



SUSTAINABLE FORESTRY INITIATIVE

*Interpretations for the SFI 2010-2014 Program
Requirements: Standards, Rules for Label Use, Procedures
and Guidance*

January 2013

Official SFI Standard Interpretations contained in this document are auditable requirements

Table of Contents

Table of Contents.....	2
Process Overview.....	3
Part 1: Interpretations for Section 2 - SFI 2010-2014 Standard.....	4
SFI 2010-2014 Standard Objectives 1-7 for Forest Land Management.....	4
Objective 1. Forest Management Planning.	4
Objective 2. Forest Productivity.	4
Objective 3. Protection and Maintenance of Water Resources.....	6
Objective 4. Conservation of Biological Diversity including Forests with Exceptional Conservation Value.....	7
Objective 5. Management of Visual Quality and Recreational Benefits.	9
Objective 6. Protection of Special Sites.	10
Objective 7. Efficient Use of Forest Resources.	10
SFI 2010-2014 Standard Objectives 8-13 for Fiber Sourcing.....	11
Fiber sourcing within the United States and Canada (Objectives 8-10 apply).	11
Objective 8. Landowner Outreach.....	11
Objective 9. Use of Qualified Resource and Qualified Logging Professionals.	11
Objective 10. Adherence to Best Management Practices.	13
Fiber sourcing by facilities enrolled in the SFI program from sources outside the United States and Canada (Objectives 11-13 apply).....	14
Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas.	14
Objective 12. Avoidance of Controversial Sources including Illegal Logging.	14
Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws.	14
SFI 2010-2014 Standard Objectives 14-20 for Forest Land Management and Fiber Sourcing.....	14
Objective 14. Legal and Regulatory Compliance.	14
Objective 15. Forestry Research, Science, and Technology.	14
Objective 16. Training and Education.	15
Objective 17. Community Involvement in the Practice of Sustainable Forestry.....	17
Objective 18: Public Land Management Responsibilities.	17
Objective 19. Communications and Public Reporting.....	17
Objective 20. Management Review and Continual Improvement.....	17
Part 2: Interpretations for Section 9 SFI 2010-2014 Audit Procedures and Auditor Qualifications and Accreditation.....	18
Part 3: Interpretations for Section 3 – SFI Chain-of-Custody Standard.....	24
Part 4: Interpretations for Section 4 - Rules for Use of SFI On-Product Labels.....	28
Part 5: Questions and Answers.....	32

Process Overview

Section 8 of the SFI 2010-2014 Program requirements document, outlines the process for interpretations that are necessary for consistent implementation of the SFI program requirements.

“From time to time, a formal process may be needed to interpret the SFI 2010-2014 Standard and its supporting documents. As part of SFI Inc.’s commitment to continual improvement of both the SFI certification process and the SFI Standard, such concerns shall be submitted promptly to the SFI Inc. Interpretations Committee by contacting staff at SFI Inc. The SFI Inc. Interpretations Committee shall respond within 45 days of receipt.

It is neither the intent nor the responsibility of the SFI Inc. Interpretations Committee to resolve disputes arising through certification; nevertheless, the committee will provide opinions and direction to assist parties in answering interpretive questions. Through this process, the SFI program shall maintain a record of opinions and concerns available to both Program Participants and certification bodies to assist with certification planning. SFI Inc. shall periodically review this record and, where appropriate, recommend changes for inclusion in the SFI Standard or SFI audit procedures.”

Part 1: Interpretations for Section 2 - SFI 2010-2014 Standard

SFI 2010-2014 Standard Objectives 1-7 for Forest Land Management

Objective 1. Forest Management Planning.

1.1 The first indicator under Objective 1 states that Program Participants shall have a "long-term resource analysis to..., including: g) recommended sustainable harvest levels." Is it intended that the word sustainable be used in a restrictive sense as it pertains to forecast allowable annual harvest level, or is the word sustainable meant to encompass other non-timber resource values as well?

The indicator calls for the Program Participant to conduct a "long-term resource analysis" that would lead to establishment of "recommended sustainable harvest levels" and that includes "a review of non-timber issues". In this context, reference to "sustainable harvest levels" addresses flow of wood and fiber. As such, a long-term resource analysis should consider multiple resource values in establishing the harvest level (July 2002).

1.2 Allowable Annual Cut (AAC) Does the Canadian process of establishing allowable annual cut (AAC) comport with the SFI commitment to long-term sustainable harvest levels?

Regardless of how harvest levels are established, the SFI 2010-2014 Standard states in Performance Measure 1.1 "Program Participants shall ensure that forest management plans include long-term harvest levels that are sustainable and consistent with appropriate growth-and-yield models." The SFI 2010-2014 Standard does not dictate that long-term sustainable harvest levels must be based on a non-declining even-flow model. Thus, there are cases (especially where regulated forests conditions have not been met) where plans may call for harvests levels in the near-term that reduce total standing volumes in route to achieving a planned sustainable harvest. Where provincial lands constitute the basis of a forest tenure being certified, AAC is established by the Provincial Chief Forester to achieve a range of social and economic considerations. Once established, AAC's are reassessed and modified every five years to reflect lands removed from the tenure and other silvicultural and social considerations.

It appears that Program Participants and certification bodies are appropriately interpreting and implementing the spirit and intent of the SFI 2010-2014 Standard and specifically Performance Measure 1.1, with an understanding that if AAC does not meet expectations of the SFI 2010-2014 Standard, the area would be found to be in non-conformance with this provision of the SFI 2010-2014 Standard and thus could not be certified (November 2002).

Objective 2. Forest Productivity.

2.1 Performance Measure 2.1 states "Program Participants shall promptly reforest after final harvest." Is there flexibility with regard to the two year reforestation requirement where company policy is to wait longer than two years to plant?

The requirement stipulates that planting shall be completed within two years of harvesting and natural regeneration will be established within five years. The implication is that these are planned processes and that the management plan intends the site will be reforested through one or the other broad regeneration process. Forestry involves dealing with dynamic natural systems and some allowance may be necessary to accommodate natural events that prevent an organization from completing scheduled work from time to time. However, the plan for the site must clearly indicate which process is intended and failure to complete that on time should be related to appropriate management considerations that will meet the objective (ensure long-term forest productivity and conservation of forests resources) (February 2001).

2.2 SFI 2010-2014 Standard indicator 2.1.6 requires "planting programs that consider ecological impacts of a different species mix from that which was harvested".

Does this mean that conversion of one forest type to another is allowed?

Conversions are not allowed except in justified circumstances where the program participant can document that ecological impacts are not significant if managing for a different species mix after a final harvest.

In addition, conversions are never allowed in the following situations:

1. In forest types where there is a significant risk that reforestation cannot be accomplished promptly according to the requirements in indicator 2.1.2.
2. In forest types where there would be significant adverse impacts to threatened and endangered species (Indicator 4.1.2).
3. In forest types where there would be significant adverse impacts to Forests with Exceptional Conservation Value (FECVs) (Indicator 4.1.3).
4. In forest types where credible data exist that demonstrate the forest type is rare and ecologically significant at the landscape level (4.1.5).
5. Old growth forests protected under Indicator 4.1.6.
6. In situations where there would be significant adverse impacts to Special Sites (Objective 6).
7. In any area where conversion is restricted by federal, state, provincial or local laws or regulations (Objective 14).

(December 2010)

Additional Guidance for Indicator 2.1.6 and Interpretation 2.2

Indicator 2.1.6. Planting Programs that consider ecological impacts of a different species mix from that which was harvested.

