

SECTION 3

SFI 2015-2019 FIBER SOURCING STANDARD

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SUSTAINABLE
FORESTRY
INITIATIVE

SFI-00001





SFI 2015-2019 FIBER SOURCING STANDARD

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SECTION 3

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1. GENERAL

1.1 Scope

What the *Fiber Sourcing Standard* Does

The *SFI 2015-2019 Fiber Sourcing Standard* promotes responsible forestry practices based on 14 *Principles*, 13 *Objectives*, 21 *Performance Measures* and 55 *Indicators*. These *fiber sourcing* requirements include measures to broaden the practice of *biodiversity*, use forestry *best management practices* to protect water quality, provide outreach to landowners, and utilize the services of forest management and harvesting professionals.

What the *Fiber Sourcing Standard* Covers

The *SFI 2015-2019 Fiber Sourcing Standard* applies to any organization with a *fiber sourcing* program that acquires roundwood and field-manufactured or primary-mill residual chips, pulp and veneer to support a forest products facility. Appendix 1 applies to any *primary producer* or *secondary producer* who uses the *SFI Certified Sourcing* on-product label or claim.

Geographic Application of the *Fiber Sourcing Standard*

The *SFI 2015-2019 Fiber Sourcing Standard* applies to organizations in the United States and Canada that procure wood domestically or globally. *Secondary producers* who utilize Appendix 1 can apply it to any organization globally.

1.2 Additional Requirements

SFI Program Participants that own or have management authority for forestlands must also conform to the *SFI 2015-2019 Forest Management Standard*.

Use of the *SFI* on-product labels and claims shall follow Section 5 - Rules for Use of *SFI* On-Product Labels and Off-Product Marks as well as ISO 14020:2000.

1.3 References

This standard incorporates, by dated or undated reference, provisions from other publications. These normative and informative references are cited at the appropriate places in the text and the publications are listed hereafter. For dated and undated references, the latest edition of the publication applies.

Normative References

- i. ISO/IEC 17021:2011 - Conformity Assessment - Requirements for bodies providing audit and certification of management systems
- ii. ISO/IEC Guide 2:2004 Standardization and related activities - General vocabulary
- iii. Section 7 - *SFI* Policies
- iv. Section 9 - *SFI 2015-2019 Audit Procedures and Auditor Qualifications and Accreditation*
- v. Section 10 - Communications and Public Reporting
- vi. Section 13 - *SFI* Definitions
- vii. Interpretations for the Requirements for the *SFI 2015-2019 Program*

For the purposes of this standard, the relevant definitions given in ISO/IEC Guide 2:2004 apply, together with the definitions in the *SFI* Definitions (Section 13).

Informative References

- i. ISO 14001:2004 Environmental Management Systems - Specification with guidance for use
- ii. PEFC ST 1003:2010 Sustainable Forest Management Requirements, November 26, 2010
- iii. Section 6 - Guidance to *SFI 2015-2019 Standards*
- iv. Section 8 - *SFI Standards Development and Interpretations Process*
- v. Section 11 - Public Inquiries and Official Complaints
- vi. Section 12 - Optional Modules

1.4 *SFI 2015-2019 Fiber Sourcing Standard Principles*

SFI Program Participants believe forest landowners have an important stewardship responsibility and a commitment to society, and they recognize the importance of maintaining viable commercial, family forest, and *conservation* forest land bases. They support *sustainable forestry* practices on forestland they manage, and promote it on other lands. They support efforts to protect private property rights, and to help all private landowners manage their forestland sustainably. In keeping with this responsibility, *SFI Program Participants* shall have a written *policy* (or *policies*) to implement and achieve the following *principles*:

1. Sustainable Forestry

To practice *sustainable forestry* to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates *reforestation* and the managing, growing, nurturing and harvesting of trees for useful products and *ecosystem services* such as the *conservation* of soil, air and water quality, carbon, *biological diversity*, *wildlife* and *aquatic habitats*, recreation and aesthetics.

2. Forest Productivity and Health

To provide for regeneration after harvest and maintain the productive capacity of the forest land base, and to protect and maintain *long-term* forest and soil *productivity*. In addition, to protect forests from economically or environmentally undesirable levels of wildfire, pests, diseases, *invasive exotic plants and animals*, and other damaging agents and thus maintain and improve *long-term forest health* and *productivity*.

3. Protection of Water Resources

To protect water bodies and *riparian areas* and to conform with forestry *best management practices* to protect water quality.

4. Protection of Biological Diversity

To manage forests in ways that protect and promote *biological diversity*, including animal and plant species, *wildlife habitats*, and ecological or natural community types.

5. Aesthetics and Recreation

To manage the visual impacts of forest operations, and to provide recreational opportunities for the public.

6. Protection of Special Sites

To manage lands that are ecologically, geologically or *culturally important* in a manner that takes into account their unique qualities.

7. Responsible Fiber Sourcing Practices in North America

To use and promote among other forest landowners *sustainable forestry* practices that are both scientifically credible and economically, environmentally and socially responsible.

8. Legal Compliance

To comply with applicable federal, provincial, state, and local *forestry* and related environmental laws, statutes, and regulations.

9. Research

To support advances in sustainable forest management through *forestry* research, science and technology.

10. Training and Education

To improve the practice of *sustainable forestry* through training and education *programs*.

