



Forest Stewardship Council®



Policy to Address Conversion

FSC-POL-01-007 Version 1-0 Draft 5-4

Note for consultation: The sections we are inviting stakeholders to provide feedback on are identified through the draft.

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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.

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DRAFT

Introduction

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

Growing consumption of natural resources has posed an increasing pressure to convert the last remaining natural forests and HCVs 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. Review and define FSC's position on conversion,
2. Strengthen FSC's role to support global conversion-free commitments,
3. Provide a pathway for forest areas converted after November 1994 to enter the FSC system, and to
4. Accelerate further conservation, ecological restoration and social restitution.

A Objective

The *Policy to Address Conversion* presents FSC's general position and fundamental principles on conversion of natural forests and High Conservation Value areas.

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 FSC Remedy Framework for remediation of social and ecological damage of conversion;
- 6) Continually affirm FSC's credible position in global debates on climate change, conservation and restoration;
- 7) Clearly present FSC's position on conversion of natural forests and High Conservation Value areas.

B Scope

This document defines a holistic FSC policy to address conversion. This policy provides a general framework for the remedy of environmental harms and restitution of social harms caused by conversion of natural forests between November 1994 and the stipulated cut-off date.

This policy does not apply to:

1. Any forms of conversion that took place prior to November 1994.
2. Conversion in form of lasting changes of High Conservation Value (HCV) areas prior to the stipulated cut-off date.

NOTE: This policy introduces a new and comprehensive definition of what constitutes *conversion** which includes lasting changes to HCV areas. This definition only applies for conversion activities occurring after the policy's cut-off date. For activities before this cut-off date, the existing stipulations for conversion via Criteria 6.9 and 6.10 in the *FSC Principles & Criteria V5-2* apply.

3. Conversion activities that have taken place prior to the policy's cut-off date on management units acquired by organizations not involved in such activities and that held a FSC Forest Management certificate at the time of this policy becoming effective.

NOTE: For the purpose of the policy, Forest Management certification refers to certification against a National Forest Stewardship Standard, Interim National Standard, or FSC-STD-30-010 *Controlled Wood Standard for FM enterprises*.

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

C Effective and validity dates

Approval date	xx
Publication date	xx
Effective date	xx

NOTE: The policy stipulates a cut-off date (31 December 2020) after which the new definition of conversion becomes applicable and relevant conversion activities are regulated differently by this policy. This cut-off date, while earlier than the effective date of the policy, will only come into force once the overall policy becomes effective.

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 Global Strategy 2021-2026

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

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

FSC policies and standards relevant to conversion will be amended and aligned with this policy, including FSC-STD-01-001 *FSC Principles and Criteria for Forest Stewardship*, the associated national or regional Forest Stewardship Standards and Interim National Standard, 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 for Forest Stewardship* require approval by the FSC membership.

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:

- 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.

- Additionality inside the management unit: *Conservation** and/or *restoration** outcomes above and beyond those required by the applicable FSC standards.

Affected Rights Holder: Persons and groups, including Indigenous Peoples, traditional peoples and local communities with legal or customary rights whose free, prior and informed consent is required to determine management decisions (*Source: FSC-STD-60-004 V2-0*).

Explanatory note for consultation: the *FSC Remedy Framework* introduces a new term to specify rights holders that have a right to FPIC: '**affected customary rights holders**', which corresponds with the definition of '**affected right holders**' in this policy.

The larger group of rights holders impacted by conversion is referred to as '**affected rights holders**' in the *FSC Remedy Framework*.

If this proposal is supported, the final draft of the *Policy to address Conversion* will be aligned to use this language, replacing the term '**affected right holder**' by '**affected customary right holder**' through the policy.

Definitions provided in the *FSC Remedy Framework*:

Rights Holders: Rights holders are worker*, individuals or social groups that have particular entitlements in relation to specific duty-bearers. In general terms, all human beings are rights-holders under the Universal Declaration of Human Rights (*Source: Adapted from UNICEF, Gender Equality: Glossary of Terms and Concepts, p514*).

- **Affected rights holders:** Rights holders impacted or who have suffered harm, including persons and groups with legal or customary rights* whose free, prior and informed consent is required to determine management decisions.
- **Affected customary rights holders:** Persons and groups, including Indigenous Peoples, traditional peoples and local communities with legal or customary rights whose free, prior and informed consent is required to determine management decisions. (*Source: 'Affected rights holders' definition in FSC-STD-60-004 V2-0*).

