



# SUSTAINABLE FORESTRY INITIATIVE® • GROWING STRONGER TOGETHER



# SOME QUICK FACTS

## about the SFI Program

The SFI program promotes responsible forest management in North America through a comprehensive, science-based forest certification standard, chain-of-custody certification and unique fiber sourcing requirements.

#### In 2008:

- SFI program participants invested \$88.9 million (US dollars) in forest research, raising the total since 1995 to \$1.07 billion (US dollars).
- 1.6 million acres (648,000 hectares) of SFI program participants' lands were reforested through planting or natural regeneration an area the size of the State of Delaware.
- 6,627 resource and logging professionals were trained in responsible forestry through the SFI program or its recognition of other programs.<sup>1</sup>
- The SFI program's fiber sourcing requirements helped improve forestry on uncertified lands in North America, and achievements included:
  - About 10.9 billion cubic feet of wood fiber used by SFI program participants met the fiber sourcing requirements of the SFI Standard the amount of wood found in more than eight million average singlefamily homes in North America.
  - 93 percent of the raw material used by SFI program participants was provided by loggers trained in sustainable forestry practices.

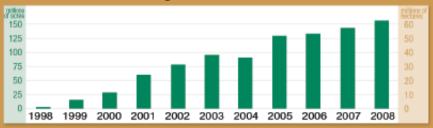
### SFI Inc. is an independent, 501c(3) non-profit charitable organization.

- Its Board of Directors has equal representation of environmental, social and economic interests.
- It is endorsed and accepted by organizations and governments internationally, and is supported by conservation groups, community organizations and forest professionals.
- A network of 37 local SFI Implementation Committees across North America meets diverse local needs.

This progress report shows SFI program achievements in 2008, including the rapid growth that continued into 2009. A full list of current program participants can be found on pages 12 to 16, and program statistics, as of May 22, 2009, include:

- 245 program participants in North America (United States and Canada).
- 162 million acres (65.6 million hectares) of third-party certified lands, the equivalent of the land area of 10 U.S. northeastern states or the three Canadian Prairie provinces.
- 635 chain-of-custody certificates at 1,411 locations.
- 52 fiber sourcing certifications.

### Area Certified to SFI Program: 1998 - 2008



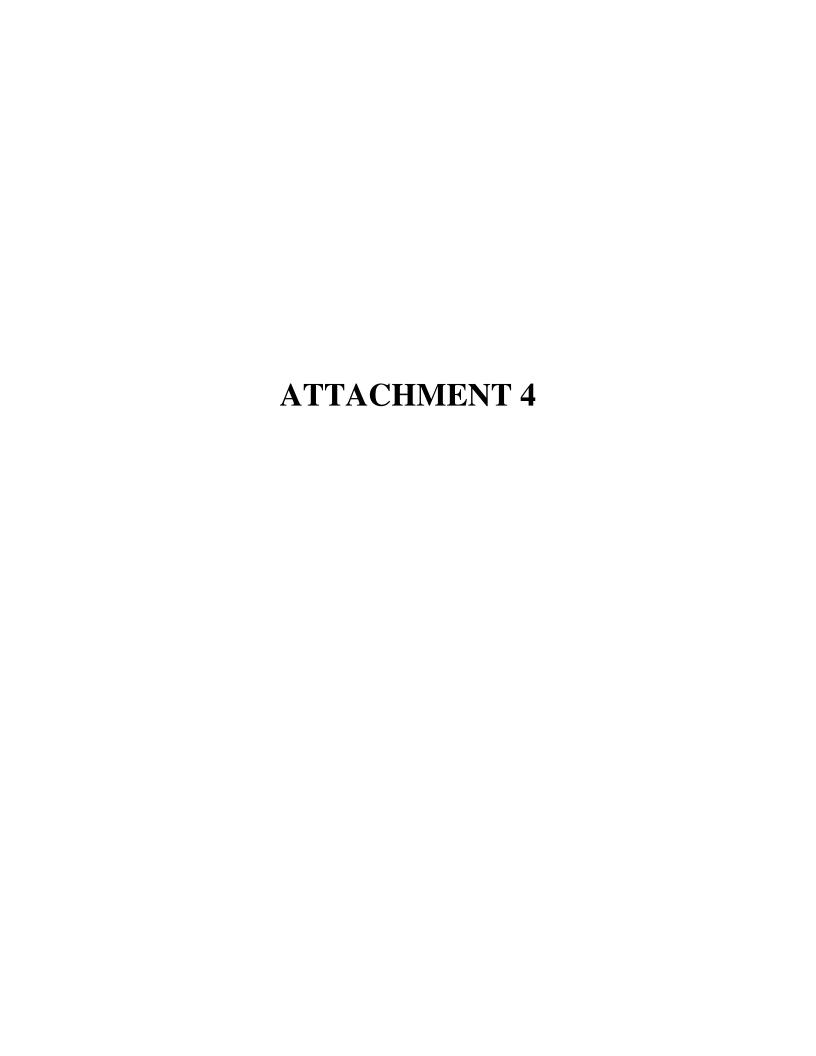
The area certified to the SFI Standard has grown from 700,000 acres (280,000 hectares) across North America at the end of 1998 to a total of 154 million acres (62.3 million hectares) at the end of 2008.

