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FM-06 - 24 July 2013



Forest Management
2016 Annual audit
Report for:

Mendocino Redwood
Company
In
Ukiah, California, USA

Report Finalized: 27 February 2017
Audit Dates: 27-28 September 2016
Audit Team: Jamie Overton
Karen Brenner

Certificate code: RA-FM/COC-000134
Certificate issued: 15 November 2015
Certificate expiration: 14 November 2020

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Standard Conversions

1 mbf = 4.8 m3
 1 mbf = 2 cords
 1 cord = 2.4 m3
 1 cord = 0.5 mbf
 1 gallon (US) = 3.78541 liters
 1m3 = 0.41 cords
 1m3 = 0.21 mbf
 100 tons hardwood = 97 m3
 100 tons =101 m3

 1 acre = 0.404687 hectares

1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Mendocino Redwood Company, hereafter referred to as Forest Management Enterprise (FME) or MRC. The report presents the findings of Rainforest Alliance auditors who have evaluated company systems and performance against the Forest Stewardship Council™ (FSC®) forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through nonconformity reports.

The Rainforest Alliance founded its previous SmartWood program in 1989 to certify responsible forestry practices and has grown to provide a variety of auditing services. Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA.

This report includes information which will become public information. Sections 1-3 and Appendix I will be posted on the FSC website according to FSC requirements. All other appendices will remain confidential. A copy of the public summary of this report can be obtained on the FSC website at <http://info.fsc.org/>.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact Rainforest Alliance regional or Headquarters offices directly (see contact information on report cover). Formal complaints or concerns should be sent in writing.

2. AUDIT FINDINGS AND RESULTS

2.1. Audit conclusion

Based on Company's conformance with FSC and Rainforest Alliance requirements, the audit team makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification requirements <u>met</u>, certificate maintenance recommended Upon acceptance of NCR(s) issued below
<input type="checkbox"/>	Certification requirements <u>not met</u>:
Additional comments:	
Issues identified as controversial or hard to evaluate.	

2.2. Changes in FMEs' forest management and associated effects on conformance to standard requirements:

There have been no significant changes to the FME's forest management that effect conformance with the standard; however, the following staffing changes occurred during the audit period: Russ Shively, MRC Coastal Forest Manager retired, Jesse Weaver, is now the

Forest Manager for all MRC lands, and Sarah Billig has added GIS and Inventory team manager to her existing role.

2.3 Excision of areas from the scope of certificate

Not applicable. Check this box if the FME has not excised areas from the FMU(s) included in the certificate scope as defined by FSC-POL-20-003. *(delete the rows below if not applicable)*

2.4. Stakeholder issues *(complaints/disputes raised by stakeholders since previous evaluation):*

All stakeholder comments are considered as part of the Rainforest Alliance evaluation of Mendocino Redwood Company's (MRC) forest management operations. In keeping with FSC rules, our evaluation is focused exclusively on MRC's forest management as compared to the detailed Criteria and Indicators contained in the FSC-US Forest Management Standard (V 1.0) (<https://us.fsc.org/forest-management-certification.225.htm>). Comments received that did not relate directly to the FSC-US Forest Management Standard v1.0 are not addressed in this report.

Stakeholder Issue:

Rainforest Alliance received input from multiple stakeholders regarding Measure V, specific to MRC's violation of Mendocino County law. Measure V sought approval from voters to adopt an ordinance to add a new chapter to Title 8 of the Mendocino County Code. Measure V was approved by 62% of Mendocino County voters in June 2016 and became law on July 22nd, 2016.

***MEASURE V:** The ordinance deems trees taller than five (5) meters, which have been intentionally killed and left standing for longer than ninety (90) days (except those that are left for the benefit of wildlife habitat) be considered a public nuisance and the party responsible shall be liable for any resulting damage when the tree is:*

- (1) within 1,000 meters of one or more critical infrastructures:
 - (a) roads including public roads, private roads and driveways, fire lanes*
 - (b) telecommunication infrastructure including poles, wire, fiber, terminals, towers*
 - (c) electrical infrastructure including poles, wire, substations, transformers*
 - (d) significant water sources, including rivers, creeks, ponds, lakes**
- (2) within 1,000 meters of a structure*
- (3) within CAL FIRE State Responsibility Area*

The County shall not enter residential property to verify compliance.

