# FSCREMEDY FRAMEWORK PUBLIC CONSULTATION

Summary of Consultation Materials and Background Information



Public Consultation: 11 March 2022 - 10 May 2022

# INTRODUCTION

The purpose of this document is to provide an overview on public consultation materials. Please provide your feedback through the FSC online public consultation platform <u>HERE ONLY</u>.

Before beginning your journey through this consultation, we recommend reviewing this 15 minute welcome video to orient yourself around the upcoming content:

Video in English: https://youtu.be/dg6R8Npizdg Video en Español: https://youtu.be/Q53zHTibTz4 Video dalam Bahasa Indonesia: https://youtu.be/LBf8UawXZK8 Vidéo en Français: https://youtu.be/m3ny2fcjvA4

For more background information on the FSC Remedy Framework and how it interlinks with the FSC Policy to Address Conversion and Policy for Association, please see the information <u>booklet</u>, <u>sample cases</u>, and <u>FAQs</u>.

# Welcome to the public consultation on the FSC Remedy Framework!

The public consultation of the FSC Remedy Framework is open between 11 March and 10 May 2022 and will be used to collect stakeholders' feedback and perspectives about the FSC Remedy Framework.

The intention of the FSC Remedy Framework is to promote the implementation of measures that will lead to social and environmental remedy, driving positive impacts on the world's forests and the people that depend on them. Through this framework, FSC aims to ensure that the implementation of remedial actions for past harms take place in a proportionate and holistic manner, while addressing underlying environmental and social concerns.

The FSC Remedy Framework merges the provisions of FSC's former draft <u>Conversion Remedy</u> <u>Procedure</u> and <u>Policy for Association Remediation Framework</u> into one overarching document to operationalize relevant policies in the FSC system, namely FSC's <u>Policy to Address</u> <u>Conversion</u> and <u>Policy for Association</u>. As such, this consultation also raises four questions about specific elements of the Policy for Association and Policy to Address Conversion which we are seeking stakeholder input on in order to finalize the documents. Only these parts of the policies are open for consultation.

# How to participate in the consultation

It is not required to respond to all the questions included in this consultation. You can respond to the questions of the sections that are most relevant to your knowledge, experience or interest.

We welcome participation in this consultation from all those who care about FSC and want to join the conversation to shape this framework - forest managers, merchants and producers, manufacturers, civil society organizations, scientists, investors, and forest communities, Indigenous Peoples from North, South, East and West. We have much to learn from you – and from one another.

Your feedback is critical to shaping this important framework and for the success of this process!

## Opening date: 11 March 2022 10:00 CET

Closing date: 10 May 23:59:59 CET

## Thank you in advance for your participation.

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# **1. PARTICIPANT INFORMATION**

Please help us understand more about your background and interests by answering the 6 questions below:

1. Please select the option(s) that you identify with to help us understand more about your background and interests.

- Social NGO
- Environmental NGO
- Academic
- Smallholder
- Community member
- Government
- Certificate holder (FM)
- Certificate holder (CoC)
- Indigenous peoples
- Certification Body
- FSC Network Partner
- FSC International Staff Member
- Forest Industry (non FSC certified)
- Other

# 2. Are you an FSC member?

- Yes
- No

# 3. If yes, please specify your membership chamber and sub-chamber.

- Social North
- Social South
- Environmental North
- Environmental South
- Economic South
- Economic North

# 4. Do you give your consent for being contacted by FSC via email?

- Yes
- No

5. Do you give your consent to share your contact details with other FSC members and/or stakeholders in order to engage/ connect you with other FSC members/stakeholders engaged in this piece of work?

- Yes
- No

6. Do you wish to stay closely informed about the next steps of the development of the FSC Remedy Framework and receive regular updates on this process?

- Yes
- No

# 2. INTRODUCTION TO THE FSC REMEDY FRAMEWORK AND RELATED POLICIES

# 2.1 Introduction to the FSC Remedy Framework

FSC's commitment to promoting restoration through social and environmental remedy is demonstrated by the new FSC Remedy Framework. This framework is a set of rules and requirements in the form of standardized criteria that companies need to fulfil to remedy past social and environmental harm caused by:

- Engaging in any of the unacceptable activities defined by FSC in its Policy for Association
- Conversion in the period 1994 to December 2020 as regulated in the provisions of the Policy to Address Conversion.