11. Community Involvement and Social Responsibility

To broaden the practice of *sustainable forestry* on all lands through community involvement, socially responsible practices, and through recognition and respect of *Indigenous Peoples'* rights and *traditional forest-related knowledge*.

12. Transparency

To broaden the understanding of forest certification to the *SFI 2015-2019 Fiber Sourcing Standard* by documenting certification audits and making the findings publicly available.

13. Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to *sustainable forestry*.

14. Avoidance of Controversial Sources including Illegal Logging in Offshore Fiber Sourcing

To avoid wood fiber from *illegally logged* forests when procuring fiber outside of North America, and to avoid sourcing *fiber from countries without effective social laws*.

1.5 SFI 2015-2019 Fiber Sourcing Standard Objectives

A summary of the *SFI 2015-2019 Fiber Sourcing Standard Objectives* follows:

Objective 1. Biodiversity in Fiber Sourcing

To address the practice of *sustainable forestry* by conserving *biological diversity*.

Objective 2. Adherence to Best Management Practices

To broaden the practice of *sustainable forestry* through the use of *best management practices* to protect water quality.

Objective 3. Use of Qualified Resource and Qualified Logging Professionals

To encourage forest landowners to utilize the services of *qualified logging professionals, certified logging professionals* (where available) and *qualified resource professionals*.

Objective 4. Legal and Regulatory Compliance

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

Objective 5. Forestry Research, Science and Technology

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

Objective 6. Training and Education

To improve the implementation of *sustainable forestry* practices through appropriate training and education *programs*.

Objective 7. Community Involvement and Landowner Outreach

To broaden the practice of *sustainable forestry* through public outreach, education, and involvement and to support the efforts of *SFI Implementation Committees*.

Objective 8. Public Land Management Responsibilities

To participate and implement sustainable forest management on *public lands*.

Objective 9. Communications and Public Reporting

To increase transparency and to annually report progress on conformance with the *SFI 2015-2019 Fiber Sourcing Standard*.

Objective 10. Management Review and Continual Improvement

To promote continual improvement in the practice of *sustainable forestry* by conducting a management review and monitoring performance.

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

To promote the *conservation of biological diversity, biodiversity hotspots* and *high-biodiversity wilderness areas* in *fiber sourcing programs*.

Objective 12. Avoidance of *Controversial Sources* including *Illegal Logging*

To avoid *illegal logging* in *fiber sourcing* programs.

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

To avoid *controversial sources* in *fiber sourcing* programs.

1.6 SFI 2015-2019 Fiber Sourcing Standard Requirements

Fiber sourcing within the United States and Canada (Objectives 1-10 apply).

Objective 1. *Biodiversity* in *Fiber Sourcing*

To address the practice of *sustainable forestry* by conserving *biological diversity*.

Performance Measure 1.1. Promotion and *conservation* of *biological diversity*.

Indicators:

1. *Program Participants* shall address *conservation of biodiversity*, individually or collaboratively, through a *program* which includes one or more of the following:
 - a. promotion of *biological diversity* utilizing information from organizations such as World Resources Institute, The Nature Conservancy, NatureServe, Conservation International, State Wildlife Action Plans, State Forest Action Plans and assessments;
 - b. conducting local and regional level *landscape* assessments;
 - c. involvement with local or regional *conservation* efforts;
 - d. use of relevant information on *biological diversity* from credible sources (such as those noted above) in approved training and education programs; or
 - e. other credible approaches.
2. *Program* to address *Forests with Exceptional Conservation Value* in harvests of *purchased stumpage*.

Objective 2. Adherence to *Best Management Practices*

To broaden the practice of *sustainable forestry* through the use of *best management practices* to *protect* water quality.

Performance Measure 2.1. *Program Participants* shall clearly define and implement *policies* to ensure that facility inventories and *fiber sourcing* activities do not compromise adherence to the *principles of sustainable forestry*.

Indicators:

1. *Program* to require that harvests of *purchased stumpage* comply with *best management practices*.
2. Use of written agreements for the purchase of raw material sourced directly from the forest is required and must include provisions requiring the use of *best management practices*.

3. *Program* to address adverse weather conditions.

4. *Program Participants* shall clearly define their *fiber sourcing policies* in writing and make them available to *wood producers*.

Performance Measure 2.2. *Program Participants* shall monitor the use of *best management practices*.

Indicators:

1. A *verifiable monitoring* system to:
 - a. monitor the use of *best management practices* by *wood producers* supplying the *Program Participant*; and
 - b. evaluate use of *best management practices* across the *wood and fiber supply area*.
2. Use of information from the *verifiable monitoring* system to maintain rates of conformance to *best management practices* and to identify areas for improved performance.

Objective 3. Use of *Qualified Resource* and *Qualified Logging Professionals*

To encourage forest landowners to utilize the services of *qualified logging professionals*, *certified logging professionals* (where available) and *qualified resource professionals*.

Performance Measure 3.1. *Program Participants* shall encourage landowners to utilize the services of *qualified logging professionals*, *certified logging professionals* (where available), *qualified resource professionals* and to apply *principles of sustainable forest management* on their lands.

Indicators:

1. *Program* to promote the use of *qualified logging professionals*, *certified logging professionals* (where available), and *qualified resource professionals*.
2. List of *qualified logging professionals*, *certified logging professionals* and *qualified resource professionals* maintained by a *Program Participant*, state or provincial agency, loggers' association or other organization.

