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2005-2009 SFI Standard Overview

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## **SUSTAINABLE FORESTRY INITIATIVE® PROGRAM: OVERVIEW, GOVERNANCE, AND HISTORICAL INFORMATION**

### **1.0 About the Sustainable Forestry Initiative Program**

The Sustainable Forestry Initiative® (SFI) program is a comprehensive system of principles, objectives and performance measures developed by professional foresters, conservationists and scientists, among others that combines the perpetual growing and harvesting of trees with the long-term protection of wildlife, plants, soil and water quality. The SFI® program sets forth measures by which interested parties –customers, conservation interests, or members of the public – may monitor and evaluate the commitment of Program Participants to practice sustainable forestry. Not only are Program Participants committed to improving the performance of their own operations, but they are also setting new standards for the forest industry and extending those practices to other forest landowners, as well.

Program Participants – many of whom are forest products companies – have a strong record of stewardship on the lands they own and manage. Private forests include some of the most productive forests in the world. Innovative programs to create habitats and landscapes, and to enhance the diversity of flora and fauna, offer excellent examples of how foresters are working to integrate modern forest science for wood and fiber production with the protection of biological diversity and the conservation of sites that are unique in their geologic, ecologic, cultural, or historic value. Program Participants are also working diligently to share their technology and stewardship knowledge with non-industrial private landowners who own most of the forestland in the U.S. They are committed to meeting the needs of society by providing quality products for home and other building needs as well as for printing, packaging and personal use.

### **2.0 SFI Program Governance**

The Sustainable Forestry Board (SFB) was chartered in July 2000, to improve the effectiveness, consistency and credibility of the SFI program even further by establishing a multi-stakeholder Sustainable Forestry Board to manage the SFI Standard (SFIS), SFI Audit Procedures and Qualifications (APQ) and SFI program compliance (For more information about the SFB, visit ([www.sfiprogram.org](http://www.sfiprogram.org))).

The SFB is an independent 501(c)3 organization, which is responsible for maintaining and enhancing the SFI Standard and verification procedures. The SFB has 15 members, two-thirds of which come from a wide range of non-industry interests, including: environmental/conservation organizations; public officials (state and/or federal agencies); professional/academic groups;

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logging professionals; non-industrial landowners. The remaining five representatives on the SFB consist of representatives from the forest products industry.

The quorum and voting requirements in the SFB By-Laws were developed to ensure that motions approved by the Board are supported by all three stakeholder groups, as stated in Article III, Sections 3 and 5:

*“Section 3 – Meetings. The presence of sixty percent (60%) of the Directors in office with a minimum of two attending from each membership sector shall constitute a quorum.*

*Section 5 - Voting. Except where provided otherwise by law or by these Bylaws, it shall take a minimum of eighty percent (80%) of those present which must include at least two representatives of each membership sector to approve any action of the Board. Proxy voting by Directors is not permitted.”*

The quorum and voting requirements in the SFB Bylaws were carefully discussed, drafted, and approved to ensure that the organization would be driven by a strong consensus of the diverse Board membership. Section 3 of the Bylaws provides that a quorum must be 60% of the Board which must include two individuals from each of the three sectors.

Section 5 of the Bylaws requires a "super-majority" for Board actions. That section requires that the super-majority must be a minimum of 80% "which must include at least two representatives of each membership sector." The phrase in quotations which comes from Section 5 (above) describes the super-majority, not the quorum. An 80% super-majority can not be achieved without a vote in favor of the motion by at least two members of each membership sector. This protects each of the sectors on the Board.

For example, the SFB is voting on an amendment to the SFI Standard. There are 12 SFB members present: all 5 industry and “other” Directors and 2 representatives from the environmental sector. The outcome of the vote is such that all industry and other representatives vote in favor of the change, but the environmental representatives vote against it. This motion has achieved the support of more than 80% of those present, but the motion would not pass because it did not meet the supermajority requirement of support by 2 members from each sector.

### **3.0 The SFI Program Enhancement Process**

The latest round of SFI program enhancements in 2004 was the result of an extensive review and revision process that included a fully-open public review and comment process available to all interested parties. With the adoption of these changes, effective January 10, 2005 the SFB has established a five-year review cycle. The next review will occur in 2009, with any resulting changes or enhancements slated to take effect on January 10, 2010. Any changes to the SFIS must be incorporated into a Program

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Participant's policies, plans, and management activities within one year of adoption and publication. Similarly, changes to certification procedures and qualifications for certifiers must be accomplished within one year of adoption and publication. Any organization wishing to initiate a new certification to the SFI Standard in 2005 must be audited to the 2005 - 2009 SFIS. Program Participants that are currently certified to the 2002 - 2004 SFIS will only be required to have an audit during 2005 if their certification is up for renewal during 2005. During the recertification audit, Program Participants may choose whether or not they want to add the new 2005-2009 SFIS requirements to the audit. If they choose to add them, they must be in compliance with all new provisions to achieve recertification. Program Participants that do not require a recertification audit in 2005 are still responsible for implementing new requirements, and must have a surveillance audit assessing compliance to the 2005 - 2009 SFIS within 12-18 months of January 10, 2006. It is up to the Program Participant to work with the auditor to establish a surveillance audit schedule that meets the requirements outlined in Sections 6.5 and 6.6 of the 2005 - 2009 APQ.

