



SUSTAINABLE FORESTRY INITIATIVE

MINUTES OF THE

Sustainable Forestry Initiative, Inc. **Board of Directors In-Person Meeting**

September 17, 2013

Submitted to Counsel __09/XX/2013____; Approved by Counsel __09/XX/2013____
Submitted to SFI Board of Directors __09/XX/2013____; Approved by Board of Directors _____

This document will serve as the record of the proceedings of the Sept. 17, 2013 meeting of the Sustainable Forestry Initiative, Inc. (SFI Inc.) Board of Directors.

Prepared by SFI Inc. for the Board of Directors

9/27/2013

Confidentiality. Each Director shall maintain the confidentiality of all discussions and deliberations of the SFI Board of Directors, including agendas, minutes and materials presented at or distributed for meetings of the Board. Such information may be disclosed only as authorized by the Board, or by the President.

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ACTION #	Action Item Description	Responsible	Deliver by:
#01- SEPT-13-BOD	Board Consensus Voting. SFI Staff will develop an Automatic Deferral Mechanism for Voting operating procedure, stating "If the SFI Board ever finds itself in a situation due to attendance where any one sector blocks a proposal supported by the other two sectors, then that issue is automatically deferred to a subsequent board meeting where attendance is such that no one sector can block a proposal that the other two sectors support."	Monique Hanis	December 5, 2013
#02- SEPT-13-BOD	SFI Levels of Participation. Staff to refine the framework for SFI Supporters and SFI Program Applicants.	Jason Metnick	December 5, 2013
#03- SEPT-13-BOD	SFI Levels of Participation. Staff to inform non-certified SFI program participants regarding the changes to levels of participation categories, and path forward.	Jason Metnick	January 15, 2014
#04- SEPT-13-BOD	Conservation and Community Partnerships Grant Policy. Staff to develop an analysis with legal review of the Conservation Grant award process and potential options for Board members that do not participate on the Grant Committee.	Andrew de Vries	December 5, 2013
#05- SEPT-13-BOD	SFI Successes and Assets. Staff to provide a copy of Kathy Abusow's 2013 Successes and Challenges presentation to all Board members.	Amy Doty	September 30, 2013
#06- SEPT-13-BOD	2014 Strategic Planning. SFI Inc. will establish a strategic planning process and schedule to include an in-person Board meeting for in-depth strategic planning.	Kathy Abusow	December 5, 2013

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PARTICIPANTS

	<i>Board members</i>	<i>Organization</i>		<i>Resources Committee Members</i>	<i>Organization</i>
1.	Larry Selzer (Chair)	President & CEO, The Conservation Fund	14.	Jimmy Bullock	Senior Vice President, Forest Sustainability Resource Management Service, LLC
2.	Craig Blair	President & CEO, RMS	15.	Michele Curtis	Wood Supply Manager, Buckeye Technologies
3.	Dick Brinker	Retired Professor Emeritus Auburn University	16.	Brian Kernohan	Manager, Environmental Affairs Hancock Timber Resource Group
4.	Skeet Burris	Family Forest Landowner	17.	Chris Smith	Manager Forest Industry and Government Relations, Western Boreal Program Ducks Unlimited Canada
5.	Dan Christensen*	CEO, Hancock Natural Resource Group		<i>SFI Inc. Staff</i>	
6.	John Crowe	President, Buckeye Technologies	18.	Kathy Abusow	President & CEO
7.	John Hagan	President, Manomet Center for Conservation Sciences	19.	Monique Hanis	Vice President, Marketing & Communications and COO
8.	Jonathan Haufler (After Voted in)	President, The Wildlife Society	20.	Mickey Raup*	SFI Inc. Counsel Polsinelli PC
9.	Bob Luoto*	Representing independent professional loggers and American Loggers Council	21.	Nadine Block	Vice President, Government Affairs
10.	Mark Rodgers, PhD*	COO, Affiliates Services Habitat for Humanity Canada	22.	Jason Metnick	Vice President, Customer Affairs
11.	Roger Sedjo	Senior Fellow, Resources for the Future	23.	Andrew de Vries	Vice President, Conservation & Indigenous Relations
12.	Greg Siekaniec	President and CEO, Ducks Unlimited Canada		<i>Guest</i>	
13.	Chief David Walkem	Chief of the Cooks Ferry Indian Band, Merritt, British Columbia	24.	Will Novy-Hildesley	Founder and CEO, Quicksilver Foundry