Affected stakeholder: any person, group of persons or entity that is or is likely to be subject to the effects of the activities of a management unit. Examples include, but are not restricted to (for example in the case of downstream landowners), persons, groups of persons or entities located in the neighborhood of the management unit. The following are examples of affected stakeholders:

- Local communities
- Indigenous Peoples
- Workers
- Forest dwellers
- Neighbors
- Downstream landowners
- Local processors
- Local businesses
- Tenure and use rights holders, including landowners

- Organizations authorized or known to act on behalf of affected stakeholders, for example social and environmental NGOs, labor unions, etc.
(Source: FSC-STD-01-001 V5-2).

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. 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 (HCV) areas**:** Permanent or *long-term** change of any of the *High Conservation Values**. 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**.

Applicable definition of conversion		
Pre-November 1994	Between November 1994 and 31 December 2020	Post December 2020
The <i>Policy to Address Conversion</i> does not apply to conversion that took place prior to November 1994.	The new definition in the <i>Policy to Address Conversion</i> does not apply to conversion that took place prior to the policy's cut-off date. Instead, the stipulations by Criteria 6.9 and 6.10 in the <i>FSC Principles and Criteria</i> (P&C) apply, basically considering as conversion a change from natural forests to plantations or other land uses.	The new definition in the <i>Policy to Address Conversion</i> applies: Conversion: A lasting change of <i>natural forest cover*</i> or <i>High Conservation Value*</i> areas, induced by <i>human activity*</i> . This may be characterized by significant loss of <i>species diversity*</i> , habit diversity, structural complexity, ecosystem functionality or livelihoods and cultural values. The definition of <i>conversion*</i> covers gradual forest degradation as well as rapid forest transformation.

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** (Source: *FSC-POL-01-004 v2-0*).

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*).

Environmental harm: Any impact on the *environment values** as a result of human activity that has the effect of degrading the environment, whether temporarily or permanently.

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) with the *affected rights holders** 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.

High Conservation Value (HCV): Any of the following values:

HCV1 - Species Diversity. Concentrations of biological diversity* including endemic species, and rare, threatened or endangered* species, that are significant at global, regional or national levels.

HCV 2 - Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems* and ecosystem mosaics that are significant at global,

regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

HCV 3 - Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats* or refugia*.

HCV 4 - Critical ecosystem services. Basic ecosystem services* in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

HCV 5 - Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or Indigenous Peoples* (for example for livelihoods, health, nutrition, water), identified through engagement with these communities or Indigenous Peoples.

HCV 6 - Cultural values. Sites, resources, habitats and landscapes* of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples. (Source: *FSC-STD-01-001 V5-2*).

Note: HCV concept applies to all ecosystems, including HCV areas in savannahs, grasslands, peatlands and wetlands - not only to natural forests and forest plantations

High Conservation Value Areas: Zones and physical spaces which possess and/or are needed for the existence and maintenance of identified *High Conservation Values** (source: *FSC-STD-60-004*)

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 (Source: *FSC-POL-01-004 v2-0*).

Initial Implementation Threshold: The threshold specifies the minimum *remedy** stage that an *organization** has to achieve in order to become eligible for association with FSC or for forest management certification of a management unit (Source: *FSC-PRO-01-007 V1-0. Shortened version - refer to the FSC Remedy Framework for full definition*).

Long-term: The length of time involved will vary according to the context and ecological conditions, and will be a function of how long it takes a given ecosystem to recover its natural structure and composition following harvesting or disturbance, or to produce mature or primary conditions (Source: *Adapted from FSC-STD-60-004 V2-0*).

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 (*Shortened version, source: FSC-STD-01-001 V5-2*).

Ongoing social harms: see the definition for social harm.

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

Plantation: A forest area established by planting or sowing with using either alien or native species, often with one or few species, regular spacing and even ages, and which lacks most of the principal characteristics and key elements of natural forests. The description of plantations may be further defined in FSC Forest Stewardship Standards, with appropriate descriptions or examples, such as:

- Areas which would initially have complied with this definition of 'plantation' but which, after the passage of years, contain many or most of the principal characteristics and key elements of native ecosystems, may be classified as natural forests.
- Plantations managed to restore and enhance biological and habitat diversity, structural complexity and ecosystem functionality may, after the passage of years, be classified as natural forests.
- Boreal and north temperate forests which are naturally composed of only one or few tree species, in which a combination of natural and artificial regeneration is used to regenerate forest of the same native species, with most of the principal characteristics and key elements of native ecosystems of that site, may be considered as natural forest, and this regeneration is not by itself considered as conversion to plantations. (Source: FSC-STD-01-001).

Priority social harms: see the definition for social harm.

