01-001 *FSC Principles and Criteria of Forest Stewardship* and the associated national or regional Forest Stewardship Standards; FSC-POL-01-004 *Policy for the Association of Organizations with FSC*; FSC-STD-30-010 *Forest management requirements for FSC Controlled Wood certification* and FSC-STD-40-005 *Requirements for sourcing FSC Controlled Wood*.

Note: Changes to FSC-STD-01-001 *FSC Principles and Criteria of Forest Stewardship* require approval by the FSC membership.

This Policy requires remedy for environmental harms caused by conversion of natural forests since 1994 and remedy for social harms associated with this conversion.

This Policy does not apply to:

1. Conversion that took place prior to 1994.
2. Any area that was under FSC Forest Management certification at the time of this Policy becoming effective.

All aspects of this document are considered to be normative, including the scope, effective date, references, terms and definitions, tables and annexes, unless otherwise stated (e.g. examples).

## C Effective and validity dates

Approval date	XX
Publication date	XX
Effective date	XX

## D References

The following referenced documents are relevant for the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies.

FSC-STD-01-001 *FSC Principles and Criteria*

FSC-STD-01-002 *FSC Glossary of Terms*

FSC-STD-60-004 *International Generic Indicators (IGI)*

*FSC Strategic Plan 2015-2020*

FSC-POL-01-004 *Policy for the Association of Organizations with FSC*

FSC-STD-40-005 *Requirements for Sourcing FSC Controlled Wood*

FSC-STD-30-010 *FSC Controlled Wood standard for forest management enterprises*

## E Terms and Definitions

For the purposes of this Policy, the terms and definitions provided in FSC-STD-01-002 *FSC Glossary of Terms*, FSC-STD-01-001 *FSC Principles and Criteria for Forests Stewardship*, FSC-STD-60-004 *FSC International Generic Indicators*, and the following apply:

### **Additionality:**

- a) Additionality outside the *Management Unit\**: *conservation\** and/or *restoration\** outcomes over and above those already achieved or planned to be achieved, and that would not have been achieved without the support and/or intervention of the organization.

Projects must either be new (i.e. not already being implemented or planned), amended or extended so that *conservation\** and/or *restoration\** outcomes are enhanced beyond what would have been achieved, or planned or funded to be achieved without the organization planning to *remedy\** for historical conversion.

- b) Additionality inside the *Management Unit\**: *conservation\** and/or *restoration\** outcomes above and beyond those required by the applicable FSC Standards.

**Conservation/ Protection:** These words are used interchangeably when referring to management activities designed to maintain the identified environmental or cultural values in existence long-term. Management activities may range from zero or minimal interventions to a specified range of appropriate interventions and activities designed to maintain, or compatible with maintaining, these identified values.

Source: FSC-STD-01-001 V5-2

**Conversion:** A *lasting change of natural forest cover\** or *High Conservation Value\** areas, *induced by human activity\**. This may be characterized by *significant loss of species diversity\**, habitat diversity, structural complexity, ecosystem functionality or livelihoods and cultural values. The definition of *conversion\** covers gradual forest degradation as well as rapid forest transformation.

- **Induced by human activity:** In contrast to drastic changes caused by natural calamities like hurricanes or volcanic eruptions. It also applies in cases of naturally ignited fires where human activities (e.g. draining of peatlands) have significantly increased the risk of fire.

- **Lasting change of natural forest cover:** Permanent or *long-term*\* change of *natural forest*\* cover, precluded from reverting back towards pre-conversion conditions. Temporary changes of forest cover or structure (e.g. harvesting followed by regeneration in accordance with the FSC normative framework) is not considered *conversion*\*.
- **Lasting change of High Conservation Value\* areas:** Permanent or long-term\* change of any of the *High Conservation Values*\*, precluded from naturally reverting back towards pre-conversion conditions. Temporary changes of HCV areas that do not negatively and permanently impact the values (e.g. harvesting followed by regeneration in accordance with Principle 9) is not considered a lasting change.
- **Significant loss of species diversity:** Loss of species is considered significant where *rare species*\* and *threatened species*\* or other locally important, keystone and/or flagship species are lost, whether in terms of numbers of individuals or in terms of number of species. This refers to both displacement and extinction.

