

SFI: Certified Greenwash

Inside the Sustainable Forestry Initiative's Deceptive Eco-Label

a report by ForestEthics, November 2010

Today's increasing consumer demand for green products has led corporations to make a wide variety of environmental marketing claims, and to use 'green seals of approval' on their products.

Witness the rise of the 'eco-label.' More than 340 such labels are now being used to certify that products or services comply with certain environmental or social standards.¹ When these labels are transparent, financially independent and have rigorous standards, they can be very useful in guiding consumers' choices toward products that match their values. However, too many eco-labels

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are little more than marketing schemes, seeking to profit from the tremendous potential size of the green market, estimated to be worth more than \$500 billion worldwide.

Among the worst of these marketing schemes is the Sustainable Forestry Initiative, or SFI, which is funded, promoted and staffed by the very paper and timber industry interests it claims to evaluate.

By first impressions, the attraction of the SFI label is obvious. SFI goes to great lengths to assure you that its eco-label should be trusted. At their website sfiprogram.org, SFI claims to be a “fully independent,” “charitable” and “non-profit” organization. They boast that SFI certification is backed by “rigorous third-party” audits. And, of course, they trumpet their positive impact on the environment, with images of pristine forests juxtaposed against multiple claims to “sustainable forest management.”

This report uncovers the origin, funding sources, staffing and leadership of SFI. It exposes SFI’s ties to paper and timber industry interests and refutes SFI’s assertion of independence. It finds that SFI’s own audits of the companies it certifies are at best perfunctory, and that its standards fail to require true environmental responsibility.



SUSTAINABLE FORESTRY INITIATIVE

*Good for you.
Good for our forests.*SM

SFI's logo and slogan are designed to lull the consumer into an impression of goodness and environmental health.

~~Good for our forests.SM~~

The truth behind the claims.

Claim #1: SFI is independent.

SFI's website, materials, and advertisements all vigorously claim that SFI is independent. Just a few examples from the SFI website:

“Today, SFI Inc. is an independent, non-profit organization responsible for maintaining, overseeing and improving a sustainable forestry certification program that is internationally recognized and is the largest single forest standard in the world.”³

The SFI External Review Panel is an independent group of 15 distinguished volunteer experts representing conservation, environmental, forestry, academic, and public/government organizations. ... This panel provides an ongoing, independent review of the SFI program.”⁴

The Truth:

SFI was created in 1994 by the paper and timber industry for the benefit of the paper and timber industry. Specifically, it is an outgrowth of the American Forest and Paper Association (AF&PA), the primary trade association for the \$175 billion US paper and timber products sector. SFI was spun off as a non-profit in 2001, but little else has changed since it was more formally a division of AF&PA. Virtually all of its funding comes from the paper and timber industry, which also dominates its environmental ‘standard’-setting process,⁵ thus conclusively refuting SFI’s claim to independence. Worse still, this funding arrives in SFI’s accounts as tax-deductible donations, which in turn supports advertising and brand enhancement for the AF&PA-represented paper and timber industry.

With slick ads in publications like *The New Yorker* and *Fortune*, SFI has spent millions drawn from paper and timber industry funding to recruit high-profile corporate promoters of the SFI program, including JP Morgan Chase, Bank of America and American Express. In 2008, SFI's payments to advertising firm Porter Novelli topped \$3.4 million, more than half of SFI's budget for the year.⁶

Leads for home constructed with wood from SFI certified forests helping to ensure water, soil and wildlife habitats are well managed.

Chooses newspapers that are 100% recycled with 100% recycled fibers. SFI's commitment to green building.

Prefers clothing shipped in packaging from SFI certified forests, where management must meet or exceed EPA approval practices.

Wants custom fine finished floor for her new home. SFI certified wood is the best choice for her.

MEET THE NEW ENVIRONMENTALIST.

These days, a growing number of consumers want the good life, but not at the expense of the environment. So when they shop for everything from newspapers to building materials, they look for SFI-certified wood and paper products. These products come from well managed forests certified to the SFI standard. To learn how you can shop to help keep our forests healthy, visit www.sfi.org.

SUSTAINABLE FORESTRY INITIATIVE
Good for you. Good for our forests.™



Two ways to show your commitment to green building.

