

SFI Fiber Sourcing & FSC Controlled Wood: How These Standards Address Uncertified Content in the Supply Chain

On October 29, 2009, the Forest Stewardship Council (FSC) International released a publication titled, *Comparative analysis between the FSC Controlled Wood requirements and PEFC, PEFC Germany and SFI*. The FSC report incorrectly portrays the Sustainable Forestry Initiative's® (SFI) requirements vis-à-vis the FSC Controlled Wood requirements. In reality, if the objective is promoting responsible forestry on uncertified land, a key objective of SFI, then the SFI® Program's forest management and fiber sourcing requirements far exceed FSC's Controlled Wood requirements. This briefing note provides a clear understanding of how the SFI Program functions as it pertains to uncertified content and corrects the inaccurate information contained in the FSC Report.

Addressing Uncertified Content in the Supply Chain

Given that over 90% of the world's forests are not certified, both the SFI and FSC programs need to have, and do have, requirements to account for and deal with the large amount of fiber that comes from higher-risk uncertified lands. FSC does this with the controlled wood standard which accounts for non-FSC certified fiber when a chain-of-custody (CoC) certification is in place. SFI achieves this through the third-party certified Fiber Sourcing requirements, which address forest management activities on uncertified land. SFI also does this through SFI CoC requirements which avoid using uncertified fiber from controversial sources, including:

- Illegal harvesting activities, and
- Areas without effective social laws.

The SFI Fiber Sourcing requirements are a pro-active set of requirements designed to raise the bar of forest management activities on non-certified lands in North America. The requirements include:

- the use of best management practices (BMPs) for water quality,
- promoting reforestation,
- education and outreach on protecting endangered species, and
- promoting the use of trained loggers and qualified resource professionals.

The FSC controlled wood standard is a list of sources to avoid, which include:

- illegally harvested wood,
- wood harvested from areas of civil unrest,
- wood harvested from High Conservation Value Forests (HCVFs) threatened by management activities,
- wood harvested from areas being converted to other uses or plantations (with exceptions), and
- wood from genetically modified trees.

While the intent of the FSC controlled wood approach is to ensure a low risk of fiber from unwanted sources, it does little to better the management of non-certified lands. Thus, the two approaches to dealing with uncertified fiber in North America are very different. FSC's approach is an avoidance of unwanted sources domestically and globally; while SFI seeks to promote responsible forest management in North America on non-certified lands through its fiber sourcing requirements. For off-shore procurement, the SFI Standard more closely resembles FSC controlled wood, in avoiding unwanted sources.

Table 1 illustrates the differences between how FSC's controlled wood requirements and SFI Fiber Sourcing Requirements for North America promote responsible forest management on uncertified land in the US and Canada. Cited language from each Standard is located at the end of this document in the corresponding endnote. Unless otherwise specified, all FSC requirements are from the FSC Controlled Wood Standard, FSC-STD-30-010 (Version 2-0) and all SFI requirements are from the SFI 2005-2009 Standard, which includes the Fiber Sourcing requirements. When appropriate, the requirements in the SFI CoC are noted as well. In addition, the SFI standard is revised every five years; so while the tables below focus on the current Standard, the endnotes include new language from the SFI 2010-2014 Standard to illustrate the requirements that take effect on January 1, 2010.

Table 1. SFI vs. FSC Requirements for Promoting Responsible Forestry on uncertified land in the US and Canada.

| Required Action | SFI Fiber Sourcing Requirements | FSC Controlled Wood |
|----------------------------------|--|---------------------|
| Logger Training | Program participants work collaboratively to establish criteria and produce training programs for loggers that address responsible forest management, the use of BMPs, regeneration and conservation, endangered species and safety. Since 1995 SFI Program Participants have trained 117,405 loggers. In the 2010-2015 Standard the requirement for using certified trained loggers is further strengthened. ¹ | No Requirements |
| Education & Outreach | Through established local implementation committees, Program Participants work to develop and distribute regionally appropriate information to landowners on biodiversity, wildlife habitat, endangered species, reforestation, BMPs and more. These committees also help landowners use the services of qualified resource professionals in making management decisions. ² | No Requirements |
| Research | The SFI Program recognizes the importance of on-the-ground research to improve forest management. Either individually or cooperatively, Program Participants perform research to improve the health, productivity and management of forest resources, and Program Participants have invested over \$1 billion in research since 1995 on important topics such as forest and ecosystem health and productivity and the conservation of biodiversity. ³ | No Requirements |
| Best Management Practices | SFI Program Participants provide guidance to landowners on the use of BMPs and also track and improve BMP implementation over time. The 2010-2014 Standards requires the use of BMPs in all contracts. ⁴ | No Requirements |
| Reforestation | SFI Program Participants provide information and guidance to landowners on the benefits of reforestation after harvest. ⁵ | No Requirements |
| Continual Improvement | Program Participants must continually monitor and report their implementation of the SFI Standard and make improvements necessary to improve overall conformance to the Standard. ⁶ | No Requirements |

When reviewing SFI and FSC's requirements for uncertified fiber, it is important to understand the following differences and similarities in the two programs:

- Both the FSC Controlled Wood requirements and the SFI Fiber Sourcing requirements have been put in place to address the uncertified content in the supply chain. Therefore, this comparison is focused on how each program addresses the uncertified content in the supply chain, as opposed to the programs' requirements for forest management certification.
- The SFI Program only certifies forests in the US and Canada. FSC certifies forests globally. The vast majority of uncertified wood entering the SFI Program Participant's supply chain is derived from North America. FSC's own guidance on controlled wood states that demonstrating compliance with the Controlled Wood standards for legality, violation of civil rights, and GMOs should be less difficult for wood sourced in the U.S. than for wood from overseas; while a little more effort may be needed to show compliance with the requirements for HCVPs and conversion (www.fsccontrolledwood.org).
- SFI has proactive fiber sourcing requirements when sourcing wood in North America from uncertified forests because we have an infrastructure in place that allows us to proactively engage with landowners, forestry professionals, conservationists, loggers etc. to improve forestry on the uncertified land. The SFI Program has a strong grassroots network consisting of 37 state, provincial or regional SFI Implementation Committees, which work collaboratively on the local level to implement the SFI Fiber Sourcing Requirements. Over 880 individuals are members of a SFI Implementation Committee, and almost half of these members represent organizations that are not SFI certified organizations, but other stakeholder groups interested in promoting responsible forestry practices in their communities, including government agencies, academics, and conservation organizations.

- SFI Fiber Sourcing requirements are third party audited, and certification is required for fiber sourcing claims or labels to be used.
- FSC has nothing comparable to SFI's North American proactive Fiber Sourcing requirements that improve forest management on uncertified land, nor does it have an infrastructure comparable to the SFI's implementation committees. This reality could unfortunately be one reason why FSC proponents have taken efforts to undermine the SFI Fiber Sourcing program and associated labels. Given the extent of uncertified family forest land in the USA and Canada, the SFI fiber sourcing program is undeniably one of the leading tools available to advance responsible forestry on family forestlands at no cost to the family forest owners, but rather at the cost of the SFI program participant procuring the wood. SFI also fully recognizes the value of the American Tree Farm System (ATFS) certification for those family forest owners that do seek individual or group forest certification. Over 60% of the fiber supply in the US marketplace comes from small family forest owners. Programs like SFI's fiber sourcing and ATFS work hand in hand to increase outreach and improve forestry on these lands.

Tables 2 corrects the table that appears on page 9 of the FSC report by providing an accurate depiction of how the SFI Fiber Sourcing Requirements avoid unwanted sources from uncertified lands.

Table 2. SFI Fiber Sourcing vs. FSC Global Requirements for Avoiding Unwanted Sources from Uncertified Lands

| FSC Controlled Wood Category | SFI Fiber Sourcing Requirements* |
|--|--|
| Illegally Harvested Wood | Covered: Program Participants must comply with applicable federal, provincial, state, and local forestry and related environmental laws and regulations. SFI Program Participants must avoid sources that are high risk for illegal harvests. ⁷ |
| Wood harvested in violation of traditional and civil rights | Covered: SFI Program Participants must have a written policy demonstrating commitment to comply with social laws, including civil rights and indigenous people's rights. For global procurement, Program Participants perform risk assessments to ensure they avoid sources of fiber where workers' health and safety, fair labor practices, indigenous peoples' rights, antidiscrimination and antiharassment measures, prevailing wages, and workers' right to organize may be violated. ⁸ |
| Wood harvested from forests in which high conservation values are threatened by management activities. | Covered: In North America, Program Participants work with non-certified landowners to protect important habitat areas for wildlife, including critically imperiled and imperiled species and communities. For global procurement, Program Participants perform risk assessments to ensure they avoid illegal sources of fiber, and that sourcing of fiber does not compromise biodiversity hotspots and major tropical wilderness areas. ⁹ |
| Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses. | Covered: SFI's requirements apply on plantations and natural forests alike. A forest that is being converted to other uses could not be SFI certified as it would not meet many of the Standard requirements, including forest regeneration. According to the most recent US Forest Service statistics, the decline in natural forest represents roughly one million acres per year or a rate of 1/10th of one percent (0.1%) per year, which is considerable less than the 0.5% conversion rate typically allowed under FSC. This decline is due to several causes, including development. Conversion from natural forest to plantation likely represents a small part of this 0.1%. ¹⁰ |
| Wood harvested from forests in which genetically modified trees are planted | Covered: Currently, GMO forest products are not commercially grown and available in North America. SFI lands are certified only in North America. SFI does not ban government-approved and controlled research on GMOs as research may find ways to reduce pests, insects and disease, which ravage forests and increase greenhouse gas emissions; and research may find ways to restore lost native species such as the American chestnut. Once the research has been conducted and the costs and benefits assessed, SFI will be in a position to better evaluate this issue. ¹¹ |

*While the SFI forest management standard is only applied in North America, the SFI Program has requirements for sourcing fiber globally, several of which are also requirements in the SFI CoC standard.

Conclusions

SFI would prefer to work productively with FSC to promote sustainable forest management and forest certification – as we do with other certification systems around the globe – rather than demonstrating how our program equals, and in fact, significantly and substantively exceeds FSC in improving forestry on uncertified lands.

