



**SUSTAINABLE  
FORESTRY  
INITIATIVE**

SFI-00001

**SFI Board of Directors Conference Call  
Thursday, April 16, 2020  
10:00 AM to 12:30 PM Eastern time  
AGENDA**

Join Zoom Meeting: <https://zoom.us/j/470261383>  
Dial: 929 205 6099 or 669 900 6833  
Meeting ID: 470 261 383

<i>Time</i>	<i>Agenda</i>	<i>Page</i>
10:00 – 10:10 AM	<b>I. Welcome, Introductions, Confidentiality and Antitrust Reminder, Approve Minutes</b> (Guy Gleysteen) <u>Action:</u> Approve minutes from the December 5, 2019 SFI Board meeting. Introduce new Board members Jad Daley and Ashley Hoffman	1-8
10:10 – 10:30 AM	<b>II. SFI Update</b> (Kathy Abusow) <u>Objective:</u> Provide PowerPoint of recent successes and challenges.	
10:30 AM – 12:00 PM	<b>III. SFI Standard Revision</b> (Brian Kernohan/Jason Metnick) <u>Objective:</u> Review proposed SFI Standard and recommendations from Task Groups related to: <ul style="list-style-type: none"> <li>○ Climate change mitigation and adaptation</li> <li>○ Indigenous Peoples’ rights</li> <li>○ Conservation (conversion, landscape level biodiversity, FECVs &amp; water quantity)</li> <li>○ Logger training and certified logging companies</li> <li>○ Controversial sources</li> </ul> <u>Action:</u> Approve (with revisions if needed) draft SFI Standards for public release  <u>Objective:</u> Review proposal on accepting FSC certified content in SFI global label <u>Action:</u> Decide on whether to recognize FSC certified content in Global label  <u>Objective:</u> Discuss the development of an SFI Urban and Community Forest (U&CF) Management Standard <u>Action:</u> Approve the formation of a larger task group to explore the value, pros, and cons to develop a customized U&CF Management Standard	9-26
12:00 – 12:05 PM	<b>IV. Officer Elections</b> (Gail Wallin, on behalf of Nominations Committee) <u>Action:</u> Re-elect Guy Gleysteen as Chair and Karla Guyn as Vice Chair	27
12:05 – 12:30 PM	<b>V. Other Business and Written Updates</b> (Guy Gleysteen) <u>Objective:</u> Discuss any questions from meeting participants regarding written updates. If time allows, approve new conflict of interest policy. <b>Written Update(s):</b> <ul style="list-style-type: none"> <li>a. 2019 financials</li> <li>b. Updated conflict of interest policy and disclosure form</li> <li>c. Community Grants</li> <li>d. Carbon/Climate communications</li> <li>e. Market Positioning Task Force</li> <li>f. Genetically modified trees</li> </ul>	28-33 34-39 40-42 43-48 49 50-52
12:30 p.m.	<b>Adjourn</b>	
<b>2020 Board Meetings and Conference Calls</b>	<b>SFI Board of Directors Meeting/Conference Call Dates &amp; Locations</b> <ul style="list-style-type: none"> <li>• June 18, conference call (1-3pm)</li> <li>• October 21, face to face in Vancouver, BC (8am-12pm Pacific Time)</li> <li>• December 8, conference call (1-3pm, followed by PLT Canada board meeting 3:30-5pm)</li> </ul>	



## **Antitrust and Confidentiality Reminder for SFI Inc. Board of Directors Meetings**

The SFI Board of Directors includes 18 members representing environmental, social and economic interests equally, including representatives of companies that may compete with each other and with other SFI Program Participants. Many SFI Program Participants may compete with other SFI Program Participants. Therefore, the antitrust laws apply to SFI board decisions and actions. It is SFI's policy to comply fully with the antitrust laws.

All proposed actions of the Board of Directors, including Committee recommendations to the Board, are reviewed by antitrust counsel before the Board acts. The agenda for today's Board meeting and the materials that have been circulated are approved by antitrust counsel. Antitrust risks can arise when the Board's discussions depart from the agenda.

If any Board member is concerned that a proposed Board action (or any SFI conduct) may unreasonably restrict competition among SFI Program Participants or their suppliers or customers, you are encouraged to discuss your concern with SFI's antitrust counsel.

SFI meetings and associated social events should not be occasions for discussion of business issues unrelated to SFI. Confidential and proprietary business information should not be discussed at SFI meetings. This means there should be no discussion of, or exchange of confidential information about:

- Individual company prices, price changes, discounts, allowances, credit terms, etc.;
- Individual company data on costs, production, capacity, inventories, sales, etc.;
- Industry pricing policies, price levels, or price changes;
- Changes in industry production, demand, capacity or inventories;
- Company bids on contracts for particular products, or company procedures for responding to bid invitations; or
- Any other competitively sensitive information.

If you believe the discussion during the meeting has crossed the line into prohibited territory, your responsibility is to bring this to the attention of the chair. SFI antitrust counsel will be present throughout the meeting. Please do not hesitate to raise such questions.

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.

Privileged and Confidential  
Attorney-Client Communication  
11/28/07

# SFI BOARD OF DIRECTORS

JANUARY 2020

## ECONOMIC



**GUY GLEYSTEN (CHAIRMAN)**  
*Chairman*  
Greenblue



**MICHAEL P. DOSS**  
*President and CEO*  
Graphic Packaging International Inc.



**KEVIN EDGSON  
(SECRETARY-TREASURER)**  
*President and CEO*  
EACOM Timber Corporation



**BRENT KEEFER**  
*Chief Executive Officer*  
American Forest Management, Inc.



**JIM IRVING**  
*Co-CEO*  
JD Irving Ltd.



**JAIME YRAGUEN**  
*President*  
Associated Oregon Loggers

## ENVIRONMENTAL



**KARLA GUYN (VICE-CHAIR)**  
*CEO*  
Ducks Unlimited Canada



**JAD DALEY**  
*President and CEO*  
American Forests



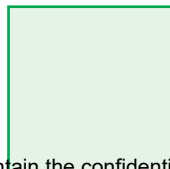
**DAN LAMBE**  
*President*  
Arbor Day Foundation



**MICHAEL PARR**  
*President*  
American Bird Conservancy



**GAIL WALLIN**  
*Chair,*  
Canadian Council on Invasive Species



**VACANCY**

## SOCIAL



**EBONIE ALEXANDER**  
*Executive Director*  
Black Family Land Trust, Inc.



**JEFF BROMLEY**  
*Council Chair*  
United Steelworkers Wood Council



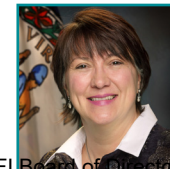
**ASHLEY HOFFMAN**  
*Executive Director - Kentucky Association*  
For Environmental Education



**LENNARD JOE**  
*President*  
Scw'exmx Tribal Council



**PATRICIA LAYTON**  
*Director - Wood Utilization + Design*  
Institute, Clemson University



**BETTINA RING**  
*Virginia Secretary of Agriculture & Forestry*  
Commonwealth of Virginia

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.



# SUSTAINABLE FORESTRY INITIATIVE

## MINUTES OF THE

### **Sustainable Forestry Initiative Inc.** **Board of Directors Conference Call**

**December 5, 2019**

Submitted to Counsel 12/11/2019; Approved by Counsel 12/12/2019  
Submitted to SFI Board of Directors 12/17/2019; Approved by Board of Directors Awaiting Board approval on April 16, 2020

---

This document will serve as the record of the proceedings of the December 5, 2019 conference call of the SFI Inc. Board of Directors.

---

**DRAFT Minutes – December 5, 2019 SFI Inc. Board of Directors Conference Call**

<b>ACTION #</b>	<b>Action Item Description</b>	<b>Responsible</b>	<b>Deliver by:</b>
#01-DEC-19-BOD	<b>2019 Accomplishments.</b> Staff will hyperlink sections of the 2019 Scorecard, to allow viewers to access more details.	Daniel Pellegrom	Completed
#02-DEC-19-BOD	<b>Grants Program.</b> SFI’s annual grant-giving report to the Board will include a budget breakdown by pillar, to provide transparency on the distribution of funds by pillar.	Jess Kaknevicus	Completed
#03-DEC-19-BOD	<b>Grants Program.</b> SFI will develop a well-coordinated communications plan on efforts with carbon and climate change projects, reflecting brand strategy, and will provide board members with an opportunity to comment.	Paul Trianosky, Daniel Pellegrom	February 28, 2020

**DRAFT Minutes – December 5, 2019 SFI Inc. Board of Directors Conference Call**

**PARTICIPANTS**

	<i>Board members</i>	<i>Organization</i>		<i>Resources Committee Members</i>	<i>Organization</i>
1.	Guy Gleysteen (Chair)	Chairman, GreenBlue	15.	Brian Kernohan	Chief Sustainability Officer and Director of Policy, Hancock Natural Resource Group
2.	Karla Guyn (Vice-Chair)	CEO, Ducks Unlimited Canada		<b><i>SFI Inc. Staff</i></b>	<b><i>Title</i></b>
3.	Kevin Edgson (Secretary-Treasurer)	President and CEO, EACOM Timber Corporation	16.	Kathy Abusow	President & CEO
4.	Ebonie Alexander	Executive Director, Black Family Land Trust	17.	Melina Bellows	Chief Education Officer
5.	Jeff Bromley	Wood Council Chairperson, United Steelworkers	18.	Nadine Block	COO and SVP, Government Affairs
6.	Laura Downey	Executive Director, Kansas Association for Conservation and Environmental Education	19.	Brian Crowe	Chief Financial Officer
7.	Jim Irving	Co-CEO, JD Irving Ltd.	20.	Amy Doty	Senior Manager, Community Engagement
8.	Lennard Joe	President, Scw'exmx Tribal Council	21.	Jess Kaknevicus	Vice President, Community Engagement
9.	Pat Layton	Director, Wood Utilization + Design Institute, Clemson University	22.	Jason Metnick	Senior Vice President, Customer Affairs
10.	Mike Parr	President, American Bird Conservancy	23.	Daniel Pellegrom	Vice President, Communications
11.	Bettina Ring	Virginia Secretary of Agriculture & Forestry	25.	Paul Trianosky	Chief Sustainability Officer
12.	Mark Rodgers (Immediate Past Chair)	President and CEO, Habitat for Humanity Canada	26.	Mickey Raup	Polsinelli (antitrust legal counsel)
13.	Gail Wallin	Chair, Canadian Council on Invasive Species			
14.	Jaime Yraguen	President, Associated Oregon Loggers			

**DRAFT Minutes – December 5, 2019 SFI Inc. Board of Directors Conference Call**

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION ITEM</b>
<b>Welcome, Roll Call, Confidentiality and Antitrust Reminder, Approve Minutes</b>	<p>Chairman Guy Gleysteen called the meeting to order at 1:00PM. Gleysteen welcomed all participants and Mickey Raup provided an antitrust reminder.</p> <p><b>BOARD DECISION:</b> The Board approved the October 22, 2019 meeting minutes without objection.</p>	
<b>Nominations Committee Report</b>	<p>Bettina Ring provided the recommendations of the Nominations Committee, consisting of herself, Gail Wallin, and Jaime Yraguen.</p> <p><b>BOARD DECISIONS:</b> The Board:</p> <ol style="list-style-type: none"> <li>1. Approved the recommendation of Ashley Hoffman to the Education Operating Committee;</li> <li>2. Elected Ashley Hoffman to a three-year term to the SFI Board, as the EOC representative;</li> <li>3. Re-elected Karla Guyn to a second three-year term on the SFI Board and the PLT Canada Board; and</li> <li>4. Elected Jeff Bromley to the PLT Canada Board of Directors for a three-year term.</li> </ol>	
<b>Financial Update</b>	<p>Brian Crowe provided a financial update, noting SFI is in a good financial position thru Q3 2019, with revenue exceeding expectations, expenses coming in below budget, and a healthy balance sheet. He suggested that SFI will incur approximately 99% of anticipated expenses by year-end, suggesting SFI is on pace to finish the year in-line or just better than the board approved budget deficit (\$1,711K) related to Project Learning Tree (PLT) activities.</p>	
<b>SFI 2019 Workplan Year in Review and 2015-2019 Strategic Direction Final Roadmap Report</b>	<p>Kathy Abusow provided an overview of SFI’s progress against the 2019 workplan and the 2015-2019 Strategic Direction. Abusow noted SFI completed 18 of 20 of the Strategic Direction roadmap priorities, with the two remaining items (leveraging SFI Implementation Committees and achieving Forest Partners Program certification goals) on track for success.</p> <p>Abusow also noted success and completion of the 2019 workplan, including key customer engagement; Project Learning Tree receiving the Teacher’s Choice Award for a second year in a row; increased involvement of SFI Program Participants in our work to measure conservation impact on SFI certified lands; and important engagement with Indigenous communities, Habitat for Humanity, and other community partners.</p> <p>The Board received a “sneak peek” of SFI’s 2019 Scorecard, which SFI will share broadly with our community and publish on our website. Board members applauded the presentation of accomplishments in the Scorecard.</p> <p><b>ACTION:</b> Staff will hyperlink sections of the 2019 Scorecard, to allow viewers to access more details.</p>	#01-DEC-19-BOD

