



2022 SFI Public Summary Report

Fruit Growers Supply Company Sustainable Forestry Initiative® (SFI) Forest Management Standard [2022]

Date: September 29, 2022

Project Scope and Objectives

PricewaterhouseCoopers LLP (“PwC”) completed a multi-site Maintenance Assessment on Fruit Growers Supply Company (“the Company”, “FGS” or “Fruit Growers”) Forest Management activities in North America for the central office in Montesano, WA, and timberlands in Oregon and Washington States. The Lead Assessor-in-Training was Jenny Knoth PhD, CF and the other Assessor was James Lucas, EMS (LA) The Assessment team was accompanied by Fruit Growers’ SFI Representative, Jay Powell and Tom Shorey. The 2022 Assessment focused on the forest management systems and practices at the central office in Montesano, WA and the forestlands in Oregon, specifically the Sweet Home and Mollala operations.

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 Standard in the field. There have been no changes to the scope of the multi-site certification since the last public summary.

Client Profile

Fruit Growers Supply Company is an agricultural services provider that was established in 1907 by the same growers that formed the Sunkist Marketing Cooperative. They were created in order to supply wood for Sunkist’s crates and are the oldest non-profit supply cooperative in the nation. They have grown their vertically integrated business alongside the West Coast’s citrus production.

Fruit Growers is a multi-site organization with a central office in Montesano, Washington. Fruit Growers manages timberlands in Oregon (23,866 acres) and Washington (36,571 acres). The Oregon and Washington timberlands are mainly Douglas-fir and Western hemlock.

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 15, since none of the land managed by the Company is public land. There were no substitute indicators.

Assessment Process

On July 26 and 27, 2022, the assessment team conducted field assessments of the Wiley Block and Copper Creek forest lands in Oregon. On July 29, 2022, the Assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements of the Central Office in Montesano, WA. In total, the audit team spent two

person days in interviews with the Central Office and with forest managers, and three person days on-site for field assessments. In total ten field sites were assessed, including two active and eight completed harvest sites which included road construction and maintenance and two planting sites for Forest Management.

Fruit Growers Supply Company has a multi-site certification for the forest in North America by the following locations: Wiley and Copper Creek in Oregon and the Hoh Forest in Washington. PwC uses a rotational audit approach where the central office functions are audited annually, and the lands are sampled on a rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.

Summary of Conformance, Findings, and Good Management Practices

FOREST MANAGEMENT

SFI Forest Management Objective	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>Evidence: <i>Interview with FGS Area Foresters, SFI Representative and Regional Manager, SFI 2022 Forest Management Standard Requirements Washington and Oregon Forest, Cascade Forest Inventory Annual Update, Forest Inventory System Technical Description Oregon and Washington, Inventory Summary, AAC calculations, various timber harvest plans, maps and GIS records</i></p> <p>Summary: FGS forest management planning for all the company's timberlands is centralized in Montesano, WA. For the Washington and Oregon lands FGS has a 5-year management plan that is updated every two to three years, with forest inventory data that is updated annually. FGS's forest inventory consist of planting records, stocking survey's, current cruise information from mature and commercial thinned stands. Harvest notifications are submitted to the State (Oregon or Washington) for review or approval. FGS will only cut harvest levels within their long-term AAC with the exception for forest health salvage, if necessary. Long Range Sustained Yield ("LRSY") 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 Federal Natural Resources Conservation Service ("NRCS"). FGS's Washington and Oregon stands are annually grown with the FPS and FLIPS growth-and yield software. 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>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 practices rules and federal legislation.</p>
<p><i>No Nonconformities were identified related to this performance measure. One Opportunity for Improvement was identified regarding the addition of an assessment of social, environmental, and economic effects of forest management operations within the management plan.</i></p>	
<p>Objective 2. Forest Health and Productivity</p>	<p>Evidence: <i>Interviews with FGS Silviculture forester and Area Foresters, FGS SFI 2022 FM Requirements, review of harvesting plans and Stocking Reports.</i></p>

