



2016 SFI Public Summary Report

Fruit Growers Supply Company Sustainable Forestry Initiative® (SFI) Forest Management Standard [2015-2019]

Date: October 26, 2016

Project Scope and Objectives

PricewaterhouseCoopers LLP (“PwC”) completed a SFI Re-registration and Transition Assessment for the Fruit Growers Supply Company (“Fruit Growers”, “FGS” or “the Company”). Fruit Growers is a multi-site organization with a central office in Hilt, California. Fruit Growers manages timberlands in California (281,864 acres), Oregon (11,581 acres) and Washington (26,303 acres). PwC uses a three year rotational audit approach where the central office is audited annually and the sites are sampled on a rotating schedule that conforms to the International Accreditation Forum Inc.’s Mandatory Document 1.

The 2016 Re-registration Assessment focused on the Hilt-Siskiyou lands in the region surrounding Hilt, CA in Northern California and Southern Oregon. The lands owned by Fruit growers include tracts in the Klamath River drainage, the Scott Bar area, Moffett Creek and Grass Lake areas in California and the Rogue Valley block in Southern Oregon, near the city of Ashland, OR. The Lead Assessor was James Lucas, RPF, EMS (LA) and a second on-site assessor was Colin Campbell, RPF. The audit team was accompanied by Fruit Grower’s SFI Representative, Jay Powell, as well as other company staff in the field.

The primary objective of the assessment was to assess the Company’s SFI management system and to evaluate the Company’s implementation of the SFI Forest Management Standard in the field. There have been changes to the scope of the multi-site certification since the last public summary. Fruit Growers was previously certified to the 2010 version of the SFI Forest Management Standard and transitioned to the new 2015 – 2019 version of the SFI Forest Management Standard this year.

Indicators

All of the indicators in the SFI Forest Management Standard were within the scope of the assessment, except for performance measure 8.2 within Objective 8 and Objective 13, since none of the land managed by the Company is public land. There were no substitute indicators.

Assessment Process

On August 8, 2016, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI Forest Management program requirements at the Central Office in Hilt, California. On August 9, 2016, the assessment team conducted field assessments at three harvesting and associated roads operations in California (including two which were salvage operations from 2015 forest fires) and three harvest operations and associated roads in Oregon. Additional field visits were done to review one permitted fish crossing in California, one bridge crossing in Oregon as well as two silviculture sites planted in 2016. In total, the audit team spent one day

at the central office and one day on-site for field assessments. The audit report was dated September 30, 2016.

Summary of Conformance, Findings, and Good Management Practices

FOREST MANAGEMENT

Objective	Performance Measure	Evidence of Conformity
<p>Objective 1. Forest Management Planning To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion</p>	<p><i>Performance Measure 1.1 Program Participants shall ensure that forest management plans include long-term harvest levels that are sustainable and consistent with appropriate growth-and-yield modes.</i></p>	<p><i>Evidence: Interview with Inventory Forester, SFI Representative and General Manager. SFI 2015-2019 Forest Management Standard Requirements FGS Hilt-Siskiyou Forest Document, 4C - inventory system (CACTOS). FGSC - Forest Information System Technical Description. FGSC Hilt-Sisiyou Forest "Balance" Long Term Sustained Yield Monitoring. Section VII - MSP Option A Documentation. FGSC Forest Inventory presentation/slides.</i></p> <p>FGS forest management planning for all the company's timberlands is centralized in Hilt. FGS has a 10-year management plan that is annually updated to assist in long-term resource analysis and to provide sustainability for the future. FGS's forest inventory consist of planting records, stocking survey's, current cruise information from mature and commercial thinned stands. Sustainable harvest plans are submitted to the State of California for approval. FGS will only cut harvest levels within their long-term AAC with the exception for forest health salvage, if necessary. In 2015, the Company did exceed its long-term harvest allocation for fire salvage, but harvest levels will decline in future years as a result. Long Range Sustained Yield Monitoring shows harvest acres by silviculture and stand class in relation to LRSY.</p> <p>FGS has developed a land classification system that is part of their forest inventory and GIS. FGS manages biodiversity at the landscape scale and incorporates harvest unit opening size, timber types, timber age classes into the long term harvest planning. FGS foresters get their soils maps and information from the NRSC. FGS's California stands are annually grown with the FORSEE growth-and yield program. FGS has a spatial resource GIS that links directly to the forest inventory and are updated periodically/frequently. FGS "strives" to maintain a sustainable balance of age distribution to promote sustainable forestry. FGS provides wildlife enhancements, public hunting opportunities, and riparian protection.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 1.2 Program Participants shall not convert one forest cover type to another forest cover type, unless in justified circumstances.</i></p>	<p><i>Evidence: Interview with Inventory Forester/SFI Representative and General Manager. SFI 2015-2019 Forest Management Standard Requirements FGS Hilt-Siskiyou Forest Document,</i></p> <p>FGS rarely converts one cover type to another cover type. Where forest cover conversion is required, FGS policy is to comply with all local and federal laws and policies. FGS follows the local and federal forest practice rules and protects any unique and rare forest types. Forests critical to threatened and endangered species, and special sites are protected by the forest</p>