NOTE: For the purposes of this Policy, the establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (e.g. forest roads, skid trails, log landings, fire protection, etc.) is not considered *conversion*\*.

**Degradation:** Changes within a *natural forest*\* or *High Conservation Value*\* area that significantly and negatively affect its species composition, structure and/or function, and reduces the ecosystem's capacity to supply products, support biodiversity and/or deliver ecosystem services.

**Direct involvement:** Situations in which the associated organization or individual is firsthand responsible for *conversion*\*.

**Environmental values:** The following set of elements of the biophysical and human environment:

1. ecosystem functions (including carbon sequestration and storage)
2. biological diversity
3. water resources
4. soils
5. atmosphere
6. landscape values (including cultural and spiritual values).

The actual worth attributed to these elements depends on human and societal perceptions. *Source: FSC-STD-01-001 V5-2*

**Equivalent:** For ecological equivalence - The same specific type of *natural forest*\* or *High Conservation Value*\* is restored or conserved as was destroyed.

For social *remedy*\*, equivalence shall be based on an independent assessment and agreement on *remedy*\* through Free, Prior, Informed Consent (FPIC) of the nature, quality and quantity of all *social harms*\* as well as the on-going future benefits these would have provided. Equivalence shall entail provision of the best means possible to ensure future community wellbeing.

**Indirect involvement:** Situations in which the associated organization or individual, with a minimum ownership or voting power of greater than 50%, is involved as a parent or sister company, subsidiary, shareholder or Board of Directors to an organization directly involved in *conversion*\*. Indirect involvement also includes activities performed by subcontractors when acting on behalf of the associated organization or individual.

**Longevity** is defined as a minimum of 25 years and ideally in perpetuity.

**Natural Forest:** A forest area with many of the principal characteristics and key elements of native ecosystems, such as complexity, structure and biological diversity, including soil characteristics, flora and fauna, in which all or almost all the trees are native species, not classified as plantations.

'Natural forest' includes the following categories:

- Forest affected by harvesting or other disturbances, in which trees are being or have been regenerated by a combination of natural and artificial regeneration with species typical of natural forests in that site, and where many of the above-ground and below-ground characteristics of the natural forest are still present. In boreal and north temperate forests which are naturally composed of only one or few tree species, a combination of natural and artificial regeneration to regenerate forest of the same native species, with most of the principal characteristics and key elements of native ecosystems of that site, is not by itself considered as *conversion*\* to plantations.
- Natural forests which are maintained by traditional silvicultural practices including natural or assisted natural regeneration.
- Well-developed secondary or colonizing forest of native species which has regenerated in non-forest areas.
- The definition of 'natural forest' may include areas described as wooded ecosystems, woodland and savanna.

Natural forest does not include land that is not dominated by trees, was previously not forest, and that does not yet contain many of the characteristics and elements of native ecosystems. Young regeneration may be considered as natural forest after some years of ecological progression. *Source: FSC-STD-01-001 V5-2 (shortened)*

**Organizations:** For the purpose of this policy the term organization is used to cover the FSC defined term of *The Organization*\* as well as any other legal entity.

**Proportionate:** A 1:1 ratio: The area to be restored or conserved is the same as the area of *natural forest*\* and/or *High Conservation Value*\* destroyed.

**Remedy:** To correct or return something as near as possible to its original state or condition. (Guiding Principles on Business and Human Rights. UN. 2011)

For environmental harms this includes actions taken to *remedy* deforestation, *conversion*\*, *degradation*\*, or other harms to *natural forest*\* and *High Conservation Value*\* areas.

Environmental *remedy*\* actions may include but are not limited to: *conservation*\* of standing forests, habitats, ecosystems and species; *restoration*\* and protection of degraded ecosystems.