**DRAFT Minutes – December 5, 2019 SFI Inc. Board of Directors Conference Call**

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION ITEM</b>
<b>Grants Program</b>	<p>Jess Kaknevicus provided an overview of changes to SFI’s grant management procedures, in follow-up to the Board discussion and direction at the October meeting. The proposed criteria for grant approval will include:</p> <ul style="list-style-type: none"> <li>○ Establishing clear submission requirements within a Request for Proposals (RFP) that specifically reflect the pillar priorities in the Annual Work Plan, and more broadly in the Strategic Direction;</li> <li>○ Establishing protocol/criteria for internal review and prioritizing of submissions for potential approval;</li> <li>○ Establishing a timeline that is reviewed and agreed by the SLT; and</li> <li>○ Ensuring efficiency of management.</li> </ul> <p>Kaknevicus proposed that no single grant project would exceed 10% of SFI’s total annual giving without Board approval and noted SFI would annually report to Board with principal purpose of grant program; summary of submission guidelines; and summary of applications and proposal acceptances and declinations.</p> <p><b>ACTION:</b> SFI’s annual grant-giving report to the Board will include a budget breakdown by pillar, to provide transparency on the distribution of funds by pillar.</p> <p>Paul Trianosky provided an overview of the conservation grant program request for proposals, noting SFI received 17 applications, all high quality and reflective of SFI’s criteria. SFI accepted three grant proposals to advance our work to measure Conservation Impact, with combined funding of \$117,000.</p> <p>Board members discussed the impacts of SFI’s grant projects relative to quantifying contributions of existing forests to carbon sequestration and addressing climate change. Board members stressed the need for coordinated and compelling communications on these grant investments.</p> <p><b>ACTION:</b> SFI will develop a well-coordinated communications plan on efforts with carbon and climate change projects, reflecting brand strategy, and will provide board members with an opportunity to comment.</p>	<p>#02-DEC-19-BOD</p> <p>#03-DEC-19-BOD</p>
<b>2020 Budget</b>	<p>Brian Crowe provided an overview of the proposed 2020 budget, noting the presentation by pillar and by expense category, and the inclusion of PLT Canada as part of the consolidated SFI parent. The budget proposes a balanced budget for SFI and PLT Canada and a \$1.2 million deficit for PLT US, which would be funded with existing net assets from the 2017 transfer contribution.</p> <p>Board members appreciated the budget presentation, which allows for budget discussion at a strategic level. Members also discussed the degree to which PLT revenue is at risk, with approximately \$1 million dependent on fundraising. Staff noted the PLT business plan was built on a phased approach to revenue generation, whereby if revenue targets are not achieved, PLT will scale back on various expenses as needed.</p> <p><b>BOARD DECISION:</b> The Board approved the proposed 2020 Budget without objection.</p>	
<b>Other Business, Written Updates and Roundtable</b>	<p>Guy Gleysteen called attention to the written updates and reminded Board members of the 2020 meeting dates. Gleysteen recognized departing Board members Mark Rodgers as Immediate Past Chairman and Laura Downey. Meeting adjourned at 2:15 PM.</p>	





## **SFI Standards Revision Update April 2020**

### **Background**

On October 23, 2019, SFI officially launched the start of the SFI Standards Revision with a 30-day public comment period and a 2-hour facilitated workshop at the SFI Annual Conference. This 1<sup>st</sup> comment period kicked off a two-year process which will conclude with a suite of new SFI standards and rules for release by January 2022.

At the start of 2020, SFI established three Standard Revision Task Groups (SFI Forest Management, SFI Fiber Sourcing, and SFI Chain of Custody & Labeling) to address each comment and provide recommendations to the Resources Committee for consideration. SFI received over 300 comments from the workshop and public comment period. Each Task Group conducted a face to face meeting in January as well as a conference call in February. Most topics were addressed during the face to face meetings, but there was a need for subgroups to further develop recommendations on a few core topics. Those subgroups met throughout the month of February. Rosters for each of the Task Groups can be found online at <https://www.sfiprogram.org/sfi-standard-revision-process/> (tab "Task Groups), and subgroups formed can be found on the Board members only page of the SFI website (<https://www.sfiprogram.org/membersboardresources/>).

The Resources Committee met on March 12<sup>th</sup> to discuss all recommendations proposed by the Task Groups and recommend new draft Standards for Board consideration. The Resources Committee accepted most of the recommendations from the Task Groups but did feel additional work was needed on the new climate Objective as well as Objective 8 – Recognize and Respect Indigenous Peoples' Rights. The following briefing note addresses the major enhancements and themes the Task Groups and Resources Committee considered. This includes a new Objective focused on climate change, recognizing and respecting Indigenous Peoples' rights, conservation efforts, logger training requirements in both the Forest Management & Fiber Sourcing Standards, how we address controversial sources, pros and cons with accepting FSC fiber in our label, and investigating a new urban & community forestry standard.

The briefing note highlights these key themes which have generated the most discussion within the task groups and Resources Committee. The briefing note also shows the proposed text in strike out that would go to public comment. Because it's important SFI maintain our endorsement by PEFC, some of the topics include the key PEFC language from their standard as a reference point.

Below is the timeline for the rest of the Standards revision, and key check in points.

### **May & June 2020 - 2<sup>nd</sup> Comment Period and Standards Revision Webinars**

After the Board approves the new draft of the SFI Standards, SFI will open up a 2<sup>nd</sup> public comment period (May 1 – June 29). It was the intent to simultaneously host a series of workshops throughout the U.S. and Canada during May and June, but due to COVID-19, SFI has decided to cancel those workshops. Instead, SFI will conduct a series of topically themed webinars. The purpose of these webinars is to introduce the new draft Standards and gather additional feedback. Below are the proposed topics, dates and scope for each webinar.

TOPIC	DATE	SCOPE OF DISCUSSION
Introduction of the New Draft Standards	May 5, 2020 1:00 – 3:00 EDT (10:00 – 12:00 PDT)	SFI will present the major enhancements to the SFI Standards based on the first comment period. This webinar will serve as an informative webinar to introduce the series of themed webinars.
Logger Training and Education	May 6, 2020 1:00 – 3:00 EDT (10:00 – 12:00 PDT)	Logger training and education is a critical requirement in the SFI Standard to ensure all wood is harvested in a responsible way. This webinar will focus on new enhancements to the logger training requirements as well as increased recognition of Certified Logging Companies.
French Translation - Introduction of the New Draft Standards	May 15, 2020 1:00 – 4:00 EDT (10:00 – 1:00 PDT)	SFI will present this webinar in French with a focus on the major enhancements to the SFI Standards based on the first comment period.
Climate Change Mitigation and Adaptation	May 21, 2020 1:00 – 3:00 EDT (10:00 – 12:00 PDT)	SFI identified the need to address climate change mitigation and adaptation in the SFI Standard through a new Objective. This webinar will focus on the new Objective, Performance Measures and Indicators.
Conservation of Biological Diversity	May 26, 2020 1:00 – 4:00 EDT (10:00 – 1:00 PDT)	This webinar will focus on the enhancements to Objective 4 in the Forest Management Standard and Objective 1 in the Fiber Sourcing Standard related to the conservation of biological diversity. SFI will share enhancements related to forest conversion in the Forest Management Standard.
Chain of Custody, SFI Labels and Claims, and Controversial Sources.	May 28, 2020 1:00 – 3:00 EDT (10:00 – 12:00 PDT)	This webinar will focus on proposed enhancements to the SFI Chain of Custody Standard, labels and claims intended to provide greater clarity and consistency throughout the Standard. In addition, the webinar will review a proposed new definition for controversial sources.
Indigenous Perspective	June 8, 2020 1:00 – 4:00 EDT (10:00 – 1:00 PDT)	This webinar will focus on receiving input on how SFI addresses Indigenous Peoples' rights in the SFI Standard. Enhancements to the Standard were made to ensure meaningful relationship-building and rights recognition processes.
Urban Forestry	June 9, 2020 1:00 – 3:00 EDT (10:00 – 12:00 PDT)	Urban and community forests are a significant resource in North America and are likely to continue to increase in significance based upon demographic, economic, and environmental trends. This webinar will explore the potential value of collaborating to develop a customized urban forest certification standard.
Recap webinar	June 25, 2020 1:00 – 3:00 EDT (10:00 – 12:00 PDT)	This webinar will recap all discussions and conversations from the previous webinars and allow anyone to comment on other parts of the SFI Standards revision that may not have been discussed.

### September & October 2020 – Task Group Meetings & SFI Annual Conference

Once the 2<sup>nd</sup> comment period concludes, staff will compile all comments in preparation for the Task Groups to review. The three Task Groups will each have a face to face meeting in Washington, D.C. the weeks of September 7<sup>th</sup> and September 14<sup>th</sup>. Similar to the work during the 1<sup>st</sup> comment period, it's expected subgroups and additional calls will be scheduled in October. SFI will also conduct a workshop at the SFI Annual Conference on the Standards revision.

### **January & February 2021**

The Resources Committee will review all enhancements to the Standards and provide a recommendation to the Board for consideration. If additional Task Group meetings/calls are necessary, SFI will schedule them in January/February.

### **April 2021 - Board Approval**

The Board will receive the drafts standards 45 days before voting to approve them.

### **April 2021 – November 2021 - PEFC Endorsement**

Once the Board approves the Standards, SFI will work towards PEFC endorsement. The goal is to receive endorsement by PEFC at their November 2021 General Assembly.

### **January 2022 – Release of the new Standards and Rules**

Assuming the endorsement is successful, SFI will release the new Standards in January 2022.

### **Key Themes for Discussion**

The briefing notes on the next few pages highlight key aspects of the Standards revision. There were many items discussed by the Task Groups and Resources Committee, but these are the topics which generated the most discussion.

- Climate change mitigation and adaptation
- Indigenous Peoples' rights
- Conservation (conversion, landscape level biodiversity, FECVs & water quantity)
- Logger training and certified logging companies
- Controversial sources
- PEFC and FSC certified content in the SFI label
- Urban and Community Forest Management Standard

The complete track change version of the Standards is located on the Board website if you would like to view other enhancements to the Standards.

## **Climate Change Mitigation and Adaptation April 2020**

Part of a standard revision is stepping back and understanding what the critical issues are for forest managers, conservation organizations, customers and the general public. In the last standard revision, we felt it was necessary to enhance the Indigenous requirements that were previously in Performance Measures and elevate them to an Objective. Objectives are the highest-level concepts to be addressed in our Standard followed by Performance Measures and then Indicators. The current Forest Management Standard has 15 Objectives, 37 Performance Measures and 101 Indicators, all of them are auditable and certified organizations must demonstrate conformance to each.

Climate change and carbon are critical topics and the role of forests and management of forests is increasingly being understood as an important link to addressing these climate change challenges. SFI felt it was important to take a leadership role on this topic and incorporate requirements in our forest management standard. In order to show the importance of it, SFI is proposing a new Objective focused on climate change mitigation and adaptation.

From the outset of the revision process, the Forest Management Task Group had great conversations on this topic and how we can add a new Objective to the SFI Forest Management Standard. The Task Group proposed a new Objective, Performance Measures and Indicators for the Resources Committee to review.

During its March 12 meeting, the Resources Committee reviewed the proposed Climate Change Adaptation and Mitigation Objective and provided feedback on some of the requirements. They recommended the removal of a draft indicator in Performance Measure 1 that would require Certified Organizations to quantify greenhouse gas emissions and carbon stored in forest lands. The Resources Committee felt this would be challenging for all Certified Organizations to meet given differences in size of forest lands, resources and expertise. Furthermore, there is uncertainty on the types of tools certified organizations can use to credibly and cost effectively quantify greenhouse gas emissions and carbon stored in forest lands. As a compromise, the Resources Committee deleted that indicator and revised Indicator 2.2 requiring Certified Organizations to identify greenhouse gas emissions from their forest operations and develop a program to address it based on available data.

The Resources Committee asked the Forest Management Task Group to review their proposed edits to ensure alignment. The Forest Management Task Group held a call March 26<sup>th</sup> to review the recommendations proposed by the Resources Committee. Some on the Task Group felt it was important for SFI to retain the quantification language originally proposed, while others felt the Resources Committee language was a good compromise. The Forest Management Task Group pointed out even though greenhouse gas emissions was now captured in Indicator 2.2, forest carbon pools was deleted from Indicator 1.1 and that should be retained. The Task Group added back in that concept into Indicator 2.1.a. with the addition of "improved growth rates toward the enhancement of forest carbon pools."

### Board Discussion:

The impasse with the language in the new Objective is whether the Standard should require Certified Organizations to quantify greenhouse gas emissions and forest carbon pools. The concern as described above is challenges given differences in size of forest lands, resources and expertise. There is also a fear of the unknown with the tools Certified Organizations can use to help quantify these metrics. SFI has proposed to develop guidance that will assist certified organizations in identifying options for addressing stored carbon and greenhouse gas emissions. The expectation is to have this guidance developed in time for the second public comment period (May 1) to receive comments and feedback.

These are the current Forest Management Standard requirements for addressing Climate Change. With the new proposed Objective, the Resources Committee agreed Performance Measure 10.3 was no longer needed.

### **Objective 1. Forest Management Planning**

To ensure forest management plans include *long-term* sustainable harvest levels and measures to avoid forest conversion.

**Performance Measure 1.1.** *Program-Participants Certified Organizations* shall ensure that forest management plans include *long-term* harvest levels that are sustainable and consistent with appropriate *growth-and-yield models*.

#### Indicators

1. Forest management planning at a level appropriate to the size and scale of the operation, such as including:
  - i. a review of non-timber issues (e.g., recreation, tourism, pilot projects and economic incentive programs to promote water protection, carbon storage, bioenergy feedstock production, or biological diversity conservation, or to address climate-induced ecosystem change).
4. Periodic updates of *forest inventory* and recalculation of planned harvests to account for changes in growth due to *productivity* increases or decreases, including but not limited to such as: improved data, *long-term* drought, fertilization, *climate change*, changes in forest land ownership and tenure, or *forest health*.

**Objective 10. Forestry Research, Science and Technology.** To invest in *forestry* research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of *climate change* impacts on forests, *wildlife* and *biological diversity*.

