FAQ on the new TLA

General information about the TLA

What does TLA stand for?

TLA refers to the License Agreement for the FSC Certification Scheme which is also commonly called Trademark License Agreement (TLA).

What is the TLA?

The TLA is a legal document (contract) which governs the relationship between FSC and the organization holding an FSC certification or applying for certification. The TLA is the agreement by which FSC grants the organization the right to use the FSC trademarks. The TLA also contains rights and obligations applicable to FSC and the organization holding or applying for an FSC certification.

What are the FSC trademarks?

The FSC trademarks consist of three trademarks (the FSC initials, the name Forest Stewardship Council and the FSC check-mark-and-tree logo) and two brand marks (the two versions of the Forest-For-All-Forever brand marks). All the FSC trademarks are owned by FSC, are registered in more than 110 countries and are included in the TLA. More information about the FSC trademarks is available <u>here</u>

Why is FSC releasing a new TLA?

FSC regularly revises its TLA in order to comply with the latest legal requirements and to ensure that the integrity and credibility of the FSC certification scheme is protected.

Is the new TLA available in my language?

The new TLA is currently available in 5 languages: English, Chinese, Russian, Portuguese (Brazil), German. The TLA can be obtained in a bilingual version (English-Other language) but the English version governs the TLA.

The new TLA will be available in 18 languages: English, Czech, German, Spanish, French, Italian, Japanese, Dutch, Polish, Portuguese (Brazil), Portuguese (Portugal), Russian, Chinese, Bulgarian, Turkish, Romanian, Korean and Croatian.

What is FSC Connect?

<u>FSC Connect</u> is a so called hub portal, where your organization can access various FSC portals, including the FSC Certification Portal.

What is the FSC Certification Portal?

The <u>FSC Certification Portal</u> enables communication between FSC and FSC certificate holders (also called licensees) about the certification requirements and the administration of the TLA, including its electronic signature.

<u>Who can I contact, if I have a difficulty accessing FSC Connect or the FSC</u> <u>Certification Portal?</u>

For any problems relating to FSC Connect or the FSC Certification Portal, you can write an email to <u>connect@fsc.org</u>.

Content of the TLA

What is covered by the license to use the FSC trademarks?

The TLA grants the right to use the FSC trademarks (the so-called "granted rights") for both onproduct labelling and promotional use. The specific rules governing the use of the FSC trademarks by certificate holders are set out in <u>FSC-STD-50-001</u>.

What is a certificate holder?

A certificate holder is an organization holding an FSC certification.

What are the granted rights?

The granted rights are the rights to use the FSC trademarks for both on-product labelling and promotional use.

Once the TLA is signed, can my organization start using the FSC trademarks?

The TLA signature does not allow your organization to use the FSC trademarks right away. Any use of the FSC trademarks should first be approved by your certification body. The use of the FSC logo without prior-approval from the certification body constitutes a breach of the certification requirements. In addition, any use of the FSC trademarks must comply with the requirements set out in <u>FSC-STD-50-001</u>.

Where can I check the status of the TLA?

The status of the TLA (valid, suspended or terminated) can be found using the FSC public search function available on the FSC's website <u>here</u>.

What are the new features introduced by FSC in the new TLA?

The TLA introduces numerous new features which can be broadly categorized as follows:

Modernization:

The new TLA will be signed electronically via a new <u>FSC Certification Portal</u> and the physical signature of a hard copy will be phased out. The FSC Certification Portal will also be used by FSC to communicate revisions of the certification requirements. This way the certificate holder can receive certification requirement updates from both their certification body and from FSC directly. Thanks to this modernization, several administrative steps will not be necessary anymore. This new solution will also reduce the use of paper.

Integrity & Credibility:

The new TLA contains new rules that improve FSC's ability to uncover and block organizations selling non-certified products with false claims of being FSC certified. FSC will also impose a financial penalty on organizations making false claims.

Compliance:

The new TLA incorporates new legal requirements, including the so-called GDPR, the European legislation governing data protection.

Where can I find the certification requirements mentioned in the TLA?

All the certification requirements mentioned in the TLA are available <u>here</u> on the FSC website.

What is the suspension of the granted rights?

The suspension of the granted rights puts on hold the rights of an organization holding a TLA to use the FSC trademarks. The suspension of the granted rights is decided by FSC when the organization does not comply with the TLA provisions, for example when it violates the certification requirements, commits trademark infringements, makes false claims or is the subject of an investigation for the violation of the Policy for the Association with FSC.

What are the effects of the suspension of the granted rights?

During the suspension of the granted rights, the organization is not entitled to use the FSC trademarks for on-product labelling and promotional use. This means that during the suspension the organization cannot issue invoices with FSC claims or sell products bearing the FSC trademarks. The suspension of the granted rights does not affect the other rights and obligations under the TLA.

What happens when an organization is blocked by FSC?

The blockage of an organization holding an FSC certification is decided by FSC in response to false claims and prevents the organization from carrying out activities or processes that are included in their scope of certification (e.g. processing, labelling, storing or transporting). An organization that is blocked cannot be re-certified by the same or a different certification body for a defined time period. More information about blockage can be found in <u>ADVICE-40-004-18</u>

What is the difference between suspension and blockage?