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<sup>&</sup>lt;sup>1</sup> Provided by the Forest Resources Association





# **Sustainable Forestry Initiative Webinar Series SFI 101**

Kathy Abusow, President & CEO, SFI Inc., April 24, 2009



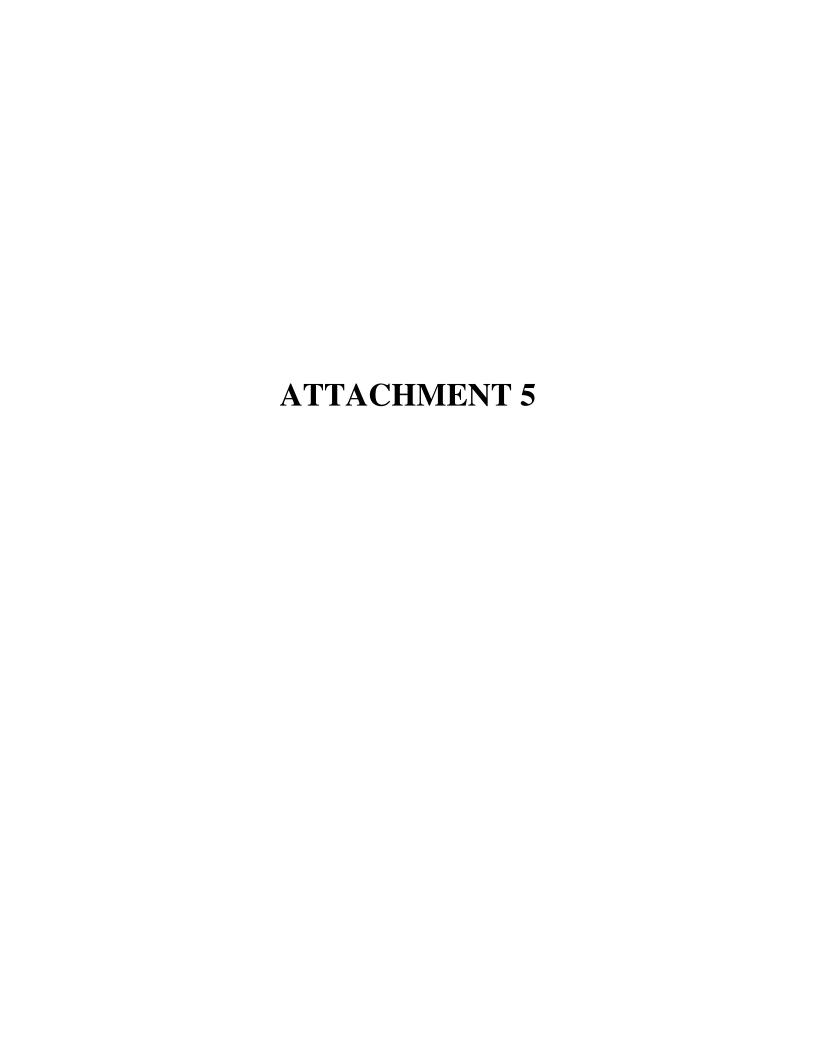


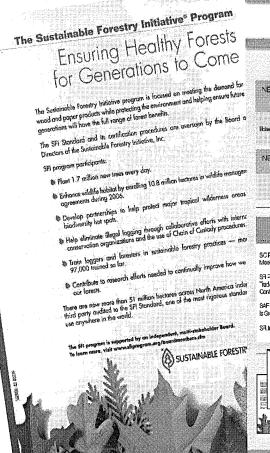
# The SFI Program A Single North American Assurance



1 Standard for all of North America
Fully Independent Non-Profit Charitable 501c3
3 Chamber Board: Social - Environmental - Economic









#### NEW SFI CHAIN-OF-CUSTODY

Stora Enso Brise Cascocle's International Falls, MV mil

NEW SELPROSRAM PARTICIPANTS

MarriCoporatos Oregon Tree Farm

#### ALSO IN THIS ISSUE

SC Regional Leadership Meetings ......2

SR Promoted at Numerous Trade Shows and

SAF Report Says Certification



### SFI Online Marketing

WE HAVE RECENTLY strengthened the SFI. Our efforts have program's online presence. We have updated the been a great ourkook of our website and made it easier to navigate. Gess as measured We have also increased our visibility on the by the number internet's most popular search engines — Google, of internet users Ask.com, Yahixi, AOL.com.

appears on well-read websites such as obtain more information about the SH program.

industry, by reaching out to decision makers and more information, contact Rick Controll influentials interested in environmental issues.

who have seen our

Our coline advarising promoting the SFL advertising and have clicked through so

CNYMoneycom and Fortunecom SH salvertising. The SH, Inc. staff would like to highlight was featured prominently on the special "Green program porticipants' advertisements, editorials, Innovation section of CNNMoney. Our salvertising and other SEL program print coverage on our is also targeted to appear next to articles on the envisor redesigned website. If you would like to particicomment - reaching people at the moment they