SFI® MONTHLY

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Governor Schwarzenegger Vetoes LEED Bill

ON OCT. 14TH, California Governor Arnold Schwarzenegger vetoed Assembly Bill 888 that would have required builders to reach the LEED "gold" rating for commercial buildings larger than 50,000 square feet. Schwarzenegger, who has made protecting the environment a cornerstone of his administration, wrote in a letter to the Assembly that while he supported green building there is a the bias that exists for certain materials over others in the proposed Bill without a clear benefit. Below is a copy of the letter:

To the Members of the California State Assembly:

I am returning Assembly Bill 888 without my signature. I support the development of green building standards and share the goals of this bill. However, if implemented provisions in this bill would create a bias for certain building materials over others without a clear benefit. For instance, the use of California wood building construction materials is highly discouraged in favor of foreign grown bamboo and wheatgrass.

Additionally, building standards should not be

statutory. The Building Standards Commission was created to ensure an open public adoption process allowing experts to develop standards and periodic updates to the building codes.

Allowing private entities, such as proposed in this bill, to dictate California's building standards usurps the state's authority to develop and adopt those standards and could compromise the health and safety of Californians. I encourage state agencies to review all nationally recognized programs and glean from those programs, standards that promote greener construction, energy and water conservation, and reduce Green House Emissions.

It is imperative to expedite the greening of California's building standards. As such, I am directing the California Building Standards Commission to work with specified state agencies on the adoption of green building standards for residential, commercial, and public building construction for the 2010 code adoption process.

— Sincerely,

Arnold Schwarzenegger

U.S. NATIONAL FORESTS MEET CERTIFICATION STANDARDS

Portland, Ore. – An audit of five U.S. national forests shows they perform well in meeting many of the widely accepted and rigorous standards for sustainable forestry set by SFI and the Forest Stewardship Council (FSC).

During the two-year study, third-party auditors evaluated current forest management practices on national forests in Pennsylvania, Oregon, Wisconsin and Florida.

The study, conducted by the Pinchot Institute for Conservation in cooperation with the U.S. Forest Service, was designed to help assess the value and implications of certification in national forests. The agency is in the process of reviewing the results, and will evaluate its options in consultation with key stakeholders.

"This National Forest Service Certification Study has provided us with a valuable opportunity to learn about FSC and SFI certification and the third-party auditing processes associated with them, to evaluate how NFS approaches align with these systems," said Sally Collins, associate deputy chief of the U.S. Forest Service. Study coordinators agreed that:

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- Both FSC and SFI processes explored a wide range of issues substantially affecting the sustainability of management of the participating national forests.
- The standards cover an appropriate balance among economic, environmental and social concerns.
- The programs provide a good test of staff ability to perform their responsibilities.
- The evaluations provided opportunities for interest groups to provide input regarding the agency's commitment to sustainable forestry and identified the concerns of their stakeholders.

The coordinators also reported that the SFI and FSC evaluations provided positive, independent reinforcement of their management activities while identifying areas where improvements are needed.

The report, posted at www.fs.fed.us/projects/forest certification/index.shtml, says third-party forest certification is one of the most significant developments in the field of forest management in the last two decades.

SFI REPORTS ON YALE CERTIFICATION WORK FOR USGBC

The Yale Program on Forest Policy and Governance is soliciting comments on a set of draft policy documents prepared for the US Green Building Council (USGBC). These documents assess USGBC's policy options regarding the recognition of forest certification as an indicator of environmentally and socially preferable wood products as part of green building certification.

Organizations from across North America and Europe are submitting comments. The assessment is to guide the USGBC in assessing the credit given for certified forest products under the category of Materials and Resources. Currently a point is credited for use of FSC-certified products only.

SFI has informed the authors of the report that it finds the document problematic for a number of reasons, including:

- It cites only the FSC US-Pacific Coast standard, which accounts for very little of FSC's certified products, and fails to note that FSC has 13 different standards across North America, including the boreal standard, which accounts for more than 60% of all FSC certifications in North America.
- 2. PEFC is assessed against the rest of the standards, when it should be compared to FSC international criteria.
- 3. It fails to acknowledge that chain-of-custody similarities exist across all standards.

SFI, Inc. believes that both USGBC and its constituents would be best served by a decisionmaking structure that allows all certification systems to compete on a level playing field. The standards that Yale proposes could be revised to

enable and facilitate such competition. However, the Yale report should be revised to eliminate all factual assumptions and predictions, and all policy recommendations that tend to stack the deck in favor of one standard over others.

