

# FOREST MANAGEMENT AND STUMP-TO-FOREST GATE CHAIN-OF-CUSTODY SURVEILLANCE EVALUATION REPORT

## *Humboldt Redwood Company, LLC*

Northern California, USA

### **SCS-FM/COC-00120N**

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CERTIFIED	EXPIRATION
01/Dec/2014	30/Nov/2019

DATE OF FIELD AUDIT

November 6-7, 2017

DATE OF LAST UPDATE

February 6, 2018

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## Foreword

Cycle in annual surveillance audits			
<input type="checkbox"/> 1 <sup>st</sup> annual audit	<input type="checkbox"/> 2 <sup>nd</sup> annual audit	<input checked="" type="checkbox"/> 3 <sup>rd</sup> annual audit	<input type="checkbox"/> 4 <sup>th</sup> annual audit
Name of Forest Management Enterprise (FME) and abbreviation used in this report:			
Humboldt Redwood Company, LLC (HRC)			

All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing conformance with the requirements and standards of certification. A public summary of the initial evaluation is available on the FSC Certificate Database <http://info.fsc.org/>.

Pursuant to FSC and SCS guidelines, annual / surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or Corrective Action Requests (CARs; see discussion in section 4.0 for those CARs and their disposition as a result of this annual audit);
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior to this audit; and
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

### Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 90 days after completion of the on-site audit. Section B contains more detailed results and information for the use by the FME.

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## SECTION A – PUBLIC SUMMARY

### 1. General Information

#### 1.1 Annual Audit Team

<b>Auditor Name:</b>	Robert J. Hrubes, Ph.D.	<b>Auditor Role:</b>	Lead auditor
<b>Qualifications:</b>	<p>Dr. Hrubes is a California registered professional forester (#2228) and forest economist with over 40 years of professional experience in both private and public forest management issues. He is Executive Vice-President, Emeritus of SCS Global Services. Dr. Hrubes has extensive prior experience and involvement in the SCS Forest Conservation Program, duly accredited by the Forest Stewardship Council. Dr. Hrubes has previously led numerous audits under the SCS Forest Conservation Program of North American public forest, industrial forest ownerships and non-industrial forests, as well as operations in Scandinavia, Chile, Brazil, Japan, Malaysia, Papua New Guinea, Australia and New Zealand. Dr. Hrubes holds graduate degrees in forest economics (Ph.D.), economics (M.A.) and resource systems management (M.S.) from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F. with double major in Outdoor Recreation) was awarded from Iowa State University.</p>		
<b>Auditor Name:</b>	Richard B. Standiford, Ph.D.	<b>Auditor role:</b>	Team auditor
<b>Qualifications:</b>	<p>Dr. Standiford has served as Cooperative Extension Forest Management Specialist at UC Berkeley for 35 years. He is a registered professional forester in California (#2015). He has a BS in forestry from North Carolina State University, an MS in Silviculture from UC Berkeley, and a PhD in Agricultural Economics from UC Davis. He teaches forest management at Berkeley, and conducts extension education programs for a broad array forest and oak woodland management topics. He has been involved in over 170 published peer reviewed articles, publications, book chapters, technical reports and articles, and leaflets in the areas of forest management, silviculture, forest economics, and forest policy. He has served as Associate Dean for Forestry at the Berkeley Campus, Associate Vice President and Acting Vice President for the Division of Agriculture and Natural Resources at the UC Office of the President in the Oakland office of UC.</p>		

#### 1.2 Total Time Spent on Evaluation

A. Number of days spent on-site assessing the applicant:	2
B. Number of auditors participating in on-site evaluation:	2
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	3
<b>D. Total number of person days used in evaluation:</b>	<b>7.0</b>

#### 1.3 Standards Employed

##### 1.3.1. Applicable FSC-Accredited Standards

Title	Version	Date of Finalization
FSC-US Forest Management Standard	1.0	July 8, 2010
FSC-STD-50-001	1.2	November 2010
All standards employed are available on the websites of FSC International ( <a href="http://www.fsc.org">www.fsc.org</a> ), the FSC-US ( <a href="http://www.fscus.org">www.fscus.org</a> ) or the SCS Standards page ( <a href="http://www.scsglobalservices.com/certification-standards-and-program-documents">www.scsglobalservices.com/certification-standards-and-program-documents</a> ). Standards are also available, upon request, from SCS Global Services ( <a href="http://www.SCSglobalServices.com">www.SCSglobalServices.com</a> ).		

