SFI IS GROWING THROUGHOUT THE FOREST SUPPLY CHAIN

SUSTAINABLE FORESTRY INITIATIVE

SFI-00001

WHO WE ARE

The Sustainable Forestry Initiative® Inc. is an independent, non-profit organization dedicated to promoting sustainable forest management. While we develop and oversee standards for forest management and the forest products supply chain, we are more than a set of standards — we are a community that stands for future forests. SFI works at the intersection of thriving forests, sustainable communities and responsible procurement.

SFI® Inc. is governed by the SFI Board, which sets SFI's strategic direction and is responsible for overseeing and improving the internationally recognized SFI Program and SFI Standards. The Board's three chambers represent environmental, social and economic sectors equally.

Forests certified to the SFI Forest Management Standard cover more than a quarter-billion acres/100 million hectares, stretching from Canada's boreal forest to the U.S. South. These forests contribute to the overall quality of life of millions of people throughout the United States and Canada, and generate forest products used in more than 120 countries worldwide.

Ninety percent of the world's forests are not certified to any forest standard. In the U.S. and Canada, SFI elevates sustainable forestry on non-certified lands through our Fiber Sourcing Standard. The rigorous SFI Chain-of-Custody Standard requirements track fiber from certified forest content, certified sourcing and post-consumer recycled material, with third-party audits to verify performance. Together, these standards form the foundation of SFI's approach. By engaging with our grassroots SFI Implementation Committees and organizations participating in the SFI Conservation and Community Partnership Grant Program, SFI has nurtured a community that reaches across the range of values and outputs generated by sustainably managed forests.

SFI works to ensure the health and future of our forests, because forests are a part of our everyday lives. Growing this future will require a broad range of partnerships and expertise. SFI brings landowners and brand owners from across the supply chain together with communities, government agencies, conservation groups and other key interests to advance understanding and ensure a better future for all of us.

LEARN MORE: sfiprogram.org

THE CHOICES WE MAKE EVERY DAY DETERMINE THE FUTURE OF OUR FORESTS.

SFI FOREST MANAGEMENT STANDARD GROWTH IN NORTH AMERICA LEADS ALL OTHERS

The story of the Sustainable Forestry Initiative® (SFI) is one of unparalleled growth in forest certification. We are the **world's largest certification standard, with more than a quarter-billion acres/100 million hectares** of forestland certified to the SFI Forest Management Standard. And we are still growing.

The SFI community includes Fortune 500 companies, small and mid-sized forestry operations, conservation groups, governments, manufacturers, tribes and aboriginal groups, universities, and even the Boy Scouts of America. Members of the SFI community are involved in a wide variety of ways, and include SFI Board and committee members, landowners certified to SFI, procurers of products certified to SFI, SFI Conservation and Community partner organizations and many more.

SFI has three standards to support responsible forestry and procurement: the SFI Forest Management Standard, the SFI Fiber Sourcing Standard and the SFI Chain-of-Custody Standard. This means we have something to offer at each point in the supply chain.

SFI FOREST PARTNERS PROGRAM

In 2010, four market leaders — **Time Inc., the National Geographic Society, Macmillan Publishers and Pearson — founded the SFI Forest Partners® Program** with additional support from Hearst Enterprises. Through their investment, guidance and resources, these market leaders have committed to increase certification across the supply chain, helping to safeguard environmental values, support sustainable communities and expand market access. The SFI Forest Partners Program has a goal of certifying 10 million acres/4 million hectares by the end of 2017, starting in the U.S. South. In addition, SFI is collaborating with the American Tree Farm System (ATFS) to create opportunities on shared objectives to certify more lands.

FOUNDING PARTNERS:

Time Inc.

NATIONAL GEOGRAPHIC

MACMILLAN

PEARSON

DEMAND FOR PRODUCTS CERTIFIED TO SFI STANDARDS IS GROWING

Demand for certified products in the print, paper and packaging sectors is on the rise across the globe. In a 2014 study for the Programme for the Endorsement of Forest Certification (PEFC) by the European research firm GfK, **almost 70% of 1,000 U.S. consumers said they would prefer companies that source wood-based products responsibly to use a forest certification label** to inform consumers.

In SFI's 2014 market survey of SFI Program Participants, which had over 90% participation, **respondents in all sectors reported an increase in demand for certified forest products**. **45% of respondents within the printing & writing** sector saw an increase, followed by **packaging at 41%, bioenergy at 35%, towel and tissue at 20% and wood products at 9%.**

At the same time, only 10% of the world's forests are certified to any standard. This means forest certification standards enhance a company's competitive position. **Collectively, SFI Program Participants ship to more than 120 countries**. These companies' decision to certify to SFI Standards puts them in a great position to supply certified content to meet growing demand.

