



Sustainable Forestry Initiative (SFI)SM Program



*Growing
Tomorrow's Forests
Today[®]*

**American Forest & Paper
Association**



America's Forest and Paper People SM

Improving Tomorrow's Environment Today [®]



American Forest & Paper Association

Some **200** member companies and associations representing approximately **84%** of paper production, **50%** of solid wood production, **85%** of structural panel production, and **90%** of industrial timberland in the United States.



What is Sustainable Forestry?

- **Sustainable forestry means managing our forests to meet the needs of the present without compromising the ability of future generations.**
- **By practicing a land stewardship ethic which integrates**
 - **the reforestation,**
 - **managing, growing, nurturing, and**
 - **harvesting of trees for useful products**
 - **with the conservation of soil, air and water quality, wildlife and fish habitat, and aesthetics.**

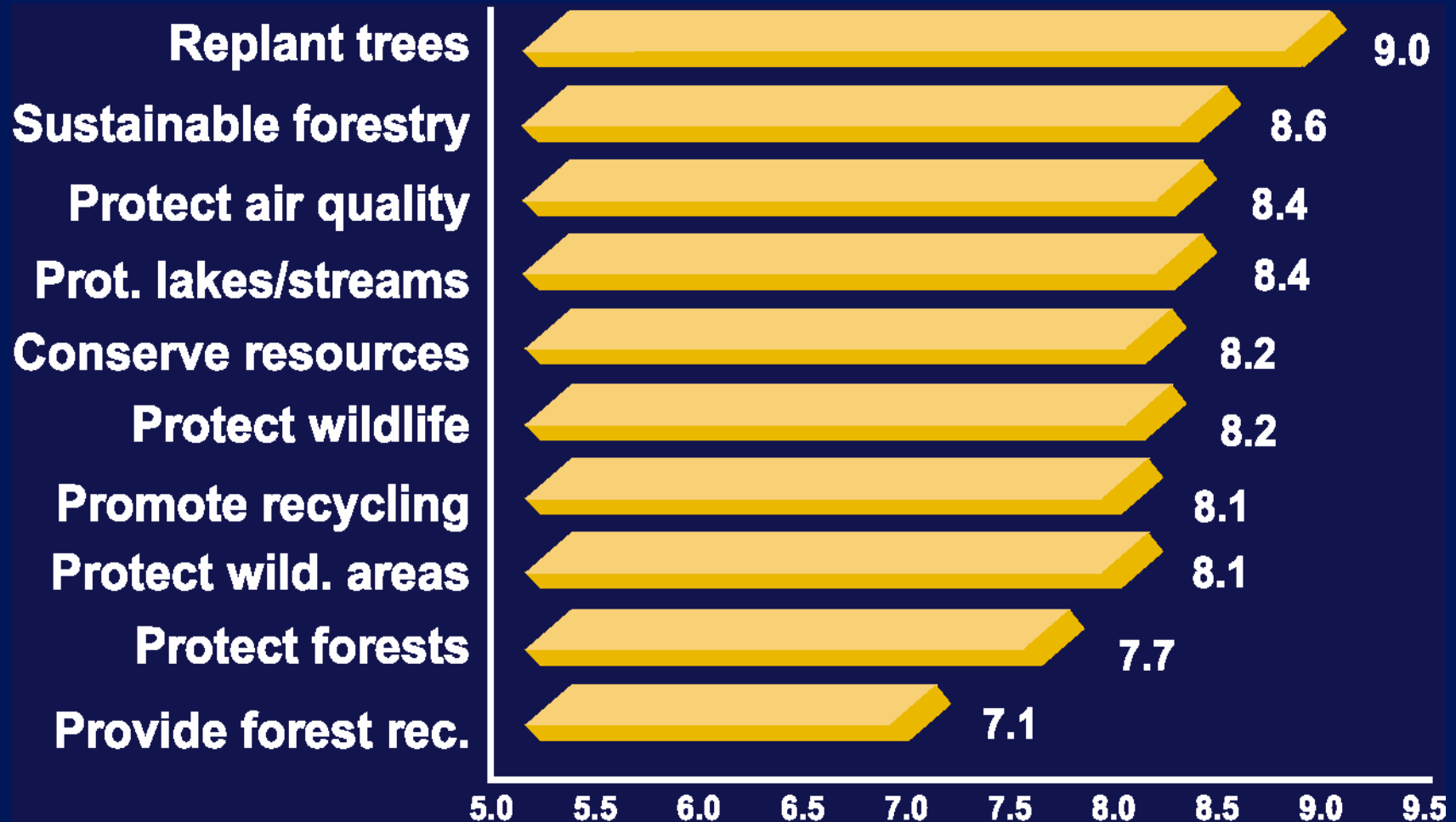
What is the Purpose of SFI?

- **The purpose is two-fold:**
 - **The primary purpose is to improve measurably the health and growth of America's privately owned forestlands.**
 - **A related secondary purpose is to improve the public policy climate for practicing forestry in the United States.**

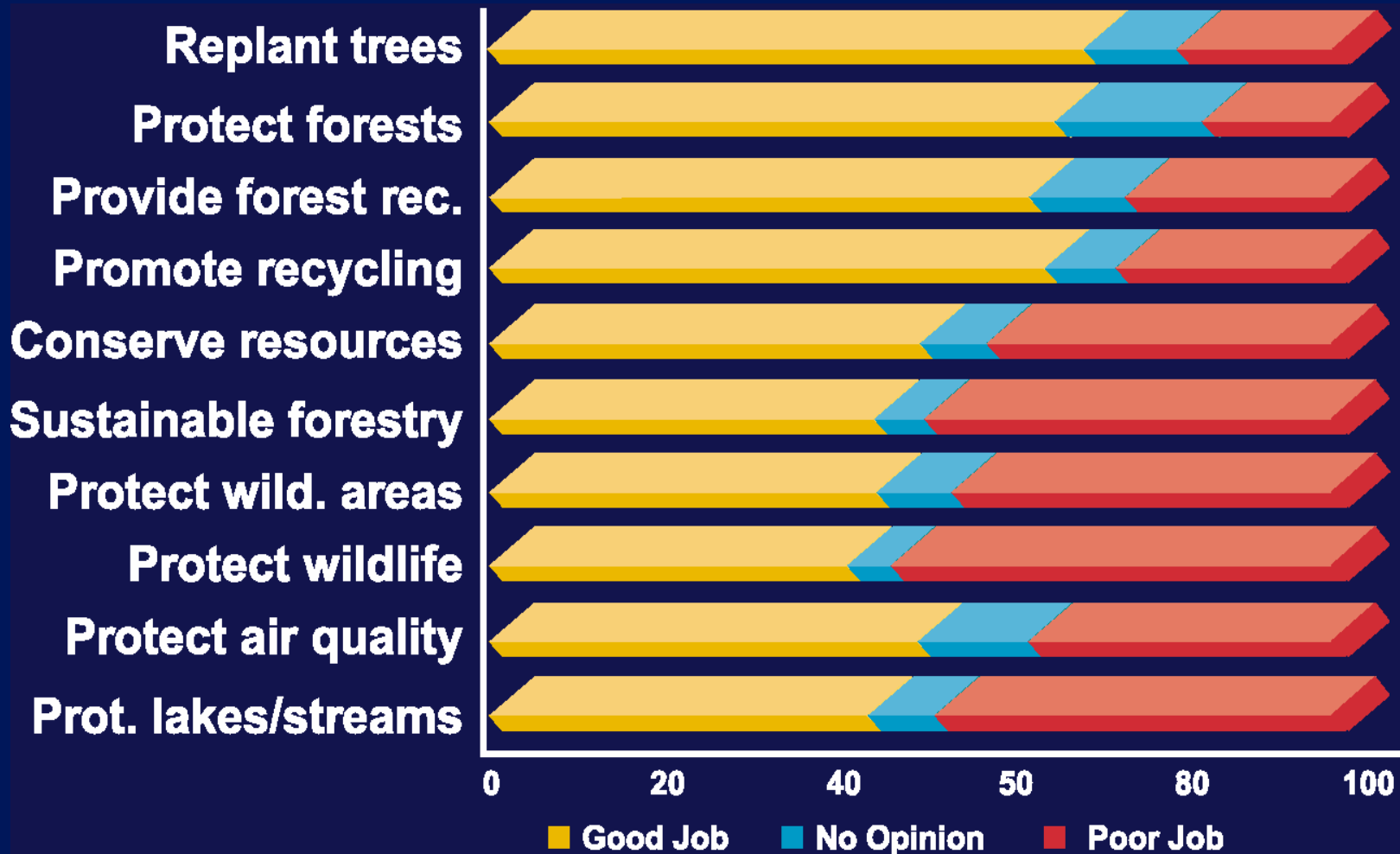
Evolution of the SFISM Program

5/93-2/94	Five Year Strategic Plan Developed
2/94	Forest Resources Task Force Established
2/94-4/94	First Draft of <i>Principles and Guidelines</i>
5/94	AF&PA Board Approves Principles and Implementation Guidelines Concepts
6/94-7/94	Regional Workshops on SFISM Program
9/94	Review/Action by Forest Resources Board & AF&PA Executive Committee
10/94	AF&PA Board Action
7/98	SFI Licensing Program Adopted
11/98	SFI Becomes Industry Standard With Voluntary Verification Process
11/99	AF&PA Board Approves Enhancements to the SFI Standard