## 2 Annual Audit Dates and Activities

### 2.1 Annual Audit Itinerary and Activities

November 6, 2017	
FMU/Location/ sites visited	Activities/Notes
HRC Offices—Hrubes/Standiford	Opening Meeting: Introductions, client update, review audit scope, audit plan, intro/update to FSC and SCS standards and protocols, review of open CARs/OBS, final site selection
Field visits (PM)--Hrubes	Bridge Too Far THP (Elk River watershed), Last Supper THP (Yaeger watershed)
Field visits (PM)--Standiford	Lower and Upper Cloney THPs, Freshwater 16 THP
November 7, 2017	
FMU/Location/ sites visited	Activities/Notes
Field Visit (Hrubes & Standiford)	One, combined field itinerary this day: Mattole and neighboring tracts, located southwest of Scotia
HRC Offices (PM)— Hrubes/Standiford	Closing Meeting Preparation: Audit team takes time to consolidate and compare notes and confirm audit findings
	Closing Meeting and Review of Findings: Convened with relevant staff to summarize audit findings, potential non-conformities and next steps

### 2.2 Evaluation of Management Systems

SCS deploys interdisciplinary teams with expertise in forestry, social sciences, natural resource economics, and other relevant fields to assess an FME's conformance to FSC standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a representative cross-section of forest cover and harvest prescription types, observation of implementation of management plans and policies in the field, and stakeholder analysis. When there is more than one team member, team members are assigned responsibility for elements of the applicable standard based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant field observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

### 3. Changes in Management Practices

No significant changes in HRC’s management practices have occurred since the 2016 annual audit. While there have been some personnel changes (e.g., Mike Miles is now Forest Manager, North), the overall management program and management structure is stable and well established. The audit team observed a high level of continuity of management approaches and practices.

### 4. Results of the Evaluation

#### 4.1 Existing Corrective Action Requests and Observations

<b>Finding Number: 2016.1</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU): N/A	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	1.6.a
<b>Issue:</b> Interviews with contract loggers did not generally show an understanding or awareness of FSC certification and the role it played in HRC’s forest management. While not rising to a non-conformity, this was surprising given the company’s longstanding commitment to FSC.	
<b>Observation:</b> Ongoing conformity to this Indicator could be better demonstrated by increased awareness of FSC certification amongst forest workers.	
<b>FME response (including any evidence submitted)</b>	Following issuance of this Observation as part of the 2016 annual surveillance audit, HRC personnel undertook actions aimed at raising the general awareness, on the part of contract loggers, of FSC certification and the key role that loggers play in contributing to conformance to the FSC forest stewardship standard.
<b>SCS review</b>	The 2017 audit team is satisfied that HRC contract loggers now possess a better awareness and understanding of the company’s FSC certification and the role they play in helping to demonstrate conformity to the certification standard. As such, the purpose of this Observation has been served and there remains no need to keep the Observation open.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

#### 4.2 New Corrective Action Requests and Observations from the 2017 Audit

No new Corrective Action Requests or Observations were raised by the SCS audit team during the 2017 annual surveillance audit.

## 5. Stakeholder Comments

In accordance with SCS protocols, consultation with key stakeholders is an integral component, particularly of the 5-year, full-scope evaluation process. (This audit was a partial-scope, annual surveillance audit.) Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. Distinct purposes of such consultation include:

- To solicit input from affected parties as to the strengths and weaknesses of the FME’s management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.
- To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests (HCVFs).

Principal stakeholder groups are identified based upon results from past evaluations, lists of stakeholders from the FME under evaluation, and additional stakeholder contacts from other sources (e.g., chair of the regional FSC working group). The following types of groups and individuals were determined to be principal stakeholders in this evaluation:

### 5.1 Stakeholder Groups Consulted

Environmental stakeholders	SCS received written input from 2 stakeholders with longstanding interest in HRC’s planned activities in the Mattole River watershed. The input received led the audit team to select the Mattole as the focus of the combined (both auditors) field itinerary for November 7 <sup>th</sup> .
Due to time of year and recent weather conditions, the audit team did not engage in field interviews with HRC logging and/or road building crews.	

Stakeholder consultation activities are organized to give participants the opportunity to provide comments according to general categories of interest based on the three FSC chambers, as well as the SCS Interim Standard, if one was used (not applicable for all audits in the U.S.). The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

### 5.2 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

Stakeholder Comments	SCS Response
<b>Economic Concerns</b>	
No comments received.	
<b>Social Concerns</b>	
No comments received.	