These days, more people are looking to build homes that save energy and help protect the environment. This idea gained visibility in 1992, when the EPA-developed ENERGY STAR® program began to identify energy-efficient products. Today, there's another symbol to look for when building a greener home: the symbol of the Sustainable Forestry Initiative®, an independent, third-party forest certification program. SFI-certified building materials meet rigorous environmental standards to reforest areas harvested and help protect wildlife, plants, soil, and water quality. These materials are recognized by green building rating programs around the world. For more about the SFI program, visit www.sfi.org.



SFI'S CURRENT BOARD OF DIRECTORS INCLUDES A VIRTUAL WHO'S WHO OF THE LARGEST NAMES IN THE PAPER AND TIMBER INDUSTRY.

And SFI's current board of directors includes a virtual who's who of the largest names in the paper and timber industry, including:

- > Rick R. Holley, *President & CEO, Plum Creek Timber Company*
- > John Faraci, *Chairman & CEO, International Paper*
- > Daniel S. Fulton, *President & CEO, Weyerhaeuser Company*
- > Robert A. Luoto, *The American Logger Council*

SFI boasts that several of its board members come from “the environmental sector, which includes non-profit environmental or conservation organizations.” But SFI has struggled mightily to keep genuine representatives of the mainstream environmental community on its board. Trust for Public Land president Will Rogers joined in February 2009 and departed in December of that same year. Chris Wood, President and CEO of Trout Unlimited, resigned in June 2010 after only two months. Former Nature Conservancy president Steve McCormick and Pacific Forest Trust founder Laurie Wayburn have also departed SFI's board in recent years.

Other board members who appear to represent conservation organizations have resumes that would embarrass any organization that truly values the



SFI certified this operation as
'good for forests.'

environment. For example, SFI board member Mike Zagata is President and CEO of the Ruffed Grouse Society. However, google 'Michael Zagata' and you'll find numerous headlines about former New York Governor George Pataki's "most controversial agency head,"⁷ the environmental conservation commissioner who resigned under pressure due to what the *New York Times* called "countless troubles," including "a series of actions favoring industry over the environment."⁸

GOOGLE SFI'S 'MICHAEL ZAGATA' AND YOU'LL FIND NUMEROUS HEADLINES ABOUT FORMER NEW YORK GOVERNOR GEORGE PATAKI'S "MOST CONTROVERSIAL AGENCY HEAD."

This environmental façade amongst SFI's board members is not simply a matter of past record—it's a live news story as recently as Fall 2010. In October, SFI board president Marvin Brown resigned his position as Oregon state forester following a controversial tenure in which **his department was accused of conducting and tolerating environmentally-harmful forestry practices, including violations of the Clean Water Act and Endangered Species Act.**

The following visual illustrates the large web of influence from logging, timber and paper product interests that fund and govern SFI.