A full copy of SFI's comments on the report can be obtained by calling Karen Brandt. Kathy Abusow has been asked to present at the upcoming USGBC's biobased/certified wood forum at Greenbuild on Nov. 6th. Jason Metnick and Allison Welde will attend the conference and represent SFI at its booth.

Unisource Earns SFI Chain-of-Custody Certification

UNISOURCE WORLDWIDE, INC., one of the largest distributors of paper, packaging and facility supplies in North America, has earned SFI Chain-of-Custody Certification.

Unisource's warehouse facilities are certified now to SFI, PEFC and FSC, making it the first national distributor to earn three certifications.

"Our chain-of-custody certification is a prestigious seal of approval, and it provides assurances to our customers that we are following best practices and fulfilling our responsibilities in forest management," said Ed Farley, Unisource vice president, marketing – paper. "The market demand for chain of custody is continuing to increase and our certification strengthens our environmental stewardship."

Since January 2007, the number of SFI chain-of-custody certificates has grown by 90%, and today more than 320 facilities across North America are certified. Unisource joins other printers, such as Pictorial Offset Corp., Rowland Printing, the EPI Companies, United Book Press and many more who also carry SFI chain of custody and SFI paper products.

For more information on SFI Chain-of-Custody Certification, contact Jason Metnick.

NEW CHAIN-OF-CUSTODY CERTIFICATIONS: Agility Press, Inc., Jacksonville, FL Documation LLC, Eau Claire, WI EarthColor, West Orange, NJ EnvelopeAmerica, Boothwyn, PA French Paper, Niles, MI M-Real New Jersey Service Corporation, Norwalk, CT Nahan Printing, St. Cloud, MN PCI, Paper Conversions Inc., Syracuse, NY

Unisource WorldWide, Inc., Norcross, GA (Multi-Site) Western States Envelope & Label, Milwaukee, WI (Multi-Site)

> NUMBER OF ACRES 3rd party certified to the SFI 2005-2009 Standard:

> > 135 million acres (54.6 million hectares)

NEW SFI PROGRAM PARTICIPANTS:

Downie Street Sawmills NY State Department of Environmental Conservation Scotch Plywood Company Evergreen Pulp, Inc.

BOARD APPROVES LABEL REVIEW TASK FORCE

The SFI, Inc. Board of Directors recently approved the establishment of an SFI Label Review Task Force to conduct a comprehensive review of all labels and the label use requirements. This will include looking at new ways to clearly communicate SFI Standard procurement system requirements and successes.

SFI Launches New Marketing Campaign



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SFI IS LAUNCH-ING a new marketing campaign this fall aimed at promoting awareness of the SFI brand among consumers. The campaign includes ads running in major publications, billboards, bus shelters and kiosks in major centers in the US. "At no time has certification been more in the spotlight. Customers are looking for ways to meet their corporate social responsibility goals while consumers are looking for products that reflect their environmental values," said SFI CEO and President Kathy Abusow. "The SFI certification standard is an excellent way to help buyers and consumers make sound purchasing decisions, and it is important that they know they have choice when it comes to certified forest products."

The first phase of the campaign from October through to December aims to increase SFI's brand visibility among customers, accelerating SFI labeling of products and position SFI as an established and practical option. For more information on this campaign, contact Karen Brandt.

SIC SPOTLIGHT: Quebec SIC Promotes SFI Program

The Quebec SIC has been very active on the outreach front, including getting Quebec wood marketing boards and private woodlot owners involved in the SFI Standard.

The hard work is slowly paying off, but it needed an extra boost so the SIC invited Jay Farrell, SFI's Manager - Field Operations, to visit and experience Quebec's situation firsthand. This gave program participants a chance to explain the challenges faced by Quebec companies and to discuss various issues and possibilities for SFI, Inc. and other SICs have put forth. Caroline Couture, out-going chair of Quebec's SIC, concluded that "it was very enlightening for the participants and will be something Quebec will definitely repeat in the near future".

Farrell's visit coincided with a major event in Quebec on Sept. 19th and 20th called the Carrefour de la Recherche forestière. The theme of the 7th



annual event was "Knowledge Keeps Misconceptions Away". Organized by the Quebec Ministry of Natural Resources and Wildlife, the event brought together more than 700 forestry, environment and wildlife specialists from Canada and around the world. Over 175 stands were staffed by 500 participants, eager to display their latest findings and share them with 3,000+ visitors from various backgrounds. Some 200 guest speakers completed the line-up for this event, which also hosted 17 related workshops.