In the limited situations where use of a different species mix might be justified, the following considerations must be taken into account:

1. The presence or absence of the situations identified in Interpretation 2.2 (October 2010):
 - a. Forest types with reforestation risks;
 - b. Threatened or endangered species;
 - c. FECVs;
 - d. Forest types that are rare and ecologically significant at the landscape level;
 - e. Old-growth forests;
 - f. Special Sites; and
 - g. Legal restrictions.
2. The productivity and stand quality conditions of the existing site (soil and species present, growth expectations under natural and planted regeneration regimes, economic values).
3. Specific ecosystem issues related to the site (e.g. riparian protection measures, existing or invasive exotic plants or animals, or insect or disease issues).
4. The ecological impacts of site conversion:
 - a. Comparison of the converted type to existing species mix;
 - b. Scale of conversion (total acres and location and concentration of acres). Include assessment of relative significance within landscape;
 - c. Status and trends in rarity and threats related to the forest type being converted;
 - d. Dependence of rare or declining endemic species on the forest type being converted; and
 - e. Existence of conservation measures designed to mitigate for the ecological function of the forest type being converted.

Objective 3. Protection and Maintenance of Water Resources.

3.1 Performance Measure 3.1, Indicator (1), requires “program to implement state or provincial BMPs during all phases of management activities”. During an SFI audit, are legacy bridges and dams (bridges that were built decades before the advent of the SFI program) auditable to current BMP standards when they have not yet been scheduled for rebuild?

Background: On our ownership we have over 270 miles of infrastructure (roads, bridges, dams). We rebuild this infrastructure to current BMP standards as we conduct silviculture on the property. Since we have long rotations (70 to 200 years) a complete harvest cycle of the property takes over fifty years. That is roughly the time frame required to rebuild all pre-existing legacy infrastructure within an economic framework that does not require the sale of some of the property.

The SFI 2010-2014 Standard does not specifically require that legacy bridges and dams be auditable to current BMP standards. The intent of the SFI 2010-2014 Standard is that such bridges and dams would be brought to current BMP standards if operations

are occurring in those areas or if significant problems were occurring in those areas. The relevant section is below..

Section 1, Introduction, Requirements for Program Participants

“SFI Program Participants must comply with all portions of the SFI 2010-2014 Standard relevant to their operations, taking into account their local conditions and circumstances and the scope and scale of their operations.”

Furthermore, this is consistent with Principle 14 of the SFI 2010-2014 Standard – Continual Improvement (November 2006).

3.2 Performance Measure 3.2, Indicator (2), requires “Mapping of rivers, streams, lakes, and other water bodies as specified in state or provincial BMPs”. Over what portion of their land base are Program Participants expected to map the water bodies?

Program Participants are required to map riparian areas and, where appropriate, designate them on the ground to meet the objective to protect water quality—by implementing riparian protection measures based on applicable factors. As a minimum the requirement must be met in time to gather information and properly implement the performance measure before operating on an affected site (February 2001).

3.3 Are BMP's required to be designed to withstand 100 year storm events to pass an audit or is it acceptable to build BMP's to the criteria specified in a state BMP guide?

The SFI 2010-2014 Standard requires the implementation of state or provincial BMPs (October 2006).

3.4 Does the standard require or imply “zero siltation” or one hundred percent effectiveness of BMP's?

The SFI 2010-2014 Standard requires the implementation of state or provincial BMPs and the monitoring of overall BMP implementation, and the use of erosion control measures to minimize the loss of soil and site productivity. The SFI 2010-2014 Standard also has research requirements that can include research on the effectiveness of BMPs. The SFI 2010-2014 Standard recognizes that BMPs are not 100% effective even with 100% compliance and encourages SFI Program Participants to monitor implementation and support research on the effectiveness of BMPs (October 2006).

Objective 4. Conservation of Biological Diversity including Forests with Exceptional Conservation Value.

4.1 Objective 4 includes “contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and...” Is stand conversion consistent with the intent of this objective?

It is certainly possible that stand conversion could be consistent with the objective and needs to be assessed on a case-by-case basis. It will be harder to demonstrate

consistency in converting a primary forest stand into a forest plantation, and less difficult to address converting a stagnated or high-graded stand.

Performance measure 2.1, Indicator 6 also requires "Planting programs that consider potential ecological impacts of a different species or species mix from that which was harvested" (February 2001).

4.2 Objective 4, states that Program Participants shall "To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote a diversity of types of habitat and successional stages, and conservation of forest plants and animals, including aquatic species." Many Program Participants operate in states with water quality BMPs and have focused their wildlife programs on forest plants and animals, assuming that the BMPs protect aquatic species. If the Program Participant follow the state BMPs for water quality protection will they meet the intent of this objective, or is it expected that Program Participants exceed BMPs, where appropriate, to conserve and protect aquatic species?

There is a working assumption that BMPs will be sufficient in most cases to meet the needs of aquatic species. However, the expectation is that Program Participants will be involved in either review of emerging scientific information or directly in research to make necessary adjustments to meet the spirit of this Objective (July 2002).

4.3 Objective 4, performance measure 4.1, and indicator 5 all indicate a requirement for landscape level planning to promote habitat diversity. Is the intent to require landscape planning beyond a Program Participant's holdings?

These provisions must be viewed in the context of things that are appropriate to the "size and scale" of the Program Participant's operations on one hand and in the reality that a Program Participant cannot control activities on lands that it does not own. That said, there are a number of ways Program Participants can show that they are taking steps to consider impacts of their own management activities with knowledge and context of existing landscape conditions to meet the spirit and intent of this Objective. Given the complexity of conditions, it would be impractical if not impossible to set minimum requirements to be met by all organizations (July 2002).

4.4 Are there any operational alternatives if a Program Participant attempts to follow the spirit of the SFI 2010-2014 Standard with regard to protection of critically imperiled or imperiled species and communities but is unable to do so due to prohibitive costs or inability to implement conservation strategies?

The intent of these provisions is to further the conservation of critically imperiled or imperiled species and communities. In the rare case where the protection of an individual species or community carries exceptionally high costs or disproportionate impact and where the Program Participant is unable to implement any of the conservation strategies in a reasonable period of time (perhaps 3-5 years), and where laws or regulations do not apply, the Program Participant is free to implement other management or operational alternatives (July 2002).

4.5 Are the SFI 2010-2014 Standard provisions that address locations and protection of critically imperiled or imperiled species and communities the equivalent of the somewhat similar provisions that apply to federal lands?

The intent of these provisions clearly set an expectation that Program Participants will seek to obtain known information about sites that may be on lands under their control and to cooperate in the development of additional information for their lands either through independent reviews or cooperation with qualified assessment programs at the state or regional level. There is not an expectation that a Program Participant be required to conduct surveys to determine the presence or absence of such sites prior to conducting management activities (July 2002).

4.6 Is it the expectation of the SFI organization and the related standard that the proponent will undertake block and/or road level assessments for species at risk to satisfy the relevant elements of performance measures 4.1 and 4.2?

The need to survey is dependent on the individual and unique circumstances with the organization seeking certification. There must be some level of assessment to determine the relevant elements under 4.1. and 4.2. This need could be met a number of ways, depending on the particular circumstance, such as data from external agencies, government sources, publisher research, self-funded research, surveys, etc.

Does the response to the first question vary if there is a high risk of an occurrence of a SAR and a high probability that activities may impact that SAR?

Yes, in this case, it is reasonable to assume the SFI certified program participant should conduct some level of assessment to determine the relevant elements under 4.1. and 4.2. The need to survey can be tempered depending on how the program participant's plans address SAR.

For example, at the landscape level programs to protect threatened and endangered species (particularly wide ranging species) are likely to be based on broad habitat availability and would not usually involve pre-surveys of presence. At the stand level, surveys for presence may not be necessary if the program participant's management strategy takes potential presence into account and minimizes the potential for impact. However, if the habitat present in the area indicates likely presence of threatened and endangered species and the practices proposed would impact their future presence on the site then pre-screening would be required (May 2010).

Objective 5. Management of Visual Quality and Recreational Benefits.

5.1 Define "adjacent" as set forth in 5.3.3 regarding harvests.

The term adjacent typically refers to the placement of two management units. Performance Measure 5.3 is clear in regards to possible methodologies to ensure that two clearcut harvests on a Program Participant's land should be separated from the adjoining stand by regeneration that is 3 years old or which has reached 5 feet in

height. The Performance Measure also allows Program Participants the option of developing their own “alternative methods that provide for visual quality” Thus, an alternative method might not meet the strict 3-year/5 feet rule and still be acceptable.