		practices rules and federal legislation.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 1.3 Program Participants shall not have within the scope of their certification to this SFI 2015-2019 Forest Management Standard, forestlands that have been converted to non-forestland use.</i>	<i>Evidence: Interview with Inventory Forester, SFI Representative and General Manager. SFI 2015-2019 Forest Management Standard Requirements FGS Hilt-Siskiyou Forest Document,</i> FGS has not converted forest lands to other uses.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 2. Forest Health and Productivity To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, afforestation, minimized chemical use, soil conservation, and protecting forests from damaging agents.	<i>Performance Measure 2.1 Program Participants shall promptly reforest after final harvest.</i>	<i>Evidence: Interviews with silviculture foresters, review of Timber Harvesting Plans (THPs) and Stocking Reports, and site visits to completed harvesting units.</i> FGS utilizes multiple silviculture systems (commercial thinning, shelter wood and seed trees with natural regeneration). Harvest units that are clear cut at final harvest are planted to meet stocking standards. FGS completes a stocking survey post planting to determine if the stocking is sufficient and locate understocked areas. Survey cards were reviewed during field tour for regeneration/planted blocks visited.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.2 Program Participants shall minimize chemical use required to achieve management objectives while protecting employees, neighbors, the public and the environment, including wildlife and aquatic habitats.</i>	<i>Evidence: Interviews with silviculture foresters, review of THPs and site visits to planting units. Pesticide Inventory 2016.</i> FGS does minimize chemical use through chemical trials, training, and pesticide advisor prescribed herbicides. All herbicide application is ground based and targeted and in accordance with State pesticide laws and regulations which include notifications, permits/licensing, chemical storage and signage, and meeting application requirements. Integrated pest management is used where feasible, including working with other landowners, the State and County officials. FGS is not currently using WHO Type 1a/b listed pesticides. FGS does not use pesticides banned under the Stockholm Convention on Persistent Organic Pollutants (2001).
	No Nonconformities were identified related to this performance measure. Opportunities for Improvement include: Tracking chemical use related to vegetation management on the company's timberlands to quantify and demonstrate chemical use is minimized as part of achieving forest management objectives.	