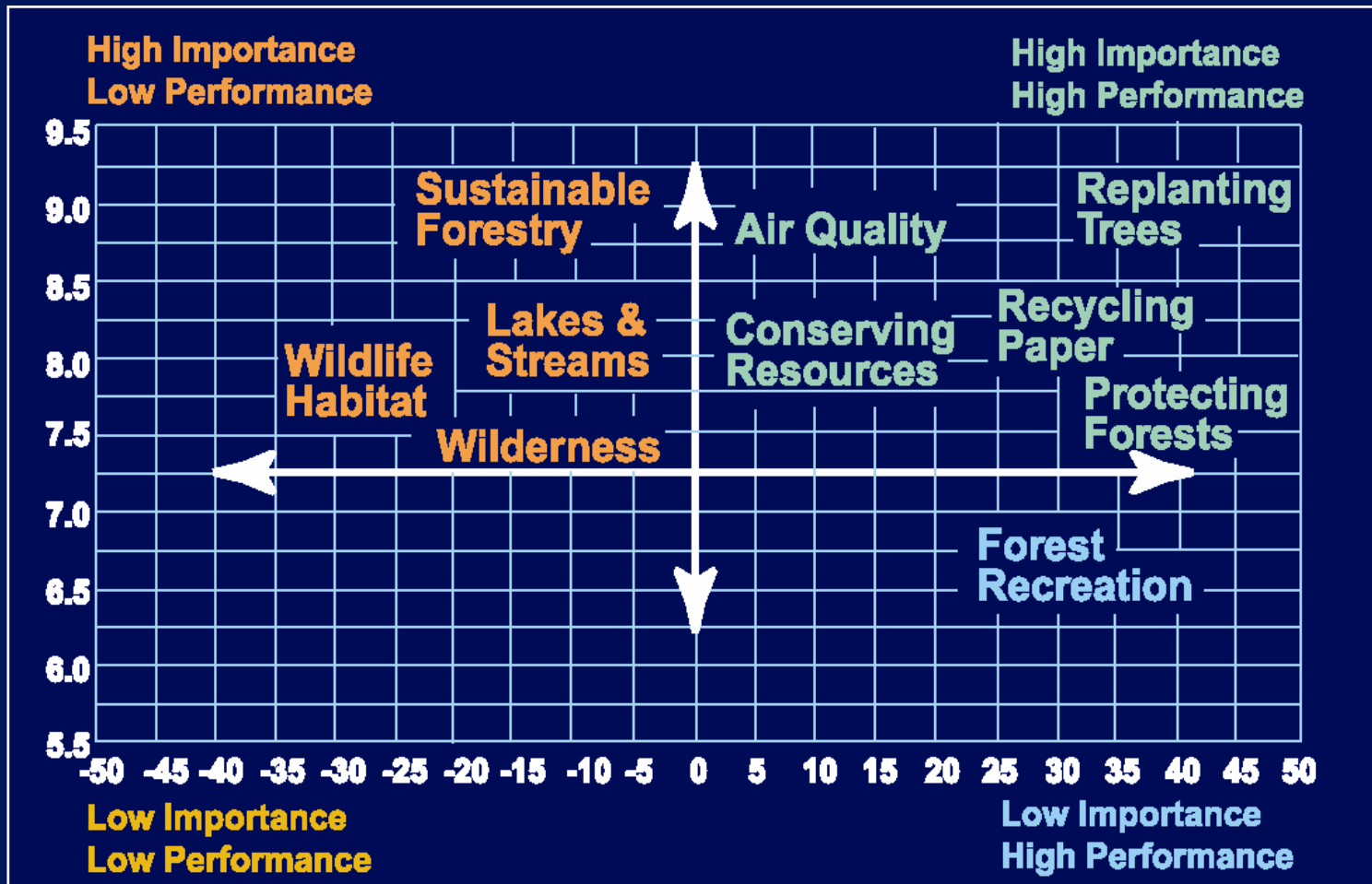
The Most Important Priorities



How Well Do Forest & Paper Companies...



Relationship Between Importance & Perceived Industry Performance



Implementation of the AF&PA SFISM Program

- 1994 AF&PA adopts the SFI program
- 1995 Implementation year
- 1996 SFI program becomes a condition of AF&PA membership; 15 member companies expelled; 10 members resign citing SFI as a reason
- 1997 One member company suspended; new companies join AF&PA, citing SFI
- 1998 Three members suspended; 5 new licensees
- 1999 One membership terminated; 5 more licensees
- 2000 Additional licensees; 20 million acres have committed to or completed 3rd party verification

AF&PA SFISM Standard Principles & Objectives

■ Foreword

- Recognizes strong record
- Commitment to continuous improvement

■ Principles

- Pledge to fundamental practices

■ Objectives

- Objectives



AF&PA SFISM Standard Principles

- **Meet the needs of the present without compromising future generations**
- **Promote environmentally and economically responsible practices**
- **Improve forest health and productivity**
- **Manage certain forests to protect their special qualities**
- **Continuously improve forest management and track progress**

AF&PA SFISM Standard Objectives

- **Participants' Forests**
- **Procurement — Reaching Non-industrial Landowners**
- **Public Reporting and Involvement**

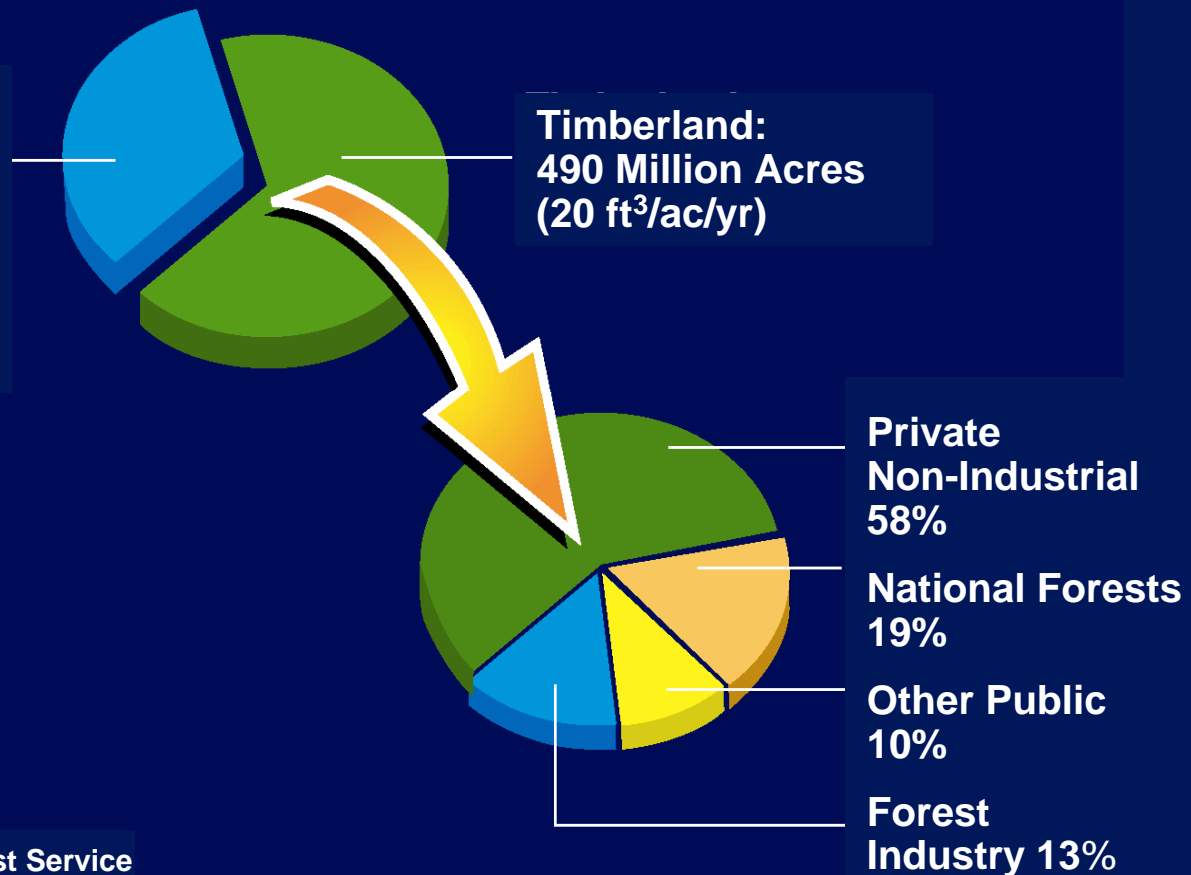


America's Abundant Forests

Total Forestland In U.S. =
737 Million Acres

Forestland
Not Suitable
For Producing
Timber or
Reserved:
247 Million
Acres

Timberland:
490 Million Acres
(20 ft³/ac/yr)