are pare, please forward portinent electronic files to reading and thinking about environmental issues. Carry do yes appropriations. These materials will be The goal of our online initiative is to extend posted in a "newsroom" for easy sccess to current our reach beyond people in the forest products news information regarding the program for

## Chain-of-Custody Program Growing

Cham-of-Custody certification.

IN A MAY 22 PRESS RELEASE, Son linso In other SFI Chain-of-Custody news, announced the achievement of third-party chain. PricewaterhouseCoopers' (FwC) fixest products of custody comingation at six of its North American. Chain-of-Castody, program, recently, received mile. This condication is valid for Sustainable accreditation from the Scandards Council of Forestry Intrinsive (SFB and the Programme for the Canada, PwC can provide chants a wide array of Endotsement of Foren Certification (PEFC) CXC services, now including certification to the schemes. Stom Euro is the first coated paper. Susteinable forestry initiative and Programme for manufacturer in North America to achieve SFL the Endorsement of Forest Certification scandards. For excremicemation, contact joion Memicl.

## SFI Marketing Toolkit Production

WE ARE PLEASED to analounce the revised tion by program participants. and updated SFI, Inc. trafeld and rootest are now Principles are also available for use and customiza- information, rentect Amy Dorp.

available for distribution. For the first print run, a completed order form should be safaritted to SFI, limited cuantity will be available by request. Irx, staff The order form is attached to the entail Each worker order will be limited to 100 copies containing this newsletter All respects must include and trifold orders are limited to 200 copies. name, company, sincer address, telephone number Requests for additional copies will be considered. and number of repits for order processing. For more