5.2 Performance Measure 5.1, Indicator (2) requires “Incorporation of aesthetic considerations in harvesting, road, and landing design and management and other management activities where visual impacts are a concern”. Can you provide a definition for “where visual impacts are a concern” that can be consistently applied?

This is a somewhat subjective requirement and processes that would fall into these concerns will often differ from one area to another. The certification body should get some feel for problems of concern in the area as part of the pre-audit process. Conversations with the Program Participant will identify their concerns and appropriate stakeholders can be identified with their assistance. On the other hand there are hot-button issues that have the same impact anywhere in the country and these should be addressed in a manner that is locally appropriate. Examples include heavy rutting over a large area of the site, mud or sediment on public roads, erosion gullies in forest roads, harvest areas not screened from a major highway (February 2001).

Objective 6. Protection of Special Sites.

6.1 Performance measure 6.1 states that Program Participants shall “identify special sites and manage them in a manner appropriate for their unique features.” Can a Program Participant manage just the sites that are known to them or documented on a public database, or do they have to perform surveys on their ownership and on tracts where they have management responsibility?

The SFI 2010-2014 Standard does not require a “survey” before management can take place. Program Participants should take the “reasonable man” approach where information or evidence suggests a more detailed review of a specific area is warranted (July 2002).

Objective 7. Efficient Use of Forest Resources.

7.1 This is specific to 7.1.1 in the 2010-2014 SFI Standard. Clarification is needed for the use of the word “may.”

7.1.1

Program or monitoring system to ensure efficient utilization, which may include provisions to ensure:

- a. management of harvest residue (e.g. slash, limbs, tops) considers economic, social and environmental factors (e.g. organic and nutrient value to future forests) and other utilization needs;*
- b. training or incentives to encourage loggers to enhance utilization;*
- c. cooperation with mill managers for better utilization of species and low-grade material;*
- d. exploration of markets for underutilized species and low-grade wood and alternative markets (e.g. bioenergy markets); or*
- e. periodic inspections and reports noting utilization and product separation.*

Does the program or monitoring system have to include any of the provisions (a-e) since the word "may" is used thereby meaning only the performance measure has to be audited and not the indicators?

No, the performance measure associated with this indicator is not solely focused on efficient utilization. The intent of this indicator was to highlight the need to consider other factors (social and environmental) in utilization practices without being overly prescriptive. The expectation is that SFI Program Participant's utilization programs addresses some of the areas identified in this indicator in some fashion. In this case "may" was used to provide flexibility with the provisions as written in a-e. However, a comprehensive program to address utilization addressing more than "efficient utilization" is required to meet the intent of the performance measure. (November 2010)

SFI 2010-2014 Standard Objectives 8-13 for Fiber Sourcing

Fiber sourcing within the United States and Canada (Objectives 8-10 apply).

Objective 8. Landowner Outreach.

No interpretations.

Objective 9. Use of Qualified Resource and Qualified Logging Professionals.

9.1 Does the inclusion of wood producers and other wood producers in the list warrant a non-conformity? Performance measure 9.1.2 requires the following:

" List of certified logging professionals and qualified logging professionals maintained by Program Participant, state or provincial agency, loggers' association or other organization." A Program Participant was issued a minor non-conformance in a recent audit because the list being maintained by the SIC included qualified logging professionals, wood producers and other wood producers.

The intent of the indicator is to ensure landowners have easy access to these lists. Inclusion of wood producers and other wood producers in the list should not constitute a non-conformance as long as the list clearly indicates which contractors are certified logging professionals and qualified logging contractors as defined by the SFI Standard (October 2006).

9.2 This is a formal request for an interpretation/clarification of what constitutes a "Qualified Logging Professional" (QLP) as defined in the 2010-2014 SFI Standard – SFI Definitions. Specifically, as it relates to "each crew must operate under the direction of an individual, with on-site responsibility"

1. Can a QLP have on-site responsibility for more than one site?

Yes. See paragraph below for additional guidance.

2. If this is the case, what would an appropriate distance be between sites?

There is no set distance as this will vary greatly on the circumstances and complexity of the operations. More important than the distance between sites is the frequency of visits. See paragraph below for additional guidance.

3. *Can a QLP have on-site responsibility for more than one crew?*

Yes. See paragraph below for additional guidance.

4. *At a minimum, how often should the QLP be visiting each site/crew?*

This varies depending on the circumstances. The greater the complexity of the operation, the more frequent the visits should be. See paragraph below for additional guidance.

5. *Could a forester or applicable timber sale administrator serve as the individual providing direction and on-site responsibility to each crew?*

No. The individual with on-site responsibility should be an employee or directly employed by the *wood producer*. See paragraph below for additional guidance.

6. *If it is not sufficient for just the owner to be trained, why would it be sufficient for just a supervisor of several sites to be a QLP?*

The reference to it "not [being] sufficient for just the owner to be trained" in the July 2000 interpretation was intended to clarify that if the owner was not the individual with direct on-site responsibility for the site or crew then another individual that has "completed the *SFI Implementation Committee* approved state or provincial logger training program" was required to supervise the site or crew. It was not intended to suggest that an owner who has direct, on-site responsibility for a crew could not be considered a QLP. Consequently, a supervisor and/or an owner who has completed the *SFI Implementation Committee* approved state or provincial logger training program and operates in accordance with the interpretations set forth above and below qualify as a QLP.

Additional Guidance For Interpretation 9.2

The intent of the new language in the definition of Qualified Logging Professional (QLP) in the SFI 2010-2014 Standard was to allow some flexibility regarding the use of Qualified Logging Professionals without sacrificing performance in the field.

The QLP with on-site responsibility must be the owner or employee of the wood producer responsible for the operation.

If a QLP is charged with on-site responsibility for more than one site and/or crew, the SFI Program Participant shall take appropriate steps (e.g., direct communication, contract provisions) to make QLP's aware of the expected frequency of visits to each site and/or crew necessary to carry out the roles and responsibilities of the QLP under the

SFI 2010-2014 Standard (e.g. safety, protection of soils, streams and other water bodies).

The QLP with on-site responsibility for more than one site and/or crew must have the ability to respond physically to all sites and consistently communicate with each crew the QLP is responsible for.

(November 2010)

Objective 10. Adherence to Best Management Practices.

10.1 Do verifiable monitoring systems need to track fiber from the consuming mill back to the harvested tract for monitoring purposes (regardless of whether the wood was acquired through stumpage purchase, purchase at plant/gatewood, or a dealer) or will state-wide monitoring programs that are not mill-specific suffice (i.e. the state system being adopted by the SIC in Oregon)?

Program Participants must establish systems that generate verifiable information pertaining to wood purchased by Program Participant from lands not owned or controlled. Program Participants must be able to characterize the area from which their wood originates, and assess data that accurately reflects the conditions on the ground related to the wood coming to their facility. It is up to each Program Participant to establish a system to accomplish this, which may include a process of tracking wood supplies back to the tract of origin. State-wide monitoring programs and other regional data may be sufficient if the Participant can demonstrate that the data are a) credible and independently verifiable and b) relevant to and reflective of the Participant's specific operations (July 2003).

10.2 If a program participant procures raw material from an organization that is certified to CSA Z809, can the procurement requirements under Objectives 8-10 be lessened for these specific areas?

Performance measure 10.2 by definition recognizes that the certification status of a supplier qualifies as data that can be used in the characterization a Program Participant's wood and fiber supply area and as data on the use of BMPs. As such, fiber from land under a CSA Z809 certification satisfies 8.1, 9.1 and elements of 10.1, 10.2 for BMPs for that specific supplier/operation. All applicable Objectives 8-10 requirements would remain for fiber from the supplier that did not originate from the supplier's lands certified under CSA Z809 (June 2006).