A suspension only applies to the granted rights and affects the rights of an organization holding a TLA to use the FSC trademarks.

The blockage of an organization holding a TLA is decided by FSC in response to false claims and prevents the organization from carrying out activities or processes that are included in their scope of certification (e.g. reading, processing, labelling, storing or transporting).

What are false claims?

False claims refer to non-certified products being sold with the claim that they are certified. A false claim can be a claim made on sales documents (physical or electronic) or the use of the FSC trademarks on either products or in connection with projects that are not eligible to be claimed, labelled and/or promoted as being FSCcertified or FSC controlled wood.

What kind of false claims can lead to the blockage of my organization?

An organization will be blocked if FSC finds that it made deliberate false claims, i.e. false claims made with knowledge of their consequences. The organization will also be blocked if it has made more than two negligent false claims within a period of 5 years. FSC and/or certification bodies always issue a corrective action request in response to false claims. More information about false claims can be found in <u>ADVICE-40-004-18</u>

Can my organization be sanctioned for false claims made negligently?

If FSC or a certification body finds that an organization made false claims negligently, a corrective action request will be issued, and your organization will have to take actions to remove or fix the false claims. The organization will only be sanctioned by a blockage if it has made more than two negligent false claims within a period of 5 years. More information about false claims can be found in <u>ADVICE-40-004-18</u>

How can the suspension be lifted?

The suspension of the granted rights can be lifted once the suspended organization complies with the FSC certification requirements and implements the corrective action requested by FSC and/or their certification body.

How can the blockage be lifted?

The blockage of the organization can be lifted once the organization has paid the financial penalty and has implemented the corrective actions requested by FSC and/or their certification body.

How much is the financial penalty?

The financial penalty is calculated taking into account the duration of the false claim, the severity of the false claim and the financial capacity of the organization that commits a false claim. This ensures that the financial penalty is reasonable and reflects the gravity and damages suffered by the FSC certification scheme. The methodology used to calculate the financial penalty can be found in <u>FSC-PRO-10-003</u>.

<u>Who can I contact, if my organization has questions regarding the content</u> of the TLA?

For any questions relating to the content of the TLA, you can write an email to <u>licensing@fsc.org</u>.

Signature of the TLA

Why does an organization need to sign a TLA?

An organization needs to sign a TLA to be associated with FSC and its missions. A TLA is also necessary to use the FSC trademarks for on-product labelling or for promoting certified products.

How can an organization sign a new TLA?

FSC changed the way a TLA is signed by introducing the FSC Certification Portal. In order to sign the new TLA, the organization is invited by FSC or its certification body to create a profile on <u>FSC Connect</u>. From the FSC Connect account, the organization can access the <u>FSC Certification Portal</u>, where specific information, such as the name of the legal representative who will sign the TLA, needs to be provided.

Once the profile of the organization is created, the organization will receive an email invitation to sign the TLA electronically with <u>DocuSign®</u>.

Who can sign the TLA?

The TLA can only be signed by a person duly authorized. This can be the legal representative of the organization or another person who is authorized to sign the TLA. After the signature of the organization, FSC will counter-sign the TLA via DocuSign[®].

What is DocuSign®?

DocuSign is an online platform that allows recipients to electronically review and digitally sign documents. For more information about DocuSign, please visit <u>www.docusign.com</u>.

What happens with existing TLAs between a certificate holder and FSC?

The new TLA will replace any existing TLA. Every certified organization must operate under the same mechanism and must hold the latest version of the TLA. Old versions of the TLA will therefore be terminated towards 2022.

How much time do I have to sign the TLA?

You can sign the TLA after you receive the invitation to electronically sign the TLA. This invitation link (DocuSign®) is valid for 90 days, but it can be re-initiated.

My organization signed a new TLA, where can I find it?

The signed TLA can be found in the organization's profile on the <u>FSC Certification</u> <u>Portal</u>. It can take up to 2 working days for your signed TLA to appear after your signature, since FSC counter-signs the agreement.

Who can I contact, if I have a difficulty signing my TLA via DocuSign®?

For any problems relating to the electronic signature, you can write an email to <u>connect@fsc.org</u>.

After signing the TLA, can my organization ignore the new certification requirements implemented by FSC?

Organizations are certified if they comply with the FSC certification requirements. These requirements evolved over time in order to reflect the technical, environmental or legal requirement. When FSC releases a new certification requirement, certified organizations have to comply with it. If an organization does not accept and comply with a new certification requirement, its certification will not be maintained.

Does FSC make the contact information of my organization public?

FSC publishes contact information of certified organizations on its <u>Public Search</u>. This information is published so that companies, traders or consumers can contact certified organizations.

If my TLA is terminated, can I sign a new one?

If your organization's TLA is terminated (either by your organization's own decision or by a decision of FSC), your organization can sign a new one only if it is not affected by a blockage. However, if your organization is affected by a blockage because it committed false claims, your organization will only be able to sign a new TLA once the blockage is lifted.

Is it possible to physically sign a hard copy of the new TLA?

The availability of the FSC certification portal coincides with the new TLA as FSC aims to develop a paperless environment for managing the TLA.