The first round of SFI program enhancements adopted by the SFB occurred in 2001 following a fully-open public review and comment process. The resulting 2002-2004 SFIS was published in December of 2001 and was in place until January 10<sup>th</sup>, 2005 when the new 2005-2009 SFIS was adopted and published by the SFB.

The SFI Standard setting process is consistent with the International Organization for Standardization (ISO) Guide 59, "*Code of good practice for standardization*".

#### **4.0 Reporting and Transparency**

The SFI program issues an annual report to the public on SFI Program Participants' compliance with and progress on sustainable forestry, including a listing of all participants. An independent External Review Panel assists in the preparation of the annual report, including validation of conclusions and the assessment of reported progress. SFI Program Participants who wish to proclaim their conformance to the SFIS via certification must also provide a public report of their findings to interested parties.

#### **5.0 Commitment to the Protection of Special Sites and Forests With Exceptional Conservation Value, Conservation of Biodiversity Hotspots and Major Tropical Wilderness Areas**

SFI Program Participants are working through collaborative efforts with NatureServe and other qualified organizations to rapidly advance available databanks that will serve to further conservation efforts of special ecological sites and forest landscapes in North America and beyond. This collaboration might be implemented through state/provincial/stakeholder agreements. In pursuit of this goal, the SFI program can complement, but not substitute for, the lead role of governments in forest conservation and the important role played by land conservation organizations. Additionally, SFI

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Program Participant's ability to support and contribute to these conservation efforts comes with an expectation that mechanisms exist that provide economic return for the societal values provided by the landowners' forests. Instruments such as conservation easements, rental payments, land trades, tax policy, direct purchases or other equitable forms of securing economic value may be appropriate.

Protection of forests with exceptional conservation value will reflect differences in biogeographic conditions and trends, societal preferences, economic realities, and ecological definitions. We hope to set a leadership example for forest products producers, conservation interests, consumers and governments around the world by going beyond protection of special sites to collaborative efforts to identify and protect forest landscapes.

SFI Program Participants are also committed through their international land management and *procurement* activities in tropical regions, to promote the conservation of natural forests in areas identified as *biodiversity hotspots* and *major tropical wilderness areas*. Additionally, SFI Program Participants have agreed to work with governments, conservation organizations and others to ensure that their *procurement* practices strengthen efforts to thwart *illegal logging* activities. For more detailed information, reference "*2005-2009 Sustainable Forestry Initiative<sup>®</sup> Standard Guidance Document*" *sections 1.0 and 2.0* (available from the SFB at [www.aboutsfb.org](http://www.aboutsfb.org)).

## 6.0 History of the SFI Program

The two watershed events that prompted the creation of the SFI were the 1987 Brundtland Commission report, *Our Common Future*, which set a vision for global sustainable development, and the 1992 Earth Summit. The Earth Summit focused global attention on the importance of *sustainable forestry*. Resulting discussions have led to general agreement that a definition for *sustainable forestry* must include two key concepts: First, the Brundtland Commission's finding that sustainability relies on the commitment of present generations not to limit the ability of future generations to meet their own needs. The second, forest practices must be economically viable, socially acceptable and protective of the environment if they are to be sustainable.

The development and subsequent improvements in the SFIS was also significantly influenced by emerging processes to define international principles and criteria for forest conservation and sustainable development such as the Montreal Process that began in 1993 and culminated with the February 1995 "Santiago Declaration" agreed to by the United States, Canada, Australia, Chile, China, Japan, Mexico, New Zealand, the Republic of Korea, and the Russian Federation.

In 1990, the American Forest Council convened a process on behalf of the American Paper Institute (API) and the National Forest Products Association (NFPA) through a *Future of Forestry Conference*, which resulted in the 1992 adoption of *10 Forest*

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*Management Principles.* In 1994, the American Forest & Paper Association (AF&PA, an organization that resulted from the API & NFPA via merger) launched a process to “visibly improve industrial practices and report results.” That process led to the creation of the original *SFI Principles and Implementation Guidelines*.

The 1995 establishment of an External Review Panel (ERP), originally called the Expert Review Panel, formalized stakeholder involvement, as eighteen leading natural resources professionals from government agencies, conservation groups and academic institutions provided their review to the SFI program. (For more information about the ERP, visit <http://www.sfiprogram.org/erp.cfm>.)

Since its creation, one of the foundations of the SFI program has been continual improvement. In 1998, the SFI program’s original *Principles and Implementation Guidelines* were modified to create a standard. Later that year, the SFI program added options that allowed first-, second-, and third-party (*certification*) approaches for *Program Participants* to declare their conformance with the *Sustainable Forestry Initiative Standard (SFIS)*.

Early versions of the SFI program included input from non-industrial landowners, logging professionals, conservation group leaders, leading academicians and researchers. Each succeeding round of program modifications and enhancements has included ever-expanding processes to solicit comment and input from interested third-party stakeholders and the public.