*indicates participation via conference call

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AGENDA ITEM	DISCUSSION	ACTION ITEM
Chairman’s Remarks	Chairman Larry Selzer called the meeting to order at 8:30 a.m. central time and welcomed participants to this in-person meeting in conjunction with SFI’s Annual Conference. He thanked those participating as speakers and moderators.	
Roll Call, Confidentiality and Antitrust Reminder, Meeting Minutes	<p>Larry Selzer called on meeting attendees to introduce themselves. Mickey Raup provided an antitrust and confidentiality reminder. Selzer invited two new Board members Greg Siekaniec and Mark Rodgers to provide additional remarks as this was their first in-person meeting since joining the board.</p> <p>Kathy Abusow welcomed everyone and noted record attendance for the SFI Annual Conference, as well as record sponsorships, the first Standard Revision workshop occurring this same morning and the ATFS workshop. She thanked Resource Management Service and Ducks Unlimited Canada for their conference sponsorships.</p> <p>SFI Inc. Board of Directors Decision: The meeting minutes from the June 11, 2013 meeting were approved unanimously without revision.</p>	
Board Membership and SFI Actions	<p>Board Membership: Kathy Abusow reviewed the candidates proposed by the Nominations Committee to fill vacancies on the SFI Board of Directors including union representative Bob Matters, Chairman of the Wood Council of the United Steelworkers of Canada to fill the open social sector seat vacated by Bill Street and Jonathan Haufler, President-Elect of The Wildlife Society to fill Tom Franklin’s seat in the environmental sector. Haufler heads the Ecosystem Management Research Institute. In addition, John Crowe announced his resignation from the board and retirement from Buckeye Technologies, following Georgia-Pacific acquisition of Buckeye Technologies. Crowe recommended Georgia-Pacific CEO and President James Hannan be nominated to the SFI Inc. Board of Directors, who agreed to serve if nominated and was approved by the Nominations Committee.</p> <p>SFI Inc. Board of Directors Decision: The board elected the following candidates to first, three-year terms of the SFI Inc. Board of Directors:</p> <ul style="list-style-type: none"> • James Hannan, President and CEO, Georgia-Pacific; • Jonathan Haufler, President-Elect of The Wildlife Society; and • Bob Matters, Chairman of the Wood Council of the United Steelworkers of Canada. <p>Board Consensus Voting: Monique Hanis provided an overview of the proposed operating procedure to ensure that no one sector represented on the SFI Board could block action by two other sectors as this would be inconsistent with SFI’s policy of consensus decision-making.</p> <p>SFI Inc. Board of Directors Decision: The board approved adopting the following Automatic Deferral Mechanism for Voting as per Action item below.</p>	

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	<p>Conservation Grant Program: Dick Brinker provided an overview of SFI’s conservation and community grant program and an alternative to the recent policy change precluding SFI board member organizations from applying for grants while the board member serves a term. He referenced the June 11, 2013, board approval of the clarified grant-making process that prohibits Board member organizations from applying directly or receiving funds for a grant as the lead organization on a project. Board member organizations are eligible to serve as a partnering organization on a grant project. The board discussed concerns about limited participation by environmental and social sector organizations and options allowing for such participation yet the need to avoid any real or perceived conflict of interest. There was concern that no matter how structured, there could be perceived conflicts of interest and that board policy should encourage transparency, integrity and no conflict in the grant-awards process. No changes were made at the meeting, however, staff was asked to conduct a more thorough review, including legal review of options for potential participation by board member organizations. Other key discussion points included that the board does need to be ultimately responsible for grant decisions, that any conflicts need to be stated and documented transparently so that appropriate decisions can be made, and that there is the potential for board members to recuse themselves from board discussions where a conflict presents itself.</p> <p>ACTION: Staff to develop a more thorough analysis with legal review of the Conservation Grant award process.</p>	<p align="center">#04-SEPT-13-BOD</p>
<p>SFI Success and Assets and 2014 Workplan</p>	<p>Kathy Abusow presented highlights of SFI successes over the last few years, noting key historic milestones achieved including standard revisions, growth of label approvals for use on products, acreage certified and supply of fiber. Abusow covered challenges which have strengthened SFI, such as SFI’s push for LEED recognition and management of Forest Ethics issues. Larry Selzer referred Board members to the proposed 2014 SFI Workplan for their review and feedback during the December 2013 meeting.</p> <p>ACTION: Staff to provide a copy of Kathy Abusow’s 2013 Successes and Assets presentation to all Board members.</p>	<p align="center">#05-SEPT-13-BOD</p>
<p>Strategic Direction Discussion</p>	<p>Larry Selzer introduced Will Novy-Hildesley to lead a discussion about longer term strategic direction, including addressing three key questions about SFI (Who are you? What do you do? And why does it matter?) Attendees discussed a number of strategic questions about SFI’s trajectory including a process for moving forward. There was general excitement and consent around SFI being at an inflection point where the 240 million acres certified to the standard can be seen as a starting point, as opposed to an end point. Discussion covered off topics including SFI having a leadership voice on sustainable forestry, partnering with others, representing a gateway to 240 million acres of well managed forests with quantifiable impacts as well as thinking big on birds, thinking fast on forest health including pest, disease, wildfire, climate change, carbon registries and more. Board members requested a process that allowed for additional Board and Resources Committee input, preferably with in-person meeting time devoted to Strategic Planning by the board and where possible expanding on existing meeting dates.</p>	<p align="center">#06-SEPT-13-BOD</p>

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	ACTION: SFI Inc. will establish a strategic planning process and schedule to include an in-person Board meeting for in-depth strategic planning.	
Other Business, Written Updates	<p>Kathy Abusow reviewed written updates provided in the meeting materials. Abusow noted SFI Inc. staff will meet with USBGC leadership on September 26 to address a path forward for consideration of SFI in meeting LEED criteria. Abusow also noted SFI's involvement in five key sustainability forums and recognition of SFI's increased bird conservation activities.</p> <p>Nadine Block updated the board on work of the bioenergy task force including updated messaging. Abusow also noted planned 2014 meeting dates for board members to hold on their schedules.</p>	
Adjournment	<p>Larry Selzer thanked the board for their active discussion and participation, particularly those on the phone.</p> <p>Meeting was adjourned at 12:12 p.m. CST to join the External Review Panel for a working luncheon.</p>	