Organizations and forest owners in the scope of FSC's Policy for Association or Policy to Address Conversion will be able to enter FSC global markets only upon demonstration of remedy actions that meet the requirements stipulated in the FSC Remedy Framework.

# 2.2 History of the FSC Remedy Framework

FSC was founded to protect the world's forests by promoting responsible forest management. Key to achieving this is preventing the conversion of forests. To reflect FSC's position against forest conversion or deforestation the FSC Principles and Criteria require that certificate holders do not convert natural forests or plantations sites directly converted from natural forest (unless it affects a very limited portion, creates conservation benefits and does not damage High Conservation Values).

The FSC Principles and Criteria also restricts that forest areas converted after 1994 (the year FSC was founded as an organization) are ineligible for FSC certification, if the organization was responsible for the conversion.

As years passed, it became evident that the restoration of converted land is of strategic importance in FSC's vision of promoting sustainable forests. As such, at the FSC General Assembly in 2017 held in Vancouver, Canada, the FSC membership approved Motion 7 as follows:

## Motion 7 (2017) Mandate

The membership recognizes the strategic importance of addressing the issues around conversion of natural forestrelated ecosystems to plantations and the need for alignment of the diverse ways in which conversion is treated in different parts of the FSC normative framework.

The membership requests that FSC puts in place a mechanism, building upon previous work, which will develop a holistic policy and appropriate treatment at Principle, Criterion and Indicator levels with guidance to national Standards Development Groups, considering compensation for past conversion, in terms of:

- a) restoration and/or conservation for environmental values; and
- b) restitution for socio-economic values.

FSC's new strategic direction of promoting forest restoration and social remedy, reinforced by the support to Motion 7, led to the need for FSC to re-evaluate the "FSC 94 rule" and its adequacy in enabling FSC to achieve its objective of driving positive impacts in the world's forests.

Motion 7 has triggered important discussions among members and interested stakeholders since 2017 until today with regards to FSC's position about social and environmental remedy of past forest conversion (as well as the possible need for FSC to develop normative frameworks on how to regulate the implementation of remedy actions).

These discussions and the approval of Motion 7 led to the development of the Policy to Address Conversion (defining a high-level conversion policy), as well as the subsequent development of the Conversion Remedy Procedure, which is now fully integrated into the FSC Remedy Framework.

Between 2018 and 2021, in parallel to the development of the Policy to Address Conversion, additional processes were run by the FSC Secretariat for the development of related FSC policies and frameworks.

Specifically, FSC worked on four parallel processes to address conversion and remedy:

- The **Policy to Address Conversion (PAC)**, which provides a definition for conversion and defines the conversion thresholds, in terms of area and timelines, that determine an organization's eligibility for certification.
- The **Conversion Remedy Procedure** which was developed to implement the PAC. It sets the requirements that companies have to fulfil in order to remedy social and environmental harm caused by past conversion.
- The revision of the **Policy for Association**, which sets out rules governing how companies can or cannot be associated with FSC. It defines six unacceptable activities that all organizations who want to be part of FSC must avoid.
- The **Policy for Association (PfA) Remediation Framework** which was created to provide a process by which businesses can remedy social and environmental harm from violations of the six unacceptable activities.

The PfA and PAC are FSC's policies to strengthen the rules and values around conversion and other unacceptable activities. During the revision and development of these policies, FSC was simultaneously defining the remediation requirements. Ultimately, considering that the four processes all deal with conversion and its remedy (and the significant synergies and overlaps across these processes), the **remedy components (Conversion Remedy Procedure and PfA Remediation Framework) were combined into a single FSC Remedy Framework**. Together, each process is striving to define a very important matter: FSC's position on how to address past forest conversion.

The need to clarify and align the Conversion Remedy Procedure (CRP) and PfA Remediation Framework (RF) and provide a single framework in its place - the FSC Remedy Framework – also became very apparent, following the feedback received from stakeholders and members during public consultation.

In merging the provisions of FSC's <u>Conversion Remedy Procedure</u> and <u>Policy for Association</u> <u>Remediation Framework</u> into the FSC Remedy Framework, FSC is ensuring alignment to set clear and consistent rules around forest conversion and remedy.

For more background information on the FSC Remedy Framework and how it interlinks with the FSC Policy to Address Conversion, Conversion Remedy Procedure and Policy for Association, please see the explanatory <u>booklet</u>, <u>sample cases</u>, and <u>FAQs</u>.