Source: USDA Forest Service

AF&PA SFISM Standard Objectives and Performance Measures

Participants' Forests

- 1. Broaden Practice of Sustainable Forestry**
 - Company programs, policies, and plans
 - Support research
 - Recreation/education
- 2. Forest Productivity**
 - Prompt reforestation
 - Protect and enhance forest soil and productivity
 - Protect forests from damaging agents
 - Employ biotechnology protocols
 - Prudent use of forest chemicals



AF&PA SFISM Standard Objectives and Performance Measures

Participants' Forests

3. Protect Water Quality

- Meet or exceed existing laws
- Protect all perennial streams and lakes
- Involve experts
- Support research
- BMP training for employees and contractors

4. Enhance Wildlife Habitat

- Company programs, policies, and plans
- Support research

5. Minimize Impact on Visual Quality

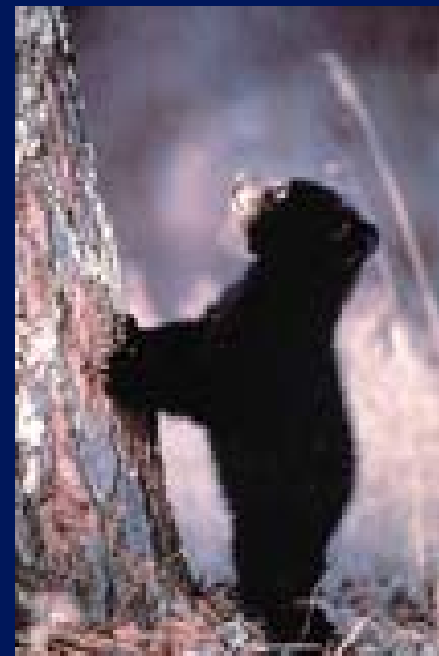
- Company programs, policies, and plans
- Manage clearcut size
- Green up requirement



AF&PA SFISM Standard Objectives and Performance Measures

Participants' Forests

6. **Protect Special Sites**
 - Identify and manage appropriately
 - Involve independent experts
7. **Contribute to Biodiversity**
 - Support research
 - Adaptive management
8. **Continue to Improve Utilization**
 - Employ appropriate technology



AF&PA SFISM Standard Objectives and Performance Measures

Procurement from Loggers and Other Landowners

9. **Broaden the Practice of Sustainable Forestry**
 - Information from companies to landowners — BMPs, reforestation and wildlife
 - Training and education programs in place by 1/1/96
 - Annually report progress
 - Communicate commitment throughout organization
 - Each participant plans inventory and procurement policies
 - Support other landowner education efforts



AF&PA SFISM Standard Objectives and Performance Measures

Public Reporting and Involvement

10. Publicly Report Performance

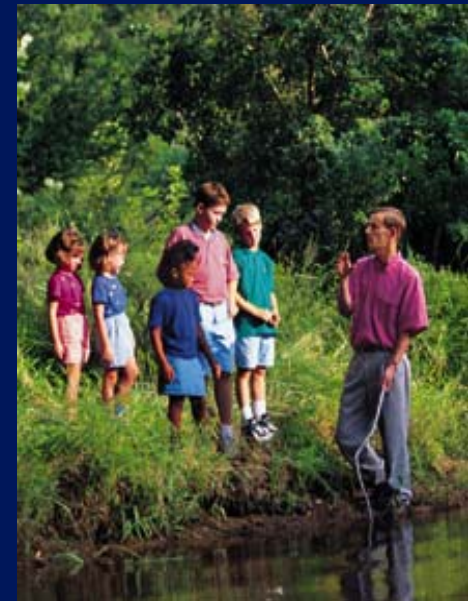
- Participants annually report to AF&PA
- AF&PA issues annual report
- Independent expert review of report

11. Public and Forestry Community Participation

- Support and promote appropriate mechanisms for public outreach
- Appropriate program funding at state level to address concerns
- National forum of loggers, landowners, and participants

Improvements to the SFISM Standard November 1999

- **Expanded Definitions Section**
 - Clarify logger vs. wood producer vs. wood supplier
 - Afforestation, research, others
- **New Performance Measures**
 - Qualified resource professional
 - Recreation/education
 - Forest & soil productivity
 - Biotechnology & carbon sequestration
 - BMP training for participants' employees
 - Landowner outreach — addition of wildlife habitat management information



Third Party Involvement in the SFISM Program

- **Independent Expert Review Panel**
- **Organizations Supporting the Goals of the SFI Program**
- **Non-Industry SFI Program Licensees**
- **Voluntary Verification Process**
- **Many SFI State Implementation Committees Include Third-Party Participation**

Organizations Supporting the Goals of the SFISM Program

1 OF 2

- American Forests
- Forest Resources Association
- American Tree Farm System[®]
- Arkansas Wildlife Federation
- Conservation Federation of Missouri
- The Conservation Fund
- Ducks Unlimited
- Izaak Walton League of America
- Michigan United Conservation Clubs
- National Association of Conservation Districts
- National Assoc. of Professional Forestry Schools & Colleges
- National Association of State Foresters

Organizations Supporting the Goals of the SFISM Program

2 OF 2

- National Fish and Wildlife Foundation
- National Wild Turkey Federation
- National Woodland Owners Association
- Pulp and Paper Workers Resource Council
- Quality Deer Management Association
- Rocky Mountain Elk Foundation
- Ruffed Grouse Society
- Society of American Foresters
- USDA Cooperative State Research, Education and Extension Service
- The Wildlife Habitat Council
- The Wildlife Society
- Wildlife Management Institute

Organizations Supporting the Goals of the SFISM Program

3 OF 3

- **American Legislative Exchange Council**
- **State Legislatures That Have Passed Resolutions**
 - Alabama
 - Florida
 - Indiana
 - Pennsylvania
 - Maine
 - Michigan
 - New Jersey
 - New York
 - Texas
- **Executive Order**
 - Missouri

SFISM Licensing Program

- **Adopted by Board of Directors in 1998 to allow participation by non-members**
- **Licensees must meet same requirements as members**
- **Licensing fee based on sales of forest products, logs or stumpage**
- **Benefits include the use of the SFISM program marks, opportunity to participate in the Voluntary Verification process, and recognition as a participant in an award-winning program**