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SFI: *Certified Greenwash*

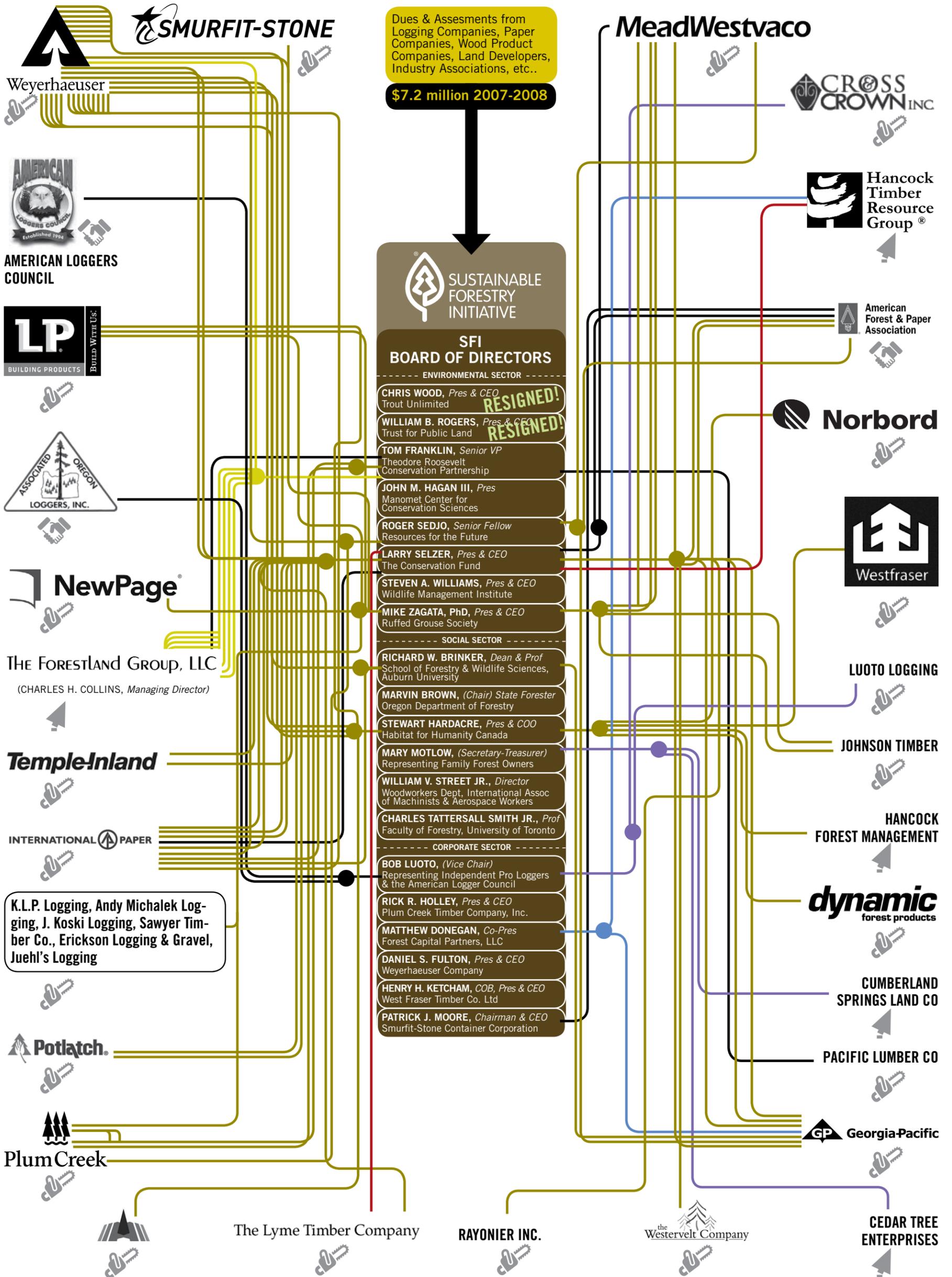
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The Sustainable Forestry Initiative : a map of influence

[Click here](#) to download a standalone version of this graphic.

KEY

- = Direct Financial/ In-Kind Donation
- = Joint Business Transactions
- = Donations by Corporate Exec
- = Direct Employment
- = Former Employee/ Contractor
- = Interlocking Boards/Adv Comm
-  = Logging Industry Association
-  = Land Developer
-  = Logging/Paper/Wood Products



Claim #2: SFI is backed by rigorous, third-party audits.

How can you tell if the fair trade coffee beans in your morning coffee really came from a fair trade coffee grower? How can you tell that an eco-labeled piece of wood or paper actually came from an environmentally responsible logging operation? Audits are a certification's backbone, enforcing standards and ensuring that certified companies maintain those standards following their initial certification. Most people are familiar with the idea of audits mainly through the IRS—an independent body that thoroughly evaluates a person's activity to ensure it complies with necessary standards.

The IRS has a system that, in 2008, found \$56.4 billion worth of infractions in 1.4 million total audited financial statements. These results are as one would expect: when rigorous standards are applied to large sample sizes, a significant portion of the samples will fail to meet the appropriate standards.

Central to all of SFI's self-promotion are repeated claims that its standards are backed by "rigorous, third-party audits."

The Truth:

In reality, SFI's audits are dangerously relaxed. **In one case, two SFI-accredited auditors spent just five days single-handedly assessing more than 46,875 square miles of public forest—an area larger than the entire state of Pennsylvania.** They reported no violations of SFI standards and didn't identify so much as a single opportunity for improvement.¹⁰

SFI'S AUDITS ARE DANGEROUSLY RELAXED.

In the forest products sector specifically, SFI claims to be environmentally "rigorous." But, in comparison with the audit practices of another forest management certification organization, the Forest Stewardship Council (FSC), the SFI's audits appear to be weak at best, and, at worst, practically nonexistent. In one study the typically two-member SFI teams spent five-fold less time in the field auditing the logging operations they were certifying than FSC did, (six days for SFI versus 29 days for FSC.) Additionally, SFI auditing teams were composed exclusively of "foresters" (professionals in the art of cutting trees).¹¹ In comparison, FSC's five-member audit teams consistently were comprised not only of foresters but also of at least one wildlife expert and one authority on issues related to communities whose way of life depends on forests.

