

SFI Forest Management Standard

Reducing Risk (avoid deforestation, illegal logging)

July 1, 2022

Why It Matters

Consumers, customers and the ESG community want to know the forest products they buy do not come from controversial sources. This can be deforested areas, converted areas, illegal logging, or other risks associated with forest products.

How The SFI Forest Management Standard Reduces Risk

It's first important to note that SFI's standards are applicable in the U.S. and Canada where forests are considered low risk for deforestation and activities like illegal logging. This means that our work, and the companies that support it, can focus on elevating the many benefits that come from forests. However, we still have clear requirements in our standards to ensure that work supports global efforts to reduce deforestation and illegal logging.

SFI-certified organizations are required to comply with all applicable laws and regulations. In addition, SFI has an Illegal Logging Policy that states, "SFI Inc. will not license any organization to use SFI's trademarks or labels, and SFI may revoke any license previously granted, if the proposed licensee has been found to have engaged in Illegal Logging by a government authority in the jurisdiction where the logging occurred"

The SFI Forest Management Standard also requires certified organizations to conduct a detailed environmental assessment if they plan to convert a forest to another forest type. SFI-certified organizations must also exclude any forestlands converted to non-forestland from their SFI certificate to ensure that any fiber resulting from deforestation, does not count towards certified forest content in any SFI-labeled product.

SFI Forest Management Standard Requirements

Objective 1 - Forest Management Planning

To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion or afforestation of ecologically important areas.

Performance Measure 1.2. Certified Organizations shall not convert one forest cover type to another forest cover type unless an assessment has been conducted to determine ecological impacts and provide appropriate justification.

Indicators:

1. Certified Organizations shall not convert one forest cover type to another forest cover type, unless the conversion:
 - a. does not convert native forest cover types that are rare, ecologically important, or that put any native forest cover types at risk of becoming rare; and
 - b. does not create significant adverse impacts on Forests with Exceptional Conservation Value, old growth forests, forest critical to threatened and endangered species, or special sites or ecologically important non-forest eco-systems; and
 - c. includes objectives for long-term outcomes that support maintaining native forest cover types and ecological function; and
 - d. is in compliance with relevant national and regional policy and legislation related to land use and forest management.
2. A proposed conversion deemed appropriate per 1.2.1, and which has considered impacts relative to scale, may be implemented subject to a landscape assessment that considers:
 - a. a response to address forest health issues such as pests or pathogens, or proactive consideration of anticipated impacts of fire or climate change, reforestation challenges, or riparian protection needs, provided that such justification is supported by the best scientific information.
 - b. site productivity, economics, and/or stand quality.
 - c. ecological impacts of the conversion at the site and landscape scale, as well as consideration for any appropriate mitigation measures; and
 - d. appropriate consultation with local communities, Indigenous Peoples, and other stakeholders who could be affected by such activities.

Performance Measure 1.3. Certified Organizations shall not have within the scope of their certification to this SFI Standard, forest lands that have been converted to non-forest land use.

Indicator:

1. Forest lands converted to other land uses shall not be certified to this SFI standard. This does not apply to forest lands used for forest and wildlife management such as wildlife food plots or infrastructure such as forest roads, log processing areas, trails, etc.

Performance Measure 1.4. Certified Organizations shall not afforest in locations which negatively impact ecologically important natural communities, threatened and endangered species, or native natural communities which could be at risk of becoming rare.

Indicator:

1. Any afforestation activity must include an evaluation of the proposed site to determine the presence of:
 - a. ecologically important natural communities, or
 - b. threatened and endangered species, or
 - c. native natural communities that could be at risk of becoming rare.
2. Afforestation shall not occur on that location if the evaluation determines a negative impact to:
 - a. ecologically important natural communities, or
 - b. threatened and endangered species, or
 - c. native natural communities which could be at risk of becoming rare.

Objective 11 - Legal and Regulatory Compliance

To comply with all applicable laws and regulations including, international, federal, provincial, state, and local.