SFI believes that the FSC report is another unfortunate step FSC has taken that appears to go against the grain of transparency, competition and honesty in the supply chain. For example, FSC's logo-use requirements state FSC labels shall not be used on-product together with the logos, names or other identifying marks of other forest management conformity assessment schemes.¹² This means a product that includes both FSC and SFI certified content cannot carry both the FSC and SFI labels, which is a disservice to transparency and consumer's rights. Likewise, it is disappointing that FSC has recently adopted new requirements that ASI*-accredited certification bodies a.) shall not promote standards of other forestry conformity assessment schemes as equivalent to the forest management and chain-of-custody standards of FSC, and b.) must differentiate FSC from other certification programs in their promotional materials.¹³ This appears to be an attempt to reduce both competition in the marketplace and the independence of certification bodies. This requirement was the outcome of a motion passed during the May 2008 FSC General Assembly meeting; in the same motion, FSC International agreed to develop in-house research capacity to maintain current comparisons of forest management and chain-of-custody standards between FSC and leading competing schemes.¹⁴ The FSC Report is the result of FSC's commitment to devote its scarce resources to comparing FSC with other leading certification programs, like SFI.

With less than 10% of the world's forests certified, FSC's attempt to bar companies from equally supporting & recognizing other credible forest certification programs alongside FSC is misguided. The United Nations has recently reported that certification of the world's forests has stalled at 8% - clearly, there is enough room in the remaining 92% of forests for all programs to grow and succeed, to the benefit of the world's forests. No one benefits from the latest FSC decisions and reports – not customers who are committed to sourcing responsibly, and not forests and the people who depend on them.

One can confidently state that given the extent of uncertified land globally, and the high risk of illegal logging in several nations, the following certification standards offer leadership tools to prevent unwanted sources from entering the supply chain:

- SFI does this through the SFI Fiber Sourcing certification and the SFI CoC certification,
- FSC does this through its CoC certification which requires controlled wood assessments, and
- PEFC does this through its CoC certification which takes measures to avoid controversial sources such as illegal logging.

For further information on the SFI Program, please don't hesitate to visit our web-site at www.sfiprogram.org or contact our [staff](#).

*ASI is FSC International's accreditation body, Accreditation Services International, which accredits certification bodies to deliver FSC audits. However, several of these same certification bodies are also accredited by other agencies to deliver SFI and PEFC audits.

Endnotes

Currently, the SFI Fiber Sourcing requirements for both North American and global procurement are Objectives 8-13 of the SFI 2005-2009 Standard. The 2010-2014 Standard will take effect on January 1, 2010, and in that Standard, the Fiber Sourcing Requirements will be Objective 8-20, which contain many enhancements to the current requirements. The tables focus on the current Standard, however, here in the endnotes, the new language from the 2010-2014 Standard is also provided to illustrate the requirements that take effect on January 1, 2010. Some requirements from the SFI Fiber Sourcing requirements also apply to Annex 2-SFI Chain-of-Custody and Associated Labels. These are also noted in the endnotes.

The following endnotes pertain to Table 1. which illustrates SFI Fiber Sourcing and FSC Controlled Wood Requirements for raising the level of forest management on uncertified land in the US and Canada.

¹Logger Training

SFI Fiber Sourcing

Since 1995, SFI Program Participants have trained 117,405 loggers.

Objective 10. To improve the practice of sustainable forest management by resource professionals, logging professionals, and contractors through appropriate training and education *programs*.

Performance Measure 10.1. *Program Participants* shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI Standard.

Indicators:

1. Written statement of commitment to the SFI Standard communicated throughout the organization, particularly to mill and woodland managers, wood *procurement* staff, and field foresters.
2. Assignment and understanding of roles and responsibilities for achieving SFI Standard *objectives*.
3. Staff education and training sufficient to their roles and responsibilities.
4. Contractor education and training sufficient to their roles and responsibilities.

Performance Measure 10.2. *Program Participants* shall work closely with state logging or forestry associations, or appropriate agencies or others in the *forestry* community, to foster improvement in the professionalism of *wood producers*.

Indicator:

1. Participation in or support of *SFI Implementation Committees* to establish criteria and identify delivery mechanisms for *wood producers'* training courses that address
 - a. awareness of *sustainable forestry principles* and the SFI Program;
 - b. *BMPs*, including streamside management and road construction, maintenance, and retirement;
 - c. regeneration, forest resource *conservation*, and aesthetics;
 - d. awareness of responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act, and other measures to protect *wildlife habitat*;
 - e. logging safety;
 - f. U.S. Occupational Safety and Health Administration regulations, wage and hour rules, and other employment laws;
 - g. transportation issues;
 - h. business management; and
 - i. public policy and outreach.

The Draft SFI 2010-2014 Standard further emphasizes the use of certified loggers on non-certified land and expands the categories of education requirements:

Performance Measure 10.1. Program Participants shall clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.

Indicators:

1. Program for the purchase of raw material from certified logging professionals (where available) and from wood producers that have completed training programs and are recognized as qualified logging professionals.



Performance Measure 16.2. Program Participants shall work individually and/or with SFI Implementation Committees, logging or forestry associations, or appropriate agencies or others in the forestry community to foster improvement in the professionalism of wood producers.