10.3 Are contracts with open market wood suppliers required by the SFI Standard?

No, the SFI 2010-2014 Standard does not require program participant to utilize contracts with open market wood suppliers. Indicator 10.1.3 does require including provisions for BMPs when contracts are used. In addition, fiber sourcing objectives in the SFI 2010-2014 Standard must be addressed by all wood suppliers, where applicable, regardless of whether or not contracts are used (March 2011).

Fiber sourcing by facilities enrolled in the SFI program from sources outside the United States and Canada (Objectives 11-13 apply).

Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas.

No interpretations.

Objective 12. Avoidance of Controversial Sources including Illegal Logging.

No interpretations.

Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws.

No interpretations.

SFI 2010-2014 Standard Objectives 14-20 for Forest Land Management and Fiber Sourcing

Objective 14. Legal and Regulatory Compliance.

No interpretations.

Objective 15. Forestry Research, Science, and Technology.

15.1 If procurement organizations are required to financially support research, can this support come from the corporate or regional level?

Commitments to continuous improvement based upon the results of monitoring and scientific research are at the heart of the spirit and intent of the SFI 2010-2014 Standard. The need for research to find new ways to better manage forests to meet the array of desired outputs is no less critical for those organizations that gain wood and fiber from lands beyond their control than it is for organizations seeking scientific information so that they can better manage their own lands. Procurement organizations, individual facilities or regions within the corporate structure are components of an overall system. There are many aspects of the SFI 2010-2014 Standard that can be satisfied by reviewing corporate activity and commitments (October 2002).

15.2 Indicator 15.1.2 requires "...shall adhere to all applicable federal, state, and provincial regulations and international protocols.". What international protocols are applicable, that Program Participants are expected to follow?

The SFI 2010-2014 Standard recognizes biotechnology as a research process rather than a product. However, some of the products (e.g. pesticide resistance) are regulated. In the United States there are several "protocols" that affect research on genetically modified trees. Similar requirements exist in Canada as well. Organizations that participate in this research should be cognizant of, conform to, and be considering requirements such as:

- USDA/APHIS, which regulates the import, transportation, research & development, field trials, and product approval
- EPA, which regulates microbial/plant pesticides, new uses of existing pesticides, and novel microorganisms
- Phyto-Sanitary agreement protocols that have been followed for years and will continue to be the foundation for moving forestry material across international boundaries.
- International Plant Protection Convention that have several protocols regarding the movement of exotics and that oversee the international transboundary movement of products (February 2001).

Objective 16. Training and Education.

16.1 What constitutes a "trained logging crew" as set forth under Objectives 16 and 10?

For a logging crew to be considered trained, it is not sufficient for just the owner to be trained. Each crew must operate under the direction of an individual, with on-site responsibility, who has completed the SFI Implementation Committee approved state or provincial logger training program (July 2000).

16.2 Performance Measure 16.2 states "Program Participants shall work individually and/or with SFI Implementation Committees, logging or forestry associations, or appropriate agencies or others in the forestry community to foster improvement in the professionalism of wood producers." Is it necessary for there to be an active SFI Implementation Committee in place before a forestry organization could be certified to the SFI Standard in that state or province?

The Performance Measure does not refer exclusively to SFI Implementation Committees. The first indicator refers to SFI Implementation Committees as if they exist in each state, rather than recognize that they may need to be formed. The intent of the indicator is to ensure the Program Participant is cooperating with the forestry community to support the development and administration of wood producer training courses. This participation must be balanced to consider the size and resources of the Program Participant (February 2001).

16.3 Performance Measure 16.1, Indicator (1) SFI Standard requires "Written statement of commitment to the SFI 2010-2014 Standard communicated throughout the organization, particularly to facility and woodland managers, fiber sourcing staff, and field foresters." Does this mean that every Program Participant employee must be aware of or trained in SFI program Standard objectives and performance measures?

The spirit of the SFI program suggests that there is an understanding or awareness of the SFI program "throughout" the organizations. However, the indicator is clear in this regard in stating that communication should occur "particularly to mill and woodland managers, wood procurement operations, and field foresters." These phrases state the types of people that must be most intimately aware of the SFI program if it is to be fully implemented as noted in indicator 2 which states:

"Assignment and understanding of roles and responsibilities for achieving SFI Standard objectives." A Program Participant shall identify such employees within their organization and ensure that they are fully trained on the elements of the SFI Standard and the organization's policies and plans necessary for conformance to the SFI Standard (July 2000).

16.4 A large integrated company has multiple primary mills over 5 jurisdictions and plans to participate fully in those SICs that are most critical to its SFI programs. Given that one of the mills is in a jurisdiction where only 2% of the company's procured fiber is purchased and that >80% of the fiber used by that mill actually comes from the 4 remaining jurisdictions, is it appropriate for the company to concentrate its membership on the SICs that cover the 4 most important jurisdictions from a procurement perspective and rely on these to address its obligations related to SICs in the SFI Standard.

Performance Measure 16.2 can be met by participation in or support of SIC's in the regions where the majority of the participant's procurement occurs (June 2006).

16.5 This is a formal request for an interpretation/clarification of what constitutes a "Qualified Logging Professional" (QLP) as defined in the 2010-2014 SFI Standard – SFI Definitions. Specifically, as it relates to "each crew must operate under the direction of an individual, with on-site responsibility"

1. Can a QLP have on-site responsibility for more than one site?

Yes. See paragraph below for additional guidance.

2. If this is the case, what would an appropriate distance be between sites?

There is no set distance as this will vary greatly on the circumstances and complexity of the operations. More important than the distance between sites is the frequency of visits. See paragraph below for additional guidance.

3. Can a QLP have on-site responsibility for more than one crew?

Yes. See paragraph below for additional guidance.

4. At a minimum, how often should the QLP be visiting each site/crew?

This varies depending on the circumstances. The greater the complexity of the operation, the more frequent the visits should be. See paragraph below for additional guidance.

5. Could a forester or applicable timber sale administrator serve as the individual providing direction and on-site responsibility to each crew?

No. The individual with on-site responsibility should be an employee or directly employed by the *wood producer*. See paragraph below for additional guidance.

6. *If it is not sufficient for just the owner to be trained, why would it be sufficient for just a supervisor of several sites to be a QLP?*

The reference to it “not [being] sufficient for just the owner to be trained” in the July 2000 interpretation was intended to clarify that if the owner was not the individual with direct on-site responsibility for the site or crew then another individual that has “completed the *SFI Implementation Committee* approved state or provincial logger training program” was required to supervise the site or crew. It was not intended to suggest that an owner who has direct, on-site responsibility for a crew could not be considered a QLP. Consequently, a supervisor and/or an owner who has completed the *SFI Implementation Committee* approved state or provincial logger training program and operates in accordance with the interpretations set forth above and below qualify as a QLP.

Additional Guidance For Interpretation 16.5

The intent of the new language in the definition of Qualified Logging Professional (QLP) in the SFI 2010-2014 Standard was to allow some flexibility regarding the use of Qualified Logging Professionals without sacrificing performance in the field.

The QLP with on-site responsibility must be the owner or employee of the wood producer responsible for the operation.

If a QLP is charged with on-site responsibility for more than one site and/or crew, the SFI Program Participant shall take appropriate steps (e.g., direct communication, contract provisions) to make QLP’s aware of the expected frequency of visits to each site and/or crew necessary to carry out the roles and responsibilities of the QLP under the SFI 2010-2014 Standard (e.g. safety, protection of soils, streams and other water bodies).

The QLP with on-site responsibility for more than one site and/or crew must have the ability to respond physically to all sites and consistently communicate with each crew the QLP is responsible for.

(November 2010)

Objective 17. Community Involvement in the Practice of Sustainable Forestry.

No interpretations.

Objective 18: Public Land Management Responsibilities.

No interpretations.

Objective 19. Communications and Public Reporting.

No interpretations.

Objective 20. Management Review and Continual Improvement.

No interpretations.

Part 2: Interpretations for Section 9 SFI 2010-2014 Audit Procedures and Auditor Qualifications and Accreditation

1. Can a Program Participant complete a 3rd-party audit against "selected" components of the SFI 2010-2014 Standard and claim conformance to the standard?