# **3. FSC POLICIES RELATED TO CONVERSION**

Now that there is alignment under the FSC Remedy Framework, there remain some outstanding issues for further definition, and streamlining of policies related to conversion, which are now open for stakeholder feedback.

# 3.1 Policy to Address Conversion (PAC)

A core part of the FSC Remedy Framework includes how conversion is remedied and treated in the FSC system. FSC is finalizing the Policy to Address Conversion, which includes elements that would require a change to the FSC Principles and Criteria.

For additional information on the development of this policy, please visit the <u>process page</u>. We also encourage you to review the introductory booklet and supporting materials around the PAC to better understand the context of this consultation and FSC's position on conversion.

The PAC includes the following objectives:

- Clearly present FSC's position on conversion of natural forests and High Conservation Value areas;
- Ensure consistent application of the definition and interpretation of conversion throughout the FSC system;
- Establish a permanent, equitable and effective FSC Remedy Framework for remediation of social and ecological damage due to conversion; and
- Continually affirm FSC's credible position in global debates on climate change, conservation and restoration.

During this consultation, aspects of Policy Elements 3 and 4 of the PAC are up for stakeholder feedback (described in the next sections of this consultation). These elements represent some changes to the existing criteria 6.9 and 6.10 of the FSC Principles and Criteria (FSC-STD-01-001) and the incorporation of a new criterion 6.11. These changes are subject to a FSC membership vote (statutory motions 37 & 38) agreement at the next FSC General Assembly (October 2022), for them become effective and be implementable.

Further information is available on the members' portal here: https://members.fsc.org/en/Members

For further information on how the FSC Policy to Address Conversion relates to the FSC Remedy Framework, please see the introductory <u>booklet</u>, <u>sample cases</u>, and <u>FAQs</u>.

# 3.2 PAC's Policy Element 3: Partial remedy for organizations not involved in conversion

While the Working Group (WG) agreed on the majority of the elements stipulated in the PAC, they did not reach consensus on a subclause of Policy Element 3 which outlines remedy requirements for past conversion. A particularly difficult topic was the remedy requirements for forest management certification applicants that were not involved in conversion, but acquired land converted between November 1994 and 31 December 2020. The WG's conclusions are available <u>here</u>.

To complete the PAC, FSC decided to recruit a consultant to develop, in consultation with members and other stakeholders, a White Paper proposing ways forward for an approach to address what is commonly referred to as "the ownership loophole", i.e. how to deal with organizations that acquired converted area. The White Paper was complemented by an earlier green paper on conversion which provided an overview of FSC's historical and current debates on conversion. You can find the resources mentioned above at the following links:

## White Paper

#### White Paper FAQs

#### Green Paper

At the 88<sup>th</sup> Board of Directors meeting, the Board reviewed the methodology proposals from the White Paper to address the "ownership loophole". The Board supported the following:

- a) Policy Element 3 shall link the environmental and social remedy liability with the land and not with the organization, and
- b) Fair and feasible remediation will be required for organizations not involved in conversion but that acquired converted area.

The Board requested FSC staff to develop a concept for such a "fair and feasible remediation". At the 89<sup>th</sup> Board of Directors meeting, FSC staff presented a concept for fair and feasible remediation based on the comments received through three public consultations on the policy drafts, the White Paper and feedback by the FSC Policy & Standards Committee and the Board of Directors as follows:

Organization type based on conversion Involvement	Remedy requirements proposed for Policy Element 3	
Organizations <u>involved in conversion in the</u> MU (agreed by the WG in consensus)		
Organizations <u>not involved</u> in conversion in the MU	Full remedy for all social harms         Partial environmental remedy         Full remedy for priority social harms	

The fundamental requirement for partial remediation for organizations not involved in conversion has been reflected in the submitted further revised draft under Policy Element 3 as follows:

#### Policy element 3 in the latest draft:

- 3. FSC aims to incentivize and advance the *restoration*<sup>\*</sup> and *conservation*<sup>\*</sup> of *natural forest*<sup>\*</sup> and *restitution*<sup>\*</sup> of *social harms*<sup>\*</sup> associated with *conversion*<sup>\*</sup>. For that purpose, for *conversion* after November 1994 and until 31 December 2020:
  - a) Organizations\* that were directly or indirectly involved\* in conversion on the management unit are eligible for FSC Forest Management certification of that management unit upon demonstrated conformance with the core requirements for the restitution of all social harms and proportionate\* remedy of environmental harms in the FSC Remedy Framework.
  - b) Organizations\* that were **not** involved in conversion but have acquired a management unit where conversion has taken place, are eligible for FSC Forest Management certification of that management unit upon demonstrated conformance with the core requirements for the restitution\* of priority social harms\* and partial remedy of environmental harms in the FSC Remedy Framework
  - c) Organizations\* that were directly or indirectly involved\* in significant conversion are eligible to associate with FSC upon demonstrated conformance with the core requirements for the restitution\* of all social harms and proportionate\* remedy of environmental harms as well as the additional requirements determined in the FSC Remedy Framework.

Through introducing the concept of partial remedy, FSC strives to define a set of fair and feasible requirements for these organizations to fulfill in order to provide social and environmental remedy for conversion, regardless of who committed the act. In the future, organizations who have acquired lands converted between 1994 and 2020 will have to conduct partial remedy to become eligible to FSC certification.

For more information about partial remedy for organizations not involved in the conversion of the Management Unit, please refer to section 4.3.5 of this consultation.

Question 1: Do you agree that the requirement for the restitution of priority social harms and partial remedy of environmental harms for organizations that have acquired a management unit where conversion occurred between 1994 and 2020 represent an adequate compromise as a solution to close the ownership loophole, provided that the FSC Remedy Framework provides a threshold that does not preclude a positive business case?

- I mostly agree
- I do not agree or disagree
- I mostly disagree

Please explain your response (short text)

# 3.3 PAC's Policy Element 7.3d: area designated for conservation purposes

Subclause 7.3.d in Policy Element 7, requires the dedication of part of the restored area to conservation purposes, for both organizations that have converted or acquired converted lands.

Policy Element 7.3d in the latest draft

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

d. Designates parts or all of the restored area for conservation purposes.

Like Policy Element 3 discussed previously in Section 3.2 of this consultation, this proposal has been incorporated into the PAC following the direction from the Policy and Standards Committee and the Board of Directors.

You will also find two questions later in this consultation (Section 4.3.5) for you to provide input on this policy element.

# Question 2: Do you agree that the remedy plan for organizations involved conversion shall designate part or all of the restored area for conservation purposes, provided that the FSC Remedy Framework provides a feasible threshold?

- I strongly agree
- I agree
- I do not agree or disagree
- I disagree
- I strongly disagree

Please explain your response (short text)

# 3.4 FSC's Policy for Association (PfA)

The revision of the **Policy for Association** (PfA), which sets out rules governing how companies can or cannot be associated with FSC, defines unacceptable activities that all organizations who want to be part of FSC must avoid.

The Policy for Association sets out a commitment for all who/that are associated with FSC to uphold FSC's core values by avoiding what FSC defines as unacceptable activities in all operations. The FSC

Policy for Association is closely interlinked with the FSC Remedy Framework which specifies the required remedy and improvements for any occurrence of the defined unacceptable activities. One of the acceptable activities defined in the PfA is conversion, therefore the PfA also needs to be consistent and aligned with the PAC.

# 3.5 Association with FSC if conversion occurs after effective date

The Policy for Association (PfA) defines conversion as an unacceptable activity for the entire corporate group associated with FSC. Violation of this policy could result in the corporate group being disassociated from FSC.

According to the Policy to Address Conversion proposal, land converted after December 2020 will not be eligible for FSC certification. The Policy for Association Technical Working Group (TWG) has considered a range of options regarding the consequences of engagement with conversion after the effective date of the revised Policy for Association in terms of associating with FSC. The thresholds for association have also been considered, together with proposed remedy requirements, to level the consequences of such activities for the corporate groups.

The alternatives considered in the PfA where conversion has taken place within the corporate group after the effective date of the PfA are provided below:

	Association allowed after remedy and operational improvements according to Remedy Framework	No association allowed for the corporate group, no remedy, or improvements possible
Significant conversion used for association threshold (10% on forest or 10.000ha on corporate level, and other considerations)	<ul> <li>A) Significant conversion used as threshold for corporate group.</li> <li>Violations would require full remedy and operational improvements before association with FSC could be considered.</li> </ul>	<b>B)</b> Significant conversion used as threshold for corporate group. Violation anywhere in the group would exclude the corporate group from FSC permanently.
Association and certification threshold is identical (minimal conversion up to 5% allowed)	<b>C)</b> Minimal conversion used as threshold for corporate group. Violations would require full remedy before association with FSC could be considered.	<b>D)</b> Minimal conversion used as threshold for corporate group. Violation anywhere in the group would exclude the corporate group from FSC permanently.

