

## **Setting The Record Straight: SFI Statement on May 2013 Complaint to FTC**

May 29, 2013 – In September 2009, ForestEthics filed a complaint with the U.S. Federal Trade Commission challenging the Sustainable Forestry Initiative's® compliance with FTC Green Guides guidelines. The FTC took no enforcement action.

Today ForestEthics announced that it has filed another, substantially similar complaint with the FTC. This complaint has no merit. It is based on a clear mischaracterization of SFI's independence, structure and funding.

The Sustainable Forestry Initiative® is an independent, nonprofit 501(c)3 organization that promotes sustainable forestry, improved best practices and responsible buying decisions. SFI Inc. is solely responsible for maintaining, overseeing and improving the internationally recognized SFI® program and SFI Standard. [SFI Inc.'s 18-member board](#) represents environmental, social and economic sectors equally to meet the many needs of forests and communities. The board members include representatives of public and private landowners, manufacturers of forest products, conservation groups, academia, aboriginal interests, community organizations and government officials.

In addition, the SFI program is reviewed by the [SFI External Review Panel](#), a distinguished group of independent experts representing conservation, professional, academic and public organizations. The SFI External Review Panel conducts an independent review of the SFI program for both objectivity and credibility and to ensure the annual SFI Progress Report fairly states the status of SFI program implementation. The volunteer panel provides external oversight through its independent review of the current SFI program and standard revision process while seeking steady improvements in responsible forestry practices.

SFI Inc. is primarily supported financially by SFI Program Participants who use the program's forest management and fiber sourcing standards. These SFI Program Participants are listed on the SFI website ([www.sfiprogram.org/files/pdf/SFIProgramParticipants.pdf](http://www.sfiprogram.org/files/pdf/SFIProgramParticipants.pdf)) and include forest product and paper companies, conservation organizations, state and local public agencies, foundations, and universities. In 2012, SFI Program Participants provided 93 percent of the funding for SFI Inc., and the remaining seven percent came from annual conference revenue, various services agreements, investment income and other miscellaneous sources. SFI Program Participants are audited by independent certification bodies accredited by ANSI. SFI Inc. has no role in determining whether a certificate gets granted.

SFI does not certify organizations as conforming to the Standard – that is done by independently [accredited](#) certification bodies. The [certification bodies](#) follow international protocol established by the International Organization for Standardization (ISO) and the International Accreditation Forum (IAF) which require a clear separation between the standards developer and the certification body conducting the audit. All certification bodies who wish to perform certification to the SFI Standards must be accredited under the ANSI-ASQ National Accreditation Board (ANAB) as being competent to conduct certifications to the SFI 2010-2014 Standard, by the American National Standards Institute (ANSI) as being competent to conduct certifications to the SFI Chain-of-Custody Standard, or by the Standards Council of Canada (SCC) as being competent to conduct certifications to the SFI 2010-2014 Standard and the SFI Chain-of-Custody Standard. Certification bodies review internal records and on-the-ground performance – from worker training to habitat protection. They certify large areas with complex management, so planning is critical. Each team has the necessary expertise in certification protocols and resource issues to assess conformance.

SFI's [Section 4, "Rules For Use of SFI On-Product Labels,"](#) (page 8, point 11), requires that "Any public communication by *program participants* and *label users* shall be accurate and consistent with applicable law and requirements for SFI logo use. Program Participants and Label Users are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies and national, state and provincial consumer protection and competition laws. Label users should consult with their legal counsel when preparing product advertising that includes an SFI on-product label or any other reference to the SFI Program."

SFI is proud of the work we do for the future of our forests and for the broad support we've received as we have grown to become the largest single forest certification standard in the world. We call on ForestEthics to drop its destructive campaign of misleading attacks and devote its time and resources to positive contributions to the cause of responsible forestry.

We also invite any individual or organization who has concerns about SFI's standard or program to participate in our upcoming Standard Revision process, which will kick off in June and will include two public comment periods and a series of public workshops across North America.

For more information, visit: [www.sfiprogram.org/facts](http://www.sfiprogram.org/facts)

Have additional questions about SFI? Send us an email to [info@sfiprogram.org](mailto:info@sfiprogram.org).