Indicators:

1. Participation in or support of SFI Implementation Committees to establish criteria and identify delivery mechanisms for wood producers' training courses that address:

- a. awareness of sustainable forestry principles and the SFI program;
 - b. best management practices, including streamside management and road construction, maintenance and retirement;
 - c. reforestation, invasive exotic plants and animals, forest resource conservation, aesthetics, and special sites;
 - d. awareness of responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act, and other measures to protect wildlife habitat (e.g. Forests with Exceptional Conservation Value);
 - e. logging safety;
 - f. U.S. Occupational Safety and Health Administration (OSHA) and Canadian Centre for Occupational Health and Safety (COHS) regulations, wage and hour rules, and other provincial, state and local employment laws;
 - g. transportation issues;
 - h. business management;
 - i. public policy and outreach; and
 - j. awareness of emerging technologies.

FSC Controlled Wood – No requirements

²Education and Outreach

SFI Fiber Sourcing:

Performance Measure 8.2. *Program Participants* shall encourage landowners to utilize the services of *qualified resource professionals* and *qualified logging professionals* in applying principles of sustainable forest management on their lands.

Indicators:

1. *Program* to promote the use of *qualified resource professionals* and *qualified logging professionals*.
2. List of *qualified logging professionals* maintained by *Program Participant*, state agency, loggers' association, or other organization.

Objective 12. To broaden the practice of *sustainable forestry* by encouraging the public and forestry community to participate in the commitment to *sustainable forestry* and publicly report progress.

Performance Measure 12.1. *Program Participants* shall support and promote efforts by consulting foresters, state and federal agencies, state or local groups, professional societies, and the *American Tree Farm System*[®] and other landowner cooperative programs to apply principles of sustainable forest management.

Indicators:

1. Support for efforts of *SFI Implementation Committees*.
2. Support for the development and distribution of educational materials, including information packets for use with forest landowners.
3. Support for the development and distribution of regional or statewide information materials that provide landowners with practical approaches for addressing *biological diversity* issues, such as specific *wildlife habitat*, *critically imperiled* or *imperiled* species, and *threatened and endangered* species.
4. Participation in efforts to support or promote *conservation* of working forests through voluntary market-based incentive *programs* (e.g., current-use taxation programs, Forest Legacy, or *conservation* easements).
5. Program Participants are knowledgeable about credible regional *conservation* planning and priority-setting efforts that include a broad range of stakeholders. Consider the results of these efforts in planning where practical and consistent with management objectives.

Performance Measure 12.2 *Program Participants* shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education, and involvement related to forest management.

Indicators:



1. Support for the *SFI Implementation Committee* program to address outreach, education, and technical assistance (e.g., toll-free numbers, public sector technical assistance programs).
2. Periodic educational opportunities promoting *sustainable forestry*, such as
 - a. field tours, seminars, or workshops;
 - b. educational trips;
 - c. self-guided forest management trails; or
 - d. publication of articles, educational pamphlets, or newsletters.
 - e. support for state, provincial, and local forestry organizations and soil and water *conservation* districts.
3. Recreation opportunities for the public, where consistent with forest management objectives.

The Draft SFI 2010-2014 Standard requires additional outreach and education to landowners:

Objective 17. Community Involvement in the Practice of Sustainable Forestry. To broaden the practice of sustainable forestry by encouraging the public and forestry community to participate in the commitment to sustainable forestry, and publicly report progress.

Performance Measure 17.1. Program Participants shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, indigenous peoples and governments, community groups, sporting organizations, labor, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.

Indicators:

1. Support, including financial, for efforts of SFI Implementation Committees.
2. Support for the development of educational materials for use with forest landowners (e.g. information packets, websites, newsletters, workshops, tours, etc.).
3. Support for the development of regional, state or provincial information materials that provide forest landowners with practical approaches for addressing special sites and biological diversity issues, such as invasive exotic plants and animals, specific wildlife habitat, Forests with Exceptional Conservation Value, and threatened and endangered species.
4. Participation in efforts to support or promote conservation of managed forests through voluntary market-based incentive programs such as current-use taxation programs, Forest Legacy Program⁶ or conservation easements.
5. Program Participants are knowledgeable about credible regional conservation planning and priority-setting efforts that include a broad range of stakeholders and have a program to take into account the results of these efforts in planning.

FSC Controlled Wood – No requirements

³Research

SFI Fiber Sourcing

The SFI Program recognizes the importance of on-the-ground research to improve forest management. As such, SFI Program Participants have invested over \$1 billion in research since 1995. SFI Inc. also recognizes specific achievements in research with a Conservation Leadership Award in Research.

Objective 9. To improve forestry research, science, and technology, upon which sound forest management decisions are based.

Performance Measure 9.1 *Program Participants* shall individually, through cooperative efforts, or through associations provide in-kind support or funding, in addition to that generated through taxes, for forest research to improve the health, *productivity*, and management of forest resources.

Indicator:

1. Current financial or in-kind support of research to address questions of relevance in the region of operations. The research will include some or all of the following issues:
 - a. *forest health, productivity*, and ecosystem functions;
 - b. chemical efficiency, use rate, and *integrated pest management*;
 - c. water quality;
 - d. *wildlife* management at *stand* or *landscape* levels;
 - e. *conservation* of *biological diversity*; and
 - f. effectiveness of *BMPs*.