MeadWestvaco to implement SFI and PEFC Chain-of-Custody Certifications

ON SEPTEMBER 13TH, MeadWestvaco Corporation announced that it is pursuing Sustainable Forestry Initiative® (SFI) Chainof-Custody Certification for all of its North American paperboard mills. It will also be implementing Chain-of-Custody certification in accordance with the internationally recognized Programme for the Endorsement of Forest Certification Schemes (PEFC), the world's largest forest certification system.

"SFI and PEFC Chain-of-Custody certifications are an integral part of sustainable business practices for both

MeadWestvaco and our customers," said Mark Watkins, senior vice president of MeadWestvaco.

MeadWestvaco will begin labeling all of its North American paperboard products with "SFI Fiber Sourcing" labels. The labeling effort will extend to many MeadWestvaco converting facilities, and be offered to customers that meet specific requirements in accordance with SFI standards. For more information on SFI Chain-of-Custody Certification, contact Jason Metnick.

Jay Farrell Leaves SFI

JAY FARRELL, manager - field operations at SFI, is moving to the National Association of State Foresters. SFI, Inc. will miss Jay, and we are grateful for his years of dedication and accomplishments with the SFI program. We wish Jay well and

look forward to working with him in the years to come!

Dear Friends,

I will be leaving SFI, Inc. on November 2nd to begin a new position as Executive Director of the National Association of State Foresters (NASF). I do this not to leave SFI, but to accept an exciting new opportunity. This has been a sad and difficult decision. SFI has been the focus of my career since 1998, when I first started working with the state implementation committees. It has been exciting to watch the program grow to 32 state committees to 37 state, provincial, and regional SFI Implementation Committees (SICs).

I want to express my appreciation for the many SIC Chairs, Coordinators, and other volunteer leaders that it has been my great privilege to work with. Your amazing dedication has visibly improved forestry practices and provided a solid foundation for the world's best certification system. And I look forward to continuing our friendships.

I also want to express my appreciation to everyone at SFI, whom I view as both colleagues and friends. It is a rare privilege to work every day for something you believe in with good friends who also happen to be world-class professionals. I am excited about the direction that SFI is moving and I look forward to seeing SFI continue to grow, and I look forward to continuing to support SFI. — Jay

QUEBEC GOVERNMENT COMMITS TO FOREST CERTIFICATION

The Quebec government has stated that it has reviewed the issue of sustainability in Quebec's forests and that all Quebec's forestry companies will be required to prove that they are managing the forests responsibly and sustainably. One of the indicators of this will be to obtain third-party forest certification. Currently 40% of Quebec's productive forests are certified to CSA, FSC or SFI. The Quebec government has stated

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it will take an inclusive approach and will not put one certification standard ahead of another.

In a separate communications, Claude Béchard, Quebec's minister of natural resources and wildlife criticized the Greenpeace boreal campaign. Béchard stated that as for the people living in the boreal forest, why wouldn't they do everything in their power to manage, protect, and develop the forest resource.

SFI, INC. AWARDS PARTICIPANTS FOR EXCELLENCE

SFI, Inc. recognized outstanding achievements at the SFI Annual Conference. This year's recipients were:

- The Tennessee Sustainable Forestry Initiative Implementation Committee (Tennessee SIC) received the 9th annual SIC Achievement award for its outstanding work in promoting the SFI program and sharing best practices.
- Graphic Communications and xpedx both received the inaugural President's Award for innovation in marketing and communications. The awards story as well as the announcement of SFI's new president was also picked up some media outlets including Graphic Design USA Enewsletter and can be viewed at http://www.gdusa.com/ egdusa/pages/071019-green.html
- SFI, Inc. also announced two new awards to be given at next year's conference:
- Sharon G. Haines Memorial Award for Innovation and Leadership in Sustainability, in honor of Dr. Haines' many achievements in forestry. SFI, Inc. will work with International Paper to develop criteria and assess candidates over the next year.
- Achievement in Conservation Award: SFI, Inc. will partner with the Congressional Sportsmen's Foundation to develop criteria and select a candidate for an Achievement in Wildlife Management Award in 2008, and will work with other partners to highlight additional conservation achievements in future years.