<p>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.</p>	<p>Summary: FGS utilizes both even and uneven aged 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.</p> <p>FGS does minimize chemical use through chemical trials, training, and pesticide advisor prescribed herbicides.</p> <p>All herbicide application is targeted and in accordance with state 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.</p> <p>FGS does not use pesticides banned under the Stockholm Convention on Persistent Organic Pollutants (2001).</p> <p>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.</p> <p>FGS uses Best Management Practices (“BMP’s”) 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 Washington State Department of Natural Resources (“WA DNR”) and Oregon Department of Forestry (“ODF”), and cooperative programs such as the Douglas Forest Protection Association, East Land County FPA and the Linn County FPA that provide fire protection through fuel load reduction. They also support the Cascade Animal Damage Cooperative which assists in the protection of their resources.</p> <p>FGS is a member of Northwest Tree Improvement Cooperative and Roseburg Tree Improvement Cooperative to improve local seed stock. The Schroeder Tree Improvement Cooperative then takes the improved seed stock and germinates the seed for local tree farms, which FGS is a member and a supporter. FGS also completes progeny testing, actively participates in local seed orchards (where there are no co-ops) and collects wild seed.</p>
<p><i>No Nonconformities were identified related to this performance measure. Three Opportunities for Improvement were identified; one is related to site preparation sprays, another is related to fire planning, and the third is related to contract applicator oversight.</i></p>	
<p>Objective 3. Protection and Maintenance of Water Resources To protect the water quality and water quantity of rivers, streams, lakes, wetlands, and other water bodies.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 FM Requirements, review of harvest unit records, planning checklists, contracts, inspection checklists, GIS, soils maps, reforestation plans, and notification of forest activity submissions and approvals.</p> <p>Summary: Logging, road construction and silviculture contracts specify requirements for full compliance with all applicable laws and regulations including the State Forest Practice Rules, water quality protection laws, Fish and Game Code, and labor and safety laws.</p> <p>FGS Timber Operations foresters supervise all operations. 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 to ensure BMP compliance.</p>

	<p>FGS maintains water feature coverages in their GIS base layer including springs, seeps, streams and other standing water body features. All streams are updated when planning operations, including stream class by assessment and confirmation of fish presence or absence. Forest practice rules define water protection buffers which are marked in the field and periodically reviewed by State Foresters. Stream protection is maintained during all phases of logging by licensed timber operators.</p> <p>Water quality is protected through planning and shutdown of operations in the field during wet weather events. These measures are discussed during pre-works, logger training and inspections.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i></p>	
<p>Objective 4. Conservation of Biological Diversity To maintain or advance the conservation of biological diversity at the stand- and landscape-level and across a diversity of forest and vegetation cover types and successional stages including the conservation of forest plants and animals, aquatic species, threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests, and ecologically important sites.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, review of harvest and wildlife management plans, GIS, Noxious weeds policy, review of FGS GIS and mapping</p> <p>Summary: Each harvest plan has specific measures in place on a site-specific basis which address a variety of features such as species and habitat conservation and other measures. Notifications are submitted to state agencies who verify there are no issues associated with Threatened & Endangered (“T&E”) species or other Species of Concern.</p> <p>The company uses the NatureServe website to review site specific T&E species or other special features. Foresters consult with state wildlife biologists and foresters to update their GIS coverages and documents every year. In Washington State, FGS is part of a statewide Habitat Conservation Plan (“HCP”) which is administered by the WA DNR. In Oregon, these issues are regulated by the ODF, Department of Fish and Wildlife, and U.S. Fish and Wildlife Service. FGS cooperates with these agencies to ensure biological diversity is maintained or enhanced. FGS regularly consults with the state’s fish and wildlife service to ensure protection of wildlife habitat features. FGS has enrolled in the fisher habitat CCAA and the marbled murrelet safe harbor agreement.</p> <p>FGS regularly consults with experts for an area of interest. Foresters will refer to natural heritage database to assist in locating important sites for protection. Much of the identification and protection of unique sites are part of the Washington’s Forest Practices Application (“FPA”) process. Ecological important sites are identified, mapped, imported to GIS, and cataloged to ensure accurate location and protection.</p> <p>FGS cooperates with state and federal agencies for long-term heritage programs. FGS provides access to the ownership for land surveys and any other pertinent information that is needed for research. In Washington State, the Forest Service has access to permanent growth plots that are within FGS ownership. Information pertaining to Forests of Exceptional Conservation Value (“FECV”) is very limited and FGS will continue to search for any viable information.</p> <p>FGS works closely with groups such as Washington State and Oregon’s SFI Implementation Committee (“SIC”), and Washington Forest Protection Association (“WFPA”). Biodiversity discussed at quarterly staff meetings. FGS is a member of the SIC’s for Oregon and Washington State</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i></p>	