~~**Performance Measure 10.3.** *Program-Participants Certified Organizations* shall individually and/or through cooperative efforts involving *SFI Implementation Committees*, associations or other partners broaden the awareness of *climate change* impacts on forests, *wildlife* and *biological diversity*.~~

#### Indicators:

- ~~1. Where available, monitor information generated from regional climate models on *long-term forest health, productivity and economic viability*.~~
- ~~2. *Program-Participants Certified Organizations* are knowledgeable about *climate change* impacts on *wildlife, wildlife habitats and conservation of biological diversity* through international, national, regional or local *programs*.~~

Below is the new proposed Climate Change Adaptation and Mitigation Objective. Even though this is a new proposed Objective, the strike out is given for context to assist with the discussion the Resources Committee and Task Group had regarding this new Objective.

**Objective: To ensure forest management activities address ~~greenhouse gas emissions and long-term sustainable carbon management, while addressing~~ climate change adaptation and mitigation measures.**

Performance Measure 1: *Certified Organizations* shall develop a *program* to ~~assess~~identify and address the climate change risk to its forests and forest operations and develop appropriate adaptation objectives and strategies based on analysis of available regional climate models, research, and scenario analysis.

Indicators:

- ~~1.~~ ~~*Certified Organizations shall have a program to quantify greenhouse gas emissions and carbon stored in their forest lands or forest tenures, at the certificate level, including carbon pools (e.g., the forest canopy, dead wood, litter, forest products).*~~
- ~~12.~~ Based on available data, *Certified Organizations* shall identify climate change risks and prioritize them based on the likelihood, nature, scale and longevity of their expected impact to their forest lands or forest tenures.
- ~~23.~~ *Certified Organizations* shall develop an adaptation plan to address priority climate change risks, which considers approaches for potential adaptive management.
- ~~34.~~ *Certified Organizations* shall document how its adaptation plan objectives and strategies fit within broader regional climate adaptation strategies and plans, where such exist.
- ~~5.~~ ~~*Where applicable and feasible, Certified Organizations consider the views of local stakeholders and Indigenous Peoples in the development of the adaptation plan and strategies.*~~

Performance Measure 2: *Certified Organizations* shall have a *program* to ~~assess~~identify and address opportunities for climate change mitigation associated with its forest operations.

Indicators:

1. *Certified Organization* shall identify and address opportunities to enhance carbon sequestration on the forests they own or manage considering factors such as:
  - a. improved growth rates toward the enhancement of forest carbon pools (e.g., through improved seed selection, plantation survival, stocking standards, choice of species, thinning, competition reduction, fertilization), *reforestation* and/or *afforestation*,
  - b. forest health activities to limit the impacts from wildfire, disease or forest pests,
  - c. lengthening or shortening rotation length, as appropriate.
2. ~~*Based on available data, Certified Organization shall identify and develop a program to address opportunities to reduce direct human-caused greenhouse gas emissions to the atmosphere from forest operations.*~~

## **PEFC's Requirements on Carbon that SFI will be Assessed Against for Endorsement**

### **8.1 Criterion 1: Maintenance or appropriate enhancement of forest resources and their contribution to the global carbon cycle**

**8.1.1** The standard requires that management shall aim to maintain or increase **forests** and their **ecosystem services** and maintain or enhance the economic, ecological, cultural and social values of forest resources.

**8.1.2** The standard requires that the quantity and quality of the forest resources and the capacity of the **forest** to store and sequester carbon shall be safeguarded in the medium and long term by balancing harvesting and growth rates, using appropriate silvicultural measures and preferring techniques that minimise adverse impacts on forest resources.

**8.1.3** The standard requires that climate positive practices in management operations, such as greenhouse gas emission reductions and efficient use of resources shall be encouraged.

## **Recognize and Respect Indigenous Peoples' Rights April 2020**

SFI has an opportunity to further enhance its framework on Indigenous rights recognition and relationship building within the Standard. To advance this goal, edits were made to Objective 8 so that it reflects a meaningful relationship building and rights recognition process. All Certified Organizations must:

- identify the Indigenous Peoples whose rights may be affected by the Certified Organization's forest management practices;
- determine the specific rights that may be affected by drawing on federal /provincial/state laws, treaties and agreements between governments and Indigenous Peoples, and/or the UN Declaration on the Rights of Indigenous Peoples; and,
- provide appropriate training so that all staff and contractors are competent to recognize and respect Indigenous Peoples' rights and traditional knowledge for the purposes of Objective 8.

Certified Organizations with management responsibilities on public lands will be required to implement additional requirements intended to further enhance their ability to build meaningful relationships with Indigenous Peoples within their operating areas. These measures include:

- promoting meaningful dialogue through respecting Indigenous Peoples' representative institutions and communications protocols;
- providing opportunities for Indigenous Peoples to review Certified Organizations' forest management practices; and,
- ensuring respect for Indigenous Peoples' traditional knowledge, including non-timber forest products and sites of spiritual, historical and cultural importance.

As per the direction of the Subgroup, these additional requirements are intended to allow sufficient flexibility to meet the unique local circumstances of Certified Organizations, rather than provide a prescriptive list of specific actions.

SFI Staff are developing tools which will assist certificate holders in training personnel and contractors, rights identification and recognition, and relationship building for the purposes of Objective 8. This will include additional guidance for Certified Organizations regarding approaches to identifying and implementing appropriate communications protocols.

---

### **PEFC's Requirements on Indigenous People's Rights that SFI will be Assessed Against for Endorsement**

**6.3.2.2** The standard requires that forest practices and operations shall be conducted in recognition of the established framework of legal, customary and traditional rights such as outlined in ILO 169 and the UN Declaration on the Rights of Indigenous Peoples, which shall not be infringed upon without the free, prior and informed consent of the holders of the rights, including the provision of compensation where applicable. Where the extent of rights is not yet resolved, or is in dispute, there are processes for just and fair resolution. In such cases forest managers shall, in the interim, provide meaningful opportunities for parties to be engaged in forest management decisions whilst respecting the processes and roles and responsibilities laid out in the policies and laws where the certification takes place.



**Objective 8. Recognize and Respect *Indigenous Peoples'* Rights.** To recognize and respect *Indigenous Peoples'* rights and traditional knowledge.

**Performance Measure 8.1.** ~~*Program Participants*~~*Certified Organizations* shall recognize and respect *Indigenous Peoples'* rights.

Indicator:

1. ~~*Program Participants*~~*Certified Organizations* ~~will provide~~shall develop and implement a written policy acknowledging a commitment to recognize and respect the rights of *Indigenous Peoples*. This policy shall provide reference to a program that includes:
  - a. use of available resources and information to identify the *Indigenous Peoples* whose rights may be affected by the *Certified Organization's* forest management practices.
  - b. recognition of the established framework of legal, customary and traditional rights such as outlined in:
    - i. the UN Declaration on the Rights of Indigenous Peoples;
    - ii. federal, provincial and state laws and regulations;
    - iii. treaties, agreements or other constructive arrangements between governments and *Indigenous Peoples*.
  - c. appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under Objective 8 of the Forest Management Standard.
2. The policy shall be publicly available.

**Performance Measure 8.2.** ~~*Program Participants*~~*Certified Organizations* with forest management responsibilities on public lands shall confer with *Indigenous Peoples* whose rights may be affected by the *Certified Organization's* forest management practices.

Indicator:

1. *Program* that includes communicating with affected *Indigenous Peoples* to enable ~~*Program Participants*~~*Certified Organizations* to:
  - a. understand and respect traditional forest-related knowledge;
  - b. identify and protect spiritually, historically, or culturally important sites;
  - c. address the use of non-timber forest products of value ~~to *Indigenous Peoples* in areas where *Program Participants* have management responsibilities on public lands;~~
  - d. communicate through processes that respect their representative institutions, using appropriate protocols;
  - e. provide opportunities to review forest management practices; and,
  - f. ~~e-~~ respond to ~~*Indigenous Peoples'*~~ inquiries and concerns received.

**Performance Measure 8.3.** ~~*Program Participants*~~*Certified Organizations* are encouraged to communicate with and shall respond to ~~local~~*Indigenous Peoples* with respect to sustainablewhose rights may be affected by forest management practices on their private lands.

Indicators:

1. ~~*Program Participants*~~*Certified Organizations* are aware of traditional forest-related knowledge, such as known cultural heritage sites, the use of wood in traditional buildings and crafts, and flora that may be used in cultural practices for food, ceremonies or medicine.
2. Respond to *Indigenous Peoples'* inquiries and concerns received.

## **Conservation April 2020**

### **1. Conversion of Forest Cover Types**

Conversion of forest cover types is addressed in the SFI Forest Management Standard by Performance Measure 1.2. This performance measure sets requirements in the event that an SFI certificate holder converts one forest cover type to another. In 2018, the SFI Resources Committee reviewed how the performance measure was being applied to ensure there were no loopholes in the indicators that would allow a certificate holder to convert forest cover types without proper assessments. In 2019, the Resources Committee came back offering a “two-filter” recommendation and asked staff to ensure this was considered during the standard revision. The first filter ensures that the proposed conversion does not pose a threat to important ecological systems, species or natural communities, including a provision to consider scale, which can be pose an inherent impact. Principles of the first filter must be satisfied for the second filter to be applied. The second filter constitutes potential legitimate justifications that may be employed, provided the first principles are satisfied. Properly implemented, the landowner must employ both filters, ensuring that the conversion will not result in inappropriate levels of ecological impact, and that the conversion is specifically justified.

The group used the Resources Committee direction to develop a new recommended structure for the requirements in PM 1.2 Conversion of Forest Cover Types. These improvements are outlined below.

Assessment of proposed conversion: To address the importance of specifying the need for an *assessment* of a proposed conversion, an edit in Performance Measure 1.2 was made that includes the identification of potential ecological impact.

Reforestation limited to native species: There was discussion of a proposal to limit reforestation on converted forest cover types to ‘native’ species. Ultimately, it was agreed that PM 1.2 is designed to address considerations prior to conversion decisions, so that any prescriptive recommendations regarding species would be ill-placed in this part of the standard. Instead, edits to Indicator 1.2.1 will ensure that the assessment will identify if the conversion of forest cover type would threaten native forest cover types that are rare, ecologically important, or which put any native forest cover types at risk of becoming rare, questioning the eligibility of the proposed conversion.

Consultation of local stakeholders on a proposed conversion: Edits to Indicator 1.2.2 ensure that the need for consultation with local stakeholders would be identified as an output from the assessment. Staff was tasked to develop guidance to address this item.

**Performance Measure 1.2.** *Program-Participants 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, in certain circumstances.

Indicators:

1. *Program-Participants 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 which put any *native forest cover types* at risk of becoming rare; Is in compliance with relevant national and regional *policy* and legislation related to land use and forest management; and
  - b. Does not create significant *long-term* adverse impacts on *Forest with Exceptional Conservation Value, old growth forests, forest critical to threatened and endangered species, or special sites*; Would not convert *native forest types* that are rare and ecologically significant at the *landscape* level or put any *native forest types* at risk of becoming rare; and
  - c. Includes objectives for *long-term* outcomes that support maintaining *native forest cover types* and ecological function; and Does not create significant long-term adverse impacts on *Forests with Exceptional Conservation Value, old growth forests, forests critical to threatened and endangered species, and special sites.*
  - d. Is in compliance with relevant national and regional policy and legislation related to land use and forest management.
2. Any proposed conversion deemed appropriate per 1.2.1, and which has considered impacts relative to scale, may be implemented subject to Where a *Program Participant* intends to convert another *forest cover type*, an 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 credible science. Productivity and stand quality conditions and impacts which may include social and economic values;
  - b. Site productivity, economics, and/or stand quality Specific ecosystem issues related to the site such as invasive species, insect or disease issues, riparian protection needs and others as appropriate to site including regeneration challenges; and
  - c. Ecological impacts of the conversion including a review at the site and landscape scale, as well as consideration for any appropriate mitigation measures and-
  - d. Appropriate consultation with local communities, Indigenous People, and other stakeholders who could be affected by such activities.

## PEFC's Requirements on Forest Conversion that SFI will be Assessed Against for Endorsement

- 8.1.5** The standard requires that **afforestation** of ecologically important **non-forest ecosystems** shall not occur unless in justified circumstances where the conversion:
- a) is in compliance with national and regional policy and legislation applicable for land use and forest management and is a result of national or regional land-use planning governed by a governmental or other official authority; and
  - b) is established based on a decision-making basis where **affected stakeholders** have opportunities to contribute to the decision-making on conversion through transparent and participatory consultation processes; and
  - c) does not have negative impacts on threatened (including vulnerable, rare or endangered) **non-forest ecosystems**, culturally and socially significant areas, important habitats of threatened species or other protected areas; and
  - d) entails a small proportion of the ecologically important **non-forest ecosystem** managed by an **organisation**; and
  - e) does not destroy areas of significantly high carbon stock; and
  - f) makes a contribution to long-term conservation, economic, and social benefits.
- 8.1.6** The standard requires that if conversion of severely **degraded forests** to **forest plantations** is being considered, it must add economic, ecological, social and/or cultural value. Precondition of adding such value are circumstances where the conversion:
- a) is in compliance with national and regional policy and legislation applicable for land use and forest management and is a result of national or regional land-use planning governed by a governmental or other official authority; and
  - b) is established based on a decision-making basis where **affected stakeholders** have opportunities to contribute to the decision-making on conversion through transparent and participatory consultation processes; and
  - c) has a positive impact on long-term carbon sequestration capacity of **forest** vegetation; and
  - d) does not have negative impacts on **ecologically important forest areas**, culturally and socially significant areas, or other protected areas; and
  - e) safeguards protective functions of **forests** for society and other regulating or supporting **ecosystem services**; and
  - f) safeguards socio-economic functions of **forests**, including the recreational function and aesthetic values of **forests** and other cultural services; and
  - g) has a land history providing evidence that the degradation is not the consequence of deliberate poor forest management practices; and
  - h) is based on credible evidence demonstrating that the area is neither recovered nor in the process of recovery.