DEMAND FOR SFI LABELS IS GROWING

CONSUMER RECOGNITION

24%+ OF 20,000 U.S. CONSUMERS SURVEYED RECOGNIZE AND UNDERSTAND THE SFI LOGO.*

The SFI logo is recognized and understood more than any other forest certification logo, according to a 2015 Natural Marketing Institute survey.

GROWING CONSUMER RECOGNITION OF SFI LOGO IS GOOD NEWS FOR BRAND OWNERS

Choosing an on-product label from SFI is a good way to stand out in consumers' minds as a responsible company that offers environmentally sound products. The **Natural Marketing Institute (NMI) surveyed almost 20,400 U.S. consumers and found that 24% recognized the SFI logo and what it stands for, compared to 15% for FSC.***

In this same survey, 78% of consumers believe "It's important for companies to not just be profitable, but to be mindful of their impact on the environment and society." SFI on-product labels are recognized globally and provide a visual cue to help consumers source products from responsibly managed forests. SFI has several certified chain-of-custody labels and a certified sourcing label.

When consumers buy products with the SFI label, they are not only purchasing a product that meets rigorous certification standards, they are also helping grow future forests, sustain communities, fund conservation research, educate youth and train loggers. More and more companies are getting on board. Almost **20% of Fortune 100 companies are already using the SFI on-product label.**

*NMI data as of 6/30/15

A GLOBAL REACH

Products that are certified to SFI Standards are sold in

SFI's international recognition is increased by the endorsement of the Programme for the Endorsement of Forest Certification (PEFC). PEFC has also endorsed ATFS and CSA standards. In turn SFI recognizes both ATFS and CSA certified content in its supply chain.

SFI IS RECOGNIZED BY MARKET LEADERS AND GOVERNMENT ORGANIZATIONS

Increasingly, large consortiums are staying away from single-certification preferences and instead **asking for and recognizing an inclusive approach to forest certification that recognizes all certification standards.**

Not only is SFI recognized by customers, conservation groups and governments, SFI is also recognized by:

BREEAM - the Building Research Establishment Environmental Assessment Method – is the world's foremost environmental assessment method and rating system for buildings. BREEAM recognizes that SFI follows current best practices in forest certification.

The Consumer Goods Forum brings together more than 400 retailers, manufacturers and stakeholders across 70 countries. In 2010 the CGF Board of Directors passed a resolution for their members to achieve zero net deforestation by 2020. A solution CGF turns to for their members to meet this commitment is through their recognition of PEFC and FSC endorsed standards. SFI is endorsed by PEFC.

GreenBlue, a non-profit organization that equips businesses with the science and resources to make products more sustainable, recognizes SFI for supporting environmental quality throughout the paper supply chain.

The National Association of State Foresters, a non-profit group made up of the directors of state forestry agencies, renewed a resolution recognizing SFI as a credible standard.

The Programme for the Endorsement of Forest Certification (PEFC). This endorsement of SFI's Forest Management Standard adds international value to SFI's position as a highly respected, third-party certification program in North America.

The Sustainability Consortium, which works to improve consumer product sustainability, recognizes the value of SFI certification standards in its key performance indicators.

The World Business Council for Sustainable Development is the leading platform for strategic collaboration for the global forestry industry. In its material for corporate managers, it lists the positive attributes of SFI's procurement objectives; and its leadership statement supports forest certification standards like SFI.

IN NORTH AMERICA, A MIXED SUPPLY CHAIN MEANS A MIX OF CERTIFIED CONTENT REGARDLESS OF CERTIFICATION LABEL

Just because a product carries an FSC label, that does not mean all of the fiber in that product is FSC certified forest content. In fact, much of the fiber may come from fiber certified to the SFI Forest Management or Fiber Sourcing Standard. Based on the 2014 SFI market survey, almost half of the companies surveyed used both the SFI and FSC labels. Of those, **almost two-thirds using the FSC label on their products said those products also contained forest content certified to SFI**.

SFI IS LOW-RISK IN A HIGH-RISK WORLD

Deforestation and illegal logging are the two biggest global risks to responsible forestry supply chains. Violations of the U.S. Lacey Act can result in civil and criminal penalties as well as possible forfiture of products. The EU Timber Regulation also carries stiff penalties.