Stakeholders are concerned with MRC's position on the new ordinance because MRC considers themselves exempt from the new law and have not revised their forest management activities to reflect the new law. Stakeholders stated that MRC continues to intentionally kill and leave standing dead trees via the injection of herbicides through the hack n' squirt (frilling) method and therefore are in violation of the local law and FSC_US Forest Management Standard Indicator 1.1.a.

FSC_US Forest Management Standard Indicator 1.1.a *Forest management plans and operations demonstrate compliance with all applicable federal, state, county, municipal, and*

tribal laws, and administrative requirements (e.g., regulations). Violations, outstanding complaints or investigations are provided to the Certifying Body (CB) during the annual audit.

Issue Evaluation:

The auditor reviewed Measure V language, MRC’s Measure V position letter, and the following state & local codes.

- California Civil Code Division 4 Part 3 Title 1 Section 3482.5
- Mendocino County Code Chapter 10.13
- Forest Practices Act; Public Resource Code section 4516.5
- California Timberland Productivity Act of 1982, Government Code section 51101.

The state and local codes that MRC references in their position letter to Mendocino County include clauses that make agricultural operations exempt from public nuisance laws. The definition of an agricultural operation in context of the codes MRC references suggest that MRC is considered an agricultural operation. California Civil Code Division 4 Part 3 Title 1 Section 3482.5 (e) states in part: *For purposes of this section, the term “agricultural activity, operation, or facility, or appurtenances thereof” shall include, but not be limited to, the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural commodity including timber, ..., and any practices performed by a farmer or on a farm as incident to or in conjunction with those farming operations.*

The auditor observed standing dead trees intentionally killed as part of MRC’s forest management during the FSC evaluation.

The auditor also conducted interviews with Measure V proponents, MRC staff, forestry professionals, local officials, legal counsel, and state & local regulatory agencies regarding Measure V related to MRC’s forest management and their exemption claim.

Determination:

During auditor interviews with local officials and state & local regulatory agencies the interviewees stated that there is no plan to enforce the law at this time. The Rainforest Alliance auditor determined that as of the date of the on-site FSC evaluation (27-28 September 2016) trees intentionally killed and left standing for longer than 90 days had not caused any damage making MRC liable; therefore, regardless of the applicability of the ordinance to MRC, the FME has demonstrated continued compliance with all federal, state, county, municipal, and tribal laws, and administrative requirements, per Indicator 1.1.a, see **OBS 01/16**.

2.5. Conformance with applicable nonconformity reports

The section below describes the activities of the certificate holder to address each applicable non-conformity report (NCR) issued during previous evaluations. For each NCR a finding is presented along with a description of its current status using the following categories. Failure to meet NCRs will result in nonconformances being upgraded from minor to major status with conformance required within 3 months with risk of suspension or termination of the Rainforest Alliance certificate if Major NCRs are not met. The following classification is used to indicate the status of the NCR:

Status Categories	Explanation
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Closed	Operation has successfully met the NCR.
Open	Operation has either <u>not met</u> or has <u>partially met</u> the NCR.