Performance Measure 9.2. *Program Participants* shall individually, through cooperative efforts, or through associations develop or use state, provincial, or regional analyses in support of their *sustainable forestry programs*.

Indicator:

1. Participation, individually or through cooperative efforts or associations at the state, provincial, or regional level, in the development or use of
 - a. regeneration assessments;
 - b. *growth-and-drain* assessments;
 - c. *BMP* implementation and compliance; and
 - d. *biodiversity conservation* information for family forest owners.

The Draft SFI 2010-2014 Standard builds on the research requirements:

Performance Measure 15.1. *Program Participants* shall individually and/or, through cooperative efforts of *SFI Implementation Committees (SICs)*, and/or through associations provide in-kind support or funding for forest research to improve the health, *productivity*, and sustainable management of forest resources and the environmental benefits and performance of forest products.

Indicator:

1. Current financial or in-kind support of research to address questions of relevance in the region of operations. The research shall include some of the following issues:
 - a. *forest health, productivity*, and ecosystem functions;
 - b. chemical efficiency, use rate, and *integrated pest management*;
 - c. water quality and/or effectiveness of *BMPs*;
 - d. *wildlife* management at *stand* or *landscape* levels;
 - e. *conservation* of *biological diversity*;
 - f. ecological impacts of *bioenergy feedstock* removals on *productivity, wildlife habitat*, water quality, and other ecosystem functions;
 - g. climate change research for both adaptation and mitigation.
 - h. social issues;
 - i. forest operations efficiencies and economics;
 - j. energy efficiency;
 - k. life cycle analysis;
 - l. avoidance of *illegal logging*; and
 - m. avoidance of *controversial sources*.
2. Research on genetically engineered trees via *forest tree biotechnology* shall adhere to all applicable federal, state, and provincial regulations and international protocols.

Performance Measure 15.3. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners broaden the awareness of climate change impacts on forests, wildlife and biological diversity.

Indicators:

1. Where available, monitor information generated from regional climate models on long-term forest health, productivity and economic viability.
2. Program Participants are knowledgeable about climate change impacts on wildlife, wildlife habitats and conservation of biological diversity through international, national, regional or local programs.

FSC Controlled Wood – No requirements

⁴**BMPs**

SFI Fiber Sourcing:

Performance Measure 8.1. *Program Participants* shall encourage landowners to *reforest* following harvest, to use *BMPs*, and to identify and protect important habitat elements for *wildlife*, including *critically imperiled* and *imperiled* species and communities.



Indicator:

1. *Program* to supply regionally appropriate information or services to forest landowners, describing the importance and providing implementation guidance on
 - a. *BMPs*;
 - b. *reforestation*;
 - c. *visual quality management*; and
 - d. *conservation of critical wildlife habitat elements, threatened and endangered species, and critically imperiled and imperiled species and communities.*

Performance Measure 8.4. *Program Participants* shall monitor the effectiveness of efforts to promote *reforestation* and *BMPs*, using public or private sources of information.

Indicators:

1. *A verifiable monitoring system to*
 - a. evaluate the results of promoting *reforestation* across the *wood and fiber supply area*;
 - b. monitor the use of *BMPs* by *wood producers* supplying the *Program Participant*; and
 - c. evaluate the results of promotion and use of *BMPs* across the *wood and fiber supply area*.
2. Use of information from the *verifiable monitoring system* to set goals to improve, over time, rates of *BMP* compliance.

The Draft SFI 2010-2014 Standard requires the use of BMPs:

Objective 10. Adherence to Best Management Practices. To broaden the practice of sustainable forestry through the use of best management practices to protect water quality.

Performance Measure 10.1. *Program Participants* shall clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.

Indicators:

1. Program for the purchase of raw material from certified logging professionals (where available) and from wood producers that have completed training programs and are recognized as qualified logging professionals.
2. Program to require that harvests of purchased stumpage comply with best management practices.
3. Contracts for the purchase of raw material include provisions requiring the use of best management practices.
4. Program to address adverse weather conditions.
5. *Program Participants* shall clearly define their fiber sourcing policies in writing and make them available to wood producers

Performance Measure 10.2. *Program Participants* shall monitor the use of best management practices.

Indicators:

1. A verifiable monitoring system to:
 - a. monitor the use of best management practices by wood producers supplying the *Program Participant*; and
 - b. evaluate use of best management practices across the wood and fiber supply area.
2. Use of information from the verifiable monitoring system to maintain rates of conformance to best management practices and to identify areas for improved performance.

FSC Controlled Wood – No Requirements

⁵Reforestation

SFI Fiber Sourcing

Performance Measure 8.1. *Program Participants* shall encourage landowners to *reforest* following harvest, to use *BMPs*, and to identify and protect important habitat elements for *wildlife*, including *critically imperiled* and *imperiled* species and communities.

Indicator:



1. *Program* to supply regionally appropriate information or services to forest landowners, describing the importance and providing implementation guidance on
 - a. *BMPs*;
 - b. *reforestation*;
 - c. *visual quality management*; and
 - d. *conservation* of critical *wildlife habitat* elements, *threatened and endangered* species, and *critically imperiled* and *imperiled* species and communities.

FSC Controlled Wood – No requirements

6Continual Improvement

SFI Fiber Sourcing

Objective 13. To promote continual improvement in the practice of *sustainable forestry* and monitor, measure, and report performance in achieving the commitment to *sustainable forestry*.