## 2. Other Conservation Topics

In addition to conversion of forest cover types, the Task Groups also made enhancements to requirements around landscape biodiversity, Forest with Exceptional Conservation Value in both the Forest Management and Fiber Sourcing Standards, and adding requirements around water quantity. Below are write ups on these topics. The track change for these are found in the complete track change document.

- **Landscape Biodiversity**

The Task Group considered a range of intersecting topics to help make the standard more consistent, while advancing the clarity and specificity of requirements around biodiversity conservation at multiple scales (species, ecological communities and landscapes). In order to achieve these goals, adjustments to the scope and/or definition of Forests with Exceptional Conservation Value, significant species of concern, landscape scale and other concepts were discussed.

Objective 4 – Conservation of Biological Diversity: The Objective was edited to remove the list of examples of the values to make it more concise. The new Objective is as follows:

*"To maintain or advance the conservation of biological diversity at the stand- and landscape-level and across a diversity of habitat types and successional stages including the conservation of forest plants and animals, aquatic species, threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites."*

Conservation of Landscape Level Biodiversity: Guidance will be developed to provide clarity around the requirement for conservation of native biological diversity at the landscape level and how to frame biodiversity requirements at these more complex scales yet retain both practicality and auditability of the standard. The guidance will point to credible sources that will determine landscape-level priorities, facilitating assessments and potential maximization of managed area contributions to landscape level biodiversity. The guidance will also note that assessments should inform efforts to maintain or advance conservation at landscape-scale. Staff will develop this guidance.

Diversity of forest cover types and age or size classes: An edit was made to Indicator 4.1.3 to add a requirement to incorporate the results of analysis of this documented diversity at landscape and ownership/tenure levels. This edit will ensure the contribution of managed forests to the diversity of conditions that promote biodiversity. Staff will develop guidance to assist with meeting this expanded requirement.

Regional conservation planning and priority-setting efforts to conserve biological diversity: Staff will develop guidance to assist certified organizations when incorporating the results of planning/priority setting efforts. The guidance will point to how state wildlife action plans, state forest action plans, relevant habitat conservation plans, provincial wildlife recovery plans or ecoregional plans offer examples of mechanisms whose outputs could be incorporated in forest management planning and/or priority setting.

Conservation of ecologically important species and natural communities: New terms are added such as 'ecologically important' species and 'natural communities' to replace the term 'significant species of concern' currently used. The terms 'ecologically important' and 'natural communities' will be defined terms.

Staff will develop guidance to reference the potential use of NatureServe 'S' rank species, locally rare species and natural communities as examples of 'ecologically important species' and how the terms 'ecologically important' and 'natural communities' are consistent with the past term 'viable occurrences of significant species of concern'. Staff will develop the definitions and prepare the guidance.

- **Forests with Exceptional Conservation Value (FECV) (Forest Management Standard)**

Edits were made to ensure the Standard reinforces and clarifies conservation requirements relative to "ecologically significant" sites and "significant species of concern". Added language from the definition of FECV was included in the standard to ensure it is clear FECV includes 'ecological communities that are imperiled or critically imperiled.'

Programs to locate and protect FECV: Edits were made to Performance Measures 4.2 and 4.3. to strengthen the protection of ecological important species and natural communities without altering the definition of FECV.

Protect ecologically important sites: An edit was made to include 'protect' in Performance Measure 4.3. This strengthens protection of sites that are outside the FECV definition but are still vulnerable and require protection.

- **Forests with Exceptional Conservation Values (FECVs) (Fiber Sourcing Standard)**

A new Performance Measure (1.2) in the Fiber Sourcing Standard requires an assessment for Forests with Exceptional Conservation Value (FECV) across the Certified Organization's entire wood and fiber supply area, strengthening the standard's requirements for addressing conservation of biodiversity at the landscape level. The Certified Organization must have a program to address any identified FECV and implement the results of this assessment on purchase stumpage tracts as applicable. Finally, language will be added to Section 10 to make it clear the public summary report should reference this FECV assessment.

- **Water Quantity and Water Quality**

In 2016, the Resources Committee asked the External Review Panel (ERP) to examine opportunities for addressing water quantity in the SFI Forest Management Standard. In response, the ERP produced a white paper looking at how and where the Standard could recognize water quantity in addition to water quality. The white paper's recommendations were supported by comments received in the first comment period. Comments pointed to how the protection of water quality and quantity are both important for the effective protection and maintenance of water resources. Protecting and maintaining water quality and quantity is directly linked to protecting and maintaining the ecological functions and services water bodies. The group reviewed these and agreed that giving water quantity a higher profile in the standard is an improvement. As a result, Objective 3, Performance Measure 3.1 and Indicator 3.2.1 were edited to include water quantity. Additionally, Principle 3 – Protection of Water Resources – was edited to include water quantity.

## **Logger Training and Certified Logging Companies April 2020**

### **Logger Training**

Logger training is a core requirement in both the Forest Management and Fiber Sourcing Standards. The Fiber Sourcing Task Group was put in charge of developing recommendations on how to enhance these requirements. The recommendations proposed add more structure to the qualified logging professional training requirements and raise the overall quality of logger training. Edits were made to separate out core logger training requirements vs. topics that can be used for continuing education training. It was also clarified training shall occur at least once every two years. To support this increased emphasis on logger training, a new auditable Indicator was moved from guidance that will ensure Certified Organizations strive to achieve 100 percent of their raw material deliveries from qualified logging professionals or certified loggers.

### **Certified Loggers**

The Task Group also discussed ways to elevate the recognition of certified loggers. The current Certified Logging Professional definition refers to an individual, whereas the certified logging professional training requirements are directed at the company. The group recommends that Certified Logging Company (CLC) is the more appropriate term than Certified Logging Professional with the following definition change:

*Certified Logging Company: A wood producer who has successfully completed and is a participant in good standing of a credible logger certification program recognized by the SIC as meeting the criteria of PM 11.2 in the SFI Forest Management Standard or PM 6.3. in the SFI Fiber Sourcing Standard.*

Guidance will also be developed to bring greater transparency and accountability to SIC recognition of certified logging company programs. The guidance will also include details on how a certified logging company can appeal a decision if their program is not recognized by an SIC.

## **Due Diligence System and Controversial Sources Definition April 2020**

How certification standards assess controversial sources in the supply chain is a critical issue for international assessments and credibility with brand owners. SFI's current approach is to follow strong laws in both the U.S. and Canada. The Task Group discussed the merits of going beyond laws and setting a clear definition of controversial sources, as well as guidance Certified Organizations should follow to assess risk. You'll see if you cross reference the track change with the below proposal, this is a new proposed definition of controversial sources as well as the proposal to revise SFI's due diligence system a Certified Organization must follow to assess risk.

### Proposed Definition of Controversial Sources:

- a. Forest activities which are not in compliance with applicable state, provincial, federal, or international laws.
- b. Forest activities which are contributing to regional declines in habitat conservation and species protection (including biodiversity and special sites, threatened and endangered species).
- c. Conversion sources originating from regions experiencing forest area decline.
- d. Forest activities where the spirit of the ILO Declaration on Fundamental Principles and Rights at work (1998) are not met.
- e. Forest activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) are not met.
- f. Fiber sourced from areas without effective social laws.
- g. Illegal Logging including trade in CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora) listed species.
- h. Conflict Timber.
- i. Genetically modified trees via forest tree biotechnology.

### Key Elements of the Proposed Due Diligence System to Assess Risk:

- Access to Information - collecting appropriate information to conduct a risk assessment on the source of the forest-based product.
- Conducting a Risk Assessment – using the collected information to conduct an assessment to determine low or high risk of sourcing from controversial sources.
- Dealing with Substantiated Concerns – when presented with credible evidence about a supplier this is used in the risk assessment.
- Management of High-Risk Suppliers – for fiber assessed as being from a high-risk region the company must implement a program to mitigate the risk that is from controversial sources.
- Avoidance of Controversial Sources - if the mitigation program is not considered to be effective in reducing the risk of receiving fiber from controversial sources to low, fiber from these sources shall be avoided.

### Guidance for Proposed Definition of Controversial Sources:

The Task Group also developed guidance to assist Certified Organizations with these new requirements. Guidance points to key resources and tools Certified Organizations can use to determine low or high risk.

### Adding the new DDS into Fiber Sourcing Standard

The Task Group and Resources Committee recommended adding the full due diligence system into the SFI Fiber Sourcing Standard. This ensures SFI has one process for demonstrating due diligence when assessing risk of procuring fiber from controversial sources across all Standards.

With the addition of the full DDS in the Fiber Sourcing Standard, Objectives 11-13 no longer apply since the due diligence system applies in both the U.S. and Canada as well as internationally. An enhanced due diligence system coupled with the expanded controversial sources definition represents a more efficient process and will address more fiber sources that are of concern in the marketplace than are addressed by the current Objectives 11-13.



## **Acceptance of All PEFC and FSC Certified Fiber April 2020**

### **Background**

SFI recognizes all U.S. and Canadian forest management standards endorsed by PEFC (SFI, American Tree Farm Standard and CSA Z809 & Z804) as "acceptable forest management standards." What this means is certified organizations can use this content in the SFI on-product labels and count it towards certified forest content claims. The Chain of Custody and Labeling Task Group recommends expanding the current definition of "acceptable forest management standards" to include all PEFC endorsed standards and all FSC endorsed standards. The Resources Committee reviewed this proposal and discussed the opportunities as well as the issues that may arise with this decision.

### **PEFC Global Standards**

In 2016, the SFI Board approved a new chain of custody label option called the SFI Label Recognizing Global Standards. This initiative provides a mechanism for non-North American PEFC certified forest content to be counted and sold into North America with an SFI claim and label. With this new label there is a separate application process and even a fee to use the label. It also helps distinguish between U.S. and Canadian fiber and global fiber. SFI staff believe through this global label mechanism, we already have an avenue to accept all PEFC fiber.

### **FSC Global Standards**

Accepting all FSC global standards in SFI's label would be a policy shift. If the Board were to approve such a policy shift, it would make sense to add FSC under the global label rules, which would allow us to track the fiber, as well as generate a revenue for use. Below are a few pros and cons of such a move.

#### Pros:

- This would create the only forest certification label that accepts all certified forest content globally (FSC & PEFC).
- This change would align with SFI's mission as a program that values and benefits from sustainable managed forests.
- Customers might view the recognition as a positive change that would demonstrate SFI's willingness to collaborate.
- This could simplify supply chains and could increase certified content for use of the SFI label.

#### Cons:

- Not all FSC standards are equal. While they all meet FSC's international criteria and indicators, SFI would be placing a value judgement that all FSC standards are credible for the SFI label. There are concerns with FSC in other parts of the world where the rules aren't as rigorous. This technically is true for PEFC as well.
- Another potential issue identified is FSC is trademarked. FSC may not allow SFI to use their name in our standards. SFI Staff believe we can get around this by not using the FSC name.

## **Urban & Community Forest Management Standard April 2020**

Comments were received on the importance of responsible urban forest management and how SFI can take a leadership position in establishing requirements for responsible urban forest management in North America. Urban and community forests are a significant resource in North America and are likely to continue to increase in significance based upon demographic, economic, and environmental trends. The importance of responsible urban forest management will also increase in significance as it contributes to providing ecosystem services such as mitigating storm water runoff, reducing urban heat island effects, and sequestering carbon while contributing to the character, quality of life, and economic and social infrastructure of a community. SFI has the opportunity to assess how certification can elevate the important role that urban forests can play in addressing climate change.

There is interest in exploring this from existing forest management task group members (Katie Fernholz, Dovetail Partners, Ben Kuttner, University of Toronto, Frank Gallagher, Rutgers The State University of New Jersey), and also from the Arbor Day Foundation, Professor Peter Duinker of Dalhousie University, and Jacques Larouchec of the Canadian Forest Service. The Resources Committee recommends for staff to reach out to other experts both in Canada and the U.S. if such a task group is formed.

SFI would like to formalize a larger task group to explore the value, pros, and cons to develop a customized Urban & Community Forest Management Standard. This Task Group would also guide SFI to develop a cost/benefit analysis on the role SFI could play in this space.



## **Board Elections April 2020**

### **Election of Officers**

**Chair:** Guy Gleysteen was elected in April 2019 to a one-year term as Chair. He is eligible to be elected to a second one-year term as Chair.

**Vice Chair:** Karla Guyn was elected in April 2019 to a one-year term as Vice-Chair. She is eligible to be elected to a second one-year term as Vice-Chair.

### **Proposed Action by the Board:**

- Elect Guy Gleysteen to a second one-year term as Chair and Karla Guyn to a second one-year term as Vice-Chair

### **Election of New Board Members**

There is a current vacancy in the environmental chamber, with a second vacancy opening in late 2020 when Gail Wallin will complete her second term. The Nominations Committee (*consisting of Gail Wallin, Bettina Ring, and Dan Lambe*) has discussed several potential candidates but would like to explore these and other ideas further before presenting a recommendation to the Board.

*Prepared by: Kathy Abusow, President and CEO; Nadine Block, SVP Government and Network Relations*



SUSTAINABLE  
FORESTRY  
INITIATIVE

SFI-00001

## Financial Update April 2020

### Management's Financial Analysis

Based on preliminary unaudited figures, SFI finished 2019 with a deficit of (\$1,192K), or \$519K better than the previous board approved budget deficit of (\$1,711K), which was primarily driven by Project Learning Tree (PLT) activities. Operating revenue ended ahead of budget by \$402K, while expenses incurred ended lower through the same period by \$138K.

#### Historical PLT Context:

SFI acquired the Project Learning Tree (PLT) program from the American Forest Foundation (AFF) in July 2017. Because PLT has historically operated at an annual deficit of approximately \$1.6M (*inclusive of parent organization administrative expenses like office rent, fundraising, etc.*), SFI negotiated for AFF to contribute \$8.0M along with the program transfer. The amount was calculated based on PLT's annual net deficit multiplied by five years, which was the amount of time SFI estimated would be needed to fully ramp up a successful fundraising strategy to make the program financially sustainable. This estimate accounted for time to integrate PLT into SFI, evaluating the program's existing activities and potential new opportunities, hiring a fundraiser, and developing a fundraising strategy, with new revenue not expected until two-three years following the acquisition of the program.