Check if N/A (there are no open NCRs to review)

NCR#:	01/15	NC Classification:	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0), Indicator 6.3.h			
Report Section:	Appendix II			
Description of Nonconformance and Related Evidence:				
<p>Indicator 6.3.h : The forest owner or manager assesses the risk of, prioritizes, and, as warranted, develops and implements a strategy to prevent or control invasive species, including:</p> <ol style="list-style-type: none"> 1. A method to determine the extent of invasive species and the degree of threat to native species and ecosystems; 2. Implementation of management practices that minimize the risk of invasive establishment, growth, and spread; 3. Eradication or control of established invasive populations when feasible: and, monitoring of control measures and management practices to assess their effectiveness in preventing or controlling invasive species. 				
<p><u>Findings</u> While MRC does have an invasive species management plan section in the FMP, it is both general and was found to not be fully implemented in the field. There is not a clear methodology or consistent implementation of monitoring or assessment of the extent of invasive species. Foresters informally report population locations to the reforestation forester. Due to the informal nature of the implementation of the invasive management plan there is not a consistent method used to determine the extent of the invasive species or the degree of threat to native species and ecosystems. Management practices such as cleaning logging equipment are implemented to decrease the risk of invasive establishment, growth and spread. MRC contractually requires contractors to wash their equipment prior to moving onto the forest. Observations in the field did not demonstrate the implementation of management practices targeting the control of populations. For example, a significant population of star thistle was observed untreated in and along a road-bed on a road in which the roadside brush was treated with herbicides within the past year. The monitoring of the control measures is left to the discretion of the area forester and thus it is informal and inconsistently implement.</p>				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Prior to the next annual audit			
Evidence Provided by Organization:	<ol style="list-style-type: none"> 1. Invasive Species Management Plan 2. WEBG a database system designed to track invasive species locations and treatments; initial entry of invasive species locations 3. Summary of the treatment and monitoring of invasive species during the past year. 			
Findings for Evaluation of Evidence:	The Invasive Species Management Plan details the species of concern including the degree of threat and control measures for each species. The WEBG is a newly developed tool designed for employees to track populations. Many species locations have been entered into the database and MRC plans to use the database to also track the treatment and monitoring of populations going forward. The new database increases the ability of the staff to determine the extent of the threat and risk of populations across the ownership and assess the risk posed by individual populations. As the database was just recently established at the time of			

	the audit, it has not been fully implemented, the treatment and monitoring records for the past year have not yet been entered into the database. Auditors have determined the updates to invasive species tracking will address the identified non-conformance. Full implementation of the database will be evaluated during the next audit, see OBS 03/16. A sample list of the treated locations and monitoring records was provided. The effectiveness of the treatments was informally monitored by the staff including the maintenance of a list of follow up treatments needed to achieve the desired control of the population.
NCR Status:	CLOSED
Comments (optional):	See OBS 03/16.

NCR#:	02/15	NC Classification:	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0), Indicator 9.1.a			
Report Section:	Appendix II			
Description of Nonconformance and Related Evidence:				
Indicator 9.1.a The forest owner or manager identifies and maps the presence of High Conservation Value Forests (HCVF) within the FMU and, to the extent that data are available, adjacent to their FMU, in a manner consistent with the assessment process, definitions, data sources, and other guidance described in Appendix F.				
Findings: During stakeholder consultation it was discovered that there has been a long-term (since 1960) agreement to place a water pump on MRC property to provide a domestic water source for about 90 people. Interviews with stakeholders indicate a good working relationship between MRC and the community utilizing the water. However, the potential for this domestic water source to be an HCVF was not evaluated as part of the HCVF Assessment. Since this is just a small component of the otherwise conforming HCVF assessment, this NCR is being issued as a minor NCR.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Prior to the next annual audit.			
Evidence Provided by Organization:	MRC provided an assessment and their conclusion to designate the streamside forests as both HCV 1 and HCV 5 (they were originally designated as only HCV 1). Approximately 20 acres of forest were designated as HCV 5 as a result of this assessment.			
Findings for Evaluation of Evidence:	Interviews with MRC staff provided evidence of the evaluation of the forest surrounding the water intake pump being designated as HCV5. MRC's review and determination was found using internal analysis and was influenced by the fact that the area was already designated as having an HCV 1 attribute and protection measures were already in place for the HCV1 attribute. The protection measures in place to address the HCV1 attribute were previously vetted via outside consultation; however, the protection measures implemented for the HCV5 attribute have not been vetted with experts or stakeholders. Conformance was found for Indicator 9.1.a and NCR 01/15 is being closed. However, since a new HCV 5 attribute has been designated, the HCV5 attribute protection needs to be vetted as specified in Indicator 9.2a. (See NCR 02/16)			
NCR Status:	Closed			
Comments (optional):	See NCR 02/16			