Environmental Concerns	
HRC should not be logging in the Mattole watershed.	The SCS audit team conducted a field reconnaissance of the Mattole in order to examine HRC’s planned management activities. Per ownership and management documents reviewed, HRC has the rights to own and manage the timber resources found on its lands in the Mattole watershed as long as legal requirements are met. No allegations of violation were received from regulatory bodies.
TMDL issues remain in the Elk River drainage.	One of the SCS auditors visited the Elk River drainage as part of the 2017 surveillance audit. SCS is satisfied that HRC is appropriately cooperating with other industrial landowners in the Elk River as well as the Regional Water Quality Control Board (RWQCB) and CalFire personnel. HRC is genuinely committed to conforming to a stringent set of protective measures designed to ameliorate the effects of sediment buildup in the lower reaches of the Elk, as confirmed via review of management planning documents and RWQCB records.

## 6. Certification Decision

The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship Council standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME’s response to any open CARs.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p><b>Comments:</b> Humboldt Redwood Company has now been in operation for over a decade, and it has established and adheres to policies and management practices that have been evaluated by SCS/FSC audit teams for essentially the entire history of the company. Operations can be reasonably described as a dynamic steady state with a high degree of continuity over time. As such, and in the absence of any observed adverse changes in policies and practices during the 2017 annual surveillance audit, as reflected by the fact that no Findings have been raised this audit, the audit team concludes readily that maintenance of HRC’s Forest Stewardship Council forest management certification is unambiguously warranted.</p>	

## 7. Changes in Certification Scope

Any changes in the scope of the certification since the previous audit are highlighted in **yellow** in the tables below.

### Name and Contact Information

Organization name	Humboldt Redwood Company, LLC		
Contact person	Sarah Billig, Director, Stewardship		
Address Scotia, CA 95565	P.O. Box 712	Telephone	(707) 764-4199
	Telephone	Fax	(707) 764-4400
		e-mail	sbillig@mendoco.com
		Website	hrllc.com



**FSC Sales Information**

<input type="checkbox"/> FSC Sales contact information same as above.			
<b>FSC salesperson</b>	Kristen Lockhart, VP Sales		
<b>Address</b>	P.O. Box 712 Scotia, CA 95565	<b>Telephone</b>	707-267-5838
		<b>Fax</b>	707-764-4400
		<b>e-mail</b>	klockhart@hrcllc.com
		<b>Website</b>	hrcllc.com

**Scope of Certificate**

<b>Certificate Type</b>	<input checked="" type="checkbox"/> Single FMU		<input type="checkbox"/> Multiple FMU	
	<input type="checkbox"/> Group			
<b>SLIMF (if applicable)</b>	<input type="checkbox"/> Small SLIMF certificate		<input type="checkbox"/> Low intensity SLIMF certificate	
	<input type="checkbox"/> Group SLIMF certificate			
<b># Group Members (if applicable)</b>				
<b>Number of FMU's in scope of certificate</b>	1			
<b>Geographic location of non-SLIMF FMU(s)</b>	Latitude: 40°50'25" - 40°08'16" degrees North Longitude: 124°12'44" - 123°42'36" degrees West			
<b>Forest zone</b>	<input type="checkbox"/> Boreal		<input checked="" type="checkbox"/> Temperate	
	<input type="checkbox"/> Subtropical		<input type="checkbox"/> Tropical	
<b>Total forest area in scope of certificate which is:</b> Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac				
privately managed	209,661 ac			
state managed	0			
community managed	0			
<b>Number of FMUs in scope that are:</b>				
less than 100 ha in area	0	100 - 1000 ha in area	0	
1000 - 10 000 ha in area	0	more than 10 000 ha in area	1	
<b>Total forest area in scope of certificate which is included in FMUs that:</b> Units: <input type="checkbox"/> ha or <input type="checkbox"/> ac				
are less than 100 ha in area	0			
are between 100 ha and 1000 ha in area	0			
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	0			
<b>Division of FMUs into manageable units:</b>				

**Production Forests**

<b>Timber Forest Products</b>	<b>Units:</b> <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac
Total area of production forest (i.e. forest from which timber may be harvested)	172,238
Area of production forest classified as 'plantation'	0
Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems	49,780
Area of production forest regenerated primarily by natural	122,548

regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	
<b>Silvicultural system(s)</b>	<b>Area under type of management</b>
Even-aged management	
Clearcut (clearcut size range )	0
Shelterwood	0
Other:	12,194
Uneven-aged management	
Individual tree selection	52,102
Group selection	107,942
Other:	
<input type="checkbox"/> Other (e.g. nursery, recreation area, windbreak, bamboo, silvo-pastoral system, agro-forestry system, etc.)	
The sustainable rate of harvest (usually Annual Allowable Harvest or AAH where available) of commercial timber (m3 of round wood)	55 mmbf averaged annually from 2008-2017
<b>Non-timber Forest Products (NTFPs)</b>	
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	28,415
Other areas managed for NTFPs or services	
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	N/A
<b>Explanation of the assumptions and reference to the data source upon which AAH and NTFP harvest rates estimates are based:</b>	
The company is committed to an average annual harvest rate of 55MMBF through the year 2017. Thereafter it is expected that the rate of harvest will increase. This increase will be based on landscape planning using the FORSEE growth-and-yield model. HRC is in the final stages of preparing a new Option A with updated landscape planning information and harvest rates.	
<b>Species in scope of joint FM/COC certificate: <i>Scientific/ Latin Name (Common/ Trade Name)</i></b>	
Coastal redwood ( <i>Sequoia sempervirens</i> ), Douglas-fir ( <i>Pseudotsuga menziesii</i> ), Grand fir ( <i>Abies grandis</i> ), Tanoak ( <i>Notholithocarpus densiflorus</i> )	

**FSC Product Classification**

Timber products		
Product Level 1	Product Level 2	Species
W1 Rough Wood	W1.1 Roundwood (logs)	All
W1 Rough Wood	W1.2 Fuel wood	All
W3 Wood in chips or particles	W3.1 Wood chips	All
Non-Timber Forest Products		
Product Level 1	Product Level 2	Product Level 3 and Species
NA		

**Conservation Areas**

Total area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives		28,637 ac		
<b>High Conservation Value Forest/ Areas</b>				
High Conservation Values present and respective areas:			Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac	
	Code	HCV Type	Description & Location	Area
<input checked="" type="checkbox"/>	HCV1	Forests or areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	Refugia forest stands containing Type 1 and Type 2 old growth redwood and Douglas-fir not included in HCV2	1,198 ac
<input checked="" type="checkbox"/>	HCV2	Forests or areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.	Larger scale refugia redwood forests containing Type 1 and Type 2 old growth along with second growth preserved in marbled murrelet conservation areas (MMCA's)	6,515 ac
<input type="checkbox"/>	HCV3	Forests or areas that are in or contain rare, threatened or endangered ecosystems.		
<input checked="" type="checkbox"/>	HCV4	Forests or areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).	Riparian Management Zones (RMZs)	35,830 ac
<input type="checkbox"/>	HCV5	Forests or areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		
<input type="checkbox"/>	HCV6	Forests or areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).		
<b>Total Area of forest classified as 'High Conservation Value Forest/ Area'</b>				43,543 ac

**Areas Outside of the Scope of Certification (Partial Certification and Excision)**

<input checked="" type="checkbox"/>	N/A – All forestland owned or managed by the applicant is included in the scope.
<input type="checkbox"/>	Applicant owns and/or manages other FMUs not under evaluation.
<input type="checkbox"/>	Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification.
<b>Explanation for exclusion of FMUs and/or excision:</b>	
<b>Control measures to prevent mixing of certified and non-certified product (C8.3):</b>	
<b>Description of FMUs excluded from, or forested area excised from, the scope of certification:</b>	

<b>Name of FMU or Stand</b>	<b>Location (city, state, country)</b>	<b>Size ( <input type="checkbox"/> ha or <input type="checkbox"/> ac)</b>

## 8. Annual Data Update

### 8.1 Social Information

<b>Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender):</b>		
#of male workers: 182	# of female workers: 10	
<b>Number of accidents in forest work since last audit</b>	<b>Serious: # 0 HRC</b>	<b>Fatal: #1 contractor</b>

### 8.2 Annual Summary of Pesticide and Other Chemical Use

<input type="checkbox"/> FME does not use pesticides.				
<b>Commercial name of pesticide / herbicide</b>	<b>Active ingredient</b>	<b>Quantity applied annually (lbs)</b>	<b>Size of area treated during previous year</b>	<b>Reason for use</b>
Arsenal	Imazapyr	569	939 ac	Release/establishment conifers. Frill
Element 3A	Triclopyr amine	76.5	55 ac	Foliar, establishment/release conifers
Mad Dog Plus	Glyphosate	68	55 ac	Foliar, establishment/release conifers
Polaris AC	Imazapyr	244	444 ac	Release/establishment conifers. Frill
Ranger Pro	Glyphosate	70	93 ac	Foliar, establishment/release conifers
Rodeo	Glyphosate	22	26 ac	Foliar, establishment/release conifers
Rotary 2SL	Imazapyr	222.5	362.5 ac	Foliar, establishment/release conifers
SFM 75	Sulfometuron Methyl	16.4	95 ac	Foliar, establishment/release conifers