# America's Largest Forest Certification Program Now Fully Independent.



# he Sustainable Forestry Initiative® Program

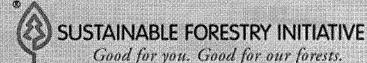
stainable Forestry initiative (SFI) program has always met the demands for wood and

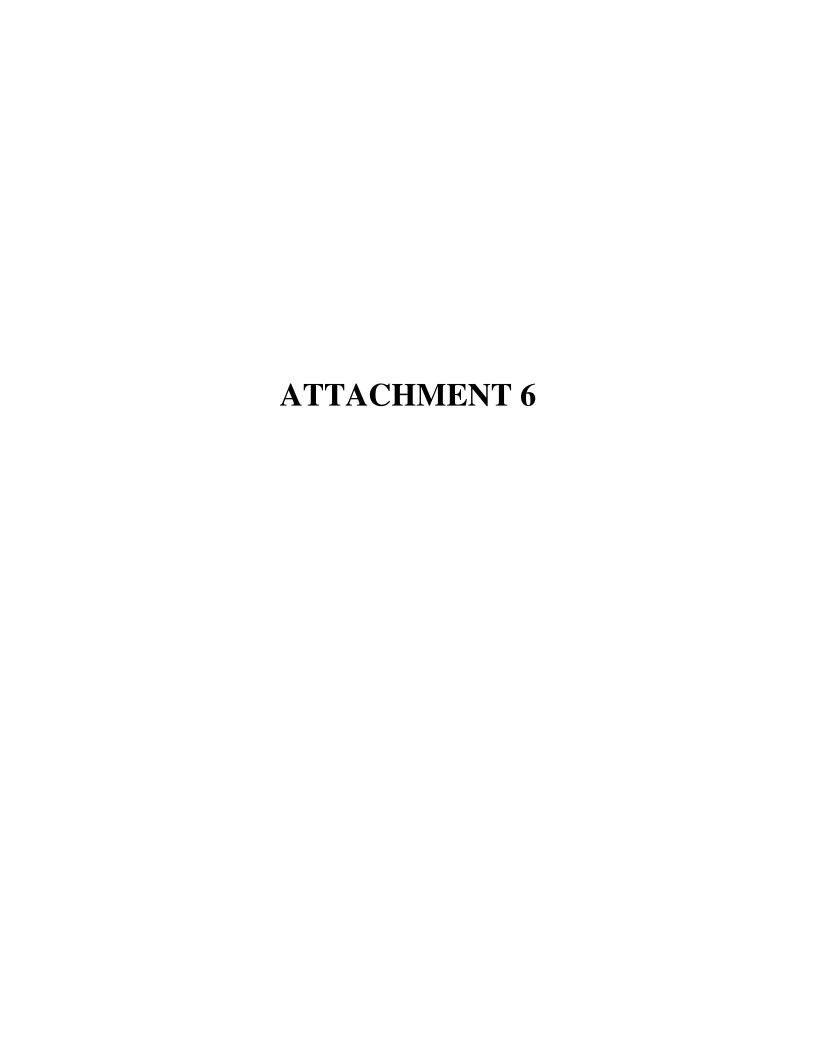
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The than 125 million acres across North America are independently, third-party



To learn more, visit www.sfiprogram.org





# SFI Inc.: Making a Difference on the Ground

Progress Report 2007





# Message from the President



2007 was quite a year.

It began with the creation of SFI Inc., a fully independent non-profit 501c(3) charitable organization. Its Board of Directors has had authority over the SFI Standard, certification procedures and complaints since 2002, and now is the sole governing body of all aspects of the program with equal representation from its environmental, social and economic chambers.

SFI Inc. started 2007 with 135 million acres (54.6 million hectares) of certified lands across North America, and this rose to 143.7 million acres (58.1 million hectares) by the end of the year. There were 21 SFI chain-of-custody certifications at 48 locations at the start of the year, and 102 certifications at 408 certified locations by the end of the year. This momentum has continued into 2008.