NCR#:	03/15	NC Classification:	Major	Minor X
Standard & Requirement:	FM-35 Rainforest Alliance Chain-of-Custody Standard for Forest Management Enterprises (FMEs) CoC 5.1			
Report Section:	Appendix III Chain-of-Custody			
Description of Nonconformance and Related Evidence:				
<p>COC 1.3: FME procedures/work instructions shall provide effective control of FSC certified forest products (including NTFPs) from standing timber until ownership is transferred at the forest gate. Note: For large scale operations (>10,000ha) and Group Entities, CoC procedures covering all relevant CoC criteria shall be documented. Including:</p> <ol style="list-style-type: none"> Procedures for physical segregation and identification of FSC certified from non-FSC certified material. (If applicable) Procedures to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation. (If applicable) Procedures to include the FME's FSC certificate registration code and FSC claim (FSC 100%) on all sales and shipping documentation for sales of FSC certified products. Recordkeeping procedures to ensure that all applicable records related to the production and sales of FSC certified products (e.g. harvest summaries, sales summaries, invoices, bills of lading) are maintained for a minimum of 5 years. Procedures to ensure compliance with all applicable FSC/Rainforest Alliance trademark use requirements. <p>Findings: The documented CoC control system includes procedures to address item c. Items a and b are not applicable. Regarding items d and e, the documented procedures address all the requirements except the need to retain records for 5 years. The only reference to the tenure for keeping records is specific to keeping the truck ticket records for 7 years. The written procedures do not specify the length of time that any other records, including trademark approvals, are kept.</p> <p>Note: The actual implementation of the procedures did include keeping all records including, trademark approvals for at least 5 years.</p>				
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>			
Timeline for Conformance:	Prior to the next annual audit.			
Evidence Provided by Organization:	MRC-OP-005-Rev 003; Revised 07/15/16			
Findings for Evaluation of Evidence:	Review of the revised documented control system (MRC-OP-005-Rev 003; Revised 07/15/16) found all applicable CoC procedures present including a procedure to maintain FSC related records for at least 5 years. Interviews with MRC staff indicated that they have always maintained FSC records for at least 5 years and will continue to do so in the future.			
NCR Status:	CLOSED			
Comments (optional):				

2.6. New nonconformity reports issued as a result of this audit

NCR#:	01/16	NC Classification:	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0); Indicator 8.2.d.3			
Report Section:	Appendix IV			
Description of Nonconformance and Related Evidence:				

<i>Indicator 8.2.d.3: The landowner or manager monitors relevant socio-economic issues (see Indicator 4.4.a), including the social impacts of harvesting, participation in local economic opportunities (see Indicator 4.1.g), the creation and/or maintenance of quality job opportunities (see Indicator 4.1.b), and local purchasing opportunities (see Indicator 4.1.e).</i>	
Findings: FME interviews indicate that socio-economic monitoring is to occur both formally and informally on an annual basis and results of monitoring are compiled and reviewed annually to ensure management of the forest is not causing negative social impacts. The socio-economic monitoring report from 2014 includes information on archaeological sites, sites of cultural, historical, and community significance, aesthetics, jobs and economic contributions to the community; donations and service; stakeholder interactions and comments. Socio-economic monitoring results for 2015 & 2016 were not reviewed or recorded.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.
Timeline for Conformance:	Prior to the next annual audit
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