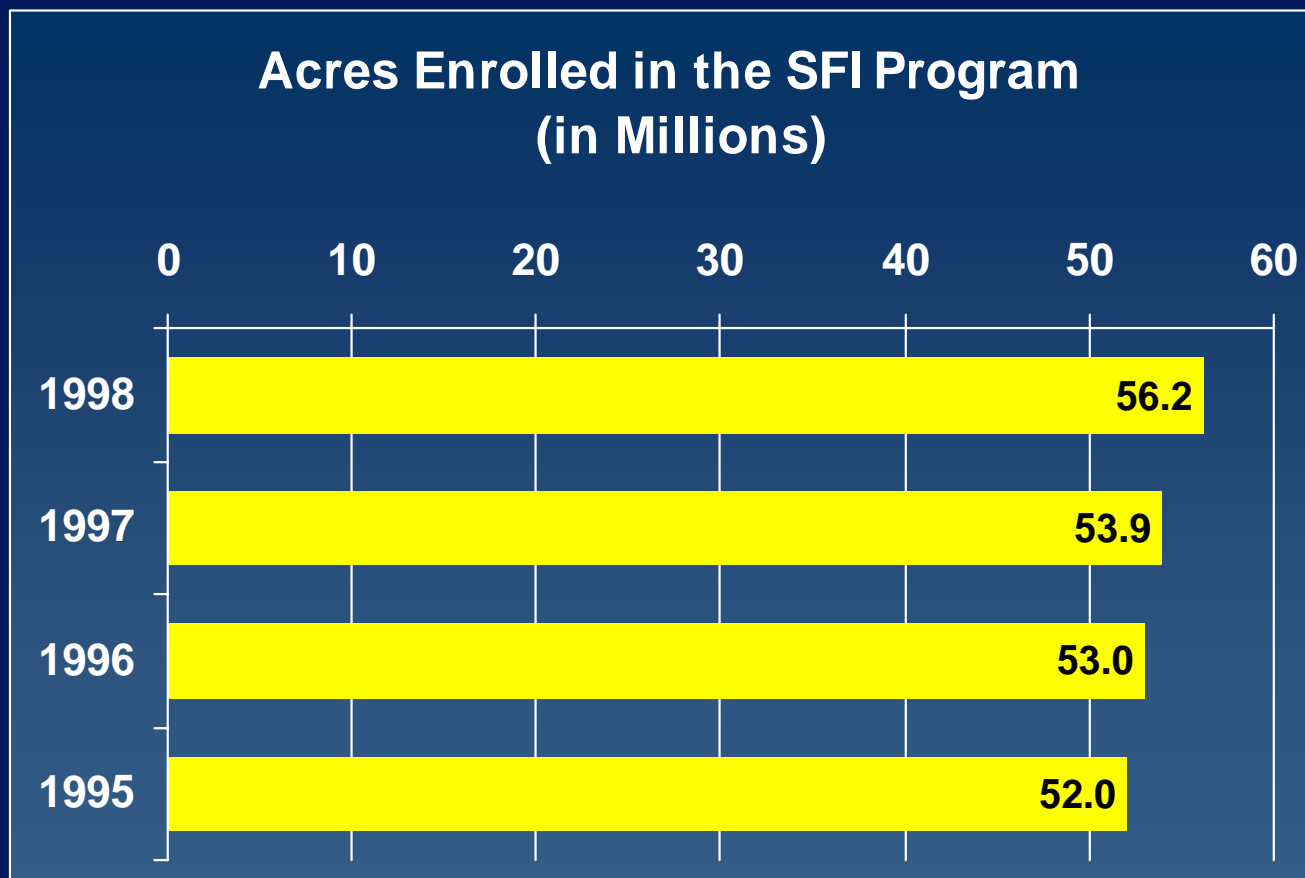
SFISM Voluntary Verification Process

- **Adopted by AF&PA Board of Directors in 1998**
- **Optional for member companies and licensees**
- **Consistent with international and national verification and auditing standards**
- **Allows for first (internal), second (customer) or third (independent firms) party verification**

SFISM Voluntary Verification Process

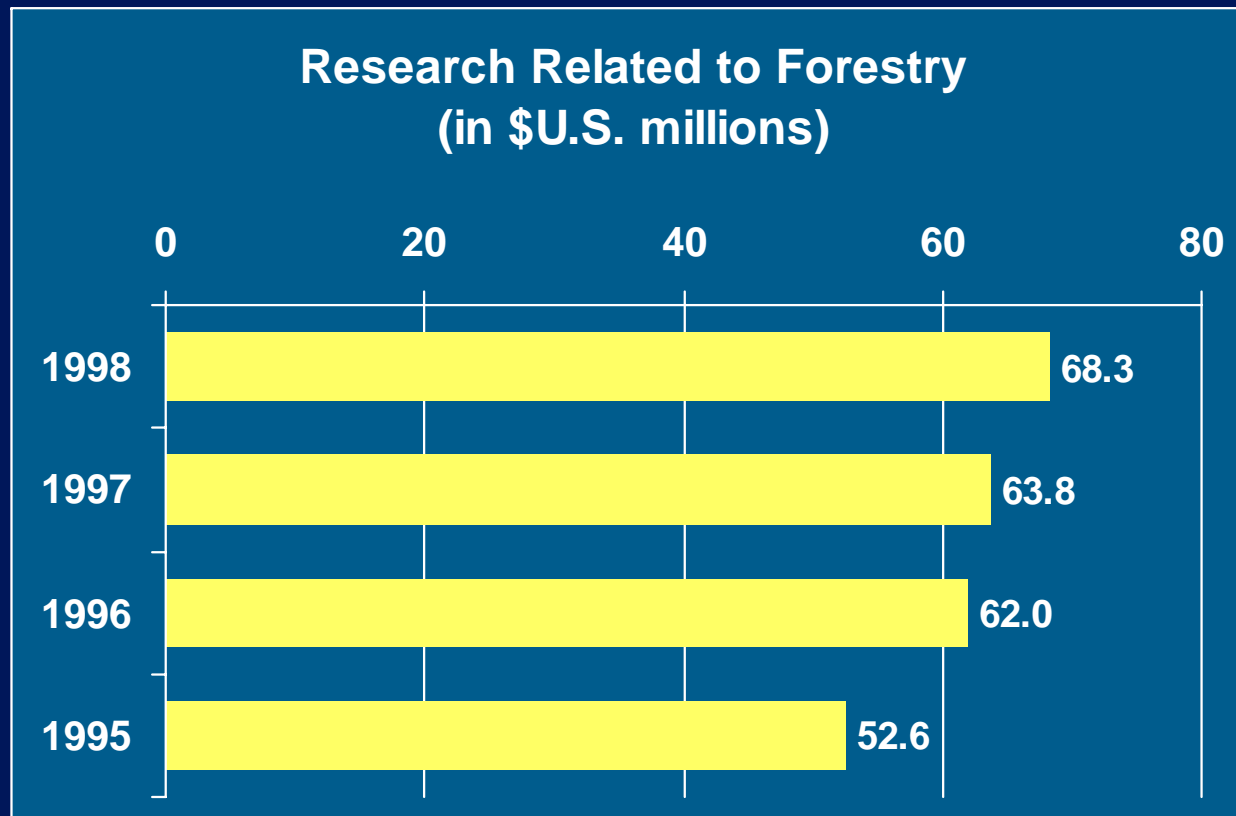
- **Three primary components**
 - **AF&PA 2001, *SFI Voluntary Verification Principles and Procedures*--REQUIRED**
 - **AF&PA 2002, *SFI Qualification Criteria for Verifiers*--REQUIRED**
 - **AF&PA 2003, *SFI Voluntary Verification Indicators*--GUIDANCE DOCUMENT**
- **Initial reverification within three years; every 5 years thereafter**

Sustainable Forestry InitiativeSM Program Fourth Annual Progress Report



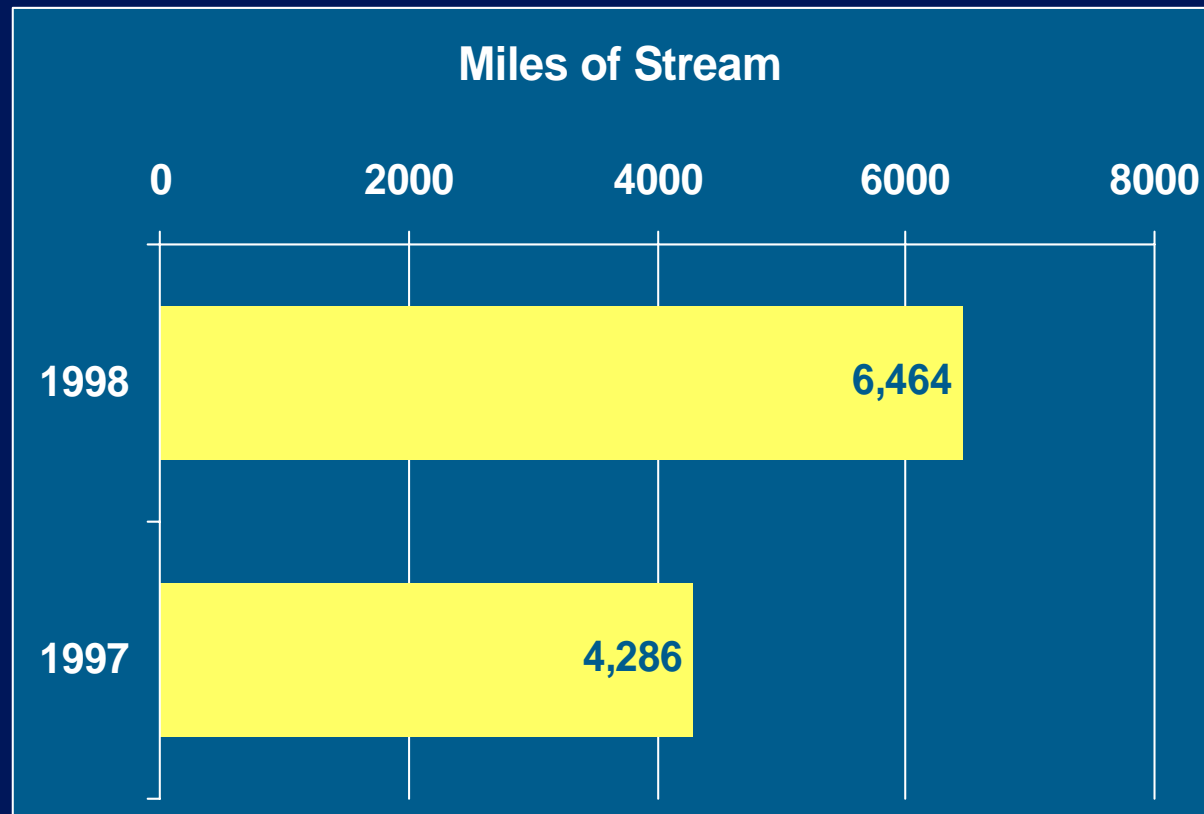
Total acres enrolled through 1/00: 57.5 million