# TWG's Proposal:

The PfA TWG proposes Option A for PfA: Use threshold of 10% of FMU or 10.000 ha on corporate level, full remedy and operational improvements required before association with FSC could be considered.

Rationale:

 The PfA operates on a corporate level where activities and consequences are always considered applicable for the entire corporate group. The most severe outcome is disassociation, which would impact all entities in the group.

- It is reasonable that a system that operates on a wider scope and with such severe consequences should not operate on the same thresholds as decisions to certify defined operations. However, the threshold is set so that it is not excessively different from certification requirements to avoid any conversion of extensive scale.
- Possibility for correction through remedy and restoration should be preferred over closing doors permanently.
- Permanent disassociation is not a feasible option based on the legal assessment, which requires possibility to self-correct and allowing access when specified criteria is met. Fixed cooling-off period could be of limited value when aiming to allow for remedy and improvements. Disassociation will automatically result in a period of not being able to join FSC, in proportion to the violations and actions required by the organizations to fulfill the FSC Remedy Framework requirements.
- The remedy requirements will ensure that no organization would be able to return to FSC without full remedy and fundamental changes in their systems.

# Question 3: Do you agree with the TWG proposal (Option A – After significant conversion association will be possible after full remedy and operational improvements)?

- I strongly agree
- I agree
- I do not agree or disagree
- I disagree
- I strongly disagree

Please explain your rationale: (open text)

# 3.6 Applying revised Policy for Association for new applicants for association

The revised requirements typically apply to any future operations, rather than those in the past. However, there are also situations where rules could be considered to capture past events. Changing rules retroactively for those who are already part of the FSC system is not considered in this context because of complexities that such an approach would present. Applying the PfA retroactively for those that are not yet part of the system and therefore not under any current FSC requirements, could be considered as an alternative.

Taking into account that the PfA TWG proposes Option A for PfA, please consider the following options for applying the revised PfA for activities in the past:

A) PfA applied from effective date for existing associates and new applicants, not retroactively

B) PfA applied retroactively for all new applicants for association

C) PfA applied partly retroactively for unacceptable conversion within the new corporate group definition for all new applicants for association.

Provided below is an implementation assessment of different options presented for already associated organizations, those applying for association, and for the FSC system:

	A) Applied from effective date, not retroactively	B) Applied retroactively for all new applicants for association	C) Applied partly retroactively for unacceptable conversion within the new corporate group definition for all new applicants for association
For already associated	Stricter rules apply for future.	Stricter rules apply for future. With the change in the scope, part of the corporate group could be now also considered "new", so that different requirements apply in different parts of the corporate group.	Stricter rules apply for future. Part of the corporate group could be now also considered "new" but only in terms of one unacceptable activity. Within one group both the group definition and the unacceptable activities would vary and form several combinations.
For new applicants for association	Stricter rules apply for future.	Requirements change retroactively and are stricter than for those already associated. The definition of corporate group might also include entities that are already associated, so that different requirements apply in different parts of the corporate group.	Part of the requirements change retroactively Part of the corporate group could now also be considered "new" but only in terms of one unacceptable activity. Within one group both the group definition and the unacceptable activities would vary and form several combinations.
For FSC system	Simple, in line with introducing new requirements in FSC	Adds complexity Introduces new way of applying revised requirements in FSC	Adds complexity Introduces new way of applying revised requirements in FSC

# Question 4: Please select the option that you most agree with:

- Applied from effective date, not retroactively
- Applied retroactively for all new applicants for association
- Applied partly retroactively for unacceptable conversion within new corporate group definition for all new applicants for association

Please explain your rationale: [open text]

# 4. FSC REMEDY FRAMEWORK

Upon defining the requirements and thresholds based on the Policy for Association and Policy to Address Conversion, the remedy requirements for violating these policies are then established in the FSC Remedy Framework.

# 4.1 Structure of the FSC Remedy Framework

The FSC Remedy Framework outlines two levels of requirements for remedy:

- (1) core requirements, and
- (2) additional requirements for system transformation.