No. Program Participants must conform with all components of the SFI 2010-2014 Standard that apply to the scope of their operations. As set forth in 5.3, the certification body shall assess conformance to each element of the SFI 2010-2014 Standard's, objectives, performance measures and indicators within the scope of the audit. SFI 2010-2014 Standard elements are objectives, performance measures and indicators. For instance, if the Program Participant does not use forest chemicals at all, that performance measure and the associated indicators would not be applicable for that particular audit. Similarly, there may be cases where situations arise that have not been addressed in the Standard or any guiding documents. One such situation is the case where the Program Participant does not own nor control mineral rights associated with his property. The Program Participant and certification bodies would be expected to set clear audit expectations about those instances where there is limited or no control over a particular issue (July 2000).

2. Can a Program Participant that owns forestland under a subsidiary or joint venture arrangement exclude those lands from the scope of a 3rd party audit and claim conformance to the SFI 2010-2014 Standard?

No. A Program Participant that owns and controls lands under another subsidiary, joint venture or other arrangement, and then procures wood from that subsidiary would have to complete a full 3rd-party audit for those lands to ensure conformance against all aspects of the SFI 2010-2014 Standard (July 2000).

3. What is the definition of Program Participant's forests?

A Program Participant's forests include fee lands and long-term leases as reported on the annual SFI program compliance survey (July 2000).

4. Are timber deeds, short-term contracts, etc. considered a part of a Program Participants' forests?

No, but some components of the SFI 2010-2014 Standard may be applicable (July 2000).

5. What happens to an SFI program certification of a property when another Program Participant acquires those lands or operations?

The certification body shall work with the parties involved to review each acquisition or sale on its merits to determine the significance of changes that may occur with the

transfer of ownership of the facilities and or forestland to determine the actions necessary in order to issue a new certificate to the party receiving the new assets. It is imperative that SFI Program Participants notify their certification body as soon as possible when facilities and or forestland are being purchased or sold to ensure that lapses in certification status can be eliminated or minimized. Refer to ISO/IEC 17021 for more information.

In order to minimize disruptions in operations due to the transfer of certified facilities and or forestlands from one certified SFI program participant to another party, the SFI Office of Label Use and Licensing will honor current SFI certifications for the facilities and or forestlands involved in the transfer for a period of 90 days for SFI product labeling purposes provided:

- a. The parties involved request this grace period in writing prior to the transfer of the assets with documentation confirming that there will not be significant variation in the current operations, environmental management systems, personnel, etc. during the transfer.
- b. The party receiving the assets must provide documentation demonstrating the timeline for obtaining their new SFI certification from an accredited certification body.
- c. The party desiring to utilize the SFI product labels must be in full conformance with Sections 3, 4 and 5 of the SFI 2010-2014 Program requirements document (March 2008).

6. Objective 1 involves the issue of alternate industrial activity on public land. For example, we are aware of cases where oil & gas development is causing a significant impact on timber supply and forest ecology, and it is apparent that the impacts will continue. Is it possible to certify a forest operation where alternate industrial activity is adversely affecting sustainability?

In many cases, the Program Participant may not have direct influence on this activity, as in the case you suggest, it is governments that permit oil & gas exploration and development. The impact of the oil & gas development would have to be reviewed in the context of the entire forest under review. Similarly in certain cases, Program Participants do not own mineral rights. In those cases, the Program Participant's activities would be viewed in the context of rights owned/controlled. The Program Participant may show evidence of their efforts to work with the development activities as a good faith example of how they are working to minimize or otherwise mitigate unrelated impacts (July 2002).

7. Is it possible to complete a certification to the SFI Standard on an organization before they become a Program Participant?

For a certification to be completed, the auditee must be a SFI Program Participant or in the process of becoming one (in which case the final certification is conditioned on becoming a Program Participant). It should be noted that the SFI 2010-2014 Standard is a publicly-available document and, as such, anyone who wants to can offer their "opinion" on an organization's conformance to it. However, because "Sustainable Forestry Initiative" and "SFI" are registered service marks, an entity would infringe on this ownership in violation of the federal intellectual property laws if they were to use

the service marks in a public claim about the "opinion" without becoming a SFI Program Participant (July 2003).

8. If a program participant owns land and primary mills, can they certify their procurement system only or their land only?

No, a participant must be certified against all portions of the SFI 2010-2014 Standard relevant to their operations. A company who owns or manages forestlands must be certified to objectives 1-7; 14-20 in the 2010-2014 standard. A company who only sources direct from the forest but does not manage the forestlands must be certified to objectives 8-20. A company who owns or manages forestlands and sources direct from the forest must be certified to objectives 1-20 (June 2006).

9. Item 4 of the Audit Procedures and Auditor Qualifications and Accreditation includes the clause:

"ISO 17021 Section 4 addresses general principles associated with auditing, including impartiality, competence, responsibility, openness, confidentiality and responsiveness to complaints "

A basic principle of all certification systems is that consulting for and auditing the same client constitutes a conflict of interest.

At least one SFI certification firm has recently made a public claim that such a conflict of interest could be avoided by having an audit firm subcontract to a client's consultant, who could then help the client prepare for the audit and respond to any non-conformances found in the audit. One could also imagine equally creative arrangements like having the consultant subcontract to the audit firm or having both subcontract to a third firm.

Would any such arrangement be acceptable under the "conflict of interest" clause?

Impartiality and conflict of interest are also addressed in ISO 17021, which is a normative document, has numerous requirements related to impartiality.

SFI program certification bodies are expected to adhere to all of the relevant ISO, IAF, ANAB, SCC and ANSI requirements to maintain their accreditation. Questions around conflict of interest should be addressed directly by the certification body with the appropriate accreditation body to ensure continued maintenance of the accreditation (June 2006).

10. My company owns a 7,740 acre tract which is the family ranch. It is about 30% forested with pine. This tract has produced <0.08 % of logs that have supplied the mills over the past 19 years.

We are requesting a formal interpretation of "relevant to their operations". Our belief is that due to the small amount, less than 0.08 of a percent, this tract is not relevant to the procurement of our mills and that Objectives 1-7 should be waived.

Yes, this is a de minimis amount and can be scoped out of the audit as it is not relevant to your operations. (February 2010)

11. My company forestlands are certified under the American Tree Farm System (ATFS) Standard. Our lands have been part of ATFS for over 40 years--well before the 2004 ATFS membership rules change. We would like to certify just our mills/procurement system to the SFI Standard and keep our land certified to the individual ATFS certification. Does SFI Inc. allow this?

Yes. A small company with forestland can certify their land under the ATFS and their mills/procurement only to the SFI Standard under the following circumstances:

- For purposes of this policy, a small company is defined by less than 20 employees or less than \$15 million in annual sales;
- The ATFS recognition is based on the fact that SFI recognizes PEFC endorsed standards in North America which include ATFS as an acceptable forest management standard;
- A small company was certified under the ATFS standard prior to 2004 and remained in the ATFS program ("grandfathered") following the ATFS membership rules change and remains certified (individual third party certification) under the ATFS program;
- If a small company is new to ATFS and owns 20,000 acres or less of forestland, they can also chose to certify (individual third party certification) their forestland under the ATFS program and their mills/procurement only to the SFI Standard.

(June 2010)

12. Forest lands designated for sale that will not remain as managed forestland after the sale are often removed from the scope of certification to the SFI Standard. These lands usually comprise a small percentage of the overall certified land base, generally well under 10%. Is there a limit on the percentage of the land base that can be "scoped out"? If there is not a fixed maximum, then what factors should a certification body consider in attempting to ensure that the exclusion of significant acreage from the scope does not compromise the integrity of the SFI Standard?

No, there is not a limit on the percentage of the land base that can be "scoped out" of the SFI Standard. It is important to note that the SFI Standard applies to forestland that continues to be managed as forestland consistent with the SFI Standard. Just because land is designated for sale to another use, doesn't mean the land will sell in the short term or that it will be converted to another use. As such, the land should continue to be managed to conform to the SFI Standard until a sales contract has been signed. Once a sales contract is in place, the program participant should scope out the lands that will be sold.