Performance Measure 13.1. *Program Participants* shall establish a management review system to examine findings and progress in implementing the SFI Standard, to make appropriate improvements in *programs*, and to inform their employees of changes.

Indicators:

1. System to review commitments, *programs*, and procedures to evaluate effectiveness.
2. System for collecting, reviewing, and reporting information to management regarding progress in achieving SFI Standard *objectives* and *performance measures*.
3. Annual review of progress by management and determination of changes and improvements necessary to continually improve SFI conformance.

FSC Controlled Wood – No requirements

The following endnotes pertain to Table 2 which compares the SFI Fiber Sourcing Requirements with FSC Controlled Wood.

7Legal Compliance & Avoidance of Illegally Harvested Wood

SFI Fiber Sourcing (Globally)

Performance Measure 8.5 *Program Participants* shall ensure that their *procurement programs* support the principles of *sustainable forestry*, including efforts to thwart *illegal logging* and promote *conservation* of *biological diversity*.

Indicators:

1. Process to assess the risk that the *Program Participant's procurement program* could acquire material from *illegal logging*. This process may include relying on the adequacy of legal protections in the United States and Canada, where laws against domestic *illegal logging* are enforced.
2. *Program* to address any significant risk identified under 8.5.1.
3. *Procurement* from areas outside the United States and Canada promotes *conservation* of *biodiversity hotspots* and *major tropical wilderness areas*.
4. *Program* with *direct suppliers* to promote the principles of *sustainable forestry*.
5. Knowledge about *direct suppliers' application* of the principles of *sustainable forestry*.

SFI Fiber Sourcing (North America & Globally):

Objective 11. Commitment to comply with applicable federal, provincial, state, or local laws and regulations.

Performance Measure 11.1. *Program Participants* shall take appropriate steps to comply with applicable federal, provincial, state, and local forestry and related environmental laws and regulations.

Indicators:

1. Access to relevant laws and regulations in appropriate locations.
2. System to achieve compliance with applicable federal, provincial, state, or local laws and regulations.
3. Demonstration of commitment to legal compliance through *available regulatory action information*.



4. Adherence to all applicable federal, state, and provincial regulations and international protocols for research and deployment of trees derived from *improved planting stock* and *biotechnology*.

The Draft SFI 2010-2014 Standard extends protection to the areas identified by the Alliance for Zero Extinction and offers additional sources of information:

SFI Fiber Sourcing (Globally)

Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas. To broaden the practice of sustainable forestry by conserving biological diversity, biodiversity hotspots and major tropical wilderness areas.

Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.

Indicators:

1. Fiber sourcing from areas outside the United States and Canada promotes conservation of:
 - a. biodiversity hotspots and major tropical wilderness areas utilizing information from Conservation International; and
 - b. biological diversity utilizing information from organizations such as the Alliance for Zero Extinction, World Wildlife Fund, World Resources Institute and International Union for Conservation of Nature.
2. Program with direct suppliers to promote the principles of sustainable forestry.
3. Documented information that includes knowledge about direct suppliers' application of the principles of sustainable forestry.

Note: Section 3 of Annex 2 provides these requirements for CoC certification

FSC Controlled Wood:

- 3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1 (see Appendix for Table 1).
- 3.2. All species, qualities and quantities shall be classified and measured according to legally prescribed or acceptable standards.

⁸Protection of Civil Rights

SFI Fiber Sourcing (Globally)

Performance Measure 8.6. *Program Participants* shall encourage economically, environmentally, and socially sound practices.

Indicator:

1. Process to assess the risk that the *Program Participant's procurement* takes place in countries without effective laws addressing the following:
 - a. workers' health and safety;
 - b. fair labor practices;
 - c. indigenous peoples' rights;
 - d. antidiscrimination and antiharassment measures;
 - e. prevailing wages; and
 - f. workers' right to organize.

This process may include relying on the adequacy of legal protections in countries, such as exist in the United States and Canada, where laws are effective because they are in place, are enforced for wood and fiber originating in those countries, and independent legal processes are available in the case of disputes.

2. *Program* to address any significant risk identified under 8.6.1.

SFI Fiber Sourcing (US & CA)

The SFI Program is only applied to North American Forests. In North America, strong and well-enforced laws exist to protect civil rights. Therefore the SFI Standard does not re-state these requirements.

Objective 11. Commitment to comply with applicable federal, provincial, state, or local laws and regulations.



Performance Measure 11.1. *Program Participants* shall take appropriate steps to comply with applicable federal, provincial, state, and local forestry and related environmental laws and regulations.

Indicators:

1. Access to relevant laws and regulations in appropriate locations.
2. System to achieve compliance with applicable federal, provincial, state, or local laws and regulations.
3. Demonstration of commitment to legal compliance through *available regulatory action information*.
4. Adherence to all applicable federal, state, and provincial regulations and international protocols for research and deployment of trees derived from *improved planting stock* and *biotechnology*.

The Draft SFI 2010-2014 Standard identifies these risks as controversial sources:

SFI Fiber Sourcing (Globally)

Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws. To broaden the practice of sustainable forestry by avoiding controversial sources.

Performance Measure 13.1. Program Participants shall avoid controversial sources and encourage socially sound practices.