### Working with Conservation Groups

ForestEthics Position	SFI Position
<p>ForestEthics claims SFI's program is not supported by conservation groups.</p>	<p>SFI is honored to work with conservation organizations who share our goals, and are involved in science-based projects to improve forest practices and build knowledge. Much of this work also helps to strengthen the SFI Standard and its implementation. In 2010, we introduced the <a href="#">SFI Conservation and Community Partnerships Grant Program</a>, which has already led to impressive results.</p> <p>The SFI board's three-chamber structure represents environmental, social and economic interests equally. The six members of the board's conservation chamber represent highly respected and science-based conservation organizations. Earlier this year, they issued an <a href="#">open letter</a> regarding ForestEthics, which said: "Groups that spread misinformation about SFI could well be harming the forest environment. SFI provides a tremendous amount of on-the-ground conservation value – a value North Americans care deeply about."</p>

### Backed by Respected Organizations

ForestEthics Position	SFI Position
<p>ForestEthics claims SFI is not an independent eco-label with high environmental and social standards.</p>	<p>Respected organizations from government agencies to consumer advocacy groups to independent research organizations have determined that SFI is a credible standard. For more, see: <a href="#">SFI: What Others are Saying</a>.</p> <p>The cornerstone of the SFI program is third-party certification, which verifies the requirements set out in the standard have been met. Independent certification bodies evaluate planning, procedures and processes in the forest, in the mill or in the plant to ensure they conform to SFI requirements.</p> <p>The independent 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.</p> <p>The SFI program only certifies lands in the United States and Canada, where social concerns are addressed through extensive forest regulations, effective enforcement and an open, democratic governance system.</p> <p>SFI program participants must comply with social laws, such as those covering civil rights, equal employment opportunities, anti discrimination and anti-harassment measures, workers' compensation, indigenous peoples' rights, workers' and communities' right to know, prevailing wages, workers' right to organize, and occupational health and safety.</p> <p>Respected organizations recognize SFI certification, including the Canadian Council of Forest Ministers, the Programme for the Endorsement of Forest Certification and the National Association of</p>

	<p>State Foresters. The United Kingdom’s Central Point of Expertise on Timber has confirmed the SFI program was among those that meet its government’s requirements for ‘legality’ and ‘sustainability’. In its 2010 Sins of Greenwashing report, non-profit TerraChoice continues to count SFI among a limited list of ‘legitimate’ environmental standards and certifications.</p>
--	--

**Committed to Continuous Improvement**

<b>ForestEthics Position</b>	<b>SFI Position</b>
<p>ForestEthics claims SFI represents status quo forestry.</p>	<p>The SFI program is committed to continuous improvement of responsible forest management. The SFI Standard’s principles for sustainable forestry include: “Principle 14: Continual Improvement – To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to sustainable forestry.”</p> <p>The 2010-2014 Standard has 20 objectives, 38 performance measures and 115 indicators – up from 13 objectives, 34 performance measures, and 102 indicators in the previous standard.</p> <p>Audited objectives include:</p> <ul style="list-style-type: none"> <li>• Objective 20 calls for continual improvement in the practice of sustainable forestry.</li> <li>• Objective 15 requires support for forest research, science and technology, upon which sustainable forest management decisions are based. These include emerging issues such as the ecological impacts of bioenergy feedstock removals and awareness of climate change impacts on forests, wildlife and biological diversity.</li> </ul> <p>SFI and its partners continue to pilot new ideas so they can remain abreast of emerging conservation and marketplace issues.</p> <p>SFI Inc. completes a review of its standard and supporting documents every five years, which is consistent with international protocols for forest certification standard revision cycles. Each public review leads to additions to the standard, such as:</p> <ul style="list-style-type: none"> <li>• The SFI 2010-2014 Standard improved conservation of biodiversity in North America and offshore; addressed emerging issues such as climate change and bioenergy; strengthened fiber sourcing requirements; and expanded requirements for logger training and support for trained loggers and certified logger programs. See: <a href="#">SFI Inc. Launches New Standard</a></li> <li>• The SFI 2005-2009 Standard included new provisions to conserve old-growth forests and imperiled/critically imperiled species; to strengthen procurement from jurisdictions outside of North America and supply chain monitoring; and to address</li> </ul>