SFI Participants' Funding For Forest-Related Research — 1998

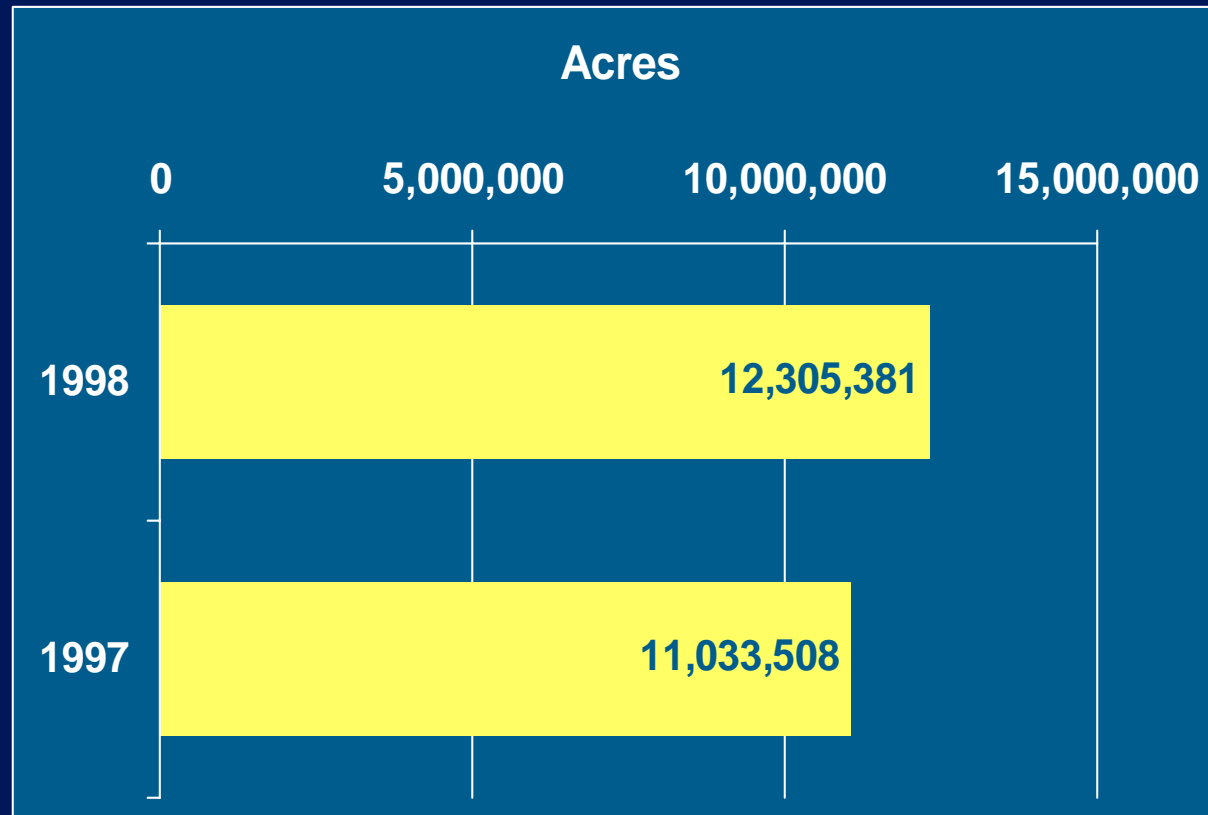


Total: \$247.2 million

Cooperative Wildlife and Stream Management Agreements

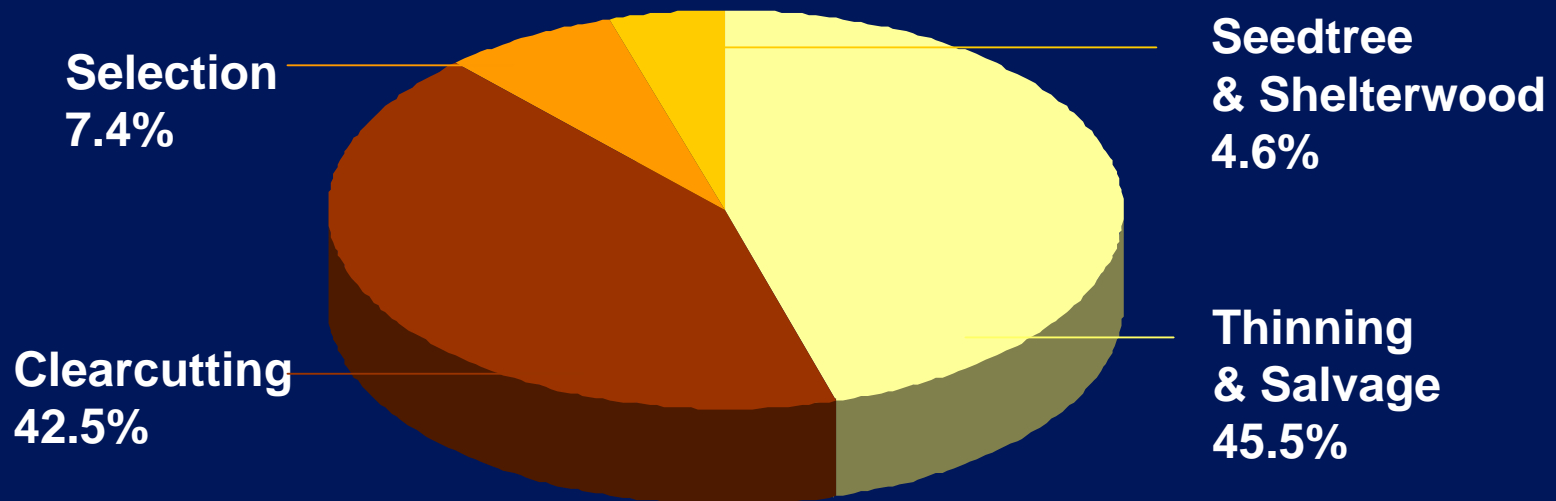


Cooperative Wildlife and Stream Management Agreements

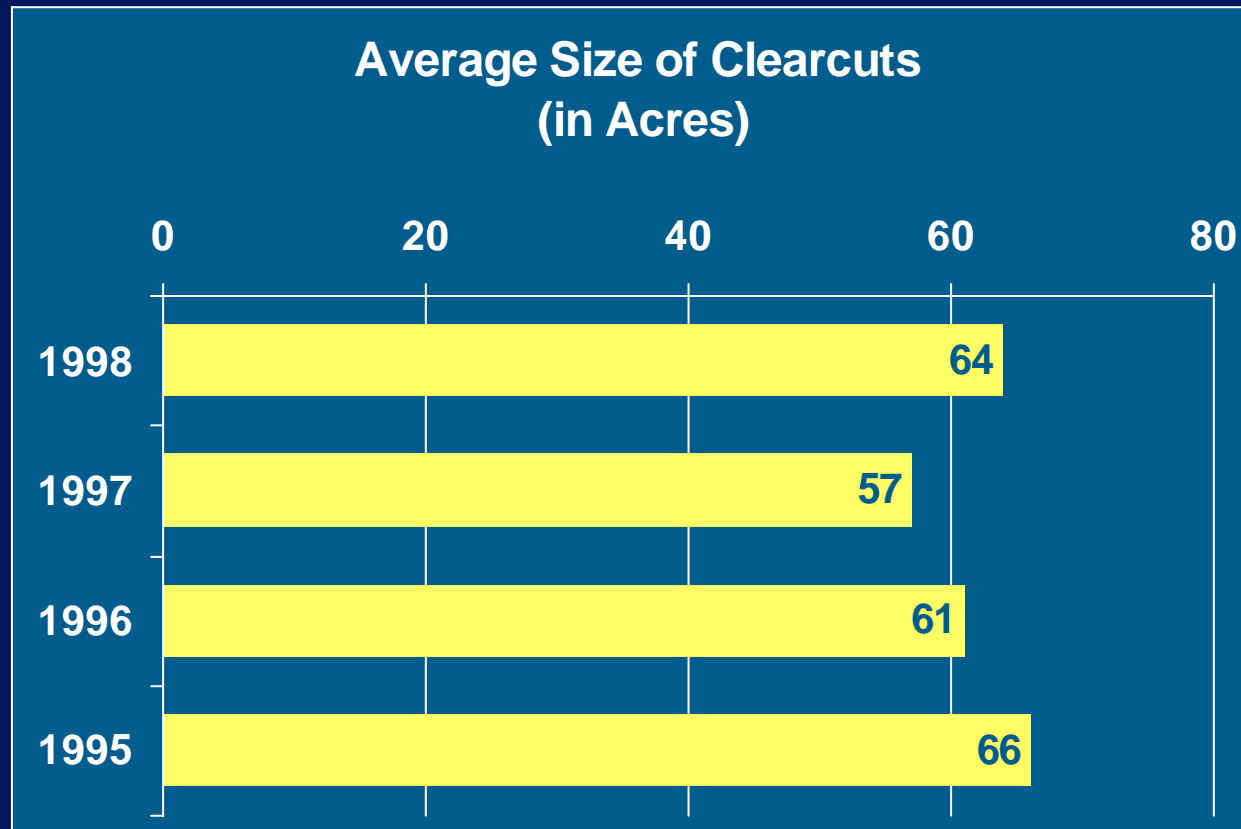


Harvesting on Participants' Lands — 1998

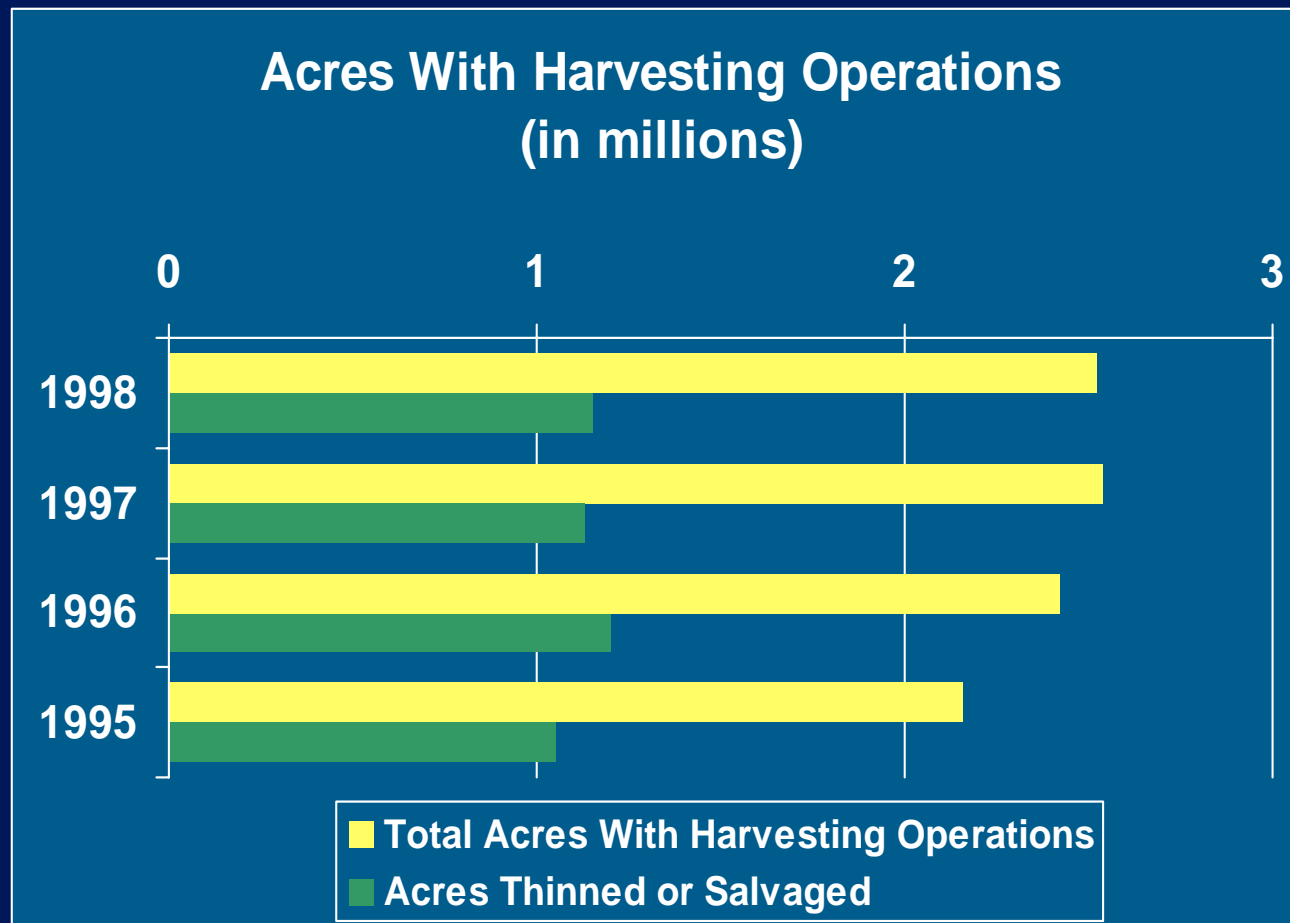