Performance Measure 11.1. Certified Organizations shall comply with applicable federal, provincial, state, and local forestry and environmental laws and regulations.

Indicators:

1. Access to relevant laws and regulations.
2. System to achieve compliance with applicable federal, provincial, state, or local laws, and regulations.
3. Demonstration of commitment to legal compliance through available regulatory action information.

Performance Measure 11.2. Certified Organizations shall comply with all applicable social laws at the federal, provincial, state, and local levels in the country in which the Certified Organization operates.

Indicators:

1. Written policy demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, gender equality, diversity inclusion, 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.
2. Forestry enterprises will respect the rights of workers and labor representatives in a manner that encompasses the intent of the International Labor Organization (ILO) core conventions.

SFI Policy on Illegal Logging

SFI has strong existing measures in the SFI 2022 Forest Management Standard, the SFI 2022 Fiber Sourcing Standard, the SFI 2022 Chain-of-Custody Standard, the SFI 2022 Certified Sourcing Standard, the SFI Small Lands Group Certification Module, and the SFI Small Scale Forest Management Module for Indigenous Peoples and Families to avoid illegal sources of supply. This appendix covers the issue as to whether an organization can certify one operation to the SFI 2022 Fiber Sourcing Standard, the SFI 2022 Chain-of-Custody Standard (Section 4) or SFI 2022 Certified Sourcing Standard (Section 5), the SFI Small Lands Group Certification Module or the SFI Small Scale Forest Management Module for Indigenous Peoples and Families in the SFI requirements document, while another operation controlled by the company is engaged in illegal logging. This is an evolving issue and as international laws, regulations, agreements, treaties, and definitions of illegal logging change, SFI Inc. will review and update the language as necessary.

- A. SFI Inc. will not license any person or entity to use SFI's trademarks or labels, and SFI may revoke any license previously granted, if the proposed licensee or an Affiliate of the licensee has been found to have engaged in Illegal Logging by a government authority in the jurisdiction where the logging occurred, unless the evidence available to SFI supports a conclusion that, in the business judgment of the SFI Inc. Board, any incidents of Illegal Logging by the entity are followed by prompt corrective action and do not show a pattern of Illegal Logging.
- B. SFI Inc. will not license any person or entity to use SFI's trademarks or labels, and SFI may revoke any license previously granted, if the evidence available to SFI supports a conclusion that, in the business judgment of the SFI Inc. Board, the proposed licensee or an Affiliate of the licensee has engaged in a pattern of Illegal Logging.

- C. Any person or entity whose application for an SFI license has been denied or whose license has been revoked pursuant to this section may reapply for a license upon a showing that any past Illegal Logging has been stopped, that appropriate actions have been taken to prevent it from recurring, and that the proposed licensee and its Affiliates do not knowingly engage in Illegal Logging. Such showing shall be supported by a third-party audit conducted by an SFI certification body accredited to conduct 2022 SFI Standard certifications and shall include local expertise as part of the audit team.
- D. As used in this section,
- "Illegal Logging" means harvesting and trading of wood fiber in violation of applicable laws and regulations in the country of harvest, including trade in CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora) listed species.
 - "Affiliate" means any person or entity that directly or indirectly controls, is controlled by, or is under common control with the proposed licensee.
 - "Control" means owning a majority of the stock, appointing a majority of the directors, or otherwise having the practical or legal power to direct the operations of a person or entity.

SFI's Standard Development Process

As part of SFI's commitment to continual improvement, we revise the SFI standards every 5 years. This last revision process included two public comment periods, a dozen webinars, and nearly 2,300 individuals and organizations commenting on the 2022 Standards. This ensures everyone has a voice in shaping the SFI Standards.

Independent Third-Party Certification

Organizations certified to the SFI Standards are also required to undergo annual audits by independent and accredited certification bodies to deliver ongoing conformance. Third-party independent certification is critical to verify that requirements set out in the SFI standards and supporting documents are met.