Based on PLT's performance as of December 2019, PLT will have \$5.0M remaining of the \$8.0M of funds provided by AFF thanks to book sales, grants, and expense management. This is positive given that we originally thought PLT would only have \$4.0M remaining at this point-in-time. In other words, PLT currently has \$1.0M more of additional net assets than initial projections.

*\*- All figures reflected in this update are rounded to the nearest thousand.*

### Financial Statement of Position

Management financials show SFI with a healthy balance sheet (*e.g. cash of \$1,260K, investments of \$6,685K with approximately two months of assets readily available for general expenditures*) against liabilities of \$2,766K, of which \$1,266K is deferred revenue.

**Revenue Analysis:** Unaudited year-end financial results reflect excess revenue over budget of \$402K. Year-end operating revenue totaled \$10,189K against an annual budget of \$9,786K; meaning, SFI raised 104% of annual budgeted operating revenue.

*(see also the below narrative and enclosed financial diagrams)*

**Certified Organization Fees:** We recognized \$8,194K of revenue from certified organizations toward our goal of \$7,555K (**109% toward goal**). Additional revenue in excess of budget was predominately attributed to growth in net sales (*i.e. 93 organizations experienced up to 20% sales growth, with ave. growth of 11%*). Note, fees are determined by the average of the two prior year net sales figures.

**Grants & Contributions:** We recognized \$599K in grant & contribution revenue toward our goal of \$921K (**65% toward goal**). This figure is predominantly composed of government grants (*i.e. either received directly or as a pass-through*). The majority of underperformance can be attributed to a delay in beginning PLT fundraising activities (*i.e. a fundraising professional wasn't secured until 3Q*).

**Service Fees:** We recognized \$768K in various service fees (*e.g. PEFC notification & admin. fees, and PLT-Canada admin. services agreement*) toward our goal of \$749K (**103% toward goal**). Note, of this total, \$426K is related to the services agreement between SFI and PLT-Canada and will therefore be an elimination item for the audited financial statements.

**Sales:** We recognized \$368K in product sales (*i.e. predominately PLT book sales*) toward our goal of \$290K (**127% toward goal**), due primarily to conservative budgeting, as total PLT book sales remained mostly flat over 2018 figures.

**Event Registration & Sponsor Income:** We recognized \$261K (*i.e. \$141K registration fees, plus \$120K sponsorship*) against our goal of \$300K (**87% toward goal**).

**Expense Analysis:** Unaudited year-end financial results reflect that we held expenses under budget by \$138K, with fewer expenses primarily in outsourced work and general admin. We were also slightly under-spent in personnel, marketing & promotion, and grant expenditures; however, we over-spent in meetings due predominately to increased demand for tradeshow travel and convening expense. Year-end expenditures totaled \$11,545K against an annual budget of \$11,682K; meaning, SFI held expenses to 99% of annual budgeted figures.

*(see also the below enclosed financial diagrams)*

*Prepared by: Brian Crowe, Chief Financial Officer*



## Sustainable Forestry Initiative Statement of Financial Position (in USD)

Reporting Book: **ACCRUAL**  
 As of Date: **12/31/19**  
 Business Unit: **Sustainable Forestry Initiative (Parent)**

	Year to Date 12/31/19	Prior Year To Date 12/31/18
		Prior Year
<b>Assets</b>		
Cash & Cash Equivalents	1,260,377	1,586,446
Accounts Receivable, Net	1,862,251	1,347,382
Grants Receivable, Net	60,434	167,424
Investments	6,685,463	8,371,777
Prepays & Deposits	388,177	250,355
Property & Equipment, Net	785,705	294,743
Intangible Assets, Net	210,658	178,512
<b>Total</b>	<b>11,253,065</b>	<b>12,196,639</b>
<b>Liabilities &amp; Net Assets</b>		
Liabilities		
Accounts Payable & Accrued Liabilities	1,004,042	1,023,993
Deferred Revenue	1,265,712	1,267,710
Deferred Rent	228,133	225,892
Tenant Improvement Allowance	268,470	0
<b>Total</b>	<b>2,766,357</b>	<b>2,517,595</b>
Net Assets		
Without Donor Restriction		
Undesignated	1,157,712	988,675
Bd. Designated Reserve	1,775,000	1,400,000
Bd. Designated- CCP Grants	245,682	284,146
<b>Total</b>	<b>3,178,394</b>	<b>2,672,821</b>
With Donor Restriction		
Purpose Restricted- PLT	6,476,385	7,710,758
Purpose Restricted- Olszewski	24,265	13,265
<b>Total</b>	<b>6,500,650</b>	<b>7,724,023</b>
Change in Net Assets	(1,192,336)	(717,800)
<b>Total</b>	<b>8,486,708</b>	<b>9,679,044</b>
<b>Total</b>	<b>11,253,065</b>	<b>12,196,639</b>



## Sustainable Forestry Initiative Budget vs. Actual (in USD)

As of December 31, 2019

Reporting Book:

As of Date:

Business Unit:

**ACCRUAL**

**12/31/19**

**Sustainable Forestry Initiative (Parent)**

	<b>Actual 12/31/19</b>	<b>Budget 12/31/19</b>	<b>Percent</b>	<b>Variance</b>
			SFI Budget 2019	YTD
				YTD
<b>Operating Revenue</b>				
Grants	374,697	545,100	68.7 %	(170,403)
Certified Organization Fees	8,193,828	7,554,939	108.5 %	638,889
Service Fees	768,403	749,180	102.6 %	19,223
Conference	260,813	300,000	86.9 %	(39,187)
Contributions	224,224	376,100	59.6 %	(151,876)
Sales	368,533	290,000	127.1 %	78,533
Currency G/(L)	(1,859)	(28,938)	6.4 %	27,079
<b>Total Operating Revenue</b>	<b>10,188,639</b>	<b>9,786,381</b>	<b>104.1 %</b>	<b>402,258</b>
<b>Expenditures</b>				
Personnel	5,264,467	5,310,143	99.1 %	(45,676)
Outsourced Work	1,676,977	1,786,596	93.9 %	(109,619)
Promotion & Marketing	417,732	444,580	94.0 %	(26,848)
Grants & Partnerships	1,541,717	1,569,332	98.2 %	(27,615)
Meetings	1,031,069	806,312	127.9 %	224,757
General and Administrative Expenses	1,612,658	1,760,523	91.6 %	(147,865)
Other	40	5,000	0.8 %	(4,960)
<b>Total Expenditures</b>	<b>11,544,660</b>	<b>11,682,486</b>	<b>98.8 %</b>	<b>(137,826)</b>
Other Revenue	163,686	185,000	88.5 %	(21,314)
<b>Total Change In Net Assets</b>	<b>(1,192,335)</b>	<b>(1,711,105)</b>	<b>69.7 %</b>	<b>518,770</b>



## Sustainable Forestry Initiative Budget vs. Actual (in USD)

As of December 31, 2019

Reporting Book:

**ACCRUAL**

As of Date:

**12/31/19**

Business Unit:

**PLT-US**

	<b>Actual 12/31/19</b>	<b>Budget 12/31/19</b>	<b>Percent</b>	<b>Variance</b>
		SFI Budget 2019	YTD	YTD
<b>Operating Revenue</b>				
Grants	326,302	500,000	65.3 %	(173,698)
Service Fees	1,376	0	0.0 %	1,376
Conference	41,012	80,000	51.3 %	(38,988)
Contributions	160,456	300,000	53.5 %	(139,544)
Sales	362,573	285,000	127.2 %	77,573
Currency G/(L)	(15)	0	0.0 %	(15)
<b>Total Operating Revenue</b>	<b>891,704</b>	<b>1,165,000</b>	<b>76.5 %</b>	<b>(273,296)</b>
<b>Expenditures</b>				
Personnel	1,168,830	1,281,125	91.2 %	(112,295)
Outsourced Work	303,151	431,676	70.2 %	(128,525)
Promotion & Marketing	45,152	50,000	90.3 %	(4,848)
Grants & Partnerships	324,555	345,500	93.9 %	(20,945)
Meetings	175,906	215,458	81.6 %	(39,552)
General and Administrative Expenses	473,731	616,515	76.8 %	(142,784)
Other	0	5,000	0.0 %	(5,000)
<b>Total Expenditures</b>	<b>2,491,325</b>	<b>2,945,274</b>	<b>84.6 %</b>	<b>(453,949)</b>
Other Revenue	136,316	150,000	90.9 %	(13,684)
<b>Total Change In Net Assets</b>	<b>(1,463,305)</b>	<b>(1,630,274)</b>	<b>89.8 %</b>	<b>166,969</b>





## Sustainable Forestry Initiative Budget vs. Actual (in USD)

As of December 31, 2019

Reporting Book:

**ACCRUAL**

As of Date:

**12/31/19**

Business Unit Group:

**SFI w/o PLT**

	<b>Actual 12/31/19</b>	<b>Budget 12/31/19</b>	<b>Percent</b>	<b>Variance</b>
		SFI Budget 2019	YTD	YTD
<b>Operating Revenue</b>				
Grants	48,395	45,100	107.3 %	3,295
Certified Organization Fees	8,193,828	7,554,939	108.5 %	638,889
Service Fees	767,027	749,180	102.4 %	17,847
Conference	219,802	220,000	99.9 %	(198)
Contributions	63,767	76,100	83.8 %	(12,333)
Sales	5,960	5,000	119.2 %	960
Currency G/(L)	(1,844)	(28,938)	6.4 %	27,094
<b>Total Operating Revenue</b>	<b>9,296,935</b>	<b>8,621,381</b>	<b>107.8 %</b>	<b>675,554</b>
<b>Expenditures</b>				
Personnel	4,095,637	4,029,018	101.7 %	66,619
Outsourced Work	1,373,825	1,354,920	101.4 %	18,905
Promotion & Marketing	372,581	394,580	94.4 %	(21,999)
Grants & Partnerships	1,217,162	1,223,832	99.5 %	(6,670)
Meetings	855,163	590,854	144.7 %	264,309
General and Administrative Expenses	1,138,927	1,144,008	99.6 %	(5,081)
Other	41	0	0.0 %	41
<b>Total Expenditures</b>	<b>9,053,336</b>	<b>8,737,212</b>	<b>103.6 %</b>	<b>316,124</b>
Other Revenue	27,370	35,000	78.2 %	(7,630)
<b>Total Change In Net Assets</b>	<b>270,969</b>	<b>(80,831)</b>	<b>(335.2) %</b>	<b>351,800</b>



## **Briefing Note: Conflict of Interest Policy and Disclosure April 2020**

### **Background**

SFI maintains a **conflict of interest policy** that is in compliance with U.S. IRS rules, requiring directors, officers, and key employees to annually disclose conflicts of interest, and committing SFI to monitor and enforce compliance with the policy. SFI also requires each Board member to sign a **confidentiality commitment and conflict of interest disclosure form**, upon election to the Board.

The conflict of interest policy was **last updated in 2009** (and is available on the Board Members webpage at <https://www.sfiprogram.org/membersboardresources/>). As part of a review of current policies, SFI staff consulted with a lawyer and determined that **we should update our conflict of interest policy** to have more clarity on procedures and disclosures. SFI determined that we should similarly **update the disclosure form**, which had been updated in slight ways over the last several years but not substantially since 2009.

Following this briefing note are three items, each of which is elaborated on below:

1. The updated draft conflict of interest policy for Board of Directors
2. The updated annual confidentiality commitment and conflict of interest disclosure form
3. An email from Kathy Abusow to the Board in May 2018 regarding a potential conflict of interest for director Karla Guyn.

### **Conflict of Interest Policy for Board of Directors**

In consultation with legal counsel, SFI developed the updated draft conflict of interest policy for the SFI Board. The significant changes from the 2009 version include:

1. Separate policies for Board of Directors vs. employees (the 2009 policy covered both in one document but the majority of the language was pertinent only to employees),
2. The addition of definitions for potential covered interests and conflict of interests,
3. The addition of specific procedures for the Board to handle disclosure by directors of potential conflicts of interest,
4. The requirement for directors to *annually* disclose conflicts of interest.

***Requested Board Action:*** If time allows during the April 16 conference call, the Board is requested to discuss and approve the new conflict of interest policy. If there is insufficient time, the Board is requested to provide any suggested edits to Nadine by email ([Nadine.block@sfiprogram.org](mailto:Nadine.block@sfiprogram.org)) by April 30 and approval will be handled on the June 18 call.

### **Annual Confidentiality Commitment and Conflict of Interest Disclosure Form**

In consultation with legal counsel and to parallel the new draft conflict of interest policy, SFI developed the updated draft "annual confidentiality commitment and conflict of interest disclosure form". The significant changes from the prior version include:

- Certification of having received, read, and agreed to the conflict of interest policy,
- Certification of having either no conflict of interest to report or something to report – and space provided if there is something to report,
- Clarification that a director does not need to annually disclose an ongoing conflict that has already been disclosed, unless the circumstances have significantly changed,

- As recommended best practice, SFI staff will ask directors to sign this disclosure form annually instead of just at the point of election to the Board.

**Next Step:** Once the conflict of interest policy is approved, SFI staff will email this form to all directors, along with the final conflict of interest policy, and request that the form be completed and returned to Nadine by an identified deadline.

### **Potential Conflict of Interest for Karla Guyn**

In an email to the Board on May 29, 2018 (included with this briefing note), Kathy Abusow disclosed a contract with Ducks Unlimited Canada (DUC), of which Director Karla Guyn is CEO. The contract is related to DUC building a database for SFI related to its annual survey work. SFI has been very pleased with the delivery of the database work and this contract has continued into 2020.