For *social harms*\* this includes providing redress for identified *social harms*\* through an FPIC-based process for agreeing redress for all *social harms*\*, and facilitating a transition to the position before such harms occurred; or developing alternative measures to ameliorate harms by providing gains recognized by the *affected stakeholders*\* as *equivalent*\* to the harms. *Remedy*\* may be achieved through a combination of *restitution*\*, rehabilitation, compensation, satisfaction and guarantees of non-repetition.

**Restitution:** Measures agreed through an FPIC-based process to restore lands, properties or damaged natural resources to their original owners in their original condition. Where such lands, properties or natural resources cannot be returned or restored, measures are agreed to provide alternatives of *equivalent*\* quality and extent.



**Restoration** (as it relates to *remedy\** after *conversion\**): Process of assisting the recovery of an ecosystem, and its associated *conservation\** values, that have been degraded, damaged, or destroyed. (Source: adapted from International principles and standards for the practice of ecological *restoration\**. Gann et al 2019. Second edition. Society for Ecological Restoration [SER]) (shortened version - refer to the Remedy Procedure for full definition)

**Significant conversion:** *Conversion\** is normally considered significant in any case of:

1. *conversion of high conservation value\** (HCV) area, or
2. conversion of more than 5 per cent of *natural forests\** under the associated organization and/or affiliated group's control within a national jurisdiction in the past five years, or
3. conversion of more than 10,000 ha of *natural forests\** under the associated organization and/or affiliated group's control within a national jurisdiction in the past five years.

**Small-scale smallholder:** Any person that is depending on the land for most of their livelihood; and/or employs labor mostly from family or neighboring communities and has land-use rights on a *Management Unit\** of less than 50 hectares. Standards Developers may define this to less than 50 hectares.

**Social harms:** are negative impacts on persons or communities, perpetrated by individuals, corporations or States, which include, but may go beyond, criminal acts by legal persons. Such harms include negative impacts on persons' or groups' rights, livelihoods and well-being, such as health, food security, healthy environment, cultural repertoire and happiness.

**Third Party Verifier:** An independent, third party company or organization approved by FSC international comprising expertise in, environmental and social harm and *remedy\** required to verify compliance of remedy processes.

**The Organization:** The person or entity holding or applying for certification and therefore responsible for demonstrating compliance with the requirements upon which FSC certification is based (Source: FSC-STD-01-001 V5-0).

**Unacceptable Activities:** As listed in the Policy for Association:

1. Illegal logging or the trade in illegal wood or forest products
  2. Violation of traditional and human rights in forestry operations
  3. Destruction of high conservation values in forestry operations
  4. Significant conversion of forests to plantations or non-forest use
  5. Introduction of genetically modified organisms in forestry operations
- Violation of any of the ILO Core Conventions - As defined in the ILO Declaration on Fundamental Principles and Rights at Work.

**Very limited portion:** The affected area *shall\** not exceed 5% of the *Management Unit\**.

### Verbal forms for the expression of provisions

[Adapted from ISO/IEC Directives Part 2: Rules for the structure and drafting of International Standards]

“shall”: indicates requirements strictly to be followed in order to conform to the document.

“should”: indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required.

“may”: indicates a course of action permissible within the limits of the document.

“can”: is used for statements of possibility and capability, whether material, physical or causal.

Note: the defined terms and definitions are presented in *italics* and marked with an asterisk (\*) in the main body of this document.

## **F Version History**

Draft 0-0 was developed by PSU and presented to the Working Group at 20 August 2018. It was built on the Plantations Review process at 2005-2009, revision of Principles and Criteria 2009-2012, development of International Generic Indicators 2012 – 2015, RECON process 2011-2014 and the Motion 12 Working Group work, which resulted a proposal for revising the 1994-rule. The Working Group developed fourteen iterations of the draft 0-0, until reaching a consensus on a draft to be sent to public consultation.

Draft 1-0 was developed based on draft 0–14 for public consultation, with formatting and grammar edits.

Draft 2-0 was developed based on the public consultation feedback to Draft 1-0.