The **core requirements** function as minimum requirements for remedy. The core requirements are a set of measures and actions that define the necessary processes and systems that will enable the organization to prevent and mitigate its involvement in unacceptable activities in the future. As core requirements set a strict threshold, these are required of all organizations to address social and environmental harms caused by violations of the Policy for Association and/or Policy to Address Conversion. The core remedy requirements will apply to:

- 1. All association/re-association applicants who have violated the Policy for Association (PfA), and
- 2. FSC forest management certification applicants, without PfA violations, but with a conversion legacy (meaning the FM certification applicant was involved in the conversion of the management unit between November 1994 and December 2020, or the FM certification applicant acquired the management unit and it had been converted during this time period).

Organizations involved in unacceptable activities as outlined in the PfA beyond conversion will be subject to **additional requirements** of the FSC Remedy Framework to be eligible for FSC association. The **additional requirements** expand the remedy requirements from the site-level to the corporate group- and supply chain-level.

These requirements evolved over time and through several iterations, starting with an ending disassociation roadmap process, to what was called the generic roadmap, through to the PfA

remediation framework and now in the FSC Remedy Framework. This work was built upon through dialogue and a co-creation process, through targeted and public consultations involving affected stakeholders, FSC members, and experts. Information on the drafts and consultation of the PfA Remediation Framework can be found <u>here</u>.

Unacceptable activities addressed by the FSC Remedy Framework are serious and indicate a lack of alignment with FSC's mission and principles. The additional requirements in the FSC Remedy Framework seek to address a range of management systems (quality, environmental, social) to address unacceptable activities that have occurred, and to prevent these from happening in the future.

# 4.2 Scope of the FSC Remedy Framework

The FSC Remedy Framework applies to organizations that were directly or indirectly involved in conversion that occurred after November 1994 and before December 31, 2020 and to corporate group's involved in unacceptable activities who seek to remedy environmental and social harms.

The FSC Remedy Framework applies to:

(1) *The Organization*<sup>\*</sup> that was *directly or indirectly involved*<sup>\*</sup> in conversion that occurred after November 1994 and before December 31, 2020

(2) The Organization\* not involved in conversion\* but that has acquired a management unit\* where conversion\* has taken place in this period

(3) Entities that have been disassociated from FSC for unacceptable activities\*, and

(4) Entities seeking to address *unacceptable activities*\* before associating with FSC to remedy environmental and social harms.

For more information about how the FSC Remedy Framework would apply to different cases involving direct or indirect involvement, ownership of land, etc. please see the sample cases provided in the supporting materials.

For more information on the FSC Remedy Framework, please see the introductory <u>booklet</u>, <u>sample cases</u>, and <u>FAQs</u>.

# 4.3 Questions for stakeholder input about the FSC Remedy Framework

## 4.3.1 Five-year waiting period without unacceptable activities before ending disassociation

The Organization must wait five years after the end of any conversion to become eligible for FSC certification. For alignment purposes, a five-year waiting period without the commission of any new unacceptable activities has also been applied to corporate groups seeking to end disassociation. Both the Organization and the corporate group could begin remedy activities prior to the end of the five-year period.

Question 5: Do you agree with FSC setting a five-year waiting period for corporate groups seeking to end disassociation with FSC on the commission of any new unacceptable activities?

- I strongly agree
- I agree
- I do not agree or disagree

- I disagree
- I strongly disagree

Please explain your response (short text)

# 4.3.2 Remedy for harms in the supply chain

In contrast, to the previously consulted version of the PfA Remediation Framework, the wood and woodbased supply chain has been removed from the scope of remedy requirements in the FSC Remedy Framework as it does not fall within the scope of the Policy for Association. FSC reserves the ability to consider this as a requirement in extraordinary cases (see Chapter 2 of the FSC Remedy Framework, Section 1).

Question 6: Does limiting the addition of the wood and wood-based supply chain to an extraordinary measure, rather than a default requirement, address the feasibility of the implementation of the remedy process while still being able to address the most extraordinary cases?

- Yes
- No

Please provide feedback if desired:

# 4.3.3 Differentiating affected rights holders

The term *affected customary rights holders* has been introduced in the FSC Remedy Framework to specify rights holders that have a right to Free Prior and Informed Consent (FPIC). The larger group of rights holders impacted by conversion or unacceptable activities is referred to as *affected rights holders*.