[NCR#:	02/16	NC Classification:	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0); Indicator 9.2.a			
Report Section:	Appendix IV			
Description of Nonconformance and Related Evidence:				
<i>Indicator 9.2.a The forest owner or manager holds consultations with stakeholders and experts to confirm that proposed HCVF locations and their attributes have been accurately identified, and that appropriate options for the maintenance of their HCV attributes have been adopted.</i>				
Findings: There is a long-term (since 1960) agreement to place a water pump on MRC property to provide a domestic water source for about 90 people. During the audit period MRC reviewed their HCVF designations and designated the 9 hectares of forest area surrounding the water pump as a HCV5 because the forest area surrounding the water pump is fundamental to meeting the basic needs of the local community.				
External stakeholders with experience pertinent to the newly established HCV5 attribute have not been consulted in order to confirm that the HCVF locations and their attributes have been accurately identified and that appropriate options for the maintenance of the HCV attributes have been adopted.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Prior to the next annual audit			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
NCR Status:	OPEN			

Comments (optional):	
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2.7. Audit observations

Observations can be raised when issues or the early stages of a problem are identified which does not of itself constitute a nonconformance, but which the auditor considers may lead to a future nonconformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a NCR in the future (or a pre-condition or condition during a 5 year re-assessment).

OBS 01/16	Reference Standard & Requirement: FSC-US Forest Management Standard (v1.0); Indicator 1.1.a
It was determined that as of the date of the on-site FSC evaluation (27-28 September 2016) no trees intentionally killed after July 22 nd , 2016 had been left standing for longer than 90 days and have not caused damage making the FME liable; therefore, regardless of the applicability of the ordinance (Measure V) to MRC the FME has demonstrated continued compliance with all federal, state, county, municipal, and tribal laws, and administrative requirements, per Indicator 1.1. a.	
Observation: FME should ensure continued conformance with Indicator 1.1a.	

OBS 02/16	Reference Standard & Requirement: FSC-US Forest Management Standard (v1.0); Indicator 5.3.a
Excessive soil disturbance and residual tree damage was observed on one tractor unit. All other observed harvest units were found to be in conformance with Indicator 5.3.b. thus an observation is warranted rather than an NCR.	
Observation: FME should ensure continued conformance with Indicator 5.3.a.	

OBS 03/16	Reference Standard & Requirement: FSC-US Forest Management Standard (v1.0); Indicator 6.3.h
The Invasive Species Management Plan details the species of concern including the degree of threat and control measures for each species. The WEBG is a newly developed tool designed for employees to track populations. Many species locations have been entered into the database and MRC plans to use the database to also track the treatment and monitoring of populations going forward. The new database increases the ability of the staff to determine the extent of the threat and risk of populations across the ownership and assess the risk posed by individual populations. As the database was just recently established, it has not been fully implemented; however informal monitoring has occurred during the past year.	
Observation: FME should ensure continued conformance with Indicator 6.3.h.	

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Auditor Name	Jamie Overton	Auditor role	Lead Auditor, Socio-Economic
Qualifications:	Rainforest Alliance US Region Forest Certification Associate. Education: B.S. Natural Resources Management, SUNY College of Environmental Science and Forestry –Syracuse: A.A.S. Forest Technology; SUNY College of Environmental Science and Forestry's NYS Ranger School. Experience: Rainforest Alliance FSC Chain of Custody Senior Contract Auditor, 3 years. Owner/Operator of a small forest consultant LLC in Vermont. Forester for private forestry consulting companies in the northeast and Midwest, 4 years.		

	Auditor on 15 FSC forest management audits and/or assessments and 200+ FSC Chain of Custody audits, reassessments, & assessments including credit systems and controlled wood. Completed Rainforest Alliance CoC lead auditor training in November 2009. Completed Rainforest Alliance FM lead auditor training in October 2012. Project manager for 100+ FSC forest management projects, 9 SmartLogging projects, & 50+ CoC projects. ISO 9001 trained in November 2010. American Tree Farm Certified Inspector.		
Auditor Name	Karen Brenner	Auditor role	Auditor, Forester
Qualifications:	Over the past 17 years, Karen Brenner (B.S. Forestry) from the University of Idaho has conducted numerous CoC audits and assessments as well as 44 forest management audits and assessments for the Rainforest Alliance. Karen attended CoC and FM lead assessor training conducted by the Rainforest Alliance and also successfully completed ISO-9001 Lead Auditor Training in 2010. In addition to auditing for the Rainforest Alliance, Karen has over a decade of experience as a field forester preparing and administering timber sales, developing silvicultural prescriptions, suppressing forest fires, and managing pre-commercial and reforestation programs for the US Forest Service and the Nez Perce Tribe.		