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 (*Source: 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 agreements made during an FPIC-based process with the *affected rights holders**, 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, through consultation and agreement. *Remedy** may be achieved through a combination of apologies, *restitution**, rehabilitation, financial or non-financial compensation, satisfaction, punitive sanctions, injunctions, and guarantees of non-repetition.

Restitution: Measures agreed with *affected stakeholders** 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 on to provide alternatives of *equivalent** quality and extent. Restitution to *affected rights holders** is agreed on through an FPIC-based process.

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 FSC Remedy Framework for full definition).*)

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. Standard Developers may define this to less than 50 hectares.

Social harms: 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 property (including forests, lands, waters), health, food security, healthy environment, cultural repertoire and happiness, as well as physical injury, detention, dispossession and expulsion.

- **Ongoing social harms:** *social harms** which have not been remedied.
- **Priority social harms:** *social harms** prioritized by an FPIC-based process with *affected rights-holders** or identified in consultation with *affected stakeholders* (*Source: FSC-PRO-01-007 V1-0. Shortened version - refer to the FSC Remedy Framework for full definition).*

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 *FSC 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
6. Violation of any of the ILO Core Conventions - As defined in the ILO Declaration on Fundamental Principles and Rights at Work (*Source: FSC-POL-01-004 v2-0).*

Very limited portion: The affected area shall not exceed 5% of the management unit, irrespective of whether the conversion activities have taken place prior to or after the organization is awarded with FSC Forest Management certification.

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

At the General Assembly 2017 in Vancouver, Canada, the membership passed Motion 7 which requested that FSC puts in place a mechanism, building upon previous work, to develop a holistic policy to address conversion and its appropriate treatment at Principle, Criterion and Indicator levels. As per Board Meeting 77, a member-based and sub-chamber-balanced working group was established to develop the Policy to Address Conversion. Version 1-0 of the policy was drafted by this working group between August 2018 and December 2020 and subsequently finalized by the FSC Secretariat based on further membership input.

Policy Elements

1. With its creation in November 1994, FSC stipulated strict rules against conversion and deforestation. This Policy strengthens this position while providing avenues to remedy and compensate for social and environmental harms caused by conversion.

With this policy, FSC demonstrates its continued and enhanced alignment with, and contributions to global commitments to end deforestation and to advance the *restoration** of lost *environmental values** and the *restitution** of *social harms** by:

- providing a new and comprehensive definition of what constitutes *conversion**,
 - positioning FSC more strongly against any forms of *conversion** occurred after the policy's stipulated cut-off date (31 December 2020),
 - specifying a new model for the remediation of harms caused by conversion before that date,
2. FSC requires *organizations** to demonstrate that they are not converting *natural forests** and/or *High Conservation Value areas** to *plantations** or other land uses and to demonstrate their *conservation** and *restoration** efforts through conformance with requirements in the FSC normative framework.
 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, for conversion after November 1994 and until 31 December 2020:
 - a) *Organizations** that were *directly or indirectly involved** in conversion¹ 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*².
 - 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*.

Note for consultation: Please see question about subclause 3b) in the FSC Consultation Platform.

- c) *Organizations** that were *directly or indirectly involved** in significant conversion³ 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*.

¹ In the context of policy element 3, the existing definition of conversion as defined via Criterion 6.10 in *Principles & Criteria V5-2* applies.

² The FSC Remedy Framework consolidates the remedy requirements resulting from the Policy to address Conversion and the Policy for Association in one single document .

³ In the context of policy element 3, the existing definition of significant conversion as defined in the *FSC Policy for Association V2-0* applies.

Purpose	Organizations*	Remedy requirements
FM Certification of MU*	Organizations* involved in conversion in the MU*	Full <i>remedy*</i> for environmental harms Full <i>remedy*</i> for all <i>social harms*</i> (core requirements)
	Organizations* not involved in conversion* in the MU*	Partial environmental <i>remedy*</i> Full <i>remedy*</i> for <i>priority social harms*</i> (core requirements)
Association with FSC	Organizations* involved in significant conversion within their group of affiliated organizations	Full <i>remedy*</i> for environmental harms Full <i>remedy*</i> for all <i>social harms*</i> (core and additional requirements)

Table 1: Policy Element 3 related to *conversion** between November 1994 and 31 December 2020

4. Management units* are not eligible for Forest Management certification if they contain *natural forests** and / or *High Conservation Value areas** converted after the 31 December 2020.