There are good reasons for this growth. Attention to corporate social responsibility and public interest in forest issues are at an all-time high, and consumers are seeking out products they trust represent the right environmental choice. And the SFI program has proven it can meet this expectation.

Our forest, fiber sourcing and chain-of-custody certifications, backed by on-product labels, are all valuable tools to deliver real progress on the ground. More certified lands means more protection for biodiversity, wildlife habitat, water quality and countless other environmental values. Program participants invest time and resources into forest management research, and share their knowledge with their suppliers, including family forest owners. Our network of 37 SFI Implementation Committees allows us to work with community partners to broaden the practice of responsible forestry.

This report is structured around three strategic goals that are the foundation of our work: integrity, conservation collaboration and market outreach.

We will continue to work with the conservation community and other stakeholders to address some of the major challenges and opportunities facing our forests. We aim to be recognized as a world-class forest certification program that is positively influencing the markets for certified forest products while improving forest practices across North America and promoting responsible procurement globally. We believe consumers are beginning to view SFI-certified products as a sound environmental choice.

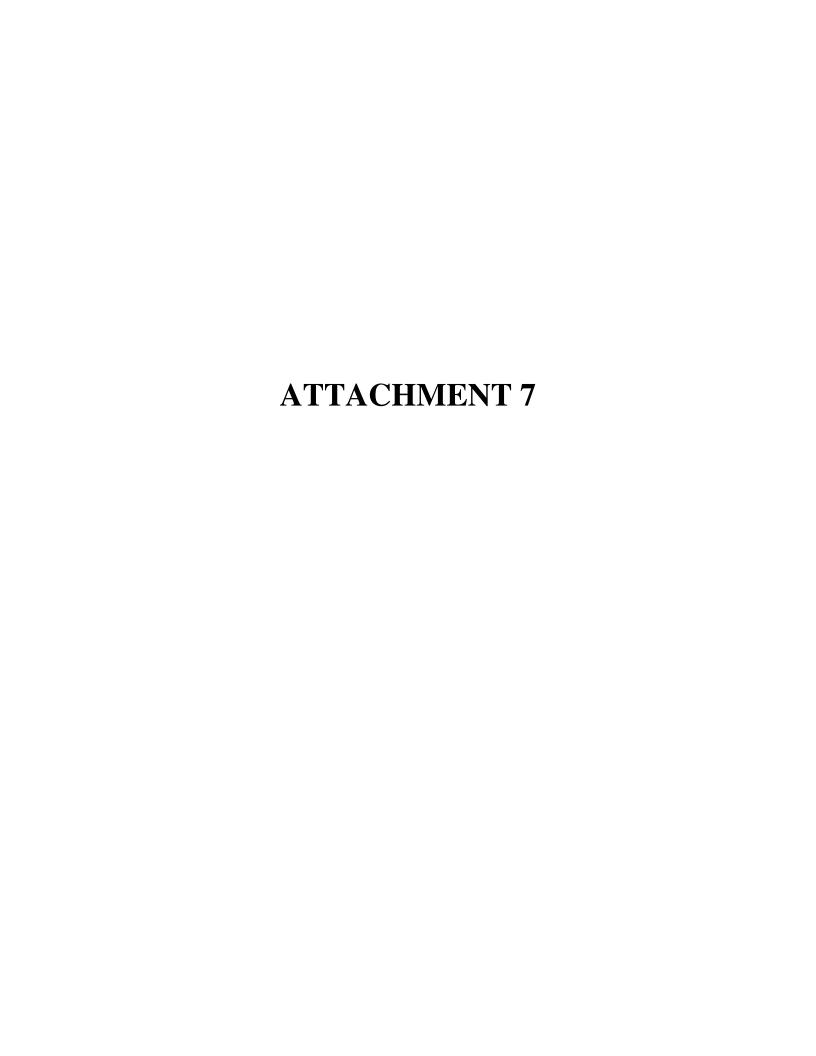
We will achieve these goals with a forest certification standard we know is strong, grounded in science, progressive and based on integrity. The strength of our standard has been proven through our collaboration with conservation groups and our wide market acceptance.