	<i>Performance Measure 2.3 Program Participants shall implement forest management practices to protect and maintain forest and soil productivity.</i>	<i>Evidence: Review of THPs, GIS, soils maps. Interviews with silviculture foresters. Site visits to harvesting units.</i> FGS minimizes soil compaction by using seasonal harvest restrictions, protection of high risk erosion areas, and post-harvest site work. Erosion plans are documented in the timber harvest plan and erosion control plan. Vulnerable areas are also identified in Inspection Reports and onsite action plans are developed to mitigate compaction/soil disturbance issues.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.4 Program Participants shall manage so as to protect forests from damaging agents, such as environmentally or economically undesirable wildfire, pests, diseases, and invasive exotic plants and animals, to maintain and improve long-term forest health, productivity, and economic viability.</i>	<i>Evidence: Interviews with Silviculture Forester and Wildlife Biologist. Review of THPs and documents. Site visits to harvesting and silviculture units,</i> FGS uses best management practices to reduce the spread of invasive plants such as, using certified straw for stream crossings, a salvage program, participation in a cooperative county program. FGS is an active participant in fire control to ensure the protection of their timberlands. FGS supports CAL FIRE, and cooperative programs such as the Fire Safe Council that provide fire protection through fuel load reduction.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.5 Program Participants that deploy improved planting stock, including varietal seedlings, shall use best scientific methods.</i>	<i>Evidence: Interview with Silviculture Forester. Review of THPs and documents. Site visits to harvesting and silviculture units</i> FGS are members and works with Northwest Tree Improvement Cooperative and Roseburg Tree Improvement Cooperative to improve local seed stock. FGS is also a member and a supporter of the Schroeder Tree Improvement Cooperative which takes the improved seed stock and germinates the seed for local tree farms. FGS also completes progeny testing, actively participates in local seed orchards (where there are no co-ops), and collects wild seed.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 3. Protection and Maintenance of Water Resources To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.	<i>Performance Measure 3.1 Program Participants shall meet or exceed all applicable federal, provincial, state and local water quality laws, and meet or exceed best management practices developed under Canadian or U.S. Environmental Protection Agency – approved water quality programs.</i>	<i>Evidence: Interview with Planning Foresters, Review of THP, Contracts, Inspection Checklists, GIS, soils maps, 2016 roads budget, storm patrol maps. Site visits to harvesting and road projects.</i> Logging, road construction and silviculture contracts specify requirements for full compliance with all applicable laws and regulations including the Fish and Game Code, water quality protection laws, California Forest Practice Act/Rules, and labor and safety laws. Planning is done around harvest rotation on the long-term (Option A document) management plan and an annual strategic review (10 year AAC targets). Currently FGS has 9 approved Timber Harvest Plan's (THP's). THP's go through a full agency review (Calfire, California Fish & Wildlife Service, local water boards etc.) and resources are known and all units are engineered once the THP's are approved.

		Once units are approved by the State, a FGS Timber Operations forester takes over the unit. A pre-work with the qualified contractor takes place which covers a variety of issues including: property lines, harvest method, leave areas/wildlife trees, erosion issues, roads and culverts , log specs, rare plants and wildlife issues, slash treatment & fire plan. Inspections/site visits are done on a weekly basis. Once harvesting is completed for a unit which includes slash piling and water bar installation, Calfire is contacted and units are inspected for that stage within 30 days of notice.
	One Nonconformity was identified related to this performance measure: Fruit Growers Supply Company's Hazardous Material Spill Contingency Plan requires spill kits to be on site. On one harvest unit, the logging contractor, did not have a spill kit available at the landing or on any of the machinery operating in the harvest unit. There were no opportunities for improvement.	
	<i>Performance Measure 3.2 Program Participants shall implement water, wetland and riparian protection measures based on soil type, terrain, vegetation, ecological function, harvesting system, state best management practices (BMPs), provincial guidelines and other applicable factors.</i>	<i>Evidence: Interview with Planning Foresters, Review of THP, Contracts, Inspection Checklists, GIS, soils maps, 2016 roads budget, storm patrol maps. Site visits to harvesting and road projects. Wet weather policy.</i> FGS maintains water feature coverages in their GIS baselayer including: springs, seeps, streams and other standing water body features. All streams are updated as required during the THP submission including updating stream class by assessment and confirmation of fish presence or absence. THP's define extensive water protection buffers which are marked in the field and approved by Calfire. Stream protection is maintained during all phases of logging by licensed timber operators, reviewed by FGS staff and Calfire forestry officers. As per California forest practices legislation, water quality is protected through planning and shut-down of operations in the field during wet weather events. These measures are discussed during pre-works, logger training and inspections.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 4. Conservation of Biological Diversity To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand-and landscape-level measures that promote a diversity of types of habitat and successful	<i>Performance Measure 4.1 Program Participants shall conserve biological diversity.</i>	<i>Evidence: Interview with Wildlife Biologist. Review of Wildlife Management Plans, GIS, Noxious weeds policy. Site visits to harvesting units. Interview with forestry and wildlife staff, FGS SFI 2015-19 FM Requirements, FGS Draft HCP Document, various THP's, review of FGS GIS and mapping, 100 year harvest plan</i> FGS is managing operations under a draft Habitat Conservation Plan (HCP) designed to protect Anadromous fish and Spotted Owl habitat. Species covered under their HCP include: Coho, Steelhead and Chinook salmon, Spotted Owl, Bald Eagles, Fisher, Scott's Bar and Siskiyou Mountain Salamander and two plants (Siskiyou Mariposa lily and Yreka phlox). Management strategies include: roads and water management, terrain stability measures, habitat analysis and conservation measures for each particular species. In addition to these measures, each Timber Harvest Plan (THP) has specific measures in place on a site specific basis which