Objective 4. Legal and Regulatory Compliance

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

Performance Measure 4.1. *Program Participants* shall comply with applicable federal, provincial, state and local *forestry* and related social and environmental laws and regulations and take steps to avoid *illegal logging*.

Indicators:

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

4. *Program* to assess the risk that the *Program Participant's* fiber sourcing program could acquire material from *illegal logging* by considering some of the following:
 - a. communications with suppliers;
 - b. independent research;
 - c. contract documentation; and
 - d. maintaining records.
5. *Program* to address any significant risk identified under 4.1.4.

Performance Measure 4.2. *Program Participants* shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which the *Program Participant* operates.

Indicator:

1. Written *policy* demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment measures, workers' compensation, *Indigenous Peoples'* rights, workers' and communities' right to know, prevailing wages, workers' right to organize, and occupational health and safety.

Objective 5. Forestry Research, Science and Technology

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

Performance Measure 5.1. *Program Participants* shall — individually and/or through cooperative efforts involving *SFI Implementation Committees*, associations or other partners — provide in-kind support or funding for forest research to improve *forest health*, *productivity*, and sustainable management of forest resources, and the environmental benefits and performance of forest products.

Indicators:

1. Financial or in-kind support of research to address questions of relevance in the region of operations. Examples could include, but are not limited to, areas of forest *productivity*, water quality, *biodiversity*, community issues, or similar areas that build broader understanding of the benefits and impacts of forest management.
2. Research on genetically engineered trees via *forest tree biotechnology* shall adhere to all applicable federal, state, and provincial regulations and international protocols ratified by the U.S. or Canada depending on jurisdiction of management.

Performance Measure 5.2. *Program Participants* shall individually and/or through cooperative efforts involving *SFI Implementation Committees*, associations or other partners develop or use state, provincial or regional analyses in support of their *sustainable forestry programs*.

Indicator:

1. Participation, individually and/or through cooperative efforts involving *SFI Implementation Committees* and/or associations at the national, state, provincial or regional level, in the development or use of some of the following:
 - a. regeneration assessments;
 - b. *growth and drain* assessments;
 - c. *best management practices* implementation and conformance;
 - d. *biodiversity* conservation information for family forest owners; and
 - e. social, cultural or economic benefit assessments.

Performance Measure 5.3. *Program Participants* shall individually and/or through cooperative efforts involving *SFI Implementation Committees*, associations or other partners broaden the awareness of *climate change* impacts on forests, *wildlife* and *biological diversity*.

Indicators:

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

Objective 6. Training and Education

To improve the implementation of *sustainable forestry* practices through appropriate training and education *programs*.

Performance Measure 6.1. *Program Participants* shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the *SFI 2015-2019 Fiber Sourcing Standard*.

Indicators:

1. Written statement of commitment to the *SFI 2015-2019 Fiber Sourcing Standard* communicated throughout the organization, particularly to facility and woodland managers, *fiber sourcing* staff and field foresters.
2. Assignment and understanding of roles and responsibilities for achieving *SFI 2015-2019 Fiber Sourcing Standard Objectives*.
3. Staff education and training sufficient to their roles and responsibilities.
4. Contractor education and training sufficient to their roles and responsibilities.
5. *Program Participants* shall have written agreements for the use of *qualified logging professionals* and/or *certified logging professionals* (where available) and/or *wood producers* that have completed training *programs* and are recognized as *qualified logging professionals*.

Performance Measure 6.2. *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*.

Indicators:

1. Participation in or support of *SFI Implementation Committees* to establish criteria and identify delivery mechanisms for *wood producer* training courses and periodic continuing education that address:
 - a. awareness of *sustainable forestry* principles and the *SFI Program*;
 - b. *best management practices*, including streamside management and road construction, maintenance and retirement;
 - c. *reforestation*, *invasive exotic plants and animals*, forest resource *conservation*, aesthetics and *special sites*;
 - d. awareness of responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act, and other measures to protect *wildlife habitat* (e.g., *Forests with Exceptional Conservation Value*);
 - e. awareness of rare forested natural communities as identified by provincial or state agencies, or by credible organizations such as NatureServe and The Nature Conservancy;
 - f. logging safety;
 - g. U.S. Occupational Safety and Health Administration (OSHA) and Canadian Centre for Occupational Health and Safety (CCOHS) regulations, wage and hour rules, and other provincial, state and local employment laws;
 - h. transportation issues;
 - i. business management;
 - j. public *policy* and outreach; and
 - k. awareness of emerging technologies.
2. The *SFI Implementation Committee*-approved *wood producer* training programs shall have a continuing education component with coursework that supports the current training programs, safety and the *principles of sustainable forestry*.
3. Participation in or support of *SFI Implementation Committees* to establish criteria for recognition of logger certification *programs*, where they exist, that include:
 - a. completion of *SFI Implementation Committee* recognized *wood producer* training *programs* and meeting continuing education requirements of the training *program*;
 - b. independent in-the-forest verification of conformance with the logger certification *program* standards;
 - c. compliance with all applicable laws and regulations including responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act and other measures to protect *wildlife habitat*;
 - d. use of *best management practices* to protect water quality;
 - e. logging safety;

- f. compliance with acceptable *silviculture* and utilization standards;
- g. aesthetic management techniques employed where applicable; and
- h. adherence to a management or harvest plan that is site specific and agreed to by the forest landowner.