It is important to look back at what SFI Inc. and its partners have achieved in 2007, but is it just as important to look ahead, especially in a year when we will begin the public review process that will lead to the 2010-14 SFI Standard, and will ask the market's advice about whether our on-product labels are transparent, easy to understand and meet the needs of our customers and consumers.

We began 2008 by presenting the first SFI Inc. Leadership in Conservation Research Award. We were among the sponsors of an international workshop hosted by Forest Trends that examined the critical global issue of illegal logging. The Minnesota SFI Implementation Committee and North St. Louis Habitat for Humanity brought together an amazing array of donors to build a home made with forest products sourced by SFI program participants and to be built by SFI volunteers.

These examples show the depth of our program, its link to both local communities and international issues. SFI Inc. stands for responsible forest management in North America and responsible procurement around the world. Our steady growth shows that corporate leaders, international markets and consumers at home share this view.

KATHY ABUSOW
President and CEO
Sustainable Forestry Initiative Inc.





# SUSTAINABLE FORESTRY INITIATIVE

Chairman Rick R. Holley

Vice Chairman Marvin Brown

Secretary and Treasurer Mary Motlow

President and CEO Kathy Abusow

#### ECONOMIC SECTOR:

Matthew Donegan Co-President Forest Capital Partners, LLC

John V. Faraci Chairman and CEO International Paper

Daniel S. Fulton President and CEO Weyerhaeuser Company

Rick R. Holley President and CEO Plum Creek Timber Company, Inc.

Henry Ketcham President and CEO West Fraser Timber Company, Ltd.

Patrick J. Moore Chairman and CEO Smurfit-Stone Container Corporation

#### **ENVIRONMENTAL SECTOR:**

Tom Franklin Senior Vice President Theodore Roosevelt Conservation Partnership

William B. Rogers President and CEO The Trust for Public Land

Roger Sedjo Senior Fellow Resources for the Future

Lawrence A. Selzer President and CEO The Conservation Fund

Steven A. Williams, Ph.D. President and CEO Wildlife Management Institute

Michael Zagata Executive Director & CEO The Ruffed Grouse Society, Inc.

### SOCIAL SECTOR:

Marvin Brown State Forester Oregon Department of Forestry

Thomas Buffenbarger International President International Association of Machinists and Aerospace Workers

Norm L. Christensen, Jr., Ph.D. Professor of Ecology and Past Dean Duke University

John Innes, Ph.D. FRBC Chair of Forest Management University of British Columbia

Representative American Loggers Council

Mary Motlow Family Forest Landowner April 23, 2009

Peter Goldman Washington Forest Law Center 651 Second Avenue, Suite 360 Seattle, WA 98104

Re: Your requests for information

Dear Mr. Goldman:

In response to your March 24 and April 3 requests, I enclose the following documents:

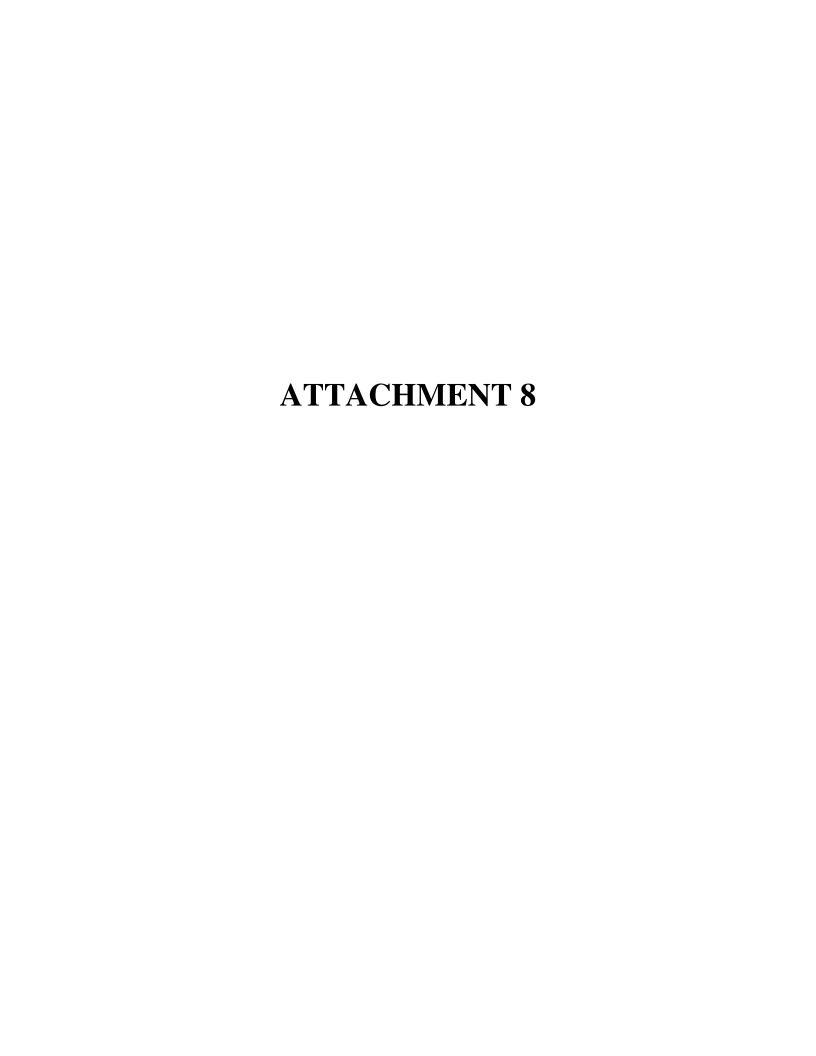
- 1. SFI's 2007 Amended Form 990 tax return (the 2008 return has not yet been filed);
- 2. SFI's 2007 Annual Report (it is on our website at this link: http://www.sfiprogram.org/files/pdf/annual-progress-2007.pdf)
- 3. SFI's Form 1023, and the responding IRS Determination Letter.

You also requested a list of the donors who contribute to SFI. Please note that the vast majority of our financial support is provided by SFI Program Participants who use our forest management and fiber sourcing standards. These SFI Program Participants, listed in our annual progress report, include forest product and paper companies, conservation organizations, state and local public agencies, foundations, and universities.

If you have further questions, please contact me at Kathy.Abusow@sfiprogram.org

Sincerely,

Kathy Abusow President & CEO







## SFI Inc. Transparency Policy

As an advocate for sustainable forestry, a public charity and the custodian of the most widely-used forest certification system in North America, SFI Inc. is committed to be open and transparent about the development and administration of the SFI Standard, about our operations as a public charity, and about our policy goals and priorities. To implement this commitment, the Board of Directors of SFI Inc. has adopted the following transparency policy:

- 1. <u>Transparency in the Development of the SFI Standard</u>. The SFI Standard shall be developed through a transparent process including public notice of proposed changes, regional workshops to present and discuss proposed revisions with stakeholders, and opportunities for public comment on drafts of the Standard.
- 2. <u>Disclosures regarding Tax-Exempt Status and Charitable Operations</u>. SFI Inc. shall disclose to the public all information required by the Internal Revenue Code. SFI Inc.'s Form 990 tax returns for the past three years, its Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, and the responding IRS Determination Letter are available upon request. SFI Inc. is primarily supported financially by SFI Program Participants who use our forest management and fiber sourcing standards. These SFI Program Participants, listed in our annual progress report posted on the SFI website, include forest product and paper companies, conservation organizations, state and local public agencies, foundations, and universities.
- 3. <u>Transparency in Policy Goals and Initiatives</u>. SFI Inc. shall disclose to the public information about its policy goals, priorities and activities, through events such as the annual SFI Conference, regional workshops, publication of an Annual Progress Report and a monthly newsletter, and periodic updates on the SFI website.