Based on the conflict of interest form that Karla signed when she joined the Board, both Kathy and Karla felt it would be best practice to again disclose this conflict, even though it had been disclosed in 2018. Per the new form, annual disclosure of the same conflict would not be necessary.

*Prepared by: Nadine Block, SVP Government and Network Relations*



SFI-00001

## **SFI Conflict of Interest Policy for Board of Directors**

*Updated Draft March 25, 2020*

IRS Form 990 question states "does the organization have a written conflict of interest policy? Are officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflict? Does the organization regularly and consistently monitor and enforce compliance with the policy?"

### **I. Purpose and Scope**

The Sustainable Forestry Initiative (SFI) is organized to serve the public interest. SFI's **Conflict of Interest Policy for Board of Directors** (the "Policy") is designed to protect the interests of SFI when it is contemplating entering into a transaction or arrangement that might benefit or appear to benefit the private interest of any present or former director or officer. Each director and officer must act and use good judgment to maintain and further the public's trust and confidence in SFI.

This Policy establishes guidelines, procedures, and requirements for identifying an actual, potential, or perceived Conflict of Interest and appropriately managing a Conflict of Interest in accordance with legal requirements and the goals of accountability and transparency. SFI also maintains a Conflict of Interest Policy for Employees with parallel guidelines and procedures.

### **II. Definitions**

**Covered Interest:** Exists when any director or officer has directly, or indirectly, (a) an ownership or investment interest in any entity with which SFI has a transaction or arrangement, (b) a compensation arrangement with any entity or individual with which SFI has a transaction or arrangement, (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SFI is negotiating a transaction or arrangement, (d) a legal commitment or financial interest, including by virtue of a board appointment, employment position, or volunteer arrangement, to act in the interests of another entity or individual. A Covered Interest is not necessarily a Conflict of Interest. A person who has a Covered Interest may have a Conflict of Interest only if the Board decides that a Conflict of Interest exists.

**Conflict of Interest:** Arises in situations where, in the judgment of SFI's Board of Directors: (a) the outside interests or activities (such as Covered Interests) of a director or officer interfere or compete with SFI's interests; (b) the stake of a director or officer in a transaction or arrangement is such that it reduces the likelihood that such person's influence can be exercised impartially in the best interests of SFI, (c) a director or officer has divided loyalties.

### **III. Procedures for Directors and Officers of the SFI Board**

A director or officer of the SFI Board must disclose the existence of any actual, potential, or perceived Conflict of Interest as soon as it is identified, and before SFI enters into the proposed transaction or arrangement that gives rise to the Conflict of Interest.

The disclosure shall be made to the Board of Directors. After disclosure of the actual, potential, or perceived Conflict of Interest, the Board shall determine whether a Conflict of Interest exists. If this determination is made during a Board meeting, the director or officer who made the disclosure shall leave

the meeting while the determination is discussed. If the Board determines by majority vote that no conflict exists, no further review of the transaction is required if not ordinarily required in the normal course of business. The determination shall be documented in the minutes of the meeting.

If the determination is that a Conflict of Interest does exist, the Board shall take steps to ensure that the director or officer does not attempt to intervene with or improperly influence the deliberations or voting on the matter giving rise to the Conflict of Interest.

If the Board has reasonable cause to believe a director or officer has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose. The Board may take appropriate disciplinary and corrective action, up to and including removal from the Board.

#### **IV. Annual Disclosure**

Each director and officer shall annually disclose all new or previously unreported Conflicts of Interest in writing on SFI's disclosure form in accordance with this Policy and sign a statement that affirms that such person has:

- a) Received a copy of this Policy,
- b) Read and understands this Policy,
- c) Agreed to comply with this Policy, and
- d) No Conflict of Interest to report or is reporting current and any previously unreported Conflicts of Interest.



**SFI Inc. Board of Directors  
Annual Confidentiality Commitment and Conflict of Interest Disclosure**

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 the President.

Conflict of Interest. Each Director shall promptly disclose to the Board any circumstance that may constitute any actual, potential or perceived Conflict of Interest, including but not limited to the definitions described in the SFI Conflict of Interest Policy, as soon as it is identified and before SFI enters into any proposed transaction or arrangement that gives rise to the Conflict of Interest. Disclosures that have already been reported do not need to be reported again unless the circumstances have significantly changed.

By signing below, you certify to having:

- a) Received a copy of SFI's Conflict of Interest Policy,
- b) Read and understand this Policy, and
- c) Agreed to comply with this Policy.

You further certify, as noted below, to either:

- a) Having no Conflict of Interest to report, or
- b) Reporting current or previously unreported actual, potential, or perceived Conflicts of Interest.

\_\_\_\_\_ I have nothing to report

\_\_\_\_\_ I have the following information to report (describe below any relationship, event, activity, transaction, or arrangement you believe could create an actual, potential, or perceived conflict of interest, as described in the Policy; add additional pages as needed)

---

---

---

---

Name (Print) \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Please return to Nadine Block, SVP Government and Network Relations, by e-mail ([Nadine.block@sfiprogram.org](mailto:Nadine.block@sfiprogram.org)) or US mail (SFI Inc., 2121 K Street, NW Suite 750, Washington, DC 20037). If you have concerns or questions on this form, please contact Nadine at 202-596-3456.

**From:** [Abusow, Kathy](#)  
**To:** [Abusow, Kathy](#)  
**Subject:** SFI DUC contract work  
**Date:** Tuesday, May 29, 2018 6:28:51 AM  
**Attachments:** [image019.jpg](#)

---

To SFI Board:

I am writing to inform you that SFI has been in discussion with Ducks Unlimited Canada (DUC), of which Board Member Karla Guyn is CEO, on a contract to build a new database for SFI. The database would support our annual survey work and enhance what we can do with the data in our discussions with key stakeholders in the brandowner and conservation communities. While DUC is not a traditional IT company, they have an IT team of about 25 people that has available capacity. Although the contract is not yet final, discussions have progressed to the point where I felt it important to disclose this matter with the Board, per SFI bylaws. The full bylaws are available online at <http://www.sfiprogram.org/files/pdf/sfi-inc-bylaws-june-2013/> and the key provision is Article III, #10, included here:

*Conflicts of Interest. Each Director shall promptly disclose to the Board any circumstance that may constitute a conflict of interest, including but not limited to circumstances in which the Director or an organization with which he or she is affiliated (1) publishes a forest certification standard; or (2) does business or seeks to do business with SFI (except as a program participant, certificate holder or label user). The Board may require that the Director take steps to resolve the conflict, including but not limited to recusing himself or herself from Board discussion and decision on matters related to the conflict, or terminating the affiliation that creates the conflict.*

The SFI Leadership Team landed on using DUC based on their depth and breadth of their technical department and our access to a variety of service needs. The price of their services was significantly lower than others we have worked with to deliver these services. It is worth noting that Karla in no way influences or extends the scope of work to financially advantage DUC. The work DUC provides advances SFI's mission which also benefits DUC's mission.

Our Chairman, Mark Rodgers, has already been informed about this and is supportive of this path forwarded. Please let me know if you have questions or concerns on this matter.

Best regards,

Kathy

**Kathy Abusow**

President & CEO

Sustainable Forestry Initiative Inc.

Tel: 613-722-8734

email: [Kathy.Abusow@sfiprogram.org](mailto:Kathy.Abusow@sfiprogram.org)

[www.sfiprogram.org](http://www.sfiprogram.org)



## Written Update: SFI 2020 Community Grants April 2020

### **Background**

At the October 2019 Board meeting, the Board agreed with several recommendations from staff to consolidate and streamline SFI's grant programs to align with SFI's four pillars and the priorities within each pillar. The Board directed staff to annually present the results of decision-making within each grant program managed by SFI. This briefing note outlines the results of decisions made by staff relative to the Community Grants program for 2020.

### **RFP and Decision Process**

SFI issued a Request for Proposals (RFP) on December 5, 2019, with a deadline of January 31, 2020. The RFP indicated the grants were designed to support and promote collaboration with the SFI Network to support local communities' understanding of the value and benefits of sustainably managed forests. Projects were required to include an SFI Implementation Committee (SIC) or SFI certified organization as the lead applicant or an active project partner.

A team of SFI staff used the criteria established at the October 2019 Board meeting to review proposals and make recommendations for funding, which were then reviewed by SFI's Senior Leadership Team.

The criteria included:

- *SFI Strategic Priorities Alignment*: Does the project clearly align with SFI's Strategic Priorities?
- *Clarity*: Is the project proposal clear in its outline, including objectives, outcomes and milestones?
- *Relevancy*: Does this help SFI move the needle forward in relevant topics and help us to achieve our goals?
- *Connection to SFI Network*: Would the respective pillar communities find value and relevance with this grant?
- *Partners*: Are the partners credible and have we had success working with them before? Does this project provide an opportunity to expand our network?
- *Scalability or replicability*: Can the project be scaled to achieve greater results, or replicated to additional sites?
- *Cost*: Is the budget outlined reasonable? Is the request in line with our RFP guidelines?
- *Leverage*: Does the project bring leveraged resources and partnerships that ensure successful delivery and completion?
- *Geographies*: Does this project reach into areas where we have strong partnerships or presence, or increase our geographical reach?
- *Headline*: How would we convey the principal outcome to achieve greatest impact?

### **2020 Community Grants – Projects Accepted for Funding**

SFI received 56 Community grant proposals from across North America, the vast majority of which were extremely high quality and worthy of SFI support. **SFI accepted 11 community projects totaling \$71,000 USD**, representing a diversity of geographies and partnerships across the United States and Canada, as follows:

- **American Bird Conservancy**: Partnering with Georgia SIC, ABC will host a workshop in south Georgia that brings together SFI certified organizations and family landowners to discuss forest



management, bird habitat, and the critical role of managed forests in reversing population declines of forest breeding birds.

- **Clemson University:** This project will enhance the SC Women Owning Woodlands (SC WOW) program by providing resources for targeted, advanced trainings to female landowners in South Carolina, including on how to safely use pesticides for native and invasive pest control.
- **Lesser Slave Forest Education Society:** This project will deliver high-quality, hands-on forestry education field experiences to over 2,000 students, parents and teachers in the Lesser Slave Lake region. Educators, professionals and Indigenous elders will provide teachers that expand participants knowledge of sustainable forest management in the boreal.
- **MaineTree Foundation:** This project will educate guidance counselors in Maine high schools about forestry and green career pathways, through a workshop that offers resources about forest-based career training, using PLT's new "Green Jobs: Exploring Forest Careers" curriculum.
- **Minnesota SIC (grant #1):** The SIC will work with local Boy Scouts and other partners to build and erect over 100 forest bat maternal roost boxes using SFI Chain of Custody certified tamarack. Each will have an educational sign on the impacts of invasive white-nose syndrome on bats, and how sustainable forest management can provide bat feeding habitat.
- **Minnesota SIC (grant #2):** The SIC will partner with Project Learning Tree and local Native American teachers to modify PLT lessons to reflect Native American values and make those lessons available to Minnesota teachers with the purpose of increasing students' awareness of native cultures views of forest management.
- **Pacific Education Institute:** PEI (the PLT sponsor in Washington state) will partner with Yakama Nation (an SFI certified organization) to host PLT workshops and a forest tour for natural resources staff and educators. This will offer hands-on experiences and resources to improve understanding of natural resource management and the importance of sustainability.
- **Shíshálh Nation (Sechelt Indian Band):** This project will produce educational material aiming to identify, protect and map key cultural and medicinal plants in collaboration with forestry partners, including several SFI certified organizations and Indigenous nations. The funding will support the creation of a cultural plant field guide, host workshops with the community about identifying cultural plants, and map and field verify the location of these important plants.
- **Table Forêt Laurentides:** This project will support building a facilitator network within Quebec to support the establishment of PLT Canada within that province. The lead organization will work collaboratively with other organizations and the SIC to establish and train facilitators with support from PLT Canada, to delivery educational programming for all ages of schools.
- **University of Idaho** – Partnering with the Idaho SIC and SFI certified companies in Idaho, the University will use its under-construction mass timber sports arena to create marketing and education programing about the benefits of sourcing and building with local SFI certified timber.
- **Washington SIC** – This project will improve understanding of operational constraints for safe and environmentally-responsible tethered logging system use in the Pacific Northwest and Intermountain West. Research results will be used to develop best management practices and provide outreach to operators and land managers to help them meet SFI standards.