Objective 7. Community Involvement and Landowner Outreach

To broaden the practice of *sustainable forestry* through public outreach, education, and involvement and to support the efforts of *SFI Implementation Committees*.

Performance Measure 7.1. *Program Participants* shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, *conservation* organizations, *Indigenous Peoples* and governments, community groups, sporting organizations, labor, universities, extension agencies, the *American Tree Farm System*® and/or other landowner cooperative *programs* to apply *principles* of sustainable forest management.

Indicators:

1. Support, including financial, for efforts of *SFI Implementation Committees*.
2. Support, individually or collaboratively, education and outreach to forest landowners describing the importance of and providing implementation guidance on:
 - a. *best management practices*;
 - b. *reforestation* and *afforestation*;
 - c. *visual quality management*;
 - d. *conservation objectives*, such as of critical *wildlife habitat* elements, biodiversity, *threatened and endangered species*, and *Forests with Exceptional Conservation Value*;
 - e. management of harvest residue (e.g., slash, limbs, tops) considers economic, social, environmental factors (e.g., organic and nutrient value to future forests) and other utilization needs;
 - f. control of *invasive exotic plants and animals*;
 - g. characteristics of *special sites*; and
 - h. reduction of wildfire risk.
3. Participation in efforts to support or promote *conservation* of managed forests through voluntary market-based incentive *programs* such as current-use taxation *programs*, *Forest Legacy Program* or *conservation* easements.
4. *Program Participants* are knowledgeable about credible regional *conservation* planning and priority-setting efforts that include a broad range of stakeholders and have a *program* to take into account the results of these efforts in planning.
5. *Program Participants* with *fiber sourcing programs*, either individually or collaboratively with *SFI Implementation Committees*, encourage forest landowners to participate in forest management certification *programs*.

Performance Measure 7.2. *Program Participants* shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.

Indicator:

1. Periodic educational opportunities promoting *sustainable forestry*, such as:
 - a. field tours, seminars, websites, webinars or workshops;
 - b. educational trips;
 - c. self-guided forest management trails;
 - d. publication of articles, educational pamphlets or newsletters; or
 - e. support for state, provincial, and local *forestry* organizations and soil and water *conservation* districts.

Performance Measure 7.3. *Program Participants* shall establish, at the state, provincial, or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other *Program Participants* regarding practices that appear inconsistent with the *SFI 2015-2019 Fiber Sourcing Standard principles and objectives*.

Indicators:

1. Support for *SFI Implementation Committees* (e.g., toll-free numbers and other efforts) to address concerns about apparent nonconforming practices.
2. Process to receive and respond to public inquiries. *SFI Implementation Committees* shall submit data annually to *SFI Inc.* regarding concerns received and responses.

Objective 8. Public Land Management Responsibilities

To participate and implement sustainable forest management on *public lands*.

Performance Measure 8.1. *Program Participants* with *forest management responsibilities on public lands* shall participate in the development of *public land* planning and management processes.

Indicators:

1. Involvement in *public land* planning and management activities with appropriate governmental entities and the public.
2. Appropriate contact with local stakeholders over forest management issues through state, provincial, federal or independent collaboration.

Objective 9. Communications and Public Reporting

To increase transparency and to annually report progress on conformance with the *SFI 2015-2019 Fiber Sourcing Standard*.

Performance Measure 9.1. A *Program Participant* shall provide a summary audit report, prepared by the *certification body*, to *SFI Inc.* after the successful completion of a certification, recertification or surveillance audit to the *SFI 2015-2019 Fiber Sourcing Standard*.

Indicator:

1. The summary audit report submitted by the *Program Participant* (one copy must be in English), shall include, at a minimum:
 - a. a description of the audit process, *objectives* and scope;
 - b. a description of substitute *indicators*, if any, used in the audit and a rationale for each;
 - c. the name of the *Program Participant* that was audited, including its *SFI* representative;
 - d. a general description of the *Program Participant's* forestland, fiber procurement and/or manufacturing operations included in the audit;
 - e. the name of the *certification body* and *lead auditor* (names of the *audit team* members, including *technical experts* may be included at the discretion of the *audit team* and *Program Participant*);
 - f. the dates the audit was conducted and completed;
 - g. a summary of the findings, including general descriptions of evidence of conformity and any nonconformities and corrective action plans to address them, opportunities for improvement, and exceptional practices; and
 - h. the certification decision.

The summary audit report will be posted on the *SFI Inc.* website (www.sfiprogram.org) for public review.

Performance Measure 9.2. *Program Participants* shall report annually to *SFI Inc.* on their conformance with the *SFI 2015-2019 Fiber Sourcing Standard*

Indicators:

1. Prompt response to the *SFI* annual progress report survey.
2. Record keeping for all the categories of information needed for *SFI* annual progress report surveys.
3. Maintenance of copies of past survey reports to document progress and improvements to demonstrate conformance to the *SFI 2015-2019 Fiber Sourcing Standard*.

Objective 10. Management Review and Continual Improvement

To promote continual improvement in the practice of *sustainable forestry* by conducting a management review and monitoring performance.

Performance Measure 10.1. *Program Participants* shall establish a management review system to examine findings and progress in implementing the *SFI 2015-2019 Fiber Sourcing Standard*, to make appropriate improvements in *programs*, and to inform their employees of changes.