Draft 2-1 was developed to consider the changes based WG’s review of consultation results during intensive discussion week in April 2020, changes include:

1. Changes to the scope to include clauses for retrospective application
2. Changes to scope to cover social harm
3. Changes to terms and definitions considering feedback
4. Changes to clarify implementation of remedy and requirements for remedy to be eligible to associate with FSC or to be eligible for certification., including changes to the Third Party Verifier and minimal conversion requirements.

Draft 2-2 was developed to consider the changes based on WG’s review of consultation results related to dispute resolution system.

Draft 2-3 was refined to consider changes based on the WG’s review of consultation results and includes:

1. Changes and additions to the Terms and Definitions
2. Providing clarity on the role of third party verifiers
3. Revising considerations under the small holder dispensation

Draft 2-4 was refined to consider changes based on the WG’s review of consultation results and includes the review of policy principles 1, 2 and 5 through to 7.2.

Draft 2-5 was developed considering Working Group discussions on:

1. The considerations of alternatives for Principles 3 and 4 of the policy
2. Additional definitions to define terms in the Policy
3. Revision of Principle 7.4 considering rewording to highlight the development, implementation and monitoring of a remedy plan, with a secondary requirement that historical remedy may be considered as part of remedy plans submitted via the FSC Remedy Procedure

Draft 3-0 was developed based on draft 2-5, with formatting and grammar edits.

## Policy Principles

1. FSC aims to halt *conversion*\* and deforestation and to advance the *restoration*\* of lost *environmental values*\* and the *restitution*\* of *social harms*\* by:
  - Establishing partnerships,
  - Participating actively in global dialogue, and by
  - Leveraging its standards and dynamic membership to influence policy makers, responsible procurement and global supply chains.
2. FSC requires associating *organizations*\* to demonstrate that they are not converting *natural forests*\* and/or *High Conservation Value*\* areas to *plantations*\* or other land uses. The associating *organizations*\* are expected to demonstrate their *conservation*\* and *restoration*\* efforts through conformance with requirements in the FSC normative framework.

### Option 1:

3. FSC aims to incentivize and advance the *restoration*\* and *conservation*\* of *natural forest*\* and *restitution*\* of *social harms*\* associated with *conversion*\*. For that purpose:
  - a) *Organizations*\* that were *directly or indirectly involved*\* in *conversion*\* on the *Management Unit*\* after November 1994 and before October 2020 <sup>1</sup>are eligible for FSC forest management certification<sup>2</sup> of that *Management Unit*\* upon demonstrated conformance with the FSC Remedy Procedure.
  - b) *Organizations*\* that were *directly or indirectly involved*\* in *significant conversion*\* after November 1994 are eligible to associate<sup>3</sup> with FSC upon demonstrated conformance with the FSC Remedy Procedure.

### Option 2:

3. FSC aims to incentivize and advance the *restoration*\* and *conservation*\* of *natural forest*\* and *restitution*\* of *social harms*\* associated with *conversion*\*. For that purpose:
  - a) *Organizations*\* that were *directly or indirectly involved*\* in *conversion*\* on the *Management Unit*\* after November 1994 and before October 2020 are eligible for FSC forest management certification<sup>4</sup> of that *Management Unit*\* upon demonstrated conformance with the FSC Remedy Procedure.
  - b) *Organizations*\* that have acquired *Management Units*\* where *conversion*\* has occurred after November 1994 and before October 2020 are eligible for FSC forest management certification of that *Management Unit*\* upon demonstrated conformance with the FSC Remedy Procedure for *social harms*\*.
  - c) *Organizations*\* that were *directly or indirectly involved*\* in *significant conversion*\* after November 1994 are eligible to associate<sup>5</sup> with FSC upon demonstrated conformance with the FSC Remedy Procedure.

<sup>1</sup> "October 2020" is a temporary placeholder; the final cut-off date will be the date of the approval of this Policy.

<sup>2</sup> This refers to certification against National Forest Stewardship Standard, Interim National Standard or FSC-STD-30-010 *Controlled Wood Standard for FM enterprises*.

<sup>3</sup> See the scope of FSC-POL-01-004 *Policy for Association*.