### **Grant Proposals NOT Accepted for Funding**

- Alabama SFI Implementation Committee: Sustainable Building - For the Birds?
- Alex Fraser Research Forest: Benefits of Sustainably Managed Forests - Signage Project
- Arkansas Forestry Association Education Foundation: 2020: Bringing Forestry Into Focus
- Association forestière de l'Abitibi-Témiscamingue inc.: Promotion and application of AFAT's educational programme
- Association forestière des deux rives: Regional forest event
- Association forestière du sud du Québec: School-based education program
- Association forestière Saguenay--Lac-St-Jean
- BC Tomorrow Society: BC Tomorrow Land Use Simulator: Innovative Technology for Sustainable learning

- Campbell River Forest Education Association: Elementary School Forest Education Program
- Central Westcoast Forest Society: Ucluelet and Tofino Field School - Education, Restoration and Monitoring
- Chuntoh (Forest) Education Society: Yunk'ut Whuts'odul'eh (We Learn from Our Land)
- Delaware Center For Horticulture Inc.: Delaware Center for Horticulture (DCH) Arbor Day: Schools and Parks Program (Program)
- Dischiibikoh (Red Rock) Community School: "Ndee bini' bida' ilzaahi" (Pictures of Apache Land, Pictures of Our Land)
- Earth Rangers: Earth Rangers Just 1 Tree Mission
- École Laurentide: A rooftop garden class
- Fédération québécoise des chasseurs et pêcheurs
- Florida SIC: Multiple Mediums to Reach Many- Revised
- Flowering Tree Trails of Baltimore: Herring Run Parks' Mid-Trail Native Trees & Neighborhood Engagement Project, Phase Two
- Forest and Woodland Association of Missouri: Expanding Awareness and Actions for Forestry Issues and Needs
- Forestry Association of South Carolina (FASC): Growing Careers in Forest Industry
- Gavin Lake Forest Education Society: 2020 Gavin Lake Grade 6 Forest Education School Program
- Georgia Forestry Foundation: Elevating Green Jobs in Georgia
- Glacier National Park Conservancy: Wildfire Fuel Reduction to Protect Old Growth Forests and Historic Structures
- Grande Prairie Environmental Sciences Education Society
- Habitat for Humanity of Autauga and Chilton Counties: Building Hope and Bright Futures
- Kingfisher Interpretive Centre Society: Conservation through Education
- Lil'wat Forestry Ventures: Traditional plant knowledge instruction
- Michigan Institute for Timber Resource and Educational Excellence (MITREE): Classroom in the Woods
- Minnesota SIC c/o Minnesota Forest Industries: Ensuring Forest Health Through Invasive Species Training
- Mississippi Forestry Foundation: Publication of Children's Forestry Book
- New Hampshire Sustainable Forestry Initiative Implementation Committee: 2020 Forests of New Hampshire Teacher Tours
- Nicholas Institute, Duke University: Building a forest carbon roadmap for North Carolina
- Northern Hardwoods Research Institute: Development of Knowledge Mobilization Products
- Nova Sylva: Forestry operations, myths and realities. Day to better understand the reality of forestry work
- Roanoke Economic Development (REDI), Inc. DBA The Roanoke Center (TRC): Sustainable Forestry Land Retention Program
- SC UpLift Community Outreach: Summerton Hemp House Project
- Texas SFI Implementation Committee: Teacher Conservation Institute: Urban Forest Connections Growth and Expansion
- South Dakota Project Learning Tree: The Way I See It
- Southern Environmental Center: Native Tree Classroom
- Tennessee Forestry Association SFI Implementation Committee: TFA Teacher Conservation Workshops
- TFBU FOUNDATION: TFBU Foundation 2020
- The Forest Foundation: California Forest Center Sustainable Forests Signage Update
- The Gideon's International in Canada: Hook & Paddle
- The Greening of Detroit: Green Corps - Engaging Underserved Youth in Forest Stewardship
- Workplace Safety North: Safe Driving on Forest Roads -- French

*Prepared by: Nadine Block, SVP Government and Network Relations; Jess Kaknevicus, VP Community Engagement*



## **Carbon, Climate Change, and Potential SFI Communications April 2020**

### **Background**

Following a discussion on conservation grants at the December 2019 Board call, an identified action was that “*SFI will develop a well-coordinated communications plan on efforts with carbon and climate change projects, reflecting brand strategy, and will provide board members with an opportunity comment.*” This briefing note shares SFI’s efforts to date and future plans.

### **SFI and Climate Change – The Opportunity**

SFI is in a strong position, through its standards, its Conservation Impact project, grant making and network, to elevate the role of sustainable forests in addressing climate change. Continuing to elevate climate change in communications aligns with SFI’s brand repositioning, launched at last year’s Annual Conference, to be a provider of solutions to global sustainability challenges.

Climate change is consistently identified as a key existential threat to both business and the environment. Through our standards, our conservation work, and our extensive network, SFI has the scale to make a difference on climate change. SFI-certified organizations act as a driving force in addressing climate through sound, science-based natural resource management on more than 360 million acres (147 million ha) of forestland. SFI’s Conservation Impact portfolio reflects the belief that managing forests sustainably contributes positively to climate outcomes in a variety of ways, ranging from maximizing carbon capture in healthy forests, to optimizing multiple benefits of forest products, to ensuring resiliency of ecological systems under changing climate scenarios. This research is tied closely to the SFI Standards and the current standard revision process.

SFI’s extensive network and expertise are key to climate solutions. Experts participating on SFI’s Conservation Impact Sounding Board positioned forest carbon (and climate change mitigation) as one of its three primary focal areas, validating the investment of SFI and key partners toward collaborative projects focusing on forest carbon. Since 2016, at least 12 related SFI projects have been working to develop understanding of the role of certified managed forests in sequestering carbon, and/or improving forest health and resiliency in the face of climate change. SFI’s investment in this research exceeds \$700,000, and with additional leveraged funds, including the contributions of partners, the total amount exceeds \$2.4 million (see table at end).

Climate change related projects in the Conservation Impact portfolio range in focus from assessing alignment between SFI certified forests, and their “readiness” for entry into the carbon trading market (Keeping Maine’s Forests), to a general assessment of whether forests managed to SFI Standards are contributing positively to desirable climate outcomes (Michigan State). Several additional studies are assessing actual carbon stocks and dynamics on SFI certified forests, based on the hypothesis that well-managed forests contribute positively to carbon sequestration (Canadian Carbon Assessments 1 & 2; Carbon Assessment of SFI US Footprint; Carbon in Forest Wetlands). Other projects facilitated by the [Conservation Grant Program](#) have measured carbon storage in boreal wetlands, identified baseline climate conditions in forests, and tracked soil productivity in carbon storage.

SFI’s body of work in climate change mitigation, research and collaboration, help establish the role of managed forests as a key solution to the climate change question. Effective communication of these

outcomes, and incorporation into the new SFI 2022 Program Standards, will be critical to maximizing impact, and securing SFI's place as a leader in this space.

## Sharing Results

SFI has successfully communicated about the climate and carbon work underway. In the near term, and beyond, there is an opportunity to expand this further, particularly as additional results are finalized and approved for external use. This section highlights some past communications approaches, and offers a pathway for future communication of results.

Some recent highlights include:

- Project Learning Tree's "[Teachers Choice Award](#)" was based on a publication focused on Climate and Carbon.
- Climate [video](#) featuring SFI Board Member, Jad Daley.
- Almost 300 social media posts within the last year have addressed SFI and climate or carbon including SFI's own posts and those shared by partners.
- Developed stories about our work [including one about how Michigan State found a strong connection between the SFI Standards of Sustainability and "Climate Smart Forestry"](#) and [blog posts about our conservation work](#) including carbon.
- Soon to be updated Labeling Guidelines will include more consumer based messages about carbon and climate for use by SFI label users.
- Numerous speaking and collaborative opportunities to highlight our work and that of our partners, including:
  - A jointly hosted meeting between the Conservation Impact Sounding Board and American Forests "Forest Climate Learning Lab". Paul Trianosky also participated in a past American Forests Learning Lab meeting as a "content expert" relative to conservation in managed forests.
  - A presentation by Paul Trianosky to the Longleaf Partnership Council in 2019, focused on SFI's Conservation Impact work.
  - Darren Sleep's participation in a jointly hosted meeting between the Canadian Forest Service (CFS) and the U.S. Forest Service (USFS) to develop a joint climate change "Moon Shot" proposal.

Plans for the upcoming year will focus on continuing to tell key success stories while also seeking to better consolidate results in order to tell a broader story about SFI's work and better link the SFI standards to climate outcomes.

For example, we hope to be able to soon make strong, big picture statements that resonate with broad audiences and are backed up with key data points such as, "Forests certified to SFI store X of carbon every year, the equivalent of taking X cars off the road." This will allow us to expand communications to more audience at all levels, and in particular, give SFI-certified organizations tangible results and messaging to use in their communications and help reach their sustainability goals. In the meantime, we will continue to focus on a variety of key elements:

- The bundling of climate content on the SFI website as part of a site refresh later this year so that all climate content can be easily accessed in one place. The site launch is targeted for July 1.
- A series of blogs highlighting key takeaways from our carbon/climate projects:
  - Blog 1: How managed forests actually fight climate change while generating multiple benefits (Michigan State project, the carbon accounting projects in US and CA).

- Blog 2: The hidden relationship of forest products to climate sequestration (i.e. the value of long-lived products in helping to meet this challenge), including green buildings (the Canadian carbon accounting project, plus numerous examples from outside SFI).
- Blog 3: It is more than just carbon – making the case for resilient forest ecosystems through management (U of Maine, American Forests, Manomet).
- We plan for at least one of these blogs per quarter throughout the rest of 2020.
- Public notification at the end of the Standards revision about how the SFI standard now addresses climate change more specifically. This could be done via webinar, press release, or other mechanism. Timing to align with overall standards revision announcements.
- Elevation of Conservation Impact at the Annual Conference by pushing the Sounding Board meetings to the main stage in October 2020.
- A promotion of final numbers as conservation results become complete, including those we'll get from NCASI regarding carbon in SFI forests in the US (available later this year), and the Canadian carbon assessment from Saskatchewan Research Council and CFS (expected to be available by end 2020).
- Additional media outreach including 1-2 op-ed articles highlighting SFI's role in climate and placed in relevant outlets. We plan to draft one of these in Q2 and one in Q3 with placement targeted for soon after completion.

## **Project Summaries**

The following projects are those that involve studies or efforts generated directly by SFI staff and partners that we believe will help us elevate and promote understanding of the role of well-managed forests in meeting the challenge of climate change. These projects, and related projects sponsored as part of the SFI Conservation Grants Program, constitute the climate change portion of SFI's Conservation Impact portfolio.

Several actions and projects were spurred by a report SFI commissioned in 2018, written by Chris Ridley-Thomas (KPMG), "Review and recommendations on climate change and carbon opportunities." The report recommended steps for SFI to take to better contribute to climate change solutions. These included shifting from "awareness" to action within the SFI Standards, better supporting SFI-certified organizations through effective communications of the climate mitigation benefits of forest management, and continuing engagement of the Conservation Impact Sounding Board.

- **Headline: SFI Forest Management Standards Advance Climate Outcomes**
  - In 2019, SFI developed a draft module for consideration within the SFI Standards program, focused on demonstrating climate change mitigation and climate adaptation, and incremental requirements for auditing and public reporting. The module is now serving as a critical source of information and guidance for the ongoing Standards Revision process.
- **Headline: SFI Certified Forests Offset the Annual Emissions of YYYY automobiles**
  - SFI is collaborating with the [National Council for Air and Stream Improvement, Inc. \(NCASI\)](#) to develop a tool that will estimate and display forest carbon stocks, and forest carbon stock changes, across the SFI footprint in the conterminous U.S.

Additionally, SFI has made substantial investments in carbon and climate change through Conservation Grant projects that effectively engage the academic and research communities, and leverage substantial additional resources to answer critical questions.

- **Headline: SFI Collaborative work Develops Method for Estimating Boreal Wetland Carbon Stores**
  - SFI is collaborating with the [Saskatchewan Research Council \(SRC\)](#), [Ducks Unlimited Canada](#), and [Louisiana Pacific Corporation](#) to develop a proven, practical method for

measuring wetland carbon storage. With long-lived tree species and deep deposits of peat, wetlands play a unique role in regulating water quantity and quality and in the conservation of biodiversity.

- Headline: SFI Research Proves the Unique Role of Certified Forests in Mitigating Climate Change, including the value of long-lived forest products
  - SFI collaborated with the Saskatchewan Research Council (SRC) and [Natural Resources Canada – Canadian Forest Service \(NRCAN – CFS\)](#) through two Conservation Grants to develop forest-carbon inventories across SFI’s Canadian footprint. The project, ranging across six Canadian Provinces, is unique in that it will include carbon removals from natural disturbance and carbon sequestered by harvested wood products.
- Headline: New Science from SFI Will Help Forest Managers Adapt to Climate Change, and Ensure a Healthier Future Forest
  - SFI is collaborating with [Manomet through a conservation grant](#) to assess resilience of forests to a changing climate, and monitor effects over time. Along with new tools to assess forest carbon and forest condition, these steps will enable forest managers to include climate change mitigation in forest planning and management.
- Headline: Better soils and better forest management are key to a better climate future
  - SFI is collaborating with the University of Maine to use soils data to inform SFI objectives related to soil productivity, carbon storage, and conservation. By evaluating the influence of different forest management practices, researchers can help forest managers understand climate change impacts on soil resources.
- Headline: American Forests teams up with SFI to build a higher understanding of forests and climate change
  - Working with [American Forests](#), SFI is helping to develop an approach for including soils in forest carbon calculations. American Forests will convey information on forest management practices that are beneficial for soil carbon, allowing managers to enhance approaches for climate mitigation.
- Headline: SFI certified lands hold promise for alignment with future carbon markets
  - [Keeping Maine’s Forests \(KMF\)](#) studied carbon credit programs to determine the degree to which forests managed to the SFI Standards meet their criteria and develop recommendations to SFI-certified organizations to improve alignment. KMF found that SFI-certified organization processes align well with the resources and systems for designing and maintaining carbon projects, though verification and related costs remain a hurdle for participation.
- Headline: Meeting the Climate Challenge through the SFI Program Standards and “climate smart” forestry
  - Through SFI’s [Michigan SIC](#), SFI collaborated with [Michigan State University’s Forest Carbon and Climate Program](#) to undertake a preliminary study to examine the climate benefits of SFI Forest Certification. Findings suggest that SFI’s standards and training materials effectively promote ‘climate-smart forestry’ concepts.
- Headline: SFI certified lands Prove that Forests Can Provide Ecosystem Services Through thoughtful, and profitable, management
  - Through a [Conservation Grant](#), SFI is collaborating with [Coalitions and Collaboratives, Inc \(COCO\)](#) to investigate the potential for forests certified to SFI to generate conservation-focused returns through the monetization of carbon, water, and conservation markets.