Total: 2.5 Million Acres



Average Size of Clearcuts on Participants' Lands



Forest Thinning and Salvage on Participants' Lands



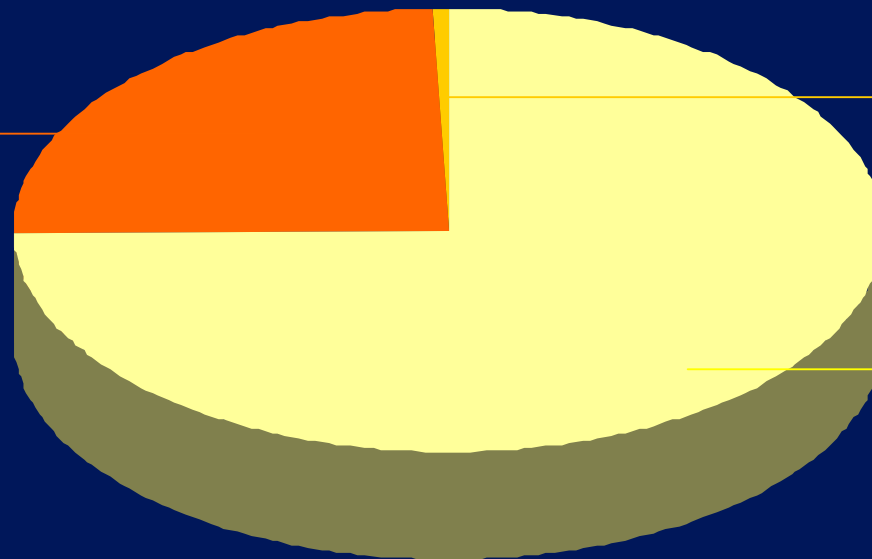
Areas Promptly Reforested: 1995 – 1998

Planted or Seeded	1995	1996	1997	1998
Within 1 year of final harvest	57%	60%	57%	58%
Within 2 years of final harvest	97%	97%	96%	97%
All Categories				
At 5 years after final harvest	99%	99%	98%	99%