Indicators:

1. Process to assess the risk that the Program Participant's fiber sourcing could take place in countries without effective laws addressing the following:
 - a. workers' health and safety;
 - b. fair labor practices;
 - c. indigenous peoples' rights;
 - d. anti-discrimination and anti-harassment measures;
 - e. prevailing wages; and
 - f. workers' right to organize.
2. Program to address any significant risk identified under 13.1.1.

Note: Section 3 of Annex 2 provides these requirements for CoC certification

FSC Controlled Wood

4.1. There is evidence of no violation of the International Labor Office (ILO) Fundamental Principles and Rights at Work in the FMU.

⁹Biodiversity (i.e. HCVF)

SFI Fiber Sourcing (US & CA)

Performance Measure 8.1. *Program Participants* shall encourage landowners to *reforest* following harvest, to use *BMPs*, and to identify and protect important habitat elements for *wildlife*, including *critically imperiled* and *imperiled* species and communities.

Indicator:

1. *Program* to supply regionally appropriate information or services to forest landowners, describing the importance and providing implementation guidance on
 - a. *BMPs*;
 - b. *reforestation*;
 - c. *visual quality management*; and
 - d. *conservation* of critical *wildlife habitat* elements, *threatened and endangered* species, and *critically imperiled* and *imperiled* species and communities.

Note the Draft 2010-2014 SFI Standard mentions Forests with Exceptional Conservation Value (FECV):

SFI Fiber Sourcing (US & CA)

Performance Measure 8.1. *Program Participants* shall provide information to landowners for reforestation following harvest, the use of *BMPs*, and for identification and protection of important *habitat* elements for *wildlife*, including *Forests with Exceptional Conservation Value*.

Indicator:

1. *Program Participants* shall supply regionally appropriate information or services to forest landowners, describing the importance and providing implementation guidance on
 - a. *BMPs*;
 - b. *reforestation and afforestation*;
 - c. *visual quality management*;
 - d. *conservation of critical wildlife habitat elements, threatened and endangered species, and Forests with Exceptional Conservation Value*;
 - e. management of residue to consider economic, social, environmental factors (e.g. organic and nutrient value to future forests) and other utilization needs;
 - f. *invasive exotic plants and animals*; and
 - g. potential for *special sites*.
2. Encourage landowners to participate in forest management certification programs such as the American Tree Farm System.

SFI Fiber Sourcing (Globally)

Performance Measure 8.5 *Program Participants* shall ensure that their *procurement programs* support the principles of *sustainable forestry*, including efforts to thwart *illegal logging* and promote *conservation of biological diversity*.

Indicators:

1. Process to assess the risk that the *Program Participant's procurement program* could acquire material from *illegal logging*. This process may include relying on the adequacy of legal protections in the United States and Canada, where laws against domestic *illegal logging* are enforced.
2. *Program* to address any significant risk identified under 8.5.1.
3. *Procurement* from areas outside the United States and Canada promotes *conservation of biodiversity hotspots and major tropical wilderness areas*.
4. *Program* with *direct suppliers* to promote the principles of *sustainable forestry*.
5. Knowledge about *direct suppliers'* application of the principles of *sustainable forestry*.

Note the Draft SFI 2010-2014 Standard extends protection to the areas identified by the Alliance for Zero Extinction and offers additional sources of information:

SFI Fiber Sourcing (Globally)

Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas. To broaden the practice of sustainable forestry by conserving biological diversity, biodiversity hotspots and major tropical wilderness areas.

Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.

Indicators:

1. Fiber sourcing from areas outside the United States and Canada promotes conservation of:
 - a. biodiversity hotspots and major tropical wilderness areas utilizing information from Conservation International; and
 - b. biological diversity utilizing information from organizations such as the Alliance for Zero Extinction, World Wildlife Fund, World Resources Institute and International Union for Conservation of Nature.
2. Program with direct suppliers to promote the principles of sustainable forestry.
3. Documented information that includes knowledge about direct suppliers' application of the principles of sustainable forestry.

Note: Section 3 of Annex 2 provides these requirements for CoC certification

FSC Controlled Wood:

- 5.1. Forest management activities in the FMU shall not threaten high conservation values in accordance with section 5.2 below.
- 5.2. The Forest Management Enterprise shall keep records of evidence to demonstrate compliance with Section 5.1 above. Evidence shall include but is not restricted to:

- a) records of an assessment (e.g. ecological assessment, environmental impact assessment or wildlife census, social assessment) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values.
- b) evidence^[1] of consultation with stakeholders in relation to the precautionary measures, including NGOs and parties that are involved with or have an interest in the forest area with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU.
- c) a list of the high conservation values thus identified in the FMU, together with evidence indicating that high conservation values are not threatened in the FMUs.

¹⁰Conversion

- Approximately eight percent of all FSC certifications are to extensive plantations in areas outside of North America, and involve non-native (exotic) species primarily Sitka spruce in the United Kingdom, lodgepole pine in Sweden, eucalyptus and radiata pine in Brazil, New Zealand, South Africa, Chile and others.
- Over 60% of FSC certified fiber in North America is certified to the FSC Canada Boreal Standard, and in fact over 90% of the FSC certified forests in Canada are to the FSC Boreal Standard. The FSC Boreal standard actually does allow conversion as per section 5.2 of the FSC Controlled Wood standard above.

