

## **GREEN DIAMOND REPORTS ON THIRD-PARTY CERTIFICATION**

In May of 2004, an independent, third-party audit was conducted on 460,000 acres of Green Diamond Resource Company's California timberlands in Humboldt, Del Norte, and Trinity counties in Northern California and Curry County in Oregon. , Bruce Eaket and Shawn Chylinski of PricewaterhouseCoopers LLP performed the audit with assistance from external technical subcontractors Dr. Neil Wilkins (Wildlife) and Dr. Kevin O'Hara (Silviculture and California Forest Practices). The audit certified that Green Diamond had, in all material respects, met the objectives of the American Forest & Paper Association's Sustainable Forestry Initiative® (SFI) Standard (2002-2004 Edition). The audit examined Green Diamond's forest management practices on its timberland in California, logger training, and public outreach activities.

No major or minor non-conformance findings were identified during the course of the audit, however, "opportunities for improvement" were noted that have or will be incorporated into ongoing management activities as part of the operation's continuous improvement process.

The auditors identified several good management practices (practices considered to be above average) and commended the operation on its exemplary policies, plans, and systems for protecting rare, threatened and endangered species. The auditors also noted Green Diamond's active and direct support of research on its lands directed at obtaining a better understanding of the distribution, population dynamics, and habitat requirements of species that are likely to be sensitive to forest management, and the subsequent use of research findings to revise and continually update existing Habitat Conservation Plans and operational policies. And, the auditors noted that Green Diamond has a strong commitment to preserving road surface conditions during wet weather.

## **THE SUSTAINABLE FORESTRY INITIATIVE PROGRAM**

In 1993, a group of professional foresters, conservationists, landowners, scientists and other stakeholders began exploring ways to improve the management of this country's forests. Two years later, in 1995, the members of the American Forest & Paper Association adopted the Sustainable Forestry Initiative® Program, a comprehensive system of principles, objectives, and performance measures that promote the practice of sustainable forestry while protecting water, wildlife, plants and soil. In 2000, the Sustainable Forestry Board was created as an independent 501(c)3 organization responsible for maintaining and enhancing the SFI Standard and verification procedures. The SFB has 15 members, two-thirds of which come from a wide range of non-industry interests, including: environmental/conservation organizations; public officials (state and/or federal agencies); professional/academic groups; logging professional; non-industrial landowners. The remaining five representatives on the SFB consist of representatives of AF&PA member companies. As the program evolved, a voluntary certification process was developed to enable SFI program participants to submit their timberlands to a rigorous third-party audit of their compliance with the objectives of the SFI program.

## THE SUSTAINABLE FORESTRY INITIATIVE STANDARD (2005-2009)

Nine **Principles** define the program and require SFI program participants to:

- Practice sustainable forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs.
- Use and promote sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible.
- Provide for regeneration after harvest and maintain the productive capacity of the forestland base.
- Protect forests from wildfire, pests, diseases, and other damaging agents in order to maintain and improve long-term forest health and productivity.
- Protect and maintain long-term forest and soil productivity.
- Protect water bodies and riparian zones.
- Manage forests and lands of special significance (e.g. biologically, geologically, historically, or culturally important) in a manner that takes into account their unique qualities and promote a diversity of wildlife habitats, forest types and ecological or natural community types.
- Comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.
- Continuously improve the practice of forest management and monitor, measure, and report performance in achieving their commitment to sustainable forestry.

The following **Objectives** of the program are the measures used to evaluate a program participants compliance with the program:

- Broaden the implementation of sustainable forestry.
- Ensure long-term forest productivity and conservation of forest resources.
- Protect water quality.
- Manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity.
- Minimize the visual impact of harvesting.
- Manage special sites, appropriate to their special qualities.
- Promote efficient use of forest resources.
- Improve forestry research, science and technology.
- Improve the practice of sustainable forest management by resource and logging professionals and contractors, through training and education.
- Comply with applicable federal, provincial, state, or local laws and regulations.
- Encourage the public and forestry community to participate in the commitment to sustainable forestry and publicly report progress.
- Promote continual improvement in the practice of sustainable forestry and monitor, measure and report progress.

Twenty-eight specific **Performance Measures**, which have a total of eighty-eight specific **Indicators**, are associated with these objectives; program participants must meet them as proof of compliance with the SFI® Standard.