Acres Reforested on Participants' Lands — 1998

Total: 1.4 Million Acres

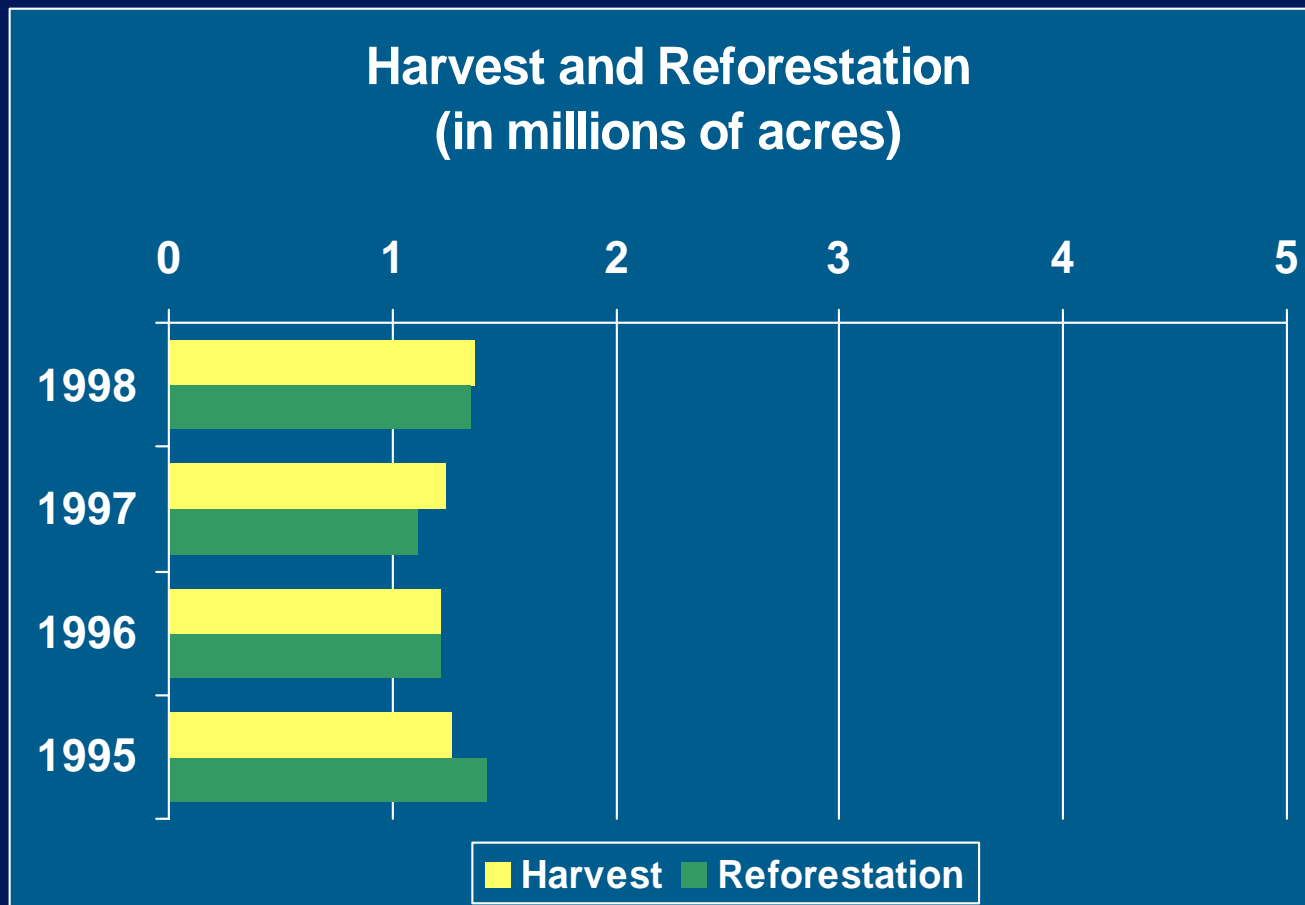
Natural
Reforestation
24.6%



Seeding
0.6%

Planting
74.8%

Harvest and Reforestation on Participants' Lands



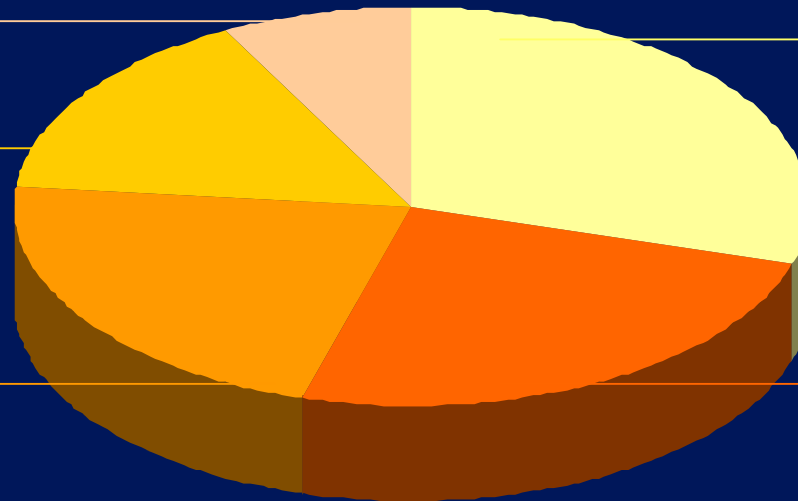
Raw Material Supply Sources

Total: 9,302,894 MCF

All Other
5%

Private
Landowners
14%

Wood Dealers
19%



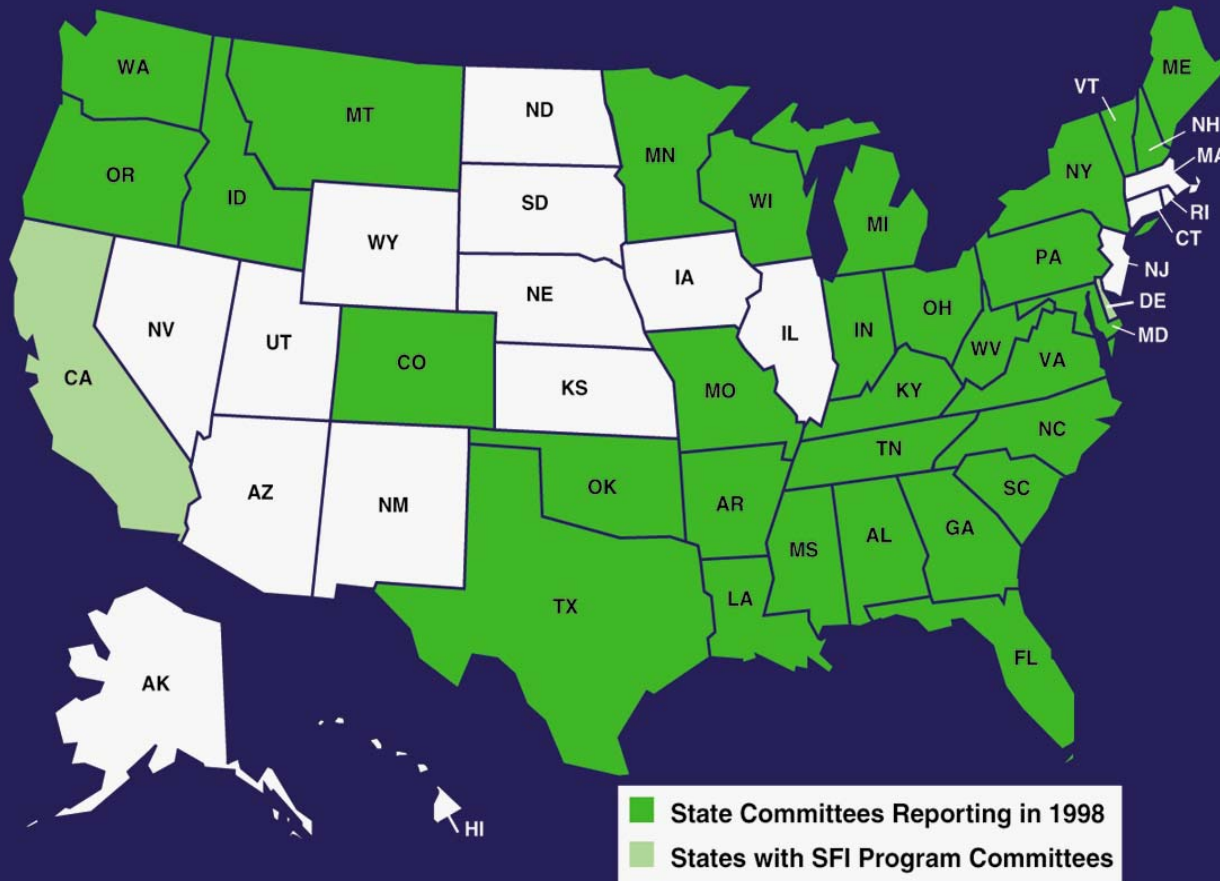
Participant's
Lands
29%

Loggers
33%

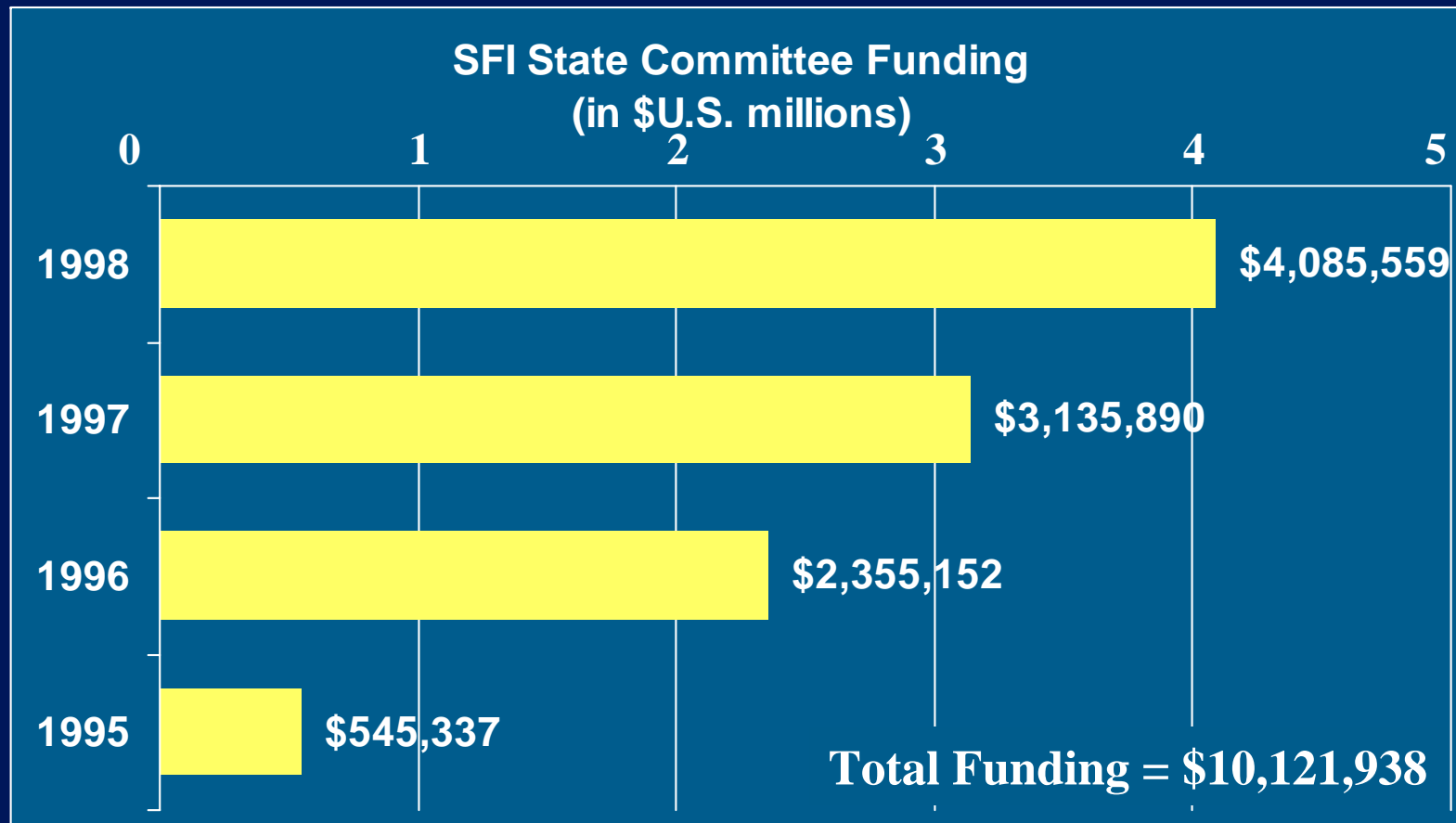
Broaden the Practice of Sustainable Forestry