<p>stages, and the conservation of forest plants and animals, including aquatic species, as well as threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.</p>		<p>address a variety of features such as species and habitat conservation and other measures. All plans are reviewed by a team of professionals including biologists from the CA Fish & Wildlife Service. For each THP FGS conducts a California Natural Diversity Data Base (CNDDDB) search of T&E species or other Species of Concern are present, then review whether operations will impact the species.</p> <p>The company uses NatureServe to review site specific T&E species or other special features. The company has a wildlife biologist on staff who updates their GIS coverages and documents every year. They also use the California Natural Diversity Database provided by the CA. Dept. of Fish and Wildlife.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 4.2 Program Participants shall protect threatened and endangered species, Forests with Exceptional Conservation Values (FECV) and old-growth forests.</i></p>	<p><i>Evidence: Interview with Wildlife Biologist. Review of Wildlife Management Plans, GIS, Noxious weeds policy. Site visits to harvesting units.</i></p> <p>Critically imperiled and imperiled species on FGS’s timberlands are located using the CNDDDB. The CNDDDB is used by forestry staff to determine the presence of any known listed species, including state and federal threatened or endangered fish, animals and plants. The CNDDDB is maintained and updated by the California Department of Fish and Wildlife and includes terrestrial, aquatic and plant species. Old Growth or late successional forests are identified per the definition within the California Forest Practice Rules and protected according to those regulations</p> <p>Measures are defined in wildlife management plans and implemented in the THP to protect threatened or endangered species and areas of conservation value.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 4.3 Program Participants shall manage ecologically important sites in a manner that takes into account their unique qualities.</i></p>	<p><i>Evidence: Interview with Wildlife Biologist. Review of arch surveys in THPs, GIS. Site visits to harvesting units</i></p> <p>FGS foresters conduct surveys during the THP process. Any sites identified are updated in the NatureServe databases. Riparian corridors and Northern Spotted Owl habitat are protected as per CA State regulations. Botanical surveys are done in the appropriate season and any specific plants are protected where found.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 4.4 Program Participants shall apply knowledge gained through research, science, technology, and field experience to manage wildlife habitat and contribute to the conservation of biological diversity.</i></p>	<p><i>Evidence: Interview with Wildlife Biologist. Reviewed Wildlife Management Plans and Wildlife Research Initiatives.</i></p> <p>FGS has a wildlife biologist on staff who deals with any wildlife issues. FGS foresters conduct surveys during the THP process and any sites identified are updated in the NatureServe databases.</p> <p>FGS is working with US Fish & Wildlife Service (US FWS) on monitoring of a Fisher – relocation program.</p>