	<p>invasive exotic species. It also introduced new performance measures and indicators related to the certification of public forestlands, including requirements to confer with affected indigenous peoples.</p> <ul style="list-style-type: none"> <li>• The 2002-2004 Standard introduced, among other things, measures to protect Forests with Exceptional Conservation Value, and provisions to help prevent illegal logging and to promote the conservation of biodiversity hotspots and major tropical wilderness areas.</li> </ul> <p>Recent reports show the SFI program has led to consistent improvements in best management practices to protect water quality. For more, see: <a href="#">SFI Community Outreach</a>.</p> <p>In its <a href="#">2010 National Report on Sustainable Forests</a>, the U.S. Forest Service highlighted several areas where certification and the SFI Standard are helping to improve forest health and knowledge, including Indicator 7.60, which acknowledged that "forest certification standards, particularly the Sustainable Forestry Initiative, require demonstration of research."</p> <p>In its 2010 status report on forest certification, Dovetail Partners Inc. stated: "Significant changes have occurred within the major certification programs in recent years, and, in several ways, it is increasingly difficult to differentiate between certification systems in North America."</p>
--	---

**Open and Transparent**

<b>ForestEthics Position</b>	<b>SFI Position</b>
<p>ForestEthics claims SFI funding is from the same forest products industry it claims to be policing.</p>	<p>Like other third-party forest certification programs, SFI receives fees from those that use its standard, which include landowners, land managers, forest product companies; state, provincial and county agencies; colleges and universities; as well as conservation and other non-profit organizations. These funds are used to strengthen forest practices and increase knowledge by supporting conservation partnerships and outreach across North America and beyond.</p> <p>SFI develops its standard through an open public process. SFI does not certify organizations as conforming to the Standard – that is done by independently accredited <a href="#">certification bodies</a>.</p>
<p>ForestEthics claims SFI should be represented as a Trade Association or an IRS 501(c)(6) organization.</p>	<p>SFI Inc. is a registered charitable organization under section 501(c)(3) of the United States Internal Revenue Code. It is dedicated to ensuring the environmental, social, and economic sustainable development of forests. SFI has sole responsibility for all activities necessary for the development, maintenance, implementation, promotion, and continual improvement of the SFI Standard and Program.</p>

	<p>Every year, as required by law, SFI Inc. files tax returns with the Internal Revenue Service, which documents our activities and our funding.</p> <p>In 2002, the then-Sustainable Forestry Board submitted Form 1023 to be recognized for exemption under IRS Section 501(c)(3) as a non-profit. In 2007, when the organization was renamed SFI Inc., this was approved by the IRS.</p> <p>As noted in the <a href="#">SFI Inc. Transparency Policy</a>, Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, and the responding IRS Determination Letter are available upon request.</p>
--	---

**Third-Party Means Independent**

ForestEthics Position	SFI Position
<p>ForestEthics claims SFI environmental standards are effectively unenforceable, and SFI fails to take responsibility for non-compliance.</p>	<p><a href="#">Certification bodies</a> must complete an accreditation program before they are approved to perform certification audits to the SFI Standard. Depending on the scope of the certification audit, they must have completed an accreditation program through one or more of the following independent, international accreditation bodies:</p> <ul style="list-style-type: none"> <li>• American National Standards Institute (ANSI)</li> <li>• ANSI-ASQ National Accreditation Board (ANAB)</li> <li>• Standards Council of Canada (SCC)</li> </ul> <p>Forest certification is voluntary, however, an organization that wants to make a claim about SFI certification must first have its operations audited by a third-party certification body.,</p>
<p>ForestEthics claims SFI tried to change the process when the Sierra Club made a complaint in 2009, and refer the complaint to ANSI.</p>	<p>SFI is a third-party, independent certification program. Its <a href="#">SFI Requirements: Section 11 – Public Inquiries and Official Complaints</a> make it clear that SFI Inc. has an independent complaints process. Sierra Club was told this in 2009 when it filed the original complaint.</p> <p>Any concerns about certification decisions are brought forward to the third-party certification body and, if the findings are not satisfactory, the complainant can move to the higher authority, which is the body that accredited the certification body. These include the American National Standards Institute (ANSI), the ANSI-ASQ National Accreditation Board (ANAB) or the Standards Council of Canada (SCC). The accreditation body will then conduct its own investigation into the complaint as the highest authority. In addition, ANSI, ANAB and SCC are required to be members of the International Accreditation Forum, which also has complaints procedures and requirements.</p>