Additionally, if clear steps are being taken to convert forest land to another use by a program participant, such as a request for rezoning, then the properties should be "scoped out" of the SFI program and certification.

It is more important for certification bodies to ensure that lands scoped into an audit are being managed in conformance with the SFI Standard to protect the integrity of the SFI Standard. Program participants are not restricted by SFI in their decision making regarding the purchase of or sale of forestland or the movement of forestland (or the quantity) in or out of the scope of a certification. However, it is important for certification bodies and program participants to ensure that there is absolute clarity on what forestlands owned or controlled by the program participant are included in the certification in all communications, internally and externally.

In addition, "Questions and Answers" in Part 5 of the SFI Interpretations document addresses the conversion of forestland to non-forest uses.

1. *How does the SFI Standard address the conversion of forestland to non-forest uses?*

"First, forestland that is being converted to non-forest uses would not meet any of the SFI Standard requirements (prompt reforestation, biodiversity, etc.) and could not be certified under the SFI program.

Second, wood from forests being converted to non-forest uses cannot be counted as certified content in any of the SFI program labels.

SFI 2010-2014 Standard Requirements, Section 13 Definitions

conversion sources: *Roundwood and/or chips produced from conversion of forestland to other land uses. Manufacturers can use this wood to avoid wasting it but cannot include it when calculating certified forest content component.*

Third, SFI-labeled products can be expected to use the same amount of wood from forests undergoing conversion to non-forest use as products labeled to other forest certification schemes and produced in the U.S. or Canada.

Conversion of forest land for home building, agriculture, power lines, highways, etc. occurs throughout the U.S. but at acceptably low levels. According to a study commissioned by the American Hardwoods Export Council and other studies referenced in Forest Stewardship Council chain of custody certifications, all of the significant wood-producing regions of the U.S. and Canada are at low risk for producing wood from forests converted to another land use. See, for example, <http://www.americanhardwood.org/sustainability/seneca-creek-study.html>

<http://info.fsc.org/servlet/servlet.FileDownload?retURL=%2Fapex%2FPublicCertificateDetails%3Fid%3Da0240000005sU6KAAU&file=00P40000003y02yEAA> Under the labeling rules for all the major forest certification systems relative to conversion, this means wood producers in the U.S. and Canada are free to use the same sources of wood from uncertified forests in their products."

(June 2011)

13. Our single-site paper facility relies on small chip mills for sources of fiber. The chip mills are primary producers. Can we scope these chip mills within our Section 2 SFI 2010-2014 Standard and Section 3 SFI Chain of Custody Standard audits? All outputs from the chip mills come

directly to our paper facility and all sources of certified forest content are known and documented.

Yes. A SFI certified program participant that sources from primary producers can scope those organizations in their own *Section 2 SFI 2010-2014 Standard* or *Section 3 SFI Chain of Custody Standard* procedures. The SFI certified program participant will be responsible for all objectives and performance measures of those organizations they scope into their own procedures. Those organizations are subject to sample audits. Certification bodies shall follow guidelines in Section 9 – Appendix 1, for “multi-site organizations.” If the SFI certified program participant scopes in primary producers, the SFI certified program participant is also responsible for all SIC related activity for that company. (December 2011)

Part 3: Interpretations for Section 3 – SFI Chain-of-Custody Standard

1. a) *For organizations that do not have signed contracts with suppliers but have no non North-American supply sources is it acceptable to rely on existing regulated transportation of forest products requirements in lieu of separate self declarations as:*

- *The certificate is only available for legally harvested sources and controversial sources are limited to illegal sources in North America.*
- *All primary forest products are required to be accompanied by a transportation certificate and*
- *All certificates require identification of the supplier?*

b) *Is a self-declaration from the supplier necessary when a certified Program Participant directly controls the harvesting operation?*

Section 3.6.1.1 of the SFI Chain of Custody Standard requires:

“...at least a signed self-declaration that the supplied raw material does not originate from a controversial source”.

a) It is acceptable to rely on a transportation certificate from a government agency to document the legality of the timber. The minimum requirement is for self-declaration from suppliers; a certificate from a regulatory agency exceeds this minimum requirement.

b) A self-declaration is not necessary when the raw material harvesting is directly controlled by the certified SFI Program Participant (e.g. direct stumpage purchase from a private forest landowner) (October 2006).

2. *In order for a primary manufacturer to obtain a chain of custody certificate, do they need to be certified to the relevant portions of the SFI Standard?*

Yes, a company who owns or manages forestlands must be certified to objectives 1-7; 14-20 in the 2010-2014 standard in order to obtain a SFI COC certificate. A company who only sources direct from the forest but does not manage the forestlands must be certified to objectives 8-20 in order to obtain a SFI COC certificate. A company who owns or manages forestlands and sources direct from the forest must be certified to objectives 1-20 in order to obtain a SFI COC certificate. (October 2006).

3. *For a company to obtain a chain of custody certificate, do each of the company's wood producer's (suppliers) need to carry a chain of custody certificate?*

Per 3.2.2 of Section 3 in the SFI COC Standard, chain of custody requires clear evidence “from all suppliers of the certified raw material documentation, which proves that the

criteria set for the supplier of the certified raw material have been met." This can be accomplished two ways.

1. The company obtaining the COC certificate can scope the wood producers (suppliers) into their own COC processes.
2. The wood producers (supplier) can obtain their own chain of custody certificate. (October 2006)

4. We wish to define our production batch as the combination of products being combined into a single magazine or catalog run. In other words a production batch will include the paper usage for all insert, order-form, offset body, gravure body, and cover products being bound or stitched together into the final product of a magazine or catalog. By auditing gross usage for all component products going into a final product, our production is entirely uniform; we print on paper at an input: output ratio of 1:1. We produce a single product of ink on paper across our entire auditable production platform.

Yes, per 3.1.2 and Appendix 1 of Section 3, "an organization shall identify a production batch(es) for which the certification percentage is calculated. The production batch shall be identified for specific products or groups of products. The organization can include in one production batch only products which consist of the same raw material." Because paper uses similar raw material, this meets the intent of the definition and a printer can define a production batch as a single magazine or catalog run (March 2008).

5. My company is a printer and we wish to be able to use the credit bank system by banking our certified inputs from one product batch which makes no certification claims and uses no trademark, and then within a 12 month period allocate those credits to a later production batch according to the policies set by the SFI.

Yes, following the definition of production batch under 3.1.2, and per 3.1.1 under Section 3, "The percentage based method of the chain of custody applies to organizations with facilities where certified raw material is mixed together with other raw material categories and the certified raw material cannot be clearly identified in the output products." This includes printers who receive certified paper and non-certified paper (March 2008).

6. We wish to be able to apply and transfer credits across all plants which are part of our multi-site certification. All of our plants are multi-site certified and each plant specializes in a particular type of production, i.e. one plant specializes in order forms, another specializes in insert runs, another in gravure body forms, etc. etc. Paper and product is routinely shipped interplant for the production of a final catalog or magazine product, based upon platform preference or scheduling need.

Yes, following the definition of production batch under 3.1.2, and per Appendix 1 of Section 9, Audits of Multi-Site Organizations, under a multi-site audit, a company can transfer credits from one plant to another as long as it is conducted for the same production batch (March 2008).

7. Our company is chain of custody (Section 3) and fiber sourcing (Section 4) certified. We own many converting facilities where these facilities obtain 95%-100% of our primary product and ownership does not change until after the product is converted. Is a separate chain of custody or fiber sourcing audit needed on these facilities, and what kind of label can the converting plant use?

No, if the converting facilities are owned by the same company, and these facilities obtain 100% product from the primary mills that holds the chain of custody certificate or a fiber sourcing certificate, a separate chain of custody or fiber sourcing audit is not needed. SFI considers 5% a de minimis amount (March 2008).