<sup>4</sup> This refers to certification against National Forest Stewardship Standard, Interim National Standard or FSC-STD-30-010 *Controlled Wood Standard for FM enterprises*.

<sup>5</sup> See the scope of FSC-POL-01-004 *Policy for Association*.

**Explanatory box for Policy Principle 3:**

The WG did not reach consensus on Principle 3 related to the remedy of harm caused by past conversion and proposed 2 options instead. The difference between the 2 options relates to organizations not involved in conversion and is highlighted in red in the tables below.

Principle 3 related to conversion occurred between Nov 1994 and Oct 2020			
Purpose	Organization	Natural forests	HCV areas
FM Certification of MU	Organizations involved in conversion in the MU	Remedy	Not applicable
	Organizations <u>not involved</u> in conversion in the MU	Option 1: No restriction Option 2: Remedy for social harm	Not applicable
Association with FSC	Organizations involved in conversion within their group of affiliated organizations	Remedy	

**Option 1:**

4. *Organizations\** that are *directly or indirectly involved\** in *conversion\** on the *Management Unit\** after October 2020 are not eligible for FSC forest management certification<sup>1</sup> of that *Management Unit\**.

**Option 2:**

4. *Organizations\** that take over converted land after October 2020 are eligible for FSC forest management certification<sup>1</sup> of that Management Unit\* upon demonstrated compliance with the FSC Remedy Procedure.

**Option 3:**

4. *Natural forests\** and *High Conservation Value\** Areas that are converted after October 2020 are not eligible for FSC forest management certification.

**Explanatory box for Principle 4:**

The WG did not reach consensus on Principle 4 related to future conversion and proposed 3 options. The difference between the 3 options relates to organizations not involved in conversion and is highlighted in red in the tables below.

Principle 4 related to conversion after October 2020		
Purpose	Organization	Natural forests & HCV areas
FM Certification of MU	Organizations involved in conversion in the MU	Not eligible
	Organizations <u>not involved</u> in conversion in the MU	Option 1: No restriction Option 2: Remedy Option 3: Not eligible
Association with FSC	Organizations involved in conversion within their group of affiliated organizations	Remedy

5. FSC defines what constitutes natural forest\* and the threshold for when degradation\* constitutes conversion\*. Standard developers may adapt this at the national level, based on guidance and instructions developed by FSC. The FSC defined conversion threshold\* shall be considered as a minimum threshold.
6. FSC accepts minimal conversion\* of natural forests\* in certified management units\* that:
  - i) Affects a very limited portion\* of the Management Unit\*, and
  - ii) Will produce long-term\* conservation\* and social benefits in the Management Unit\*, and
  - iii) Does not threaten High Conservation Values\*, nor any sites or resources necessary to maintain or enhance those High Conservation Values\*.
7. FSC has a Remedy Procedure that delivers conservation\* and restoration\* outcomes, and restitution\* to affected stakeholders\* and rights-holders. This procedure provides a pathway into FSC for organizations\* that have been directly or indirectly involved\* in conversion\*<sup>6</sup>, when implemented.

This FSC Remedy Procedure includes the following key elements:

7.1 There shall be a period of at least five (5) years where *The Organization\** has not been directly or indirectly involved\* in conversion\* prior to eligibility for FSC Forest Management certification.

7.2 A standardised process to determine overall conservation\*, restoration\* and remedy\* requirements based on:

a) Environmental harms<sup>7</sup> specific to:

- i) Size of the converted area;
- ii) Quality, including levels of degradation\*, of the converted area;
- iii) Environmental values\* lost including in the broader landscape.

For the purposes of determining conservation\* and restoration\* requirements, a baseline of 1994 or commencement of direct\* or indirect involvement\* within the Management Unit\*<sup>8</sup> where conversion\* occurred, whichever occurs later, shall be used. The determining of environmental harms shall be standardised by the Procedure and based on best available information and expert consultation.

b) Social harms\* related to:

- i) Social, cultural values and livelihoods lost;
- ii) Eco-system services;
- iii) Human rights;
- iv) Workers Rights.