Indicators:

1. System to review commitments, *programs* and procedures to evaluate effectiveness.
2. System for collecting, reviewing and reporting information to management regarding progress in achieving *SFI 2015-2019 Fiber Sourcing Standard objectives and performance measures*.
3. Annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the *SFI 2015-2019 Fiber Sourcing Standard*.

Fiber sourcing outside the United States and Canada (For fiber sourcing from outside the United States and Canada, Objectives 11-13 also apply.)

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

To promote the *conservation of biological diversity, biodiversity hotspots and high-biodiversity wilderness areas* in *fiber sourcing programs*.

Performance Measure 11.1. *Program Participants* shall ensure that their *fiber sourcing programs* support the *principles of sustainable forestry*, including efforts to promote *conservation of biological diversity*.

Indicators:

1. *Fiber sourcing* from areas outside the United States and Canada promotes *conservation of biological diversity*, utilizing information from the following sources:
 - a. *biodiversity hotspots and high-biodiversity wilderness areas* as identified by Conservation International; and
 - b. *rare species and habitat information derived* from organizations such as the World Resources Institute, the *Alliance for Zero Extinction*, the World Wildlife Fund, the International Union for Conservation of Nature and NatureServe.
2. *Program with direct suppliers* to promote the *principles of sustainable forestry*.
3. Documented information that includes knowledge about *direct suppliers' application of the principles of sustainable forestry*.

Objective 12. Avoidance of Controversial Sources including Illegal Logging

To avoid *illegal logging* in *fiber sourcing programs*.

Performance Measure 12.1. *Program Participants* shall ensure that their *fiber sourcing programs* support the *principles of sustainable forestry*, including efforts to reduce the risk of *illegal logging*.

[See Section 7 – SFI Policies.]

Indicators:

1. Process to assess the risk that the *Program Participant's fiber sourcing program* could acquire material from *illegal logging* such as consulting information from the World Resources Institute Risk Information Tool, the World Bank Legal Rights Index, or Transparency International.
2. *Program* to address any significant risk identified under 12.1.1.
3. *Program with direct suppliers* to promote the *principles of sustainable forestry*.
4. Documented information that includes knowledge about *direct suppliers' application of the principles of sustainable forestry*.

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

To avoid *controversial sources* in *fiber sourcing programs*.

Performance Measure 13.1. *Program Participants* shall avoid *controversial sources* and encourage socially sound practices.

Indicators:

1. Process to assess the risk that the *Program Participant's fiber sourcing* could take place in countries without effective laws addressing the following:
 - a. workers' health and safety;
 - b. fair labor practices;
 - c. *Indigenous Peoples' rights*;
 - d. anti-discrimination and anti-harassment measures;
 - e. prevailing wages; and
 - f. workers' right to organize.
2. *Program* to address any significant risk identified under 13.1.1.

APPENDIX 1: RULES FOR USE OF SFI CERTIFIED SOURCING LABEL

PREFACE

SFI Inc. is an independent, non-profit, charitable organization dedicated to promoting sustainable forest management in North America and supporting responsible procurement globally. *SFI* governed by a three-chamber Board of Directors representing environmental, social and economic interests equally, and the SFI program addresses local needs through its grassroots network of 34 *SFI Implementation Committees* across North America. *SFI Inc.* directs all elements of the SFI program including the *SFI* forest management, *fiber sourcing* and *chain-of-custody* standards, labeling and marketing.

Consumers in growing numbers want assurance that their buying decisions represent a sound environmental choice. They are asking for proof that wood, paper and packaging products are made with raw materials from *certified forest content* and *certified sourcing*. The Rules for Use of *SFI* On-Product Labels as well as the *SFI Chain-of-Custody Standard* deliver a reliable and credible mechanism so businesses can provide this assurance to their customers.

The SFI program meets guidelines on environmental claims in product advertising and communication issued by the U.S. Federal Trade Commission and guidelines on environmental labeling and advertising issued by the Competition Bureau of Canada.

Studies have shown that consumers appreciate the value of forest certification in helping them identify wood and paper products from legal, responsible sources.

The fact that the SFI program can deliver a steady supply of fiber from well-managed forests is especially important at a time when there is increasing demand for green building and responsible paper purchasing, and only 10 percent of the world's forests are certified.

PART 1. SCOPE AND PURPOSE

1.1 Scope

This section describes the requirements for *Program Participants*, both *primary producers* and *secondary producers*, in the United States or Canada seeking use of the *SFI Certified Sourcing* on-product label. *Primary* or *secondary producers* with operations outside of the United States and Canada should refer to Part 4 of this Appendix.

1.2 Purpose

The purpose of this section is to describe the requirements *Program Participants* and *secondary producers* must meet in order to use the *SFI* on-product label or claim.

1.3 Label

The following label applies to this section.