		Other examples include riparian restoration work where FGS is establishing riparian fencing and logs near FGS offices in Hilt and an agreement with US FWS for meadow protection for elk habitat from cattle where FGS employees are setting up exclusion fences. FGS is also a member of the National Council for Air and Stream Improvement (NCASI).
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<p>Objective 5. Management of Visual Quality and Recreational Benefits To manage the visual impact of forest operations and provide recreational opportunities for the public.</p>	<p><i>Performance Measure 5.1 Program Participants shall manage the impact of harvesting on visual quality.</i></p>	<p><i>Evidence: Interviews with Planning Forester, Review of THPs and GIS.</i></p> <p>Visual quality is considered as part of the THP process. FGS's program to address visual quality management includes incorporating aesthetics considerations in harvesting, road, landing design and management, and other management activities where visual impacts are a concern. Aesthetics management is implemented where visual impacts are a concern. Also visual quality is addressed in FGS's cumulative impacts section of each timber harvest plan.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 5.2 Program Participants shall manage the size, shape and placement of clear-cut harvests.</i></p>	<p><i>Evidence: Interviews with Planning Forester, Review of THPs , SFI Annual Report</i></p> <p>Average clearcut size is tracked and documented in the FGS GIS. California Forest Practice Rules restricts maximum clearcut harvest to 20-30 acres in size. Oregon forest practice rules restricts maximum clearcut harvest to 120 acres. In 2015, FGS had 6 clearcut units totaling 153 acres, averaging 26 acres per unit.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 5.3 Program Participants shall adopt a green-up requirement or alternative methods that provide for visual quality.</i></p>	<p><i>Evidence: Interviews with Planning Forester, Review of THPs , SFI Annual Report</i></p> <p>Green up requirements are defined within THP process and are specified in the State's Forest Practice Rules, which states that adjacent trees must be at least 5 feet high or the unit was planted 5 year previously.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 5.4 Program Participants shall support and promote recreational opportunities for the public.</i></p>	<p><i>Evidence: Interviews with Planning Forester, Review of THPs , SFI Annual Report</i></p> <p>FGS provides hunting, fishing, mushroom picking, and other recreational opportunities to the public. Many of the roads are private and so access is restricted to non-vehicular use.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<p>Objective 6. Protection of Special Sites To manage lands that are geologically or</p>	<p><i>Performance Measure 6.1 Program Participants shall identify special sites and manage them in a manner appropriate for their unique features.</i></p>	<p><i>Evidence: Interviews with Wildlife Biologist and Planning Forester. Review of THP. Site visits to harvesting units.</i></p> <p>FGS follows the state's forest practice rules which specifies protection of special sites. FGS works with the Northeast Center of California Historical Resources Information System for</p>