Press releases for the awards presented this year are posted at: http://www.sfiprogram.org/ news.cfm. For more information, contact Amy Doty.



Kevin Hoyt, Tennessee SIC Chair, accepts 2007 SIC Achievement Award from Kathy Abusow

PEFC Sets New Direction at General Assembly

PEFC, the world's largest forestry certification organization, launched a new strategy at its 11th General Assembly in Munich, Germany, on Oct. 5th, 2007. The strategy is aimed at increasing awareness of the PEFC program, promoting forest certification in the marketplace and growing the market for certified forest products.

"This new strategy marks a significant switch in the strategic direction from production to market access orientation," said Ben Gunneberg, secretary general of the PEFC Council. Key elements of the plan include:

- Maintaining PEFC's current share of over 60% of the total global capacity of certified industrial roundwood;
- Ensuring free, open markets for PEFC's certified products throughout the world;
- Improving communications;
- Reviewing and restructuring PEFC's governance structure; and
- Supporting, strengthening and growing the central and regional structures of PEFC to deliver the overall strategy.

For more information, contact Karen Brandt.

PEFC Members Elect Two North Americans to Board

NORTH AMERICANS Bill Street and Karen Brandt were elected to PEFC's Board of Directors at the 11th General Assembly in Munich on Oct. 5th, 2007.

Bill Street is currently the International Representative for the Woodworkers Department of the International Association of Machinists and Aerospace Workers, the largest US labor union representing forest and mill workers. He also sits on SFI's resources committee. Karen Brandt is the VP, Market Affairs for SFI, Inc. Both were appointed to three-year terms.

Bill Luddy, director for United Brotherhood of Carpenters and Joiners of America and Labor-Management Education and Development Fund, was re-elected for a second term to the Council. Bob Simpson, national director of the American Tree Farm System, continues as vice chairman of PEFC's Board of Directors.

For more information, contact Karen Brandt.

Flying High With SFI

EARLIER THIS YEAR, Larry Selzer, President and CEO of The Conservation Fund, taped an interview with SkyRadio about the SFI program and sustainability. The interview aired on American Airlines and Northwest Airlines during the month of September, and will run on Aloha Airlines in November and December. To listen to the interview, visit our website at www.sfiprogram.org/news.cfm. SFI is also pleased to note that US Air, United, Delta and Southwest airlines have been using SFI paper, and have been communicating this in their in-flight magazines.

This fall, ads also ran in various trade publications featuring Larry Selzer and SFI.



SFI, INC. STAFF PROFILES:

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- KATHY ABUSOW, ext. 25 President & CEO Kathy.Abusow@sfiprogram.org
- RICK CANTRELL, ext. 26 Vice President & COO Rick.Cantrell@sfiprogram.org
- KAREN BRANDT, ext. 28
 Vice President, Market Affairs Karen.Brandt@sfiprogram.org

• JAY FARRELL, ext. 22 Manager, Field Operations Jay.Farrell@sfiprogram.org Jay manages field-oriented efforts that protect SFI integrity and promote SFI Standard conformance. He provides guidance and support to SFI Implementation Committees (SICs) to deliver local training, outreach, and inconsistent practices monitoring programs that enhance sustainable forestry practices and SFI recognition. This includes documenting and communicating progress through annual SIC awards and reports.

• JASON METNICK, ext. 23 Director, Market Access and Product Labeling Jason.Metnick@sfiprogram.org Jason manages all aspects of the SFI and PEFC licensing, labeling and chain of custody programs. He is also the contact for the SFI annual survey forms and ensuring SFI is recognized in green building standards.

• ALLISON WELDE, ext. 24 Manager, Conservation Partnerships Allison.Welde@sfiprogram.org Allison is the principal liaison with conservation and social interest organizations that work on forest certification and conservation issues. She works with existing SFI Program supporters and engages new organizations to support SFI. Currently, Allison is also the US PEFC National Secretary and the main contact for PEFC in the US.

AMY DOTY, ext. 21 SFI, Inc. Office Manager

Amy.Doty@sfiprogram.org Amy manages the SFI Inc headquarters office and is the main contact for general inquiries and publication requests. She also organizes all SFI events such as meetings, workshops and the SFI Annual Conference and is staff liaison on all marketing and communication efforts.

SFI CELEBRATES RECORD GROWTH AT 12TH ANNUAL CONFERENCE

AT ITS ANNUAL CONVENTION in

Utah, SFI, Inc. put an exclamation point on a year in which it achieved full independence, welcomed a new president and saw chain-of-custody certificates grow by 90%.