# Question 7: Is the distinction between *affected customary rights holders* and *affected rights holders* meaningful and comprehensible in the document?

- Yes
- No

Please provide feedback if desired:

# 4.3.4 Site selection

In 17.4(a) in selecting the sites for remedy, the emphasis for conversion activities is on conservation outcomes. This principle ensures the conservation of existing environmental values.

For unacceptable activities in selecting sites for remedy, in 17.4(b) the focus is on both conservation and restoration. This principle ensures the optimization of environmental values based on an assessment of the attributes of the site.

Question 8: Is the distinction between conservation outcomes for conversion activities and an optimization of environmental values considering both conservation and restoration for unacceptable activities meaningful? Due to the variety of unacceptable activities possibly resulting in environmental harms, should site selection consider both conservation and restoration in optimizing environmental values?

• Yes, there should be a difference between the outcomes. Both conservation and restoration outcomes should be considered when selecting a site for remedy of unacceptable activities.

Please explain your opinion (Short text):

• No, these two outcomes should be aligned. Only conservation outcomes should be considered when selecting a site for remedy of unacceptable activities, as is the case for the remedy for conversion.

Please explain your opinion (Short text):

## 4.3.5 Partial remedy

On the request of the FSC Board of Directors and based on the feedback received through;

- three public consultations of the conversion policy drafts,
- the White Paper,
- external research, and
- FSC's Policy & Standards Committee and Board,

the FSC Secretariat developed a proposal for the Board of Directors defining partial remedy as remedy of 30% - 50% of the size of the converted area, with the exact percentage being determined based on; the date when conversion happened, as well as on the size, and the ecological quality of the converted area.

To understand the business case for investors in regions where remedy is most likely to take place (Southeast Asia, Africa, and South America) and to assess the feasibility of this proposal, FSC Secretariat commissioned a study on the economics of remedy in the context of forest conversion. The analysis suggested that a maximum 30% remediation scenario would be feasible without creating a negative business or investment case.

See full report on the FSC <u>Members Portal</u>; the summary and conclusions are included as an additional document in this consultation.

PSU shared the study and previous ideas with the Motion 7 Technical Working Group (TWG), tasked with developing the mechanisms to operationalize the Policy to Address Conversion. The TWG has not proposed a specific threshold for partial remedy. The TWG would be supportive of a case-by-case basis. However, no clear methodology or proposal has been presented for this option.

As the TWG discussions have not resulted in a consensus for this proposal, the FSC Secretariat has revised the previous percentage range considering prior discussions and the results of the study and is now proposing that organizations that were not involved in conversion shall conduct environmental remedy in an area that is at least 10% of the size of the converted area.

10% of the converted area is also the threshold proposed in the draft that shall be dedicated by both, organizations responsible for the conversion and those that acquired converted areas, for conservation purposes, as per Policy Element 7.3.d

For more clarity on the concept of Partial Remedy, please see the explanatory <u>booklet</u>, <u>sample cases</u>, and <u>FAQs.</u>

Question 9: Do you agree that an environmental remediation threshold of 10% of the size of the converted area which has to be fully designated to conservation, along with the remedy of priority social harms, is a fair and feasible way to address environmental and social harms

caused by the original conversion? Please note that these 10% would come on top of the 10% conservation area network requirement already required by the International Generic Indicators.

- I strongly agree
- I agree
- I do not agree or disagree
- I disagree
- I strongly disagree

Please explain (short text)

# Question 10: If you do not agree with this proposal, what would be your suggested threshold for environmental remediation of the converted area?

- 15%
- 20%
- Other

Please explain your response including any evidence that may support your position (short text)

#### 4.3.6 Areas for conservation

The FSC Remedy Framework proposes that a 10% of the converted area is designated for conservation purposes.

Question 11: Do you agree that 10% of the converted area should be dedicated to conservation purposes in order to implement Policy Element 7.3.d of the PAC (See Section 3.3. of this consultation)? This applies to both organizations that were involved in conversion, and those who have acquired converted lands, as stipulated in 17.4 of the FSC Remedy Framework.