PART 2. NORMATIVE AND INFORMATIVE REFERENCES

2.1 Normative

The following normative *SFI 2015-2019 Standards and Rules* Sections are referenced in this document and can be found on the *SFI Inc.* website at www.sfiprogram.org:

- i. Sections 2 and 3 - *SFI 2015-2019 Standards and Rules*
- ii. Section 5 - Rules for Use of *SFI* On-Product Labels and Off-Product Marks
- iii. Section 7 - *SFI* Policies
- iv. Section 9 - *Appendix 1: Audits of Multi-Site Organizations*
- v. Section 13 - *SFI* Definitions

2.2 Informative

The following informative documents are referenced in this section and can be found on the *SFI Inc.* website at www.sfiprogram.org:

- i. Section 4 - *SFI 2015-2019 Chain-of-Custody Standard*
- ii. Section 6 - Guidance to *SFI 2015-2019 Standards*
- iii. Section 9 - *SFI 2015-2019 Audit Procedures and Auditor Qualifications and Accreditation*
- iv. ISO 9001:2008 Quality management systems - Requirements
- v. ISO 14001:2004 Environmental Management Systems - Specification with guidance for use

PART 3. CERTIFIED SOURCING LABEL

3.1 *Primary producers* are manufacturing units that produce forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their wood-based raw materials directly from *primary sources*. They must account for 100% of their *primary sources* as coming from *certified sourcing*.

If a *primary producer* sources from company-owned or company-controlled lands enrolled in the *SFI* program, those lands must be third-party certified to the *SFI 2015-2019 Forest Management Standard*.

3.2 *Secondary producers* are manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from *secondary sources*. They must account for at least two-thirds (2/3) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from *certified sourcing*. The other one-third (1/3) cannot come from *controversial sources*.

3.3 Calculation of percentage for use of the *Certified Sourcing* Label is as follows:

- 3.3.1 *Primary producers* shall demonstrate conformance with the requirements of 3.1 at all times, which means 100% *certified sourcing* for every *product group*.
 - If less than 5% (by weight) of a manufacturing unit's raw material supply comes from *secondary sources*, these sources are considered de minimis and no certification of this portion is required if all is from U.S. or Canadian sources.
- 3.3.2 *Secondary producers* shall specify how they will meet the requirements of 3.2 to conform to the two-thirds rule. They may base the calculation on a *product group* or time period (which cannot exceed one quarter). The percentage may be calculated as:
 - Rolling Average Percentage – The percentage calculated for wood fiber consumed during, for example, the previous four quarters or 12 months. The period over which the rolling average is calculated shall not exceed one year.
 - Simple Percentage – The percentage calculated for wood fiber consumed in the specific *product group*.
- 3.3.3 In all cases, the organization must demonstrate that the requirements of 3.1 and/or 3.2 are met before the label can be used in relation to a specific *product group* or time period.

3.3.4 A *secondary producer* may use the *Certified Sourcing Label* on products from a single manufacturing unit as long as the specific supply for that product(s) or for that manufacturing unit meets all the content requirements set out in this document.

3.3.5 The sourcing requirement may be met at either the product line or manufacturing unit level.

3.4 SFI Certified Sourcing Claim: Fiber that conforms with Objectives 1-13 of Section 3, and/or from *pre-consumer recycled content*, and/or from *post-consumer recycled content*, and/or from an *acceptable forest management standard*.

3.4.1 *Certified sourcing* claim verification can occur by a *primary producer's* Section 3 certificate, an invoice, bill of lading, shipping document, letter, or other forms of communications available to the customer.

PART 4. ORGANIZATIONS OUTSIDE THE UNITED STATES AND CANADA

4.1 A *primary producer* or *secondary producer* outside the United States and Canada must successfully complete an annual audit by an accredited *SFI certification body* against the requirements of Appendix 1 of the *SFI 2015-2019 Fiber Sourcing Standard*.

4.2 A *primary producer* outside the United States and Canada must account for 100% of its *primary sources* as coming from *certified sourcing*.

4.3 A *secondary producer* outside the United States and Canada must account for at least two-thirds (2/3) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from *certified sourcing*. The other one-third (1/3) cannot come from *controversial sources*.

PART 5. CERTIFIED SOURCING DEFINITION

Certified sourcing is defined as raw material sourced from the following sources and confirmed by a *certification body*:

5.1 Fiber that conforms with Objectives 1-13 of Section 3 - *SFI 2015-2019 Fiber Sourcing Standard's* requirements.

5.2 *Pre-consumer recycled content*: Material diverted from the waste stream during a manufacturing process. It does not include materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process.

Any claims about *pre-consumer recycled content* by *Program Participants* or *label users* shall be accurate and consistent with applicable law. *Program Participants* and *label users* are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies and national, state and provincial consumer protection and competition laws.

5.3 *Post-consumer recycled content*: Material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product, which can no longer be used for its intended purpose.

Any claims about *post-consumer recycled content* by *Program Participants* and *label users* shall be accurate and consistent with applicable law. *Program Participants* and *label users* are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies, and national, state and provincial consumer protection and competition laws.

5.4 *Certified forest content*, which includes content from specific forest tracts that are third-party certified to conform with the *SFI 2015-2019 Forest Management Standard's* Objectives 1-15 requirements or other *acceptable forest management standards* (e.g., CAN/CSA Z809, CAN/CSA Z804 and ATFS).

5.5 *Non-controversial sources*: The organization shall establish adequate measures to ensure that the labeled products do not come from *controversial sources*. See Part 6 on due diligence system to avoid *controversial sources*.