The following table outlines SFI's investment, engagement of SFI-certified organizations, and total investments made with leveraged funds:

<b>Project Title</b>	<b>Partners</b>	<b>SFI-certified organizations</b>	<b>Relevant region</b>	<b>SFI Funding</b>	<b>Total Project Budget</b>	<b>Year Completed/ to be Completed</b>
Report on carbon markets	KPMG	N/A	NA	\$10,000	\$10,000	2019
Draft Carbon Module	SFI Staff	N/A	NA	In kind	-	Reference for standard revision
Carbon in Forest Wetlands	DUC, SRC	LPCorp, Spruce Products Ltd.	Canada (Western Boreal)	\$150,000	\$513,000	Complete
Canadian Carbon Assessment – Phase 1	NRCan, SRC, FPAC	Saskatchewan Meadow Lake OSB, Manitoba Sustainable Development - Forestry and Peatlands Management, LPCorp, Weyerhaeuser	Canada (BC, AB, SK, MB, NB)	\$170,000	\$620,000	2020
Canadian Carbon Assessment – Phase 2	NRCan, SRC, FPAC	Saskatchewan Meadow Lake OSB, Manitoba Sustainable Development - Forestry and Peatlands Management, LPCorp, Weyerhaeuser	Canada (BC, ON, NB)	\$100,000	\$560,000	2021
Forest Climate Resiliency Project	Manomet	Hancock Timber Resource Group, Lyme Timber Company, Maine SFI SIC, Resource Management Service LLC	Northeast U.S.	\$75,000	\$150,000	2020
Forest practices assessment in the Acadian Forest	University of Maine	Cooperative Forestry Research Unit, Program Participant Members include: BBC Land LLC, J.D. Irving Limited, Katahdin Forest Management LLC, Landvest Inc. and LV Timber Co. LLC, the Maine Bureau Parks and Lands, Pingree Associates, Wagner Forest Management Ltd, and Weyerhaeuser Company	Maine, U.S.	\$90,000	\$207,493	2020

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.

<b>Project Title</b>	<b>Partners</b>	<b>SFI Program Participants</b>	<b>Jurisdiction/ region</b>	<b>SFI Funding</b>	<b>Total Project Budget</b>	<b>Year Completed/ to be Completed</b>
Forest Soils Assessment Tools	American Forests, University of Michigan, and Northern Institute of Applied Climate Science	Maryland Department of Natural Resources, Weyerhaeuser	Maryland, U.S.	\$40,000	\$213,097	2021
Preparing for carbon markets with Forest Certified to the SFI Standard	Keeping Maine's Forests, Appalachian Mountain Club	SFI SIC Maine, Plum Creek Timber	Maine, U.S.	\$20,000	\$26,500	Complete
Assessment of climate benefits of SFI Forest Certification	Michigan State University, USDA National Institute of Food and Agriculture	Michigan SFI Implementation Committee, and Weyerhaeuser	U.S. and Canada	\$10,000	\$33,000	2020
Conservation returns on carbon assessment	COCO, RenewWest, DenverWater, Colorado Springs Utilities	Fruit Growers Supply Company	Pacific Northwest, U.S.	\$32,000	\$64,000	2021
Carbon Assessment of SFI U.S. Footprint	NCASI	N/A	U.S.	\$20,000	\$20,000	2020
<b>Total Investment</b>				<b>\$717,000</b>	<b>\$2,417,090</b>	

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.



# THE MARKET POSITIONING TASK FORCE IDENTIFIED 60 COMPANIES OF IMPORTANCE. SFI HAS CONDUCTED 44 MEETINGS, CURRENT STATUS IS AS FOLLOWS:

**18** COMPANIES ARE SFI CERTIFIED OR IN THE PROCESS OF GETTING SFI CERTIFICATION, OR REQUESTING THEIR SUPPLIERS GET SFI CERTIFIED.

**15** COMPANIES USE THE SFI LABEL OR HAVE REQUESTED THEIR SUPPLIERS INCORPORATE THE LABEL ON PRODUCTS.

**7** COMPANIES ARE LOOKING AT THEIR POLICY TO BECOME MORE INCLUSIVE TOWARDS SFI.

**3** COMPANIES JOINED THE STANDARDS REVISION TASK GROUP

**2** COMPANIES ATTENDED THE CONSERVATION IMPACT SOUNDING BOARD MEETINGS

**2** COMPANIES JOINED THE FOREST PARTNERS PROGRAM

**2** COMPANIES SPOKE AT THE SFI ANNUAL CONFERENCE

# MARKET POSITIONING TASK FORCE SCORECARD

## FACT SHEETS

**WHY CHOOSE SFI?**  
The Sustainable Forestry Initiative is an independent, non-profit sustainability leader that stands for future forests.

**WHAT WE DO:** SFI provides health, safety, environmental, product, conservation, and social responsibility standards and guidance to help you meet your goals. We work with the forest sector to drive change, improve practices, increase productivity, enhance efficiency, and improve the lives of forest workers.

**WHAT WE DO FOR YOU:** SFI provides a comprehensive set of standards and guidance that can be tailored to your specific needs. We offer a range of services to help you meet your goals, including audits, training, and technical assistance.

**25%** OF GLOBAL WOOD PRODUCTS ARE SFI CERTIFIED

**94%** OF THE WORLD'S FOREST MANAGERS ARE SFI CERTIFIED

**41%** OF THE WORLD'S FOREST AREA IS SFI CERTIFIED

Why Choose SFI

**SFI'S ROLE IN THE SUSTAINABILITY SUPPLY CHAIN**

The Sustainable Forestry Initiative is committed to being a part of the solution to the global climate change challenge. We work with our members and partners to drive change in the forest sector, from the forest to the mill, and from the mill to the consumer.

**GOAL 13: CLIMATE ACTION**  
SFI is committed to reducing its own carbon footprint and helping its members and partners to do the same. We are working to reduce our greenhouse gas emissions and improve our energy efficiency.

**GOAL 15: LIFE ON LAND**  
SFI is committed to protecting and restoring ecosystems, and promoting biodiversity. We are working to improve the health of our forests and the lives of the people who depend on them.

SFI's Role in the Sustainability Supply Chain

**SFI and the Sustainable Development Goals**

The Sustainable Forestry Initiative is committed to being a part of the solution to the global climate change challenge. We work with our members and partners to drive change in the forest sector, from the forest to the mill, and from the mill to the consumer.

**GOAL 13: CLIMATE ACTION**  
SFI is committed to reducing its own carbon footprint and helping its members and partners to do the same. We are working to reduce our greenhouse gas emissions and improve our energy efficiency.

**GOAL 15: LIFE ON LAND**  
SFI is committed to protecting and restoring ecosystems, and promoting biodiversity. We are working to improve the health of our forests and the lives of the people who depend on them.

SFI and the Sustainable Development Goals

## KEY EVENTS

### CONSUMER PRODUCTS AND PACKAGING

**The Consumer Goods Forum**  
**The Sustainability Consortium**  
**Sustainable Packaging Coalition**  
**GreenBiz**  
**SB**

### TEXTILE

**TextileExchange Sustainability Conference**  
VANCOUVER 2019

### LUMBER AND ENGINEERED WOOD

**GREENBUILD**  
INTERNATIONAL CONFERENCE AND EXPO  
NOVEMBER 19-22, 2019  
Georgia World Congress Center | Atlanta, GA

**IWBC**  
Industrialized Wood-Based Construction Conference

**MASSTIMBER CONFERENCE**  
INTERNATIONAL  
March 19-21, 2019

### MARKET PULP

**TISSUE WORLD**  
Miami

Secured a speaking opportunity at

## VIDEOS

**Strategic Direction**

Strategic Direction

There are over **300 Million Acres** of forests certified to SFI

**The Scale of SFI's Standard**

The Scale of SFI's Standard

**Why Use The SFI Logo**

Why Use The SFI Logo

**Connecting to nature**

Connecting to nature

What is a species at risk?

**Species at Risk**

Species at Risk

**Importance of Forests Mitigating Climate Change**

Importance of Forests Mitigating Climate Change

## Written Update - Genetically Modified Trees April 2020

The SFI program has strong existing measures in the SFI Forest Management Standard and the SFI Fiber Sourcing Standard regarding research on genetically modified trees via forest tree biotechnology. The use of genetically modified organisms is an evolving issue and as federal and international laws, regulations, agreements, treaties and marketplace recognition of the use of genetically modified trees via forest tree biotechnology change, SFI Inc. will proactively review and update the SFI Standards as necessary.

In 2014 the SFI Board adopted a policy on forest tree biotechnology. This policy was developed in large part due to the evolving science, but also how other forest certification standards address this issue. Oregon State University sent SFI a letter requesting SFI work with PEFC to develop a pragmatic approach on this issue. PEFC has agreed to review their policy during their next PEFC Board meeting and have the PEFC SFM work group review any changes.

### SFI's Current Policy on Genetically Modified Trees via Forest Tree Biotechnology

- A. SFI Inc. recognizes that forest tree biotechnology offers the potential to prevent the loss of tree species like the American Chestnut due to devastating diseases and to further improve the quality and productivity of trees, their resistance to insects and disease and to grow trees with characteristics that allow them to be more efficiently manufactured into building products, paper and to provide feedstock for bioenergy.
- B. SFI Inc. recognizes that genetically modified trees are not approved for commercial plantings in the United States and Canada and, even if approved in the future, it will take many years for fiber from genetically modified forest trees to reach manufacturing facilities.
- C. SFI Inc. realizes that much research is still being conducted to study the ecological cost benefits of genetically modified trees and regulations concerning forest biotechnology continue to evolve. As such research and regulations develop; SFI Inc. will review to understand the impacts of genetically modified trees from an ecological perspective.
- D. SFI Inc. is endorsed by the Program for the Endorsement of Forest Certification ([www.pefc.org](http://www.pefc.org)) which has restrictions on the use of genetically modified trees until December 31, 2022:

*"Genetically-modified trees shall not be used."*

*Note: The restriction on the usage of genetically modified trees has been adopted based on the Precautionary Principle. Until enough scientific data on genetically modified trees indicates that impacts on human and animal health and the environment are equivalent to, or more positive than, those presented by trees genetically improved by traditional methods, no genetically modified trees will be used."*

*Note: The policy on the exclusion of material from genetically modified forest based organisms remains in force until 31 December 2022."*

- E. Given the issues identified in item (b) regarding legal approval and lack of commercialization and in item (d) regarding PEFC requirements for endorsement of the SFI program, the use of fiber from genetically modified trees via forest biotechnology is not approved for use in SFI labeled products.
- F. The SFI 2022 Standards and Rules requirements regarding research on genetically modified trees via forest tree biotechnology will remain in place.
- G. SFI Inc. will proactively review and update the SFI 2022 Standard and Rules language and this policy as necessary.

At a future SFI Board meeting we will review SFI's current policy. Below is a letter sent to SFI from Oregon State University.



Steven H. Strauss, Distinguished Professor  
Department of Forest Ecosystems & Society, 321 Richardson Hall  
Oregon State University, Corvallis, Oregon 97331-5752 USA  
T 541-737-6578 | F 541-737-1393 [Steve.Strauss@oregonstate.edu](mailto:Steve.Strauss@oregonstate.edu)

December 6, 2019

Kathy Abusow  
SFI President and CEO  
2121 K Street, NW, Suite 750  
Washington, DC 20037

Re: Request for formal review of the PEFC policy on gene editing/modification in light of scientific evidence and rapidly growing stresses on forests

Dear Ms. Abusow,

As CEO and President of the Sustainable Forestry Initiative, we ask for your assistance in stewarding a global change in sustainable forest management system policies that would support forest health by allowing the safe use of GE trees on certified lands.

I am writing on behalf of more than 1,000 people who signed the “Petition to Support Modern Forest Biotechnology Research.”<sup>1</sup> This effort has gained mainstream attention<sup>2</sup> because of its importance to forest health. The recent publication in the research journal *Science* best sums up the imperative for allowing GE tree research to expand onto certified forest lands:

*“Given the growing need for sustainable and renewable forest products and the increasing precision and safety record of biotechnologies, we believe that GE trees can make a substantial contribution to management of certified forests. To face the challenges of forest health, carbon sequestration, and maintenance of other ecological services, we must use all available tools. GE tree research should be allowed immediately on certified land, and GE trees proven by research to provide value should eventually be allowed in certified forests.”<sup>3</sup>*

SFI is the leader in promoting science-based sustainable forestry in North America. The scientific research on the benefits of GE trees is overwhelmingly in favor of certification systems embracing these technologies when they are proven safe and effective.<sup>4</sup>

<sup>1</sup> <https://today.oregonstate.edu/news/forest-science-coalition-calls-review-restrictive-policies-regarding-biotech-research>

<sup>2</sup> <https://www.sciencemag.org/news/2019/08/scientists-say-sustainable-forestry-organizations-should-lift-ban-biotech-trees>

<sup>3</sup> [http://people.forestry.oregonstate.edu/steve-strauss/sites/people.forestry.oregonstate.edu/steve-strauss/files/Strauss\\_etal\\_Letter\\_ScienceMag\\_Aug2019.pdf](http://people.forestry.oregonstate.edu/steve-strauss/sites/people.forestry.oregonstate.edu/steve-strauss/files/Strauss_etal_Letter_ScienceMag_Aug2019.pdf)

<sup>4</sup> <http://nas-sites.org/dels/studies/forest-biotech>

We ask SFI to continue to lead, and support advanced, safe, and effective tools that can bolster forest health. We formally ask you to share this letter with the SFI Board<sup>5</sup> and request that you work diligently to eliminate constraints that result in a ban on the use of these trees on SFI lands. This includes constraints imposed by the Programme for the Endorsement of Forest Certification (PEFC) as a requirement of endorsement for SFI. With your help, sustainable forest management systems in North America and beyond can update their policies in line with current scientific evidence and the rapidly growing climate crisis.

Sincerely,

A handwritten signature in black ink, appearing to read 'S.H. Strauss', with a long horizontal flourish extending to the right.

Steven H. Strauss, Distinguished Professor

---

<sup>5</sup> <https://www.sfiprogram.org/board>