Social harms\* shall be determined in consultation with affected stakeholders conducted by independent assessors. Social remedy\* requirements shall be

---

<sup>6</sup> "This procedure provides a pathway into FSC for organizations that have been directly or indirectly involved\* in conversion\*" will be revised based on principle 3 and 4 in final approved policy.

<sup>7</sup> Environmental Harm is considered as any impact on the environment values\* as a result of human activity that has the effect of degrading the environment, whether temporarily or permanently.

<sup>8</sup> "commencement of direct or indirect involvement within the Management Unit\*" will be revised based on principle 3 and 4 in final approved policy.

based on the recognised *social harms*\* incurred by the *affected stakeholders*\* in consultation with them based on FPIC.

7.3 To enter the FSC system, *organizations*\* shall develop and implement a remedy plan for *restoration*\* and redress that:

- a) Is fair, equitable, and genuine,
- b) Is *proportionate*\* and *equivalent*\* to the scale and harms and harms caused by *conversion*\*
- c) Demonstrates *additionality*\* and longevity\* of *conservation*\* outcomes,
- d) Demonstrates *restitution*\*
- e) Addresses risk of non-permanence and reversal of *restoration*\*, *conservation*\* and *restitution*\* activities,
- f) Is consistent with FSC Mission/Standards/Normative Framework, and
- g) Is developed in consultation with *affected stakeholders*\* including rights-holders in accordance with FPIC.
- h) Made publicly available upon approval.

7.4 Prior to certification or association/re-association with FSC, *organizations*\* shall demonstrate defined initial implementation of this remedy plan. The plan shall take account of *remedy*\* measures previously undertaken by the organization following *conversion*\*, if any.

7.5 Social *remedy*\* shall be provided to *affected stakeholders*\*, including rights-holders, based on FPIC.

7.6 Where possible, environmental and social *remedy*\* measures should be prioritised either in the *Management Units*\* where the *conversion*\* took place, adjacent land, or in the broader landscape.

7.7 In all circumstances, proposed *conservation*\* and *restoration*\* measures, including the type of activities, their location, and the implementer, shall be chosen and evaluated to ensure maximal *conservation*\* outcomes and social benefits relative to other options. The *remedy*\* measures must be at least *proportionate*\* to the scale of the harms caused.

7.8 The ultimate responsibility for the plan, implementation and delivery of *conservation*\* outcomes and social benefits shall rest with the *organization*\*

7.9 FSC shall approve *Third Party Verifiers*\*

7.9.1 *Third Party Verifiers*\* shall verify compliance of *remedy*\* processes, including:

- a) verification and approval of baseline assessments of harms caused by *conversion*\*
- b) verification and approval of Concept Notes to develop *Remedy*\* Plans,
- c) verification and approval of *Remedy*\* Plans, including submitting these plans for per review by external social and environmental experts,
- d) verification of implementation of the plan to the level of the Implementation threshold,
- e) verification of on going monitoring of compliance with implementation of the *remedy*\* process,

- f) reporting to FSC on the initial compliance of *organizations\** in an FSC *remedy\** process.

7.9.2 To prevent conflict of interest this *Third Party Verifier\** shall not be the same entity as the body assessing an organization for compliance to enable certification, association or re-association.

- 8. Implementation of the Remedy Procedure and the delivery of the *conservation\** and *restoration\** outcomes and social *remedy\** shall be monitored and reported through a standardised auditing process.
- 9. Where appropriate, the area under the scope of the remedy plan should be certified to FSC Forest Management Standards.
- 10. FSC defines dispensation criteria for *small-scale smallholders\** within the Remedy Procedure in order to incentivize those small operations to become certified and discourage speculative *conversion\** and *unacceptable activities\**.
- 11. FSC Certificate Holders, including Group Schemes, may apply to aggregate their *remedy\** requirements in order to develop maximum *conservation\** and social outcomes.
- 12. By engaging in the Remedy Procedure, the organisation shall agree to be subject to the FSC Dispute Resolution System to manage complaints associated with this Policy. The Remedy Procedure may be used in resolving disputes regarding *conversion\** of *natural forest\** and *High Conservation Value\** areas.