## Responsible Sourcing

ForestEthics Position	SFI Position
<p>ForestEthics claims SFI's fiber sourcing label is misleading.</p>	<p>The SFI program has on-product labels to help customers and consumers identify exactly what they are buying: three SFI chain of custody labels and one SFI certified sourcing label. Learn more about <a href="#">SFI Labels and Claims</a>.</p> <p>The SFI certified sourcing label and claim <b>do not make claims about certified forest content</b>. Certified sourcing can include fiber sourced from a company that conforms with objectives 8-20 of Section 2 - SFI 2010-2014 Standard's fiber sourcing requirements, from pre- or post-consumer recycled content, or from a certified forest, and fiber sourced from non-controversial sources.</p> <p>Certified sourcing is a defined term in the <a href="#">SFI Definitions (Section 13 of the SFI 2010-2014 Standard Requirements)</a>.</p> <p><b>Certified sourcing</b> is defined as raw material sourced from the following sources confirmed by a certification body:</p> <ul style="list-style-type: none"> <li>• Fiber that conforms with objectives 8-20 of Section 2 - SFI 2010-2014 Standard's fiber sourcing requirements.</li> <li>• Pre-Consumer Recycled Content: Material diverted from the waste stream during a manufacturing process. It does not include materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process.</li> </ul> <p>Any claims about pre-consumer recycled content by Program Participants or label users shall be accurate and consistent with applicable law. Program Participants and label users are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies and national, state and provincial consumer protection and competition laws.</p> <ul style="list-style-type: none"> <li>• Post-consumer recycled content: Material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product, which can no longer be used for its intended purpose.</li> </ul> <p>Any claims about post-consumer recycled content by Program Participants and label users shall be accurate and consistent with applicable law. Program Participants and label users are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation</p>

	<p>bodies, national standards bodies, and national, state and provincial consumer protection and competition laws.</p> <ul style="list-style-type: none"> <li>• Certified forest content, which includes content from specific forest tracts that are third-party certified to conform with the SFI 2010-2014 Standard's forest land management requirements (Objectives 1-7 and 14-20) or other acceptable forest management standards (e.g. CAN/CSA-Z809 and ATFS).</li> <li>• Non-controversial sources: If the raw material is sourced from outside of the United States and Canada, the organization shall establish adequate measures to ensure that the labeled products do not come from controversial sources. See Section 3, 3.6 and Section 4, 6.1 on the process to avoid controversial sources. Up to one third of the supply for secondary producers can come from non-controversial sources for use of the certified sourcing label; the other two-thirds must come from the sources defined under the certified sourcing definition— fiber that conforms with objectives 8-20 of Section 2, pre consumer fiber, post consumer fiber, and/or certified forest content.</li> </ul> <p>In order to use the “Certified Sourcing” label, a primary producer must ensure 100% of the fiber comes from responsible fiber sources as defined in the SFI standard. A secondary producer must ensure that at least two-thirds of the fiber comes from responsible fiber sources as defined in the SFI standard, and the other one-third cannot come from controversial sources as defined in the SFI standard.</p> <p>For more information about SFI fiber sourcing requirements, see: <a href="#">SFI: Promoting Responsible Forest Management and Sourcing</a></p>
--	--

**Responsible Forestry is More Than Just a Photo**

ForestEthics Position	SFI Position
<p>ForestEthics misleads the public by using a photo of a natural disaster as an example of status quo forestry in the SFI program.</p>	<p>The "poster child" for the ForestEthics anti-SFI campaign is a landslide which was the result of a once-in-500-years record rainfall in Washington State in 2007. The landslide had nothing to do with the SFI standard, and could have happened on any land – certified or not.</p> <p>Using a photograph of this natural disaster to characterize the SFI program is grossly misleading and illuminates the lengths to which ForestEthics will go to mislead the public.</p>
<p>ForestEthics claims its members routinely report large clearcuts that have had significant negative impacts and that have often been approved by SFI.</p>	<p>ForestEthics often uses visuals of clearcuts as an example of harmful practices in SFI-certified forests when in fact clearcutting can be a legitimate harvesting method accepted by most certification programs, including FSC. For example, visit this <a href="#">independent website</a> for visuals of FSC clearcuts.</p> <p>The SFI Standard limits clearcuts except where necessary to meet</p>