SFI Fiber Sourcing (US & CA):

According to the most recent US Forest Service statistics, the decline in natural forest represents roughly one million acres per year or a rate of 1/10th of one percent per year. This decline is due to several causes, including development. Conversion from natural forest to plantation likely represents a small portion of the total. It should be noted however:

- Many plantations in the U.S. are actually on reclaimed agricultural land. For example, under the Conservation Reserve Program (CRP), more than 1.1 million acres of agricultural land have been planted with trees as of 2006.
- SFI understands that North America has natural forests and plantation forests and, as a North American Standard, it is committed to improving the practice of forestry on all forest lands. SFI's water quality, wildlife habitat and other requirements apply on plantations and natural forests alike.
- A forest that is being converted to other uses could not be SFI certified as it would not meet many of the Standard requirements, including forest regeneration. Wood from these forests cannot count as SFI-certified content under SFI label use requirements.

SFI Fiber Sourcing (Globally)

Performance Measure 8.5 *Program Participants* shall ensure that their *procurement programs* support the principles of *sustainable forestry*, including efforts to thwart *illegal logging* and promote *conservation of biological diversity*.

Indicators:

1. Process to assess the risk that the *Program Participant's procurement program* could acquire material from *illegal logging*. This process may include relying on the adequacy of legal protections in the United States and Canada, where laws against domestic *illegal logging* are enforced.
2. *Program* to address any significant risk identified under 8.5.1.
3. *Procurement* from areas outside the United States and Canada promotes *conservation of biodiversity hotspots and major tropical wilderness areas*.
4. *Program* with *direct suppliers* to promote the principles of *sustainable forestry*.
5. Knowledge about *direct suppliers'* application of the principles of *sustainable forestry*.

The Draft SFI 2010-2014 Standard extends protection to the areas identified by the Alliance for Zero Extinction and offers additional sources of information:



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Indicators:

1. Fiber sourcing from areas outside the United States and Canada promotes conservation of:
 - a. biodiversity hotspots and major tropical wilderness areas utilizing information from Conservation International; and
 - b. biological diversity utilizing information from organizations such as the Alliance for Zero Extinction, World Wildlife Fund, World Resources Institute and International Union for Conservation of Nature.
2. Program with direct suppliers to promote the principles of sustainable forestry.
3. Documented information that includes knowledge about direct suppliers' application of the principles of sustainable forestry.

FSC Controlled Wood:

- 6.1. No conversion of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs to plantations or non-forest uses take place, except as permitted by section 6.3 below.
- 6.2. The Forest Management Enterprise shall keep records to demonstrate compliance with section 6.1 above.
- 6.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:
 - a) entails a very limited portion of the FMU
 - b) does not occur on high conservation value forest areas,
 - c) will enable clear, substantial, additional, secure long term environmental and social benefits across the FMU

¹¹GMOs

SFI Fiber Sourcing:

Currently, GMO forest products are not commercially available in North America. SFI lands are certified only in North America. The proposed draft of the SFI 2010-2014 Standard appropriately focuses on forest tree biotechnology research, which is regulated by the United States Department of Agriculture (within USDA the Animal and Plant Health Inspection Service (APHIS), and more specifically Biotechnology Regulatory Services (BRS) within APHIS, has oversight of both field tests and commercial production of genetically engineered plants). The draft standard requires that "Research on genetically engineered trees via *forest tree biotechnology* shall adhere to all applicable federal, state, and provincial regulations and international protocols." These research plots are not being certified to the SFI program because it is not a commercial activity.

- Since 1995 our program participants have invested almost \$1 billion in forest research that has led to improvements in forest health and sustainable forest management, including new information related to old growth, critical species habitat, etc.
- Research for biotechnology, conducted under strict government regulated control, allows the scientific and forestry communities to better understand both the inherent risks and associated benefits with genetically engineered trees. Research like this might, for example, help restore trees with important ties to North America's natural heritage, such as the American Chestnut, which has largely been eliminated from North American forests as the result of an exotic pathogen, or might mitigate widespread insect infestations that can devastate huge swaths of forests, making them even more vulnerable to catastrophic fire which increases carbon emissions.
- Limited government-approved trials involving GMOs in North America do not result in the commercial sale of products.

The approach of the SFI Program is to learn as much as possible about the science of a particular issue, and then modify the Standard appropriately. The reality is that there are no genetically modified SFI certified



forests at this time, because they are not commercially grown and managed in North America. The bottom line is that genetically engineered trees have both potential benefits and risks. Research to advance knowledge in forest sustainability will help identify the benefits and risks associated with genetically engineered trees. This information will inform SF1 Inc. decision making in the future.

FSC Controlled Wood:

7.1. The Forest Management Enterprise shall ensure that no planted genetically modified (GM) trees are present in the FMU.

¹²FSC-STD-40-201 (version 2.0) FSC On-Product Labeling Requirements, Section 1.11, page 6

¹³FSC-STD-20-001 (version 3.0) General Requirements for FSC Accredited Certification Bodies: The application of ISO/IEC Guide 65:1996, Section 9.2, page 17

¹⁴Final Motions and results from the FSC General Assembly 2008, Policy 53, page 36