<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>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, and harvest unit files.</p> <p>Summary: Visual quality is considered as part of the harvest planning 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.</p> <p>FGS has procedures in place to limit the average clearcut size to meet state requirements. The average clearcut size is tracked and documented through the FGS GIS database which makes use of stand growth metrics. FGS's average clearcut size in 2021 was 75 ac. Boundaries are confirmed by GPS to ensure inventory updates are accurate and harvest unit size is documented in their GIS.</p> <p>Green up requirements are defined within WA & OR are specified in State Forest Practice Rules. In Washington State, the green up requirement is five feet tall or 5 years old. In Oregon, it's 4 years old or 4 feet tall. FGS meets state requirements for all units.</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>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i></p>	
<p>Objective 6. Protection of Special Sites To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, and harvest unit files.</p> <p>Summary: FGS follows WA and OR state forest practice rules which specifies protection of special sites. FGS does its due diligence through research and consulting with experts for specific special sites.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i></p>	
<p>Objective 7. Efficient Use of Fiber Resources To minimize waste and ensure the efficient use of fiber resources.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, and harvest unit files.</p> <p>Summary: FGS routinely looks to increase the utilization of their product. The majority of the Copper Creek Block was burned over in 2020. Operations are focused on salvage logging and rehabilitation of the forested land. The area forester has developed and maintained good relationships with local mills and the forestry professional hired for harvest. He frequently checks log quality on the salvage harvest and check in with the mills to ensure continued marketability of logs.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i></p>	

<p>Objective 8. Recognize and Respect Indigenous Peoples' Rights To recognize and respect Indigenous Peoples' rights and traditional knowledge.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR</p> <p>Summary: FGS has written a commitment to respect Indigenous People's rights in the FGS SFI 2015-2019 Forest Management Standards Requirements manual.</p> <p>FGS's sustainable Forest Policy which contains their commitment to recognize and respect Indigenous Peoples rights and traditional knowledge is posted on their website. Protection of cultural heritage sites is included in State Forest Practice Rules. Prior to timber operations FGS is required to consult with tribal information sources as well as survey for sites on the ground. Foresters are trained for recognizing and protecting archeological sites. Field observations are documented and reported to the tribal information sources. Proposed timber operations are screened by the Washington Department of Natural Resources and the Oregon Department of Forestry for potential cultural sites.</p>
<p><i>No Nonconformities were identified related to this performance measure. One Opportunity for Improvement was identified related updated training of staff and contractors and documentation of communications with local Tribes.</i></p>	
<p>Objective 9. Climate Smart Forestry To ensure forest management activities address climate change adaptation and mitigation measures.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR</p> <p>Summary: At the time of the Assessment, FGS had not implemented a program for Climate Smart Forestry.</p>
<p><i>An Opportunity for Improvement was identified for implementation the new standard. Were this not a transition assessment to the new standard, this would have been identified as a Nonconformance.</i></p>	
<p>Objective 10. Fire Resilience and Awareness To limit susceptibility of forests to undesirable impacts of wildfire and to raise community awareness of fire benefits, risks, and minimization measures.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR</p> <p>Summary: At the time of the Assessment, FGS had not implemented a program for Fire Resilience and Awareness. It is likely that many elements of the fire prevention and mitigation work the company does already in WA and OR meet this objective, however, they have not been fully documented.</p>
<p><i>An Opportunity for Improvement was identified for implementation the new standard. Were this not a transition assessment to the new standard, this would have been identified as a Nonconformance.</i></p>	
<p>Objective 11. Legal and Regulatory Compliance To comply with all applicable laws and regulations including, international,</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, Harvest Unit Records including planning checklists, harvest plans, reforestation plans, state submissions/approvals.</p> <p>Summary: Each FGS site has access to current laws and regulations and all foresters are familiar with these. They have policies and procedures in place to help them comply with the State's Forest Practice Rules and consults with the appropriate agencies. These include documented startup/pre-work procedures, and</p>