	<p>regulatory requirements or respond to forest health emergencies or other natural catastrophes. There are no maximum clearcut sizes in many FSC standards, including those standards with the largest application in North America.</p> <p>Resource managers pay a great deal of attention to the aesthetic and environmental impacts of activities related to forest management, such as the protection of soils, water quality, wildlife habitat and other social and recreational values. They often plan harvesting activities in a manner that ensures individual trees and patches of trees are left throughout the harvest area to provide wildlife habitat and protect other forest values. This is addressed in Performance Measure 5.3 of the SFI 2010-2014 Standard.</p> <p>The SFI Standard requires program participants to identify and protect ecologically significant forests, including old-growth forests and Forests with Exceptional Conservation Value. Program participants are also required to protect threatened and endangered species, promote the conservation of native biological diversity, including species, wildlife habitats and ecological or natural community types at stand and landscape levels, and promote the conservation of biodiversity hotspots and high-biodiversity wilderness areas as defined by Conservation International.</p>
--	--

**Promoting Responsible Forest Management**

<b>ForestEthics Position</b>	<b>SFI Position</b>
<p>ForestEthics attempts to characterize SFI as a marketing scheme "seeking to profit" from the green market.</p>	<p>First and foremost, SFI is about responsible forestry and always has been since the inception of the original program in 1995. Since 1995, SFI program participants have, among other things, invested over \$1.2 billion in forest research, and over \$57 million to support community programs such as education and training for 130,000+ loggers and foresters and outreach to family forest owners.</p> <p>It wasn't until 2002 that SFI produced an on-product label in response to marketplace and customer demand. The label allowed customers procuring fiber through the SFI program to showcase their commitment to consumers. SFI marketing and outreach is hinged on supporting responsible forestry - and this means recognizing all credible forest certifications. Our long-running campaign falls under the headline "Support Responsible Forestry: Buy Certified" and supports responsible forest practices on all forest lands. Who can argue with that?</p>

**Independence and Governance**

<b>ForestEthics Position</b>	<b>SFI Position</b>

<p>ForestEthics misleads the public about the departure of SFI board members.</p>	<p>The truth is that SFI's board has regular departures because all of our board positions have term limits. Numerous organizations have left the SFI board because they served full terms – including The Nature Conservancy, the American Bird Conservancy, and Conservation International. In fact, when Steve McCormick, then President and CEO of The Nature Conservancy, left the SFI board in 2007 he praised SFI's work during his term, saying "SFI has truly helped raise the forestry bar across the continent – by training thousands of loggers, by raising the profile of BMP's, and by making BMP implementation the norm. And SFI has done its part in the critical work of helping to conserve imperiled species and communities on program participant lands."</p> <p>It is also true that a few board members have left the board before their terms expired due to time constraints and one board member did leave the Board one month after being elected without participating in a board meeting or functioning in any role as a board member.</p>
<p>ForestEthics implies that SFI is too closely connected to industry and industry associations.</p>	<p>The reality is that like FSC, SFI has a three-chamber board of directors with equal representation from the environmental, social and economic sectors.</p> <p>The SFI program evolved since its creation in 1994 and completed the full departure from the AF&amp;PA in 2007, becoming an independent non-profit charitable organization. Only one member of SFI's board of directors is also a member of the AF&amp;PA and the SFI board does not have a seat dedicated to a member of the AF&amp;PA.</p>

### Transparency and Audits

ForestEthics Position	SFI Position
<p>ForestEthics claims the audit process for SFI forest certification is not rigorous.</p>	<p>The reality is that both SFI and FSC have independent third-party audits, and in many cases share the same auditing firms, meaning audits for SFI and for FSC are done by the same people with the same expertise and credibility. SFI develops standards; it does not perform audits. SFI requires program participants to use certification bodies that are independently accredited by ANSI, ANSI-ASQ National Accreditation Board and/or Standards Council of Canada.</p>
<p>ForestEthics asserts that the fact that SFI audit reports show only minor non conformances shows that the audits are weak or ineffective.</p>	<p>The reality is that SFI audit reports may note only minor non-conformances that must be addressed. Major non-conformances, however, mean that the company fails the audit and the land is not certified, so there is no audit report . In contrast, FSC audits often result in certifications despite several major non-conformances. SFI believes the standard must be met to achieve certification, whereas FSC takes a different approach, which explains why audit reports for FSC often show many major non-conformances.</p>