PART 6. DUE DILIGENCE SYSTEM TO AVOID CONTROVERSIAL SOURCES

6.1 Definition of *Controversial Sources*

- a. Forest-based products that are not in compliance with applicable state, provincial or federal laws, particularly as they may relate to:
 - *conversion sources*;
 - legally required *protection of threatened and endangered species*;
 - requirements of CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora);
 - legally required management of areas with designated high environmental and cultural values;

- labor regulations relating to forest workers; and
 - *Indigenous Peoples'* property, tenure and use rights
- b. Forest-based products from *illegal logging*
 - c. Forest-based products from areas without effective social laws

6.2 Verification of Purchased Product(s)

To avoid *controversial sources*, the organization shall obtain and verify the scope of an *SFI Section 2 (SFI 2015-2019 Forest Management Standard)*, *Section 3 (SFI 2015-2019 Fiber Sourcing Standard)*, *Section 4 (SFI 2015-2019 Chain-of-Custody Standard)*, or *other credible chain-of-custody standard* certificate. Verification shall ensure that the facility and the purchased product(s) are directly associated with the certification. This can be achieved through the following:

- a. On a valid *SFI Section 2 (SFI 2015-2019 Forest Management Standard)*, *Section 3 (SFI 2015-2019 Fiber Sourcing Standard)*, *Section 4 (SFI 2015-2019 Chain-of-Custody Standard)*, or *other credible chain-of-custody standard* certificate or appendix to the certificate.
- b. On a publicly available *product group* listing, or
- c. By other means of verification.

Where inspection of the certificate and other supporting evidence can demonstrate that the facility and *product groups* are within scope of the certificate, then the organization purchasing that *product group* can credibly conclude that the products being sourced are low risk of coming from *controversial sources*.

6.3 Conducting a Risk Assessment

When forest-based products, excluding *recycled content*, are procured without a valid *SFI Section 2 (SFI 2015-2019 Forest Management Standard)*, *Section 3 (SFI 2015-2019 Fiber Sourcing Standard)*, *Section 4 (SFI 2015-2019 Chain-of-Custody Standard)*, or *other credible chain-of-custody standard* certificate, the organization shall collect information on the source of the forest-based product, through a due diligence system to address the likelihood of sourcing from *controversial sources*.

The organization's due diligence system shall:

- 6.3.1 Conduct a risk assessment of sourcing forest-based products that are not in compliance with applicable state, provincial or federal laws, particularly as they may relate to:
 - *conversion source*;
 - legally required *protection of threatened and endangered species*;
 - requirements of CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora);
 - legally required management of areas with designated high environmental and cultural values;
 - labor regulations relating to forest workers; and
 - *Indigenous Peoples'* property, tenure and legally established use rights.

The risk assessment shall be carried out at the national level and where risk is not consistent, at the appropriate regional level.

- 6.3.2 Conduct a risk assessment of sourcing forest-based products from *illegal logging*.
- 6.3.3 Conduct a risk assessment of sourcing forest-based products from areas without effective social laws addressing the following:
 - a. workers' health and safety;
 - b. fair labor practices;
 - c. *Indigenous Peoples'* rights;
 - d. antidiscrimination and anti-harassment measures;
 - e. prevailing wages; and
 - f. workers' right to organize.

6.4 Implementing Program to Address Risk

Where the risk assessment conducted under 6.3 determines other than low risk, the organization shall implement a *program* to mitigate such risk and require a signed contract and/or self-declaration that the supplied forest-based product does not originate from *controversial sources*.

PART 7. MINIMUM MANAGEMENT SYSTEM REQUIREMENTS

7.1 General Requirements

The organization shall operate a management system in accordance with the following elements of this standard, which ensure correct implementation and maintenance of the *certified sourcing* process. The management system shall be appropriate to the type, range and volume of work performed.

Note: An organization's quality (ISO 9001:2008) or environmental (ISO 14001:2004) management system can be used to meet the minimum requirements for the management system defined in this standard.

7.2 Responsibilities and Authorities for Certified Sourcing

- 7.2.1 The organization's top management shall define and document its commitment to implement and maintain the *certified sourcing* requirements, and make this available to its personnel, suppliers, customers, and other interested parties.
- 7.2.2 The organization's top management shall appoint a member of the management who, irrespective of other responsibilities, shall have overall responsibility and authority for the *certified sourcing*.
- 7.2.3 The organization's top management shall carry out a regular periodic review of the *certified sourcing* and its compliance with the requirements of this standard.

- 7.2.4 The organization shall identify personnel performing work affecting the implementation and maintenance of the *certified sourcing*, and establish and set responsibilities and authorities relating to the *certified sourcing* process:
- raw material procurement and identification of the *certified sourcing*;
 - product sale and labeling;
 - record keeping; and
 - internal audits and nonconformity control.

Note: The responsibilities and authorities for the *certified sourcing* given above can be cumulated.

7.3 Documented Procedures

The organization's procedures for the *certified sourcing* shall be documented, and include at least the following elements:

- description of the raw material flow within the production process;
- organization structure, responsibilities and authorities relating to chain of custody; and
- procedures for the *certified sourcing* process covering all requirements of this standard.

7.4 Record Keeping

- 7.4.1 The organization shall establish and maintain records to provide evidence it has conformed to the requirements of this standard and its *certified sourcing* procedures are effective and efficient. The organization shall keep at least the following:
- records of all suppliers of *certified sourcing* material, including information to confirm requirements at the supplier level are met;
 - records of all purchased *certified sourcing* raw material;
 - records of all *certified sourcing* products sold;
 - records of internal audits, nonconformities that occurred and corrective actions taken; and
 - records of top management's periodic review of compliance with *certified sourcing* requirements.