culturally important in a manner that takes into account their unique qualities.		archeological sites and has had a forest wide search for location and information of historical sites. The information is part of FGS GIS system and are protected on the ground.
	<p>No Nonconformities were identified related to this performance measure. Opportunities for Improvement include:</p> <p>On the Gobbler THP there was one special feature (lithic scatter) within the harvest unit which found and protected on the ground but was not updated in the FGS GIS.</p>	
<p>Objective 7. Efficient Use of Fiber Resources To minimize waste and ensure the efficient use of fiber resources.</p>	<p><i>Performance Measure 7.1 Program Participants shall employ appropriate forest harvesting technology and in-woods manufacturing processes and practices to minimize waste and ensure efficient utilization of harvested trees, where consistent with other SFI 2015-2019 Forest Management Standard Objectives.</i></p>	<p><i>Evidence: Interviews with Planning Foresters, review of harvest inspection reports, site visits to biomass chipping at harvesting units.</i></p> <p>FGS routinely looks to increase the utilization of their product. This includes management of harvest residue as part of the Forest Practice Rules that are followed by FGS. The reduction of these residues are important for safety and for managing fuel loads.</p> <p>FGS is routinely looking for different markets to assist in the management of their lower quality and waste fiber. FGS logging supervisors are constantly inspecting logging operations for proper utilization of fiber and the company will also analyze volume reports to insure proper utilization of fiber.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 8. Recognize and Respect Indigenous Peoples' Rights To recognize and respect Indigenous Peoples' rights and traditional knowledge.</p>	<p><i>Performance Measure 8.1 Program Participants shall recognize and respect Indigenous Peoples' rights.</i></p>	<p><i>Evidence: Interview with Inventory Forester/SFI Representative, SFI 2015-2019 Forest Management Standard Requirements FGS Hilt-Siskiyou Forest Document</i></p> <p>FGS has written a commitment to respect indigenous people's rights in the FGS SFI 2015-2019 Forest Management Standards Requirements manual.</p>
	<p>No Nonconformities were identified related to this performance measure. Opportunities for Improvement include:</p> <p>Updating the FGS public facing website to make reference to the new standard and include a commitment to respect indigenous people's rights.</p>	
	<p><i>Performance Measure 8.2 Program Participants with forest management responsibilities on public lands shall confer with affected Indigenous Peoples with respect to sustainable forest management practices.</i></p>	<p><i>Evidence: Interview with Inventory Forester/SFI Representative, SFI 2015-2019 Forest Management Standard Requirements FGS Hilt-Siskiyou Forest Document</i></p> <p>Not applicable. FGS does not have forest management responsibilities on public land.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	

	<p><i>Performance Measure 8.3 Program Participants are encourage to communicate with and shall respond to local Indigenous Peoples with respect to sustainable forest management practices on their private lands.</i></p>	<p><i>Evidence: Interview with Inventory Forester/SFI Representative, SFI 2015-2019 Forest Management Standard Requirements FGS Hilt-Siskiyou Forest Document</i></p> <p>Protection of cultural heritage sites is a part of the state’s forest practice rules. Foresters are trained for recognizing and protecting archeological sites. Field observations are documented and reported to the tribal information sources. FGS works with the Northeast Center of California Historical Resources Information System for archeological sites and has had a forest wide search for location and information of historical sites. The information is part of FGS GIS system which is used in harvest planning.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 9. Legal and Regulatory Compliance To comply with applicable federal, provincial, state, and local laws and regulations.</p>	<p><i>Performance Measure 9.1 Program Participants shall comply with applicable federal, provincial state and local forestry and related social and environmental laws and regulations.</i></p>	<p><i>Evidence: Reviewed Harvesting Contracts, Inspection Reports, and interviews with loggers and other contractors.</i></p> <p>Each FGS site has access to current laws and regulations and all foresters are familiar with these. The CA Forest Practices Rules Guidebook was available in the Hilt Office. The majority of staff are Registered Professional Foresters (RPF) at the Hilt office. This certification requires demonstrated understanding and compliance with CA legislation.</p> <p>FGS complies with the State’s forest practice rules and consults with the appropriate agencies. Also, FGS has documented start up/pre-work procedures and staff conduct regular site visits to active logging sites to assess compliance. All completed harvest units get a site visit by a Cal Fire inspector to assure close out meets CA regulations. Also, FGS has a strong internal audit program which annually reviews forestry practices and files.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 9.2 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.</i></p>	<p><i>Evidence: Interview with Inventory Forester/SFI Representative, SFI 2015-2019 Forest Management Standard Requirements FGS Hilt-Siskiyou Forest Document</i></p> <p>Requirements for legal compliance is specified in Section 2 of the FGS Employee Handbook. FGS staff receive training related to compliance with applicable social laws. All employees have to agree to abide by the company’s social policies. Contractors are also require to sign a contract that specifies these social laws.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 10. Forestry Research, Science and Technology To invest in forestry research, science and technology, upon which sustainable forest management decisions are based</p>	<p><i>Performance Measure 10.1 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</i></p>	<p><i>Evidence: Record of financial contributions, SFI Annual Report</i></p> <p>In California: FGS participates with the Sierra Cascade Intensive Research Committee which deals with current forestry issues. The Hilt-Siskiyou foresters are members of California Licensed Foresters Association and California Forestry Association. These associations keep FGS staff informed with current research issues.</p> <p>In Oregon: FGS is a supporter and cooperater with Oregon Forest Resource Institute (OFRI) and Oregon Forest &</p>