(Note: The proposed percentage would be in addition to the requirement of setting aside 10% of the MU for conservation purposes under IGI 6.5.5)

- I strongly agree
- I agree
- I do not agree or disagree
- I disagree
- I strongly disagree

Please explain (short text)

#### 4.3.7 Concept Note

Part 4 of the FSC Remedy Framework details the creation and approval of a Concept Note. This comes from previously consulted versions of the Conversion Remedy Procedure, which serves as the basis for the core requirements of the FSC Remedy Framework. The concept note is then used to create the Remedy Plan, which contains much of the same information and also must be approved by a Third-Party Verifier. The FSC Secretariat proposes to eliminate the additional planning step of the Concept Note to avoid unnecessary engagement and resources from all involved parties.

## Question 12: Should the Concept Note phase be eliminated?

- Yes
- No

If desired, please provide details about your choice: (Short text)

# 4.3.8: Impact

The FSC Remedy Framework strives to provide steps to remedy past harm and prevent harm from occurring in the future, thereby providing a path so that organizations can demonstrate responsible forest management.

Question 13: How confident are you as a stakeholder that the current draft of this framework can deliver on this intended impact?

- I strongly agree
- I agree
- I do not agree or disagree
- I disagree
- I strongly disagree

Please provide suggestions for improvement if desired (short text)

## 4.3.9: Accessibility

The FSC Remedy Framework deals with complex and sensitive issues, and the document itself reflects this complexity. Nevertheless, it should be accessible and understandable to be implemented effectively.

# Question 14: Taking into account all of the supplementary materials provided, do you think the FSC Remedy Framework is presented in a comprehensive and understandable manner?

- Yes
- No

If you found it challenging, please provide suggestions to improve the documents accessibility.

Long text

# **5. ADDITIONAL COMMENTS AND QUESTIONS**

# Question 5.1: If you have any additional comments and questions, please share them below in the relevant section:

- FSC Remedy Framework Section B: Scope (Long Text)
- FSC Remedy Framework Terms & Definitions (Long Text)
- FSC Remedy Framework Chapter 1: Foundational Systems (long text)
- FSC Remedy Framework Chapter 2: Trust Building Measures (long text)
- FSC Remedy Framework, Chapter 3, Part 1: Foundational requirements (Long Text)
- FSC Remedy Framework Chapter 3, Part 2: Identification of associated parties, impact areas and Baseline Assessments of social and environmental harms (Long Text)
- FSC Remedy Framework, Chapter 3, Part 3: Remedy planning (Long Text)
- FSC Remedy Framework Chapter 3, Part 4: Concept Note for the Remedy Plan (Long Text)
- FSC Remedy Framework Chapter 3, Part 5: Completion of the Remedy Plan (Long Text)
- FSC Remedy Framework, Chapter 3, Part 6: Implementation of the Remedy Plan (Long Text)
- FSC Remedy Framework, Chapter 3, Part 7: Monitoring, reporting, transparency, and demonstration of progress (Long Text)
- FSC Remedy Framework Annex 1: Operating Instructions for the implementation and verification of the FSC Remedy Framework (Long Text)

- FSC Remedy Framework Annex 2: Forest Types (Long Text)
- FSC Remedy Framework Annex 3: Sample Indicators for Core Requirements (Long Text)
- FSC Remedy Framework Annex 4: Policy for Association Indicators (Long Text)

# THANK YOU

#### Thank you for your time and contributions!

On behalf of FSC, thank you very much for providing your feedback in this consultation.

Your feedback is very valuable in helping FSC shape the FSC Remedy Framework and the related policies that will define FSC's position on the important matter of how to address past forest conversion through social and environmental remedy.

Please kindly note, it is possible to make changes in your responses during the entire period the consultation is open. Even if you have submitted a response, you can return and edit it until the closing time of the consultation period.

Once this public consultation closes, on the 10 May 2022, FSC Secretariat will proceed to analyze the feedback you and other interested stakeholders submitted through the Consultation Platform. FSC will also host a number of webinars and other stakeholder initiatives during the public consultation. These stakeholder initiatives will also continue after the consultation closes, leading up to the FSC General Assembly 2022, so as to provide ample opportunities for discussion and input from all those who care about FSC and the direction FSC is taking on the topic of promoting social and environmental remedy for past forest conversion.

Having collected and analyzed stakeholder feedback provided across the various engagement channels, FSC Secretariat will revise and finalize the framework, as to ensure the final version to be submitted to the FSC Board of Directors in August 2022 meets its intention and is fit for purpose.

All revised interlinked processes – including the FSC Remedy Framework – will be presented to the FSC membership at the FSC General Assembly 2022.



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