8. Interpretation #3 (October 2006) states that a company may scope wood producers (suppliers) into their own processes to meet the intent of 3.2.2 in Annex 2, SFI Chain of Custody. What evidence is required by a company who wishes to "scope" a supplier into their own chain of custody processes to document and verify certified forest content?

A company can verify the certified forest content from a SFI certified forest by an ANAB or SCC approved 2010-2014 SFI Standard certificate. The SFI program also recognizes the Canadian Standards Association (CSA) Z809 as well as the American Tree Farm System (ATFS) forest certification standards as certified forest content. Evidence that fiber is coming from CSA Z809 or ATFS certified lands can also come from accredited certificates from the respected certification bodies that conduct ATFS and CSA certifications.

The company will need to track the delivery of certified fiber based on the accredited certificates and need to be able to verify via delivery documentation or summarized delivery data the amount of certified forest fiber via the requirements of 3.2.2 (March 2009).

9. Can SFI Chain of Custody certificate holders waive a surveillance audit if they have not sold any certified material since the last audit?

Yes, this only applies to SFI COC certificate holders, and they must work with their certification body. The COC certificate holder must sign a declaration for the certification body stating that no material has been sold as SFI certified since the last audit. The declaration must also include a commitment by the COC certificate holder to contact the certification body as soon as they wish to sell SFI certified material. Certification bodies shall not waive more than two consecutive audits (September 2009).

10. PEFC rules (Annex 4, Appendix 1) state PEFC certified materials/products can be passed on as PEFC certified by suppliers (i.e. broker) without a PEFC chain of custody certification if the PEFC certified material/product is in the original packaging and is clearly identified as PEFC certified. Is this allowable under the SFI chain of custody system as well?

Yes, a supplier (i.e. broker) who passes on SFI certified material/product in its original packaging to another company does not need a SFI COC if the material/product is identified with a SFI CoC on-product label (March 2010).

11. For an organization undergoing an initial registration (audit) to SFI 2010-2014 Section 3 (CoC), at what point can that organization start to count credits as being eligible for inclusion in their volume credit account?

An organization can start counting all eligible credit after a successful internal audit has been completed on the CoC system as well as a management review of the CoC system. Credits can be accumulated up to 365 days prior to the initial registration audit. Accumulated credits can be utilized for the sale of products only after successful completion of the registration audit and receipt of the COC certificate from the certification body (November 2011).

Part 4: Interpretations for Section 4 - Rules for Use of SFI On-Product Labels

1. *Can a secondary producer be eligible for the SFI on-product label even if its primary producer supply is not SFI third-party certified?*

Yes. The label use requirements state a secondary producer must provide independent third-party evidence documenting at least 2/3 of the product(s) or manufacturing unit originates from sources certified to be in conformance with the SFI Standard or other acceptable standards. It is up to the secondary producer to determine how they will demonstrate their requirements to the SFI certifier (March 2006).

2. *A program participant has 8 secondary facilities producing the same product line. Can these 8 facilities be combined in a single application for a product line for the purposes of qualifying for an SFI Fiber Sourcing label?*

Yes. The sourcing requirement may be met either at the product line or manufacturing unit level (November 2006).

3. *Under Section 4, number 3.4.2 states the calculation is based on "either a rolling four-quarter average or the most recent full calendar year's consumption." Can the guidelines follow the same time as stated in SFI's Chain of Custody document which is either a rolling average percentage or a simple percentage?*

Yes, you can use the calculation of certified content as outlined in Section 3, 3.3.4 and 3.3.5 and 3.3.6. If a shorter period of time is used, then it should be associated with surveillance audits at the conclusion of each shorter period, to make sure the participating operation continues to be in compliance with the requirements of Section 4. For companies currently certified under Section 4, they can continue to use the current time frame they've already established, or they can roll the new time frame into their next surveillance audit (March 2008).

4. *A program participant has 8 secondary facilities producing the same product line. Can these 8 facilities be combined in a single application for a product line for the purposes of qualifying for an SFI Fiber Sourcing label? Not all of the 8 facilities can meet the 2/3rds requirement for SFI sourcing. However, they all produce the same product line and when the sourcing is calculated based on all 8 facilities, the 2/3rds rule is easily met.*

Yes. The sourcing requirement may be met either at the product line or manufacturing unit level (October 2006).

5. *If a SFI certified company has a limitation on printing the full SFI label on the product, can the SFI certified company use a different version of the SFI label?*

The company must contact the SFI Office of Label Use and Licensing to inform SFI Inc why they have limitations on using the full on-product label. The SFI Office of Label Use

and Licensing will then take each inquiry on a case by case basis to determine a reasonable solution which may include authorizing the company to use a different version of the SFI label on the product. No alteration of the label may be made without SFI's consent. Regardless of how the company alters the on-product label on the individual product, the full on-product label must be used in some other way such as packaging, wrap, end tags or point of purchase material (March 2009).

6. *Can PEFC-certified wood products, verified according to the criteria in SFI's Annex 2 Chain of Custody Standard (or PEFC's Annex 4 Chain of Custody Standard) be utilized in a SFI Chain of Custody system as "Responsible Fiber Sources" and counted as such in percentage-based claims for the SFI Certified Chain of Custody label or the SFI Certified Fiber Sourcing label?*

Fiber Sourcing Label

No, for the Fiber Sourcing label you can only count fiber sourced from a SFI certified procurement system, North American PEFC endorsed certification programs, or recycled content can count towards the "Responsible Fiber Sourcing" definition. The only PEFC endorsed standards that count are described in 12.1 of Annex 4 and include SFI 2005-2009 objectives for land management, CAN/CSA Z809 and the ATFS individual or group certification. Other PEFC endorsed fiber is counted as "other raw material."

X% Chain of Custody Label

Yes, for the X% chain of custody label, PEFC certified material can count towards the responsible fiber sourcing definition and may be included in the x% certified fiber sourcing line (June 2009).

7. *Specifically please confirm that facilities that utilize 100% recycled fiber (pre & post) can use the X% label with the average percentage method.*

The current language on page 3 of "Enhancements to the SFI Labeling Program – January 28, 2011" states that "*Use of the average percentage labels is contingent on the production batch having at least 10% certified forest content*". Certified forest content is defined as "*Raw material from lands third-party certified to acceptable forest management standards*". These two statements essentially exclude 100% recycled fiber facilities from use of the X% label under the average percentage method.

Yes, facilities that utilize 100% pre and post consumer recycled content can use the X% label with the average percentage method. They cannot, however, use the x% certified forest content tagline, and must delete that tagline from the label.

- a. If a facility uses 100% post consumer recycled content they can use the x% label. They must delete the lines "certified forest content" and "certified sourcing" and only have the line read "100% post-consumer recycled"
- b. If a facility uses a mixture of pre and post consumer recycled content they can use the x% label. Because pre consumer recycled content only counts towards the "certified sourcing" claim, the company will need to put the correct amount of pre consumer recycled content in the "certified sourcing" line. The correct amount of post consumer recycled content will go in the

“post-consumer recycled” line. The “certified forest content” line must be deleted from the label since that is a value of zero.

- c. If a company uses 100% pre consumer recycled content they must use the “certified sourcing” label only.

(March 2011)

8. *When using the percentage method, can a company sell a product as SFI certified that is less than 10% certified forest content if it does not carry the SFI label?*

Yes, the 10% minimum certified forest content is specific to use of the SFI label. A company can sell a product that is less than 10% certified forest content if they do not use the SFI label. The actual percent must still be included on documentation presented to the customer. (March 2011)

9. *My company manufactures private branded products. With the implementation of the new SFI label ID number, some of our customers have concerns that a search on the SFI website will reveal my company as the manufacturer. The concern is disclosing that we have this relationship, and in some instances, there is strategic competitive information revealing the manufacturer. With this in mind, are there any exceptions to the SFI label ID number for instances where the company doesn't want to reveal the manufacturer for private branded products?*

Yes, for private branded products where the company has concern disclosing the relationship with the manufacturer, or if there is concern with revealing strategic competitive information about the manufacturer, SFI Inc can issue a second SFI label ID number. While the second SFI label ID number would be on the product, when searched in the SFI on-line database, the supplier information would just read “Contact SFI Inc for More Information on this Product (Tel: 202-596-3450)”. This way, SFI staff has the information on who the manufacturer is, and can confirm (based on information supplied by the caller) that the label is legitimate, but SFI Inc won't divulge sensitive competitive information, and will explain this to the person who may inquire. This second SFI label ID number will only be granted for organizations who produce private branded products and request a private number in order to avoid disclosing competitive information.

