



SFI Inc. Governance — Balanced and Independent

Credible third-party forest certification supports diverse forest values. Sustainable Forestry Initiative® Inc. (SFI®) is a fully independent non-profit charitable organization that is devoted to improving forest practices in North America and supporting responsible fiber sourcing globally. The three-chamber structure of the SFI Inc. Board of Directors represents environmental, economic and social interests equally.

Equal Representation

The SFI Board of Directors is totally responsible for the SFI program – its 18 volunteer members set and implement the forest certification standard following a public review process, and it is the only body that can modify the standard.

Board members include representatives of environmental, conservation, professional and academic groups, independent professional loggers, family forest owners, public officials, labor and the forest products industry. SFI Inc. values the key role of public officials in forest management in North America, and includes government representation in the board's social chamber.¹

Article 3 of the SFI Inc. bylaws² calls for:

- six directors from non-profit environmental /conservation organizations comprising the environmental sector;
- six directors from community or social interest groups comprising the social sector; and
- six directors from companies participating in the SFI program comprising the economic sector.

Board actions must be approved by a minimum of 80 per cent of those present – which must include at least two representatives from each sector. Board members are limited to two consecutive three-year terms. Each year, a nominations committee representing all three sectors prepares a list of nominations to fill board seats as terms expire or vacancies occur.

Registered Charitable Organization

SFI Inc. is a registered charitable organization under section 501(c)(3) of the United States Internal Revenue Code, which means it cannot be organized or operated for the benefit of private interests and its net earnings cannot benefit any private shareholder or individual.

The SFI program has certified more than 175 million acres/72 million hectares in the United States and Canada, making it the largest single forest standard in the world. SFI chain-of-custody certification tells buyers how much certified, responsibly sourced and/or recycled content is in a product. Unique SFI fiber sourcing requirements promote responsible forest management on all suppliers' lands.

Like other third-party forest certification programs, SFI Inc. receives fees from users of the SFI 2010-2014 Standard, which include landowners; forest product companies; colleges and universities; state, provincial and county agencies; conservation groups and other non-profit organizations.

The SFI certification process is based on auditing principles and procedures outlined in internationally recognized standards. Audits are conducted by independent certification bodies accredited through one or more of the following independent accreditation bodies: the American National Standards Institute (ANSI), ANSI-ASQ National Accreditation Board (ANAB) or the Standards Council of Canada (SCC). ANSI, ANAB and SCC are national members of the International Accreditation Forum.

Committed to Transparency

SFI Inc. is committed to transparency about the development and administration of its standard, its operations as a public charity, and its public goals and priorities.

Its transparency policy³ calls for an open standard development process, with public notice of proposed changes, regional workshops to present and discuss proposed revisions, and opportunities for public comment. It also requires public disclosure of policy goals, priorities and activities through measures such as an annual conference, annual progress report, website updates and regular newsletters.

Board composition from Article 3 of the SFI Inc. bylaws:

1.1 Composition of Board of Directors. The Board of Directors shall strive to represent a diversity of stakeholder groups. It is desirable that Directors have knowledge of sustainable forest management. Six Directors shall be drawn from the forest, paper and wood products industry or other for-profit forest ownership or management entities. These Directors will comprise the Economic Sector of the Board. Six Directors shall be drawn from nonprofit environmental/conservation organizations. These Directors will comprise the Environmental Sector of the Board. The remaining six Directors shall be from other stakeholder groups including community or social interests. These Directors will comprise the Social Sector of the Board ...

¹ SFI Board of Directors: List of Members www.sfi-program.org/board.php

² SFI Inc. bylaws March 2010 www.sfi-program.org/files/pdf/SFI%20Inc%20Bylaws%20-%20Final%20March%2026th%202010.pdf

³ SFI Inc. Transparency Policy July 2009
www.sfi-program.org/files/pdf/SFI%20transparency%20policy%20June%205%2009.pdf