and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.	<i>management of forest resources, and the environmental benefits and performance of forest products.</i>	Industries Council (OFIC). Both organizations assist in sound management of the forest through research, science, and technologies. Reviewed summary of Research Funding (as of March 25, 2016) which includes support for: water quality; wildlife management (salaries for fisher study, Northern Spotted Owl surveys, NCASI western wildlife program & Cal State Humboldt study); forest foundations support and support for the Washington Forest Protection Association (WFPA).
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 10.2 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.</i>	<i>Evidence: Interview with Inventory Forester/SFI Representative, SFI 2015-2019 Forest Management Standard Requirements FGS for WA, OR and CA.</i> FGS is a member of the California’s SFI Implementation Committee (SIC), the Society of American Foresters, California Licensed Forester’s Association, and California Forestry Association. FGS foresters attend SIC meetings in all three States (CA, OR & WA) that it owns lands in.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 10.3 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.</i>	<i>Evidence: Interview with Inventory Forester/SFI Representative, SFI 2015-2019 Forest Management Standard Requirements FGS for WA, OR and CA. FGS SFI Annual Meeting Agenda and PowerPoint presentation (January 28, 2016).</i> FGS presented a climate change Power Point (Dave Peterson U.S.F.S Research Station) at their 2016 SFI annual meeting. FGS foresters are always continuing their education and are aware of current and future impacts from climate change. Many of the FGS staff are members of California Licensed Foresters Association and California Forestry Association. Climate change, wildlife, and biodiversity are part of the association’s subject matter and is discussed in meeting and training.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 11. Training and Education To improve the implementation of sustainable forestry practices through appropriate training and education programs.	<i>Performance Measure 11.1 Program Participants shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Forest Management Standard.</i>	<i>Evidence: Interview with Inventory Forester/SFI Representative, FGS SFI 2015-19 FM Requirements, FGS Annual SFI training & FGS website</i> FGS has committed to managing their operations (including solid wood and carton plant) under the SFI Standards - http://www.fruitgrowers.com/pgs/Sustainability.php A required companywide (Northern Operations) annual SFI meeting is presented in late January. This half day presentation is a summary of how the company fared in their pursuit for sustainable forestry. The internal and external audits results are discussed and ideas on how the company can improve in specific aspects of management. SFI 2015-2019 management objectives, performance measures, and indicators are also reviewed. The SFI standards and the company responsibility to continue practicing sustainable forestry is communicated throughout the FGS organization.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

	performance measure.	
	<i>Performance Measure 11.2 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.</i>	<i>Evidence: Interview with Inventory Forester/SFI Representative, FGS SFI 2015-19 FM Requirements</i> Information regarding these issues are covered by the California Licensed Foresters Association, California Forestry Association, PRO logging trainings, and SFI Implementation Committee. Loggers training programs do have a continuing education component.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 12. 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.	<i>Performance Measure 12.1 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.</i>	<i>Evidence: Interview with Inventory Forester/SFI Representative, FGS SFI 2015-19 FM Requirements Record of financial contributions, SFI Annual Report, SFI Implementation Committee Meeting Minutes.</i> FGS is a member of the California, Oregon and Washington SFI Implementation Committees. FGS is listed as a member of the California Tree Farms SFI Implementation Committee.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 12.2 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.</i>	<i>Evidence: Interview with Inventory Forester/SFI Representative, FGS SFI 2015-19 FM Requirements Record of financial contributions, SFI Annual Report.</i> FGS participates in the WA, OR and CA SFI Implementation Committees and the Committees efforts to address concerns about nonconforming practices.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 12.3 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</i>	<i>Evidence: Reviewed CA SIC Website.</i> The California SIC has a hotline number and email on their website. FGS supports the SFI Implementation Committee’s process to responding to public inquires. http://www.caltreefarm.com/California-SFI-Implementation.html