The manufacturer must continue to use their originally assigned SFI label ID number for all other products they manufacture and label that do not have competitiveness concerns as described above. (June 2011)

10. *I have a product that requires “plugging” to ensure there are no gaps or holes between the two panels. The “plugging” makes up less than 1% of the total weight of the product. The “plugging” is a primary product (sawdust) and comes from outside North America. Are the requirements under Section 2, Objectives 11-13 required for this de minimis amount of material?*

Yes. To ensure that the appropriate risk assessment is conducted, Objectives 11-13 must be applied. In the case of de minimis amounts of materials, consideration of the scale and scope of the risk assessment is warranted. At a minimum, the company who

provides the de minimis amount of material from outside of North America, must provide the label user with a signed declaration from a senior person at the organization, that confirms the material does not come from controversial sources. (January 2012)

11. Can a primary manufacturer of wood, pulp & paper products certified to the PEFC Chain of Custody standard use the SFI label.

Yes, a primary manufacturer of wood, pulp & paper products certified to the PEFC CoC standard may use the SFI label with the following conditions:

1. The primary manufacturer must be an SFI program participant.
2. The primary manufacturer must be certified to all of the applicable objectives in the SFI 2010-2014 Standard. A company who owns or manages forestlands must be certified to objectives 1-7; 14-20. A company who only sources direct from the forest but does not manage the forestlands must be certified to objectives 8-20. A company who owns or manages forestlands and sources direct from the forest must be certified to all of the applicable objectives for Objectives 1-20. (December 2012)

Part 5: Questions and Answers

1. How does the SFI Standard address the conversion of forestland to non-forest uses?

First, forestland that is being converted to non-forest uses would not meet any of the SFI Standard requirements (prompt reforestation, biodiversity, etc.) and could not be certified under the SFI program.

Second, wood from forests being converted to non-forest uses cannot be counted as certified content in any of the SFI program labels.

SFI 2010-2014 Standard Requirements, Section 13 Definitions

conversion sources: Roundwood and/or chips produced from conversion of forestland to other land uses. Manufacturers can use this wood to avoid wasting it but cannot include it when calculating *certified forest content* component.

Third, SFI-labeled products can be expected to use the same amount of wood from forests undergoing conversion to non-forest use as products labeled to other forest certification schemes and produced in the U.S. or Canada. Conversion of forest land for home building, agriculture, power lines, highways, etc. occurs throughout the U.S. but at acceptably low levels. According to a study commissioned by the American Hardwoods Export Council and other studies referenced in Forest Stewardship Council chain of custody certifications, all of the significant wood-producing regions of the U.S. and Canada are at low risk for producing wood from forests converted to another land use. See, for example, <http://www.americanhardwood.org/sustainability/seneca-creek-study.html>; <http://info.fsc.org/servlet/servlet.FileDownload?retURL=%2Fapex%2FPublicCertificateDetails%3Fid%3Da0240000005sU6KAAU&file=00P40000003y02yEAA>. Under the labeling rules for all the major forest certification systems relative to conversion, this means wood producers in the U.S. and Canada are free to use the same sources of wood from uncertified forests in their products.

2. How does the SFI Standard address the conversion of forest types for short-rotation bioenergy plantations?

Short-rotation bioenergy plantations and other high-intensity forestry operations are outside the scope of the SFI 2010-2014 Standard and are not eligible for certification under the SFI program.

SFI 2010-2014 Standard Program Requirements: Introduction/Requirements for Program Participants

"The *SFI 2010-2014 Standard* applies to management of forests throughout North America where management intensities range from managed natural forests and plantation *forestry*, regardless of the forest products derived from management of such forests. Short rotation woody crop operations and other high-intensity *forestry* operations, while they may serve a role in the production of *bioenergy feedstocks*, are beyond the scope of the *SFI 2010-2014 Standard*. "

Also see Item 7.1, Section 6 in the SFI 2010-2014 Standard Program Requirements for additional guidance on bioenergy.

3. *Are SFI program participants required to explicitly define and document the establishment of property rights and land-tenure arrangements for forest areas within their forest management planning documentation for lands they own or control?*

Yes. This is covered in Objective 14 (Legal and Regulatory Compliance). Both the United States and Canada have specific laws at the state, provincial and local levels regulating trespass and timber theft. Program participants, by law, must have the authority to operate within a given forest management unit on lands they own or control.

4. *Are SFI program participants required to identify and map specific and recognized protective forest functions for society on lands they own or control?*

Yes. This is covered in several objectives: Objective 3 (Protection and Maintenance of Water Resources), Objective 6 (Protection of Special Sites) and Objective 14 (Legal and Regulatory Compliance). Objective 3 includes requirements for the protection of water quality along with protection of rivers, streams, lakes, and other water bodies and riparian zones. Mapping of rivers, streams, lakes and other water bodies as specified in state or provincial best management practices is required. Objective 6 requires mapping and protection of ecologically, geologically or culturally important sites which may also include forests with protective functions for society. Finally, protective forest functions are regulated at local, state and federal levels in the United States and Canada and all program participants must comply with laws and regulations as specified in Objective 14.

5. *Are SFI program participants required to take special measures for forest operations to avoid adverse effects on water quantity on lands they own or control?*

Yes. This is covered in Objective 3 (Protection and Maintenance of Water Resources) and Objective 14 (Legal and Regulatory Compliance). Where water quantity issues are of concern in the United States and Canada, protection measures are included in state and provincial BMPs and in federal, state, provincial and local laws and regulations which SFI program participants must comply with on lands they own or control.

6. *Are SFI program participants required to make forest management plans or their equivalents available upon request? Is this part of the public audit summary?*

Yes. Indicator 19.1.1.a. requires that a description of the Program Participant's forestland and manufacturing operations included in the audit be part of the public audit report. *Forestry enterprises* should include a description of their management plans for the areas included in the audit as part of the forestland description. The descriptions should include the following information for the area covered by the certification, and should not include any information that is proprietarily, confidential or of a competitive nature.

- General description of the management plan outlining forest management policies and objectives
- An outline of the area of ownership

- A general description of major timber types with a general characterization of management approaches used (natural regeneration vs. planting, thinning regimes, even-aged vs. uneven-aged silvicultural)

7. *PEFC endorsed the CSA Small Woodlot Standard (CAN/CSA-Z804) in November 2011. Is CAN/CSA-Z804 now considered an acceptable forest management standard under the SFI definitions for certified forest content?*

Yes. The intent of the *acceptable forest management standards* definition is to include all PEFC North American endorsed standards.

8. *Under SFI's Section 9 - Appendix 1 - #4.1.2.d, does the Central Function need to establish written procedures and keep records of the individual sites conformity?*

Yes, the Central Function shall establish written procedures for the management of the group and the Central Function shall also keep records of the individual sites conformity in regards to standard and other applicable requirements.

9. *How do SFI program participants address the new PEFC requirements that says: "Forest management shall provide for adequate protection of the forest from unauthorised activities such as illegal logging, illegal land use, illegally initiated fires, and other illegal activities"?*

Both the United States and Canada have mature legal systems that consistently discourage and punish illegal behavior including unauthorized activities such as illegal logging, illegal land use, illegally initiated fires, and other illegal activities. Given the wide range of due process and compliance mechanisms that ensure conformance with these laws, the SFI Standard requires compliance with all laws at the local, state, provincial and national levels. Program participants also cooperate with local, state, provincial and national law enforcement agencies as appropriate to help ensure these laws are being enforced.