Note for consultation: the requirements regarding the eligibility of an organization to become associated with FSC, if the organization or their corporate group has been engaged in conversion after 31 December 2020, are being consulted as part of the revised *Policy for Association (PfA)*. Please see related question in the FSC Consultation Platform. The final proposal of the PfA technical working group will be incorporated into the final draft of the *Policy to address Conversion*.

Purpose	Conversion activity	Eligibility
FM Certification of MU*	MU* containing areas converted from <i>natural forests*</i> and / or <i>High Conservation Value areas*</i>	MU* not eligible for certification, irrespective of the involvement of the <i>Organization*</i> in the conversion
Association with FSC	To be filled in after approval of revised PfA	To be filled in after approval of revised PfA

Table 2: Policy Element 4 related to *conversion** after 31 December 2020

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** 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 Framework that delivers *conservation** and *restoration** outcomes, and *restitution** to *affected stakeholders** and *affected rights holders**. This procedure provides a pathway into FSC for *organizations** that have been *directly or indirectly involved** in *conversion**, or *organizations** that have acquired a management unit where *conversion** has taken place, when implemented.

This *FSC Remedy Framework* 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 standardized process to determine overall *conservation**, *restoration** and *remedy** requirements based on:

a) *Environmental harms** specific to:

- i) Size of the converted area;
- ii) Quality, including levels of *degradation**, of the converted area;
- iii) *Environmental values** lost⁴ including in the broader landscape.

For the purposes of determining *conservation** and *restoration** requirements, a baseline of 1994, or any later point in time prior to the actual conversion activity, shall be used. The determining of *environmental harms** shall be standardized by the *FSC Remedy Framework* 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**⁵ shall be determined in consultation with *affected stakeholders** and *affected rights holders** by independent assessors. *Social remedy** requirements shall be developed in consultation with *affected stakeholders** and *affected rights holders** based on the recognized *social harms** incurred by *affected stakeholders** and *affected rights holders**. *Social remedy** to *affected rights holders** shall be based on *Free, Prior, and Informed Consent** (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 *equivalent** to the scale and harms caused by *conversion**,
- c) Is consistent with the level of *remedy** required in policy element 3,
- d) Designates parts or all of the restored area for conservation purposes,
- e) Demonstrates *additionality** and *longevity** of *conservation** outcomes,
- f) Demonstrates *restitution**,
- g) Addresses risk of non-permanence and reversal of *restoration**, *conservation** and *restitution** activities,
- h) Is consistent with the FSC mission and normative framework,
- i) Is developed in consultation with *affected stakeholders** and *affected rights holders**, and is based on FPIC with *affected rights holders**, and

⁴ Conversion of HCVs constitutes an unacceptable activity under the Policy for Association and the relevant parts of the FSC Remedy Framework will apply.

⁵ Violation of customary and human rights constitutes an unacceptable activity under the Policy for Association and the relevant parts of the FSC Remedy Framework will apply.

j) Is made publicly available upon approval.

Note for consultation: Please see question about subclause 7.3.d) in the FSC Consultation Platform.

- 7.4 Prior to certification or association with FSC, *organizations** shall demonstrate that the *initial implementation threshold** of this remedy plan has been achieved. The plan shall take account of *remedy** measures previously undertaken by *organizations** following *conversion**, if any.
- 7.5 *Social remedy** shall be provided to *affected stakeholders** and *affected rights holders**. The *social remedy** to *affected rights holders** shall be based on FPIC.
- 7.6 Environmental and social *remedy** measures shall be prioritized to take place where possible in the management units where the *conversion** occurred, then in the adjacent land, or in the broader landscape as a last resort.
- 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.
- 7.8 The ultimate responsibility for the plan, implementation and delivery of *conservation** outcomes and social benefits shall rest with the *organizations**.
- 7.9 FSC shall approve *Third Party Verifiers**.
- 7.9.1 *Third Party Verifiers** shall verify conformance with the *FSC Remedy Framework*, 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 peer review by external social and environmental experts,
 - d) verification of implementation of the plan to the level of the implementation threshold,
 - e) verification of ongoing monitoring of conformance with implementation of the *remedy** process,
 - f) reporting to FSC on the initial conformance 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 the *organization** for conformance to enable certification, association or re-association.
8. Implementation of the *FSC Remedy Framework* and the delivery of the *conservation** and *restoration** outcomes and social *remedy** shall be monitored and reported through a standardized auditing process.

9. 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 *FSC Remedy Framework* 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 applying the *FSC Remedy Framework*, *organizations** shall agree to be subject to the FSC Dispute Resolution System to manage complaints associated with this policy. The *FSC Remedy Framework* may be used in resolving disputes regarding *conversion** of *natural forest** and *High Conservation Value areas**.

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