federal, provincial, state, and local.	<p>regular site visits to active logging operations to assess compliance. All completed harvest units get a site visit FGS staff to ensure regulatory and BMP compliance. Additionally, FGS has a strong internal audit program which annually reviews forestry practices and files.</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 must agree to abide by the company’s social policies. Contractors are also required to sign a contract that specifies these social laws.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i></p>	
<p>Objective 12. Forestry Research, Science and Technology To broaden the practice of sustainable forestry through public outreach, education, and involvement, and to support the efforts of SFI Implementation Committees.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, field tour, SIC invoices.</p> <p>Summary: FGS provides funding and is a member of the Washington Forest Practice Association which assist in sound management of the forest through association’s research, science, and technologies. FGS is also a member of the Washington Logging Association and cooperative seed programs. In Oregon FGS is a supporter and cooperator with the Oregon Department of Resource Institute and the Oregon Forest and Industrial Council. All of these organizations assist in sound management of the forest through research, science, and technologies. The Regional Manager assists the Pacific Education Institute’s teacher training programs which serve to educate teachers about forest practices and conservation.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i></p>	
<p>Objective 13. Training and Education To improve the implementation of sustainable forestry through appropriate training and education programs.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, field tour, SIC invoices, samples of training records.</p> <p>Summary: Staff participate in annual training about forestry, safety, and fire. All staff interviewed are aware of their responsibilities to sustainable forest management. 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 includes training and updates regarding the SFI program, and includes a summary of how the company is achieving their pursuit for sustainable forestry. Internal and external audit results have been discussed and ideas on how the company can improve in specific aspects of management. SFI 2022 management objectives, performance measures, and indicators have been recently reviewed. The SFI standards and the company responsibility to continue practicing sustainable forestry is communicated throughout the organization.</p> <p>Regional manager participates in the WA and OR SIC’s. Each state loggers training programs work in conjunction with the SICS and have a continuing education component. Information regarding these issues are covered by the Master Loggers Program, Washington Contractors Logging Association, Oregon Professional Loggers Program, and SFI Implementation Committee.</p>
<p><i>No Nonconformities were identified related to this performance measure. One Opportunity for Improvement was identified related to updating the company policy statements to reflect the 2022</i></p>	

<i>Standard.</i>	
<p>Objective 14. 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.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, field tour, FGS_SFI Outreach Policy, email communication with Pacific Education Institute.</p> <p>Summary: Regional manager participates in the WA and OR SIC's, participates in small woodland owner groups and the Pacific Education Institute (PEI). FGS promotes conservation of managed forests with cooperation with conservation organizations.</p> <p>The WA and OR SIC each have process in place to receive and respond to public inquiries.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i>	
<p>Objective 15. Public Land Management Responsibilities To participate and implement sustainable forest management on public lands.</p>	N/A - FGS does not manage public lands.
<p>Objective 16. Communications and Public Reporting To increase transparency and to annually report progress on conformance with the SFI Forest Management Standard.</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, field tour, SIC invoices, samples of training records.</p> <p>Summary: PwC prepares an annual SFI audit report. The SFI Public Summary is submitted annually, and all data is tracked and managed through FGS internal programs and databases.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i>	
<p>Objective 17. Management Review and Continual Improvement To promote continual improvement in the practice of sustainable forestry</p>	<p>Evidence: Interview with FGS Area Foresters, SFI Representative and Regional Manager, FGS SFI 2022 Forest Management Standard WA and OR, field tour, SIC invoices, samples of training records.</p> <p>Summary: A management review and evaluation of FGS's SFI program is done annually during an all staff meeting. Much of the information regarding the improvement to FGS's program is gathered through the internal and external audits. The lead FGS SFI representative is responsible for putting together a task management plan. Their annual SFI meeting functions as a management review and training session to promote the continued improvement of their forest management</p>

by conducting a management review and monitoring performance.	system.
<i>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</i>	

Specific Good Management Practices are noted below:

- The level of riparian protection in one harvest unit ensured that the continuity of overstory and hardwood component was maintained in the operation.
- Efforts of FGS Oregon forest operations manager to maintain strong relations with multiple new ODF Stewardship Foresters was notable.
- Area forester is maximizing fiber usage and value from timber sales and the salvage operations. He has fostered good relationships with local mills, procurement foresters, and the logging professionals to ensure the best value is gained from each unit while also adhering to the management goals of FGS (e.g. protecting resources for sustainable future productivity).
- The FGS OR Area Forester understands the timing and availability of the different operators in his management area and considers who he hires with their need for work in mind. For example, a larger company may have more choices during winter months so he may favor a smaller company to help keep them active during that time.
- The Regional Manager’s outreach efforts with the WA SIC and the Pacific Education Institute. FGS also sponsors contracted silviculture forester to give seedlings to local elementary school students on Earth Day as part of forest education outreach.

Conclusion

The Company is in conformance with the requirements of the Sustainable Forestry Initiative 2022 Forest Management Standard. The Certificate can be obtained by contacting Tom Shorey of Fruit Growers at 530-475-3453. More information on Fruit Growers Supply Company’s sustainable forestry program can be found at: www.fruitgrowers.com.

The next SFI Assessment will be a Surveillance Assessment in the summer of 2022; the registration expires on September 29, 2023.