SFI has 543 audits available on its website, dating back to January 2004.¹² Of these, just eight cite what the auditors call "major" noncompliance issues. But

OF SFI'S 543 AUDITS, THERE ARE NO MAJOR NONCOMPLIANCE ISSUES RELATED TO SOIL EROSION, CLEARCUT PROCEDURES, WATERSHED ISSUES, OR CHEMICAL USAGE.



The aftermath of 2007 landslides in Washington State, 84 percent of which resulted from operations certified by SFI.

how major were they? Three related to memberships (one company's failure to seek membership with SFI parent AF&PA, for example). Two pertained to local Best Management Practices. The other three were for excess garbage or waste on a work site, unspecified failure to meet training requirements of an unspecified "forest management system," and one unexplained issue related to wildlife protection. In seven of the eight instances, companies were granted certification or re-certification within the year.

Just one, out 534 audits in six years, required attention to a problem that one would reasonably expect a real forest watchdog to fix—the wildlife-related noncompliance. But it was resolved in less than one year based only on "revisions to the company's action plans" —without proof that the wildlife problem was actually fixed. **Actual demonstrated action wasn't even necessary to get back into SFI's good graces; the mere promise of action was deemed sufficient.**

Of SFI's 543 audits, there are *no* major noncompliance issues related to soil erosion, clearcutting, watershed issues, or chemical usage. The most fundamental issues one would expect a forestry-related certification program to monitor are almost completely absent from SFI's half-decade database of inspections.

The industry that SFI is supposed to monitor is known for using prodigious quantities of pesticides and herbicides—toxic chemicals that are designed to kill everything but the trees—over vast tracts of land. But Food Alliance, a sustainable agriculture eco-label, has issued more citations related to pesticide usage records in a typical year than the Sustainable Forestry Initiative has issued in all years combined since 2004.

Do SFI's auditors become concerned about serious problems, such as SFI-approved activities that result in massive landslides? In 2007, landslides in Washington state caused hundreds of millions of dollars in damage to private and public property—and 84% of these landslides occurred in areas certified as "sustainable" by the SFI. But in response to a complaint with SFI about the company implicated in most of the landslides (Weyerhaeuser, whose CEO sits on SFI's board), an SFI auditor cleared the company of all wrongdoing, and SFI rejected the complaint.



Claim #3: Through SFI certification, a company can accurately identify how much certified, responsible sourcing and/or recycled content is in a product...¹³

SFI's weak chain of custody system also casts doubt on SFI's claims of "rigorous" audits. Chain-of-custody refers to the process of tracking the contents of certified products at each step of its manufacturing processes all the way back to the raw material's forest of origin.

THE ISSUES LEFT UNADDRESSED ARE PRECISELY THOSE THAT A CREDIBLE FOREST PRODUCTS CERTIFICATION SHOULD COVER.

The Truth:

The SFI label that consumers see most often is SFI's Fiber Sourcing label, which doesn't require any chain-of-custody tracking of its content or origins. **It's a classic bait and switch: One of the supposed pillars of SFI's claim to sustainability doesn't apply at all to their most common label.** Products bearing this green-seeming label have not passed through any chain-of-custody tracking system. Their origin and content are mysteries, and the SFI label provides no legitimate guide for the consumer of these products.

While SFI claims its Fiber Sourcing label has screens to exclude the worst raw material from SFI labeled products, those bearing the Fiber Sourcing label can come entirely from illegally logged forests, old-growth forests, roadless wildlands, biodiversity hot-spots and places where internationally recognized workers' or indigenous peoples' rights have been violated.

The issues left unaddressed by SFI's certifications are precisely those issues that a credible forest products certification should cover. SFI standards are not sufficient to exclude illegally logged fiber from outside North America. The standards do not require any old growth to be protected anywhere. Roadless wildlands are not mentioned in SFI's standards. And SFI hides behind inadequate national laws that do not provide the protection required by international standards for workers' and indigenous peoples' rights.

Claim #4: The Sustainable Forestry Initiative practices sustainable forestry.