- 7.4.2 The organization shall maintain the records for a minimum period of three years unless stated otherwise by law.

7.5 Resource Management

- 7.5.1 Human Resources/Personnel
- The organization shall ensure that all personnel performing work affecting the implementation and maintenance of the *certified sourcing* shall be competent on the basis of appropriate training, education, skills and experience.

7.5.2 Technical Facilities

The organization shall identify, provide and maintain the infrastructure and technical facilities needed for effective implementation and maintenance of the organization's *certified sourcing* to meet the requirements of this standard.

7.6 Internal Audit and Management Review

- 7.6.1 The organization shall conduct internal audits at intervals of no more than one year covering all requirements of this standard, and establish corrective and preventive measures if required.
- 7.6.2 The organization shall conduct the internal audit in accordance with the following requirements:
- The internal audit shall be undertaken by personnel who have adequate knowledge of the *SFI 2015-2019 Fiber Sourcing Standard*;
 - Off-site interviews and desk audits are permissible, appropriate to the scope and scale of the organization;
 - If there have been no inputs or outputs for a site or manufacturing facility over the past year, internal audits are not required;
 - If a site or manufacturing facility has had no sales of *SFI certified sourcing* products over that past year, internal audits are not required;
 - Internal audits are to assess overall organizational conformance and internal audit documentation can consist of one consolidated internal audit checklist and/or report; and
 - Where nonconformities are identified during the internal audit process, a corrective action plan shall be developed at the site and/or organizational level.
- 7.6.3 Where the organization has outsourced activities within the scope of its *certified sourcing*, the organization shall develop procedures for the audit of these contractors.
- 7.6.4 The internal audit of outsource contractors may be conducted remotely.
- 7.6.5 Where there are sufficient outsource contractors, the internal audit may use a sampling approach for these contractors.
- 7.6.6 The internal audit of outsource contractors shall:
- determine the level of risk associated with the outsourced activities.
 - include within the scope of the internal audit those outsourced activities assessed as high risk.

7.6.7 The organization shall have its rationale for remote audits and its sampling procedure audited by its third-party certifier.

7.6.8 The results of internal audits shall be reported to management for review during the annual management review.

PART 8. APPLICATION REQUIREMENTS

8.1 Primary producers must annually submit to the Office of Label Use and Licensing:

8.1.1 A copy of their certificate for Section 2 - *SFI 2015-2019 Forest Management Standard* if a *primary producer* sources from company-owned or company-controlled lands enrolled in the *SFI program* and/or a copy of their Section 3 - *SFI 2015-2019 Fiber Sourcing Standard* listing the manufacturing units covered under the scope of the certificate.

8.1.2 A copy of their annual *SFI 2015-2019 Forest Management Standard* and/or *SFI 2015-2019 Fiber Sourcing Standard* audit report issued by an *SFI certification body*.

8.2 Secondary producers must annually submit to the Office of Label Use and Licensing:

8.2.1 A copy of their *Certified Sourcing* certificate issued to *secondary producers* certified to Section 3 – Appendix 1 - Rules for Use of *SFI Certified Sourcing* Label, issued by an accredited *SFI certification body*.

8.2.2 A list of the manufacturing unit(s) and product(s) for which the *SFI Certified Sourcing* Label use approval is sought.

8.3 Primary or secondary producers outside the United States and Canada must annually submit to the Office of Label Use and Licensing:

8.3.1 A copy of their *Certified Sourcing* certificate to Section 3 - Appendix 1 - Rules for Use of *SFI Certified Sourcing* Label, issued by an accredited *SFI certification body*.

8.3.2 A list of the manufacturing unit(s) and product(s) for which the *SFI Certified Sourcing* Label use approval is sought.

PART 9. OFFICE OF LABEL USE AND LICENSING

9.1 The *Office of Label Use and Licensing* shall evaluate and approve applications for use of all *SFI* on-product labels, shall establish label use rules and procedures set out in the Rules for Use of *SFI* On-Product Labels and Off-Product Marks (Section 5 in the *SFI 2015-2019 Standards and Rules*), and shall maintain oversight of use of all *SFI* on-product labels.

9.2 A *label user* may not use the *SFI program* label on any products from manufacturing unit(s) for which it has not obtained approval from the *Office of Label Use and Licensing*.

9.3 Approval for use of any *SFI* on-product labels will become effective upon authorization issued by the *Office of Label Use and Licensing*, and remains in effect for one year, unless terminated pursuant to the terms set out in the *SFI* Label Agreement.

9.4 The *Office of Label Use and Licensing* may periodically announce additional rules and procedures to ensure ownership and use of the *SFI* on-product labels are adequately protected under applicable law, and to ensure proper consumer understanding.

9.5 Applicants must provide specific examples of proposed *SFI* on-product label use and related promotional literature to the *Office of Label Use and Licensing*, in keeping with *Section 5 Rules for Use of SFI On-Product labels and Off-Product Marks*.

9.6 In response to questions and issues raised by *SFI* on-product label users or *certification bodies*, the *Office of Label Use and Licensing* will periodically announce and formally adopt interpretations to *Section 5 Rules for Use of SFI On-Product labels and Off-Product Marks*. All interpretations will be posted at www.sfiprogram.org.

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