SFISM Program Participants

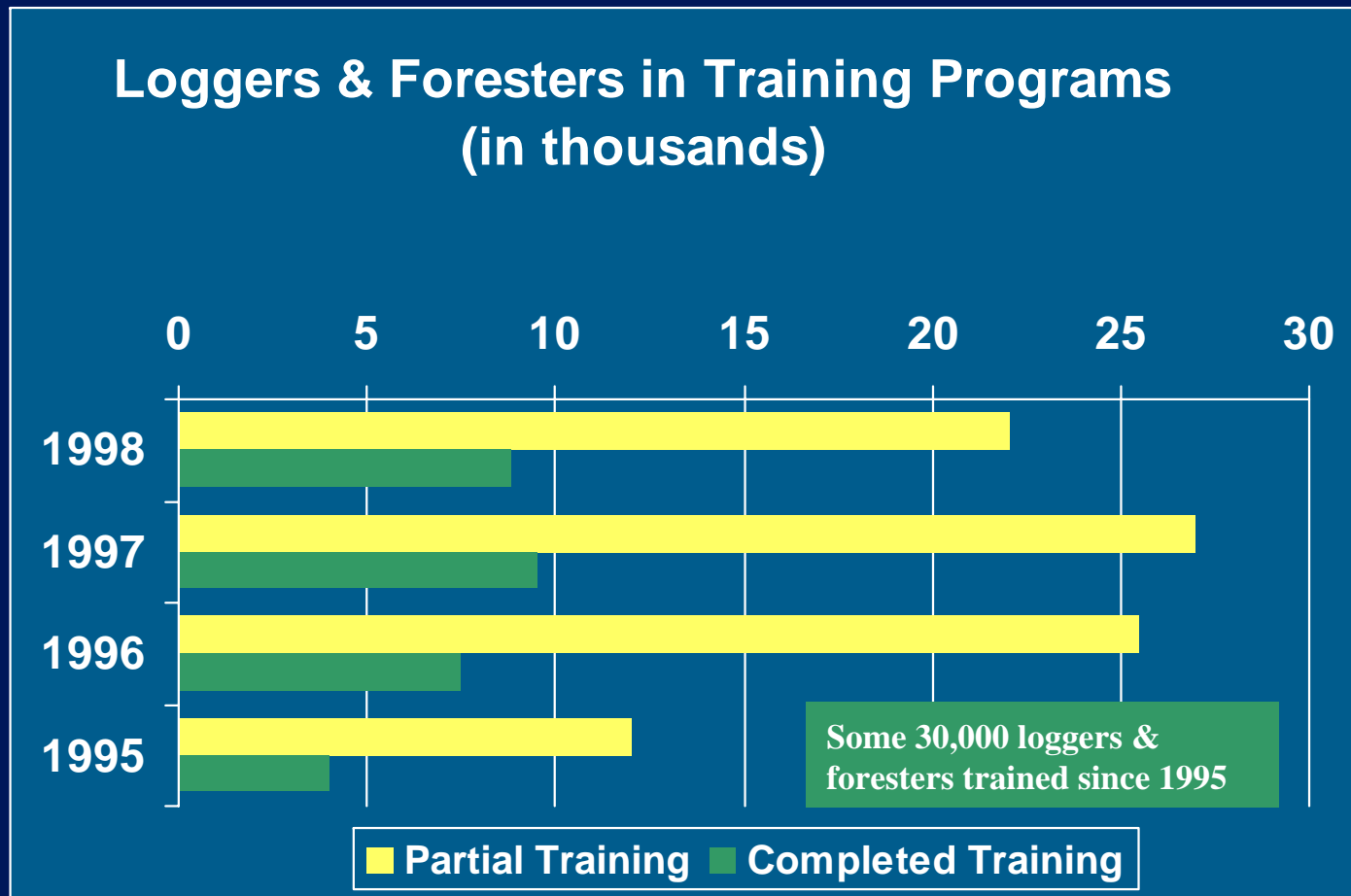
- Established committees in 32 forested states
- Worked with State Committees to raise \$4.1 million dollars for sustainable forestry activities--\$10 million raised since 1995
- 31 states reported in 1998



SFI State Committee Funding 1995 — 1998



Loggers and Foresters in Training Programs



Logger and forester training data supplied by the American Pulpwood Association

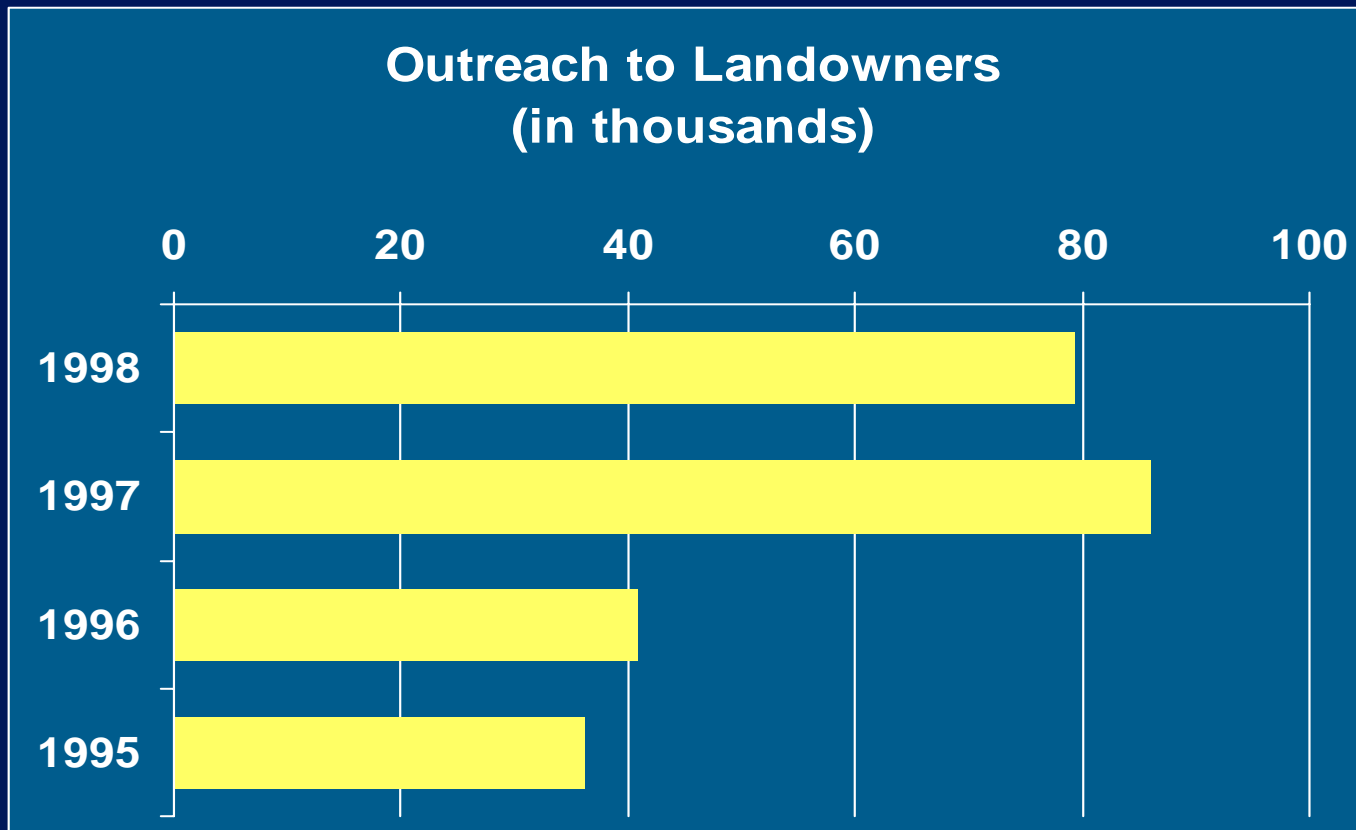
Raw Material Supply Percent Delivered by Trained Loggers

Year	Percent (%)
1997	80
1996	61
1995	34



Raw materials used by AF&PA member companies to make paper and wood products.

Landowner Outreach



More than 242,600 landowner contacts made by professional logging contractors and foresters since 1995

Relationship Between Importance & Perceived Industry Performance