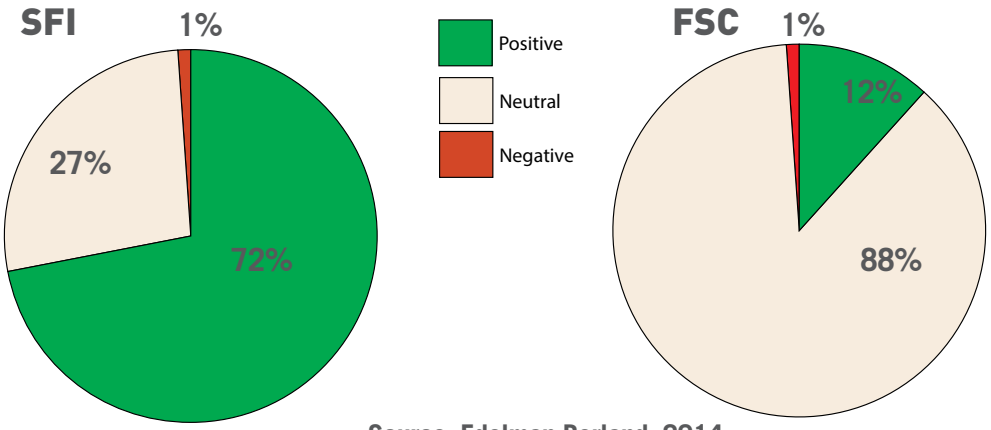
When it comes to deforestation and illegal logging, forests certified to the SFI Standard are a reliable source of low-risk supply from Canada and the U.S. **The combination of North America's strong rule of law supported by a rigorous SFI Standard — that conserves forests and requires sustainable harvest levels and prompt regeneration — makes North America** a good choice for staying on the right side of the law.

6 REASONS TO BUY SFI AND SUPPORT FUTURE FORESTS

When you buy products with the SFI label, you're not only purchasing a product that meets rigorous certification standards, you're also helping grow future forests, sustainable communities, conservation research, youth education, logger training and much more.

SFI'S RELEVANCE GROWS IN THE MEDIA

SFI earned overwhelmingly positve media coverage in 2014



Source: Edelman Berland, 2014

A 2014 analysis of U.S. and Canadian media coverage of SFI and of the Forest Stewardship Council (FSC) showed 72% of SFI coverage was positive compared with 12% for FSC. SFI's overwhelmingly favorable coverage highlighted the organization's conservation and community efforts.

SFI PROMOTES CONSERVATION EVERY DAY IN MANY WAYS

Beyond helping consumers recognize products as being responsibly sourced, SFI labels represent the promotion of forest conservation on multiple levels. With more than a quarter-billion acres/100 million hectares certified to the SFI Forest Management Standard, and millions more positively influenced by SFI Fiber Sourcing, SFI has the scale to directly influence the future of our forests.

Through program requirements that guarantee research investment, and by making grants directly in support of conservation, SFI makes a real difference on the ground. SFI Program Participants engage in conservation projects every day that reflect the diversity of forests across North America, and which materially advance our collective interests in clean water, biological diversity, and sustainable forestry.

Since 1995, SFI Program Participants have directly invested nearly $1.5 billion in forest research, with nearly 80% of these investments in 2014 dedicated to conservation-related objectives.

Recipients of SFI Conservation & Community Partnership Grants include:

ABC

WORLD RESOURCES INSTITUTE

NATURE CONSERVANCY CANADA

The Nature Conservancy North Carolina
Protecting nature. Preserving life.™

Audubon NEW YORK

A DIVERSE AND INDEPENDENT BOARD OF DIRECTORS

SFI Inc.'s 18-member multi-stakeholder Board of Directors comprises three chambers, representing environmental, economic and social interests equally, so it can meet the many needs of forests and communities. 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.

This diversity reflects the variety of interests in the forestry community and also means the Board can effectively address many of the needs of the forests and communities that are part of SFI. As SFI's reach and influence increases, the SFI Board will continue to evolve and explore ways for SFI to have an even greater impact on shaping the future forest.

ORGANIZATIONS REPRESENTED BY SFI INC'S BOARD OF DIRECTORS:

Ducks Unlimited Canada
Conserving Canada's Wetlands

University of Toronto

RMS
Resource Management Service, LLC

Est. 1995
The Longleaf Alliance

SFA

Cypress Bay Plantation

Millar Western

Hancock Natural Resource Group
A Manulife Asset Management Company

manomet
Soaring Solutions. Grounded Science

United Steelworkers USW Métallos

Time Inc.

The Wildlife Society

NatureServe

Virginia Department of Forestry

Georgia-Pacific
Making Life's Simple Necessities.®

Canadian Council on Invasive Species

Habitat for Humanity Habitat pour l'humanité Canada

Stuwix Resources
A First Nations Company

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