	<i>practices that appear inconsistent with the SFI 2015-2019 Forest Management Standard principles an objectives.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 13. Public Land Management Responsibilities To participate and implement sustainable forest management on public lands.	<i>Performance Measure 13.1 Program Participants with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.</i>	<i>Evidence: Not applicable.</i> FGS does not manage public lands.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 14. Communications and Public Reporting To increase transparency and to annually report progress on conformance with the SFI 2015-2019 Forest Management Standard.	<i>Performance Measure 14.1 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 Forest Management Standard.</i>	<i>Evidence: Audit Report, SFI Public Summary Report.</i> PwC prepares an annual SFI audit report. The SFI Public Summary is submitted annually. FGS's latest public summary is at: http://www.sfiprogram.org/audit-reports/params/filter/All/
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 14.2 Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Forest Management Standard.</i>	<i>Evidence: 2016 Annual SFI Report and correspondence from SFI.</i> FGS has provided resources to ensure prompt response to the SFI annual progress report survey. Jay Powell supplied the FGS annual report to SFI which was sent in early March, 2016.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 15. Management Review and Continual Improvement To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.	<i>Performance Measure 15.1 Program Participants shall establish a management review system to examine findings and progress in implementing the SFI 2015-2019 Forest Management Standard, to make appropriate improvements in programs, and to inform their employees of changes.</i>	<i>Evidence: FGS Internal Audit, FGS Annual Management Review</i> FGS's Northern Operations divides its ownership into four management regions (Burney-Lassen, Hilt-Siskiyou, Oregon, and Washington). An internal audit is completed annually on each region, except for the region that has SFI recertification or surveillance audit scheduled for that year. The internal audit is designed to match the SFI recertification or surveillance audit. Each region will complete a field and office audit. The objective is ensure that FGS is managing their lands to the SFI 2015-2019 Forest Management Standards. A Management Review and evaluation of FGS's SFI program is done throughout each year. Much of the information regarding the improvement to FGS's program is gathered through the internal, recertification, and surveillance audits. The lead FGS

		SFI representative is responsible for putting together a task management plan. FGS has conducted a very strong internal audit covering WA, OR and the Burney operation for 2016.
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p> <ul style="list-style-type: none"> • Previous SFI policies and commitments should be reviewed to reflect the updated version of the SFI Standard and should be reflected in the FGS SFI 2015-2019 Forest Management Standards Requirements manual if appropriate. • FGS may wish to consider adding a subsequent review with Senior staff only as part of the annual management review. 	

Specific Good management practices are noted below:

- The overall effort that FGS has made to salvage timber from the 2014 Beaver fire was outstanding. FGS salvaged a significant volume of timber in a short window, managing 13 different contractors, while meeting State requirements for operations.
- The overall condition of roads and efforts to protect water quality on both FGS and USFS roads was very good.
- The unit design and retention of oak and advanced regen on the Gobbler THP has resulted in minimized visual quality issues and an excellent structural component from a wildlife and silviculture perspective.
- The use of Avenza by FGS staff and contractors has ensured that harvest operations have good knowledge of field locations and stand features.
- The recent startup of the FGS sawmill in the Yreka area has allowed the company and others in the area to increase their harvest utilization across their forest operations.

Conclusion

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Forest Management Standard [2015-2019]. The certificate can be obtained by contacting Jay Powell of Fruit Growers at (1-530-475-3453). More information on Fruit Growers' sustainable forestry program can be found at: www.fruitgrowers.com.