"The market demand for certified products is growing worldwide in response to a growing number of consumers who want to make product choices that are best for the environment," said SFI CEO and President Kathy Abusow. "The market has clearly demonstrated a growing preference for certified products and, as the only North America-wide standard, SFI has the supply to meet this new demand."

This year's annual conference brought together more than 170 delegates from the conservation, academic, labor and government sectors, forest and forest product companies, as well as auditing agencies

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that provide third-party auditing for the program. The delegates came from across North America and Europe to discuss the latest trends in green markets, chain of custody and carbon.

"SFI has worked hard over the past year to demonstrate the rigor of its standard and the ability to meet the supply needs of the market," said John A. Luke, Jr., chair of the SFI Board and chairman and CEO of MeadWestvaco Corporation. "The market has responded with global recognition and acceptance of SFI certified products, and I believe this will continue to grow."

SFI, Inc. wishes to thank all of the attendees, speakers, sponsors and others that made the 2007 SFI Annual Conference a great success! For more information about this year's conference, contact Allison Welde.

SFI ANNUAL CONFERENCE SPONSORS



MARK YOUR CALENDAR SFI, INC. ANNOUNCES LOCATION OF 2008 ANNUAL CONFERENCE

The 2008 SFI Annual Conference will be held Sept. 23-25, 2008 at the Hilton Minneapolis, Minneapolis, Minnesota. Information regarding conference programming and registration will be available in early summer. For more information, contact Amy Doty.

PROMOTING THE STANDARD

Over the past two months, SFI staff have been involved at a number of recent conferences and meetings involving customers and stakeholders. President and CEO Kathy Abusow spoke at the annual convention of the Envelope Manufacturers Association. SFI had a booth at the Wal-Mart CEO Sustainability Forum to highlight its strong forest management standard and its fiber sourcing requirements, and found that many participants wanted to learn more about off-shore procurement assurances

SFI, Inc. staff or participants also attended the following shows promoting the benefits of SFI certification:

- National Hardwood Lumber Association (NHLA) Annual Convention and Exhibit Showcase, Sept. 12-15, Washington, DC;
- High Point Furniture Market, Oct. 1-7, High Point, NC (Harden Furniture exhibit booth);
- Direct Marketing Association Conference and Exhibition, Oct. 14-17, Chicago, IL; and
- Society of American Foresters Annual Convention & Exhibition, Oct. 23-27, Portland, OR

Look for SFI, Inc. staff and information at the following shows during the month of November: USGBC Greenbuild Conference and Expo, November 6-8, Chicago, IL and Wood Solutions Fair, Nov. 7, Toronto, Ontario, Canada

SFI – THE NORTH AMERICAN STANDARD KEY FACTS

INDEPENDENT GOVERNANCE — SFI is a fully independent, registered non-profit, with a governance structure with equal representation across three chambers: social, economic and environmental.

CONSERVATION SUPPORT — SFI has the support of conservation groups including The Conservation Fund, NatureServe, Ducks Unlimited and the American Bird Conservancy.

A SINGLE NORTH AMERICAN ASSURANCE — SFI is a single standard with 135 million acres certified to it across N. America. FSC has 13 different standards across N. America, 9 in the US, 4 in Canada.

SCIENCE-BASED — The SFI Standard is a comprehensive system of principles, objectives, performance measures and core indicators, which integrate the perpetual growing and harvesting of trees with the protection of wildlife, plants, soil, water and air quality.

INTERNATIONAL ENDORSEMENT AND ACCEPTANCE — SFI is endorsed by the Programme for Endorsement of Forest Certification, a globally recognized organization that has strict requirements for endorsement. SFI is accepted by governments around the world including the US, United Kingdom, and Japan.

STEADY SUPPLY — SFI offers a strong standard that promotes sustainable forest management, and in North America SFI offers significantly more products from certified sources than other leading systems.

LEADERSHIP — Only 10% of the world's forests are third-party certified. By sourcing certified products, from a variety of credible standards, buyers are sending a message that they support sound forestry and buy responsibly.



Chopper® GEN2[™] herbicide with Transport Technology[™] uses up to one-third less active ingredient per acre, but delivers equal or better performance than the old formulation — we guarantee it. Proving sound business decisions and responsible environmental behavior don't have to be mutually exclusive … so this less is really *more*.

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