On its website, SFI states its mission in simple terms: “SFI Inc. is ... dedicated to promoting sustainable forest management.”

The Truth:

Despite its “Good for you. Good for our forests.”SM slogan, SFI-certified logging practices are having a disastrous impact on North American forests. Here are a few of the environmental catastrophes caused by land management that SFI has certified as ‘good’:

Landslides. In 2007, heavy rainfall across Washington State caused at least 1,273 documented landslides. Eighty-four percent of these landslides occurred on lands certified by SFI. Most occurred on lands managed by Weyerhaeuser, an SFI-certified company that holds a seat on the SFI’s board of directors. Weyerhaeuser cut down trees or built roads on 987 acres of slopes likely to drain into nearby streams or rivers. It did the same in areas that have had landslides in the past, as well as on slopes with high soil erosion potential. Weyerhaeuser even cut down all the trees or built roads on 1,771 acres that Weyerhaeuser’s own studies indicated had “high slope instability.” To date, these lands are still certified as “sustainably managed” by SFI.

Species extinction. It took citizen lawsuits and protests in 2003 to stop Pacific Lumber’s SFI-certified practices that harmed rare marbled murrelets and other species in Northern California.¹⁴ SFI-certified logging by Weyerhaeuser in Washington state’s Olympic peninsula further endangered the disappearing northern spotted owl until Weyerhaeuser’s logging was stopped by a federal court order in 2007.¹⁵ And SFI’s rules do not require any work, within areas they certify as ‘good,’ to restore forests that are essential for the survival of rare wildlife.

Clear-cutting. Clear-cut logging (the controversial practice of cutting down all trees in a given area) is allowed on SFI-certified lands in sizes that can reach 120 acres per clearcut—the size of 90 football fields. Clearcuts of this size can destroy habitat for all wildlife that depend for its survival upon mature and semi-mature forest. The cumulative damage from these mammoth clearcuts on watersheds, water quality and soil productivity is often permanent.

Widespread toxic chemical use. SFI allows excessive use of toxic chemicals such as pesticides, fungicides, and herbicides. According to data compiled by California Department of Pesticide Regulation, Sierra Pacific Industries—a

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LOGGING PRACTICES
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report text by ForestEthics.
graphic design by Rocketday.
infographic graphic design by
Studiohatch.

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strong supporter of SFI—used more than 770,000 pounds of toxic chemicals between 1995 and 2006,¹⁶ including an herbicide known to cause male frogs to grow ovaries.¹⁷ Because these chemicals are typically used in areas where most of the trees have been recently cut down, this leads to water runoff mixed with chemicals that contaminate nearby streams.

Endangered Forest destruction. SFI provides virtually no protection against the destruction of old-growth forests, wildlands that do not currently have roads, or other places in which ecological values are especially rich.

The Fight Against SFI Greenwash

SFI's greenwash does more than confuse and misrepresent—it damages the very forests, communities, water and wildlife that are essential for our health and quality of life. SFI exists to serve the interests of the paper and timber industry, and its claims of independence are deceptive and misleading. Neither its standards nor its audits exhibit the rigor that we should expect based on SFI's marketing claims, and its green seal of approval for environmentally harmful practices undermines the value of truly green products.

Every company that uses the SFI label on its products either knowingly or unknowingly perpetuates SFI's deceptive practices and the environmental harm that the label greenwashes. But SFI and its charade are vulnerable. A growing chorus of critics is exposing SFI's greenwash, and a growing number of companies and potential endorsers are withdrawing their support for SFI. This report was created in order to build on that momentum.

About ForestEthics and its SFI Stop Greenwash Campaign

ForestEthics has launched the Stop SFI Greenwash campaign. It began with a complaint to the Federal Trade Commission (FTC) asking the regulatory body to stop SFI marketing that misleads consumers. ForestEthics has also asked the Internal Revenue Service to examine SFI's questionable claim to non-profit status. In addition to asking these federal agencies to exercise their authority over SFI, ForestEthics is working to persuade a large number of Fortune 500 companies to take action against SFI's greenwashing.

ForestEthics is a registered 501(c)3 nonprofit with staff in Canada and the United States. ForestEthics recognizes that individual people can be mobilized to create positive environmental change—and so can corporations. Armed with this unique philosophy, ForestEthics has secured protection agreements for more than 65,000,000 acres of Endangered Forests.

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www.forestethics.org