3.2. Audit schedule

Date	Location /Main sites	Principal Activities
9/1/16-9/26/16	Auditors Offices	Document Review & Stakeholder Interviews
9/27/16	MRC Ukiah Office	Opening Meeting: Introductions, Scope of the Audit, Audit Logistics, Company Update
9/27/16	Field Visits	Field Tour
9/28/16	MRC Ukiah Office & Stakeholder Visits	Stakeholder Interviews
9/28/16	Field Visits	Field Tour
9/29/16	MRC Ukiah Office	Closing Meeting: Review Audit Findings, Request follow-up documents and information
9/30-11/30/16	Auditor Offices	Report, Stakeholder Interviews
Total number of person days used for the audit:7 = number of auditors participating 2 X average number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation 14		

3.3. Sampling methodology:

MRC holds a single FMU Certificate of 92,711 hectares in size and therefore no specific sampling intensity was required for this audit. Sites were selected to provide the auditors the opportunity to observe the following:

1. Harvesting with a variety of logging systems (i.e. cable, tractor)
2. A variety of silvicultural prescriptions (i.e. group selection, individual tree selection, variable retention, overstory removal, precommercial thinning, herbicide treatments, reforestation)
3. Sites identified by stakeholders and sites which have had stakeholder involvement
4. Sites managed by a variety of staff
5. Sites that address various attributes included in the Standard (i.e. stream protection, archeological sites, legal compliance, animal and plant protections, HCVF, monitoring)
6. Active management, planned management, and management which has been completed in the past 1-10 years.

3.4. Stakeholder consultation process

The purpose of the stakeholder consultation strategy for this annual FSC surveillance audit was threefold, to:

- 1) ensure that the public is aware of and informed about the FSC evaluation process and its objectives;
- 2) assist the audit team in identifying potential issues; and,
- 3) provide diverse opportunities for the public to provide their input.

This process is not just stakeholder notification, but wherever possible, an attempt to seek detailed and meaningful stakeholder interaction. The process of stakeholder interaction does not stop after the field visits. Rainforest Alliance (RA) welcomes, at any time, comments on certified operations and such comments often provide a basis for field evaluations.

In the case of Mendocino Redwood Company (MRC), prior to the actual annual FSC surveillance audit and forest site visits, a public stakeholder notification was developed and distributed 60 days in advance. It was delivered to RA's own national list of stakeholders as well MRC's list of stakeholders with e-mail addresses. This list provided a basis for the audit team to select individuals for interviews (in person or by telephone or through e-mail), and to learn of sites that could be visited during the FSC evaluation. The notice indicated that stakeholder input would be accepted until October 5th, 2016.

Rainforest Alliance also intended to conduct 2 focus groups (one with proponents of Measure V & one with forest industry professionals) as part of this evaluation; however, invitations to participate were declined due to scheduling conflicts and/or lack of response from invitees.

Stakeholder Type	Stakeholders that received the Notification (#)	Stakeholders Consulted Directly or Provided Input (#)
Academia	21	1
Adjacent Landowners	7	2
Anonymous	3	4
Board of Supervisors	3	2
Environmental NGOs	41	0
Fire Departments	4	1
Forest Consultants	4	2
Forest Industry	54	3
Forestry/Forest Products NGOs	16	1
FSC-US	6	0
Government Agency	23	7
Journalists	3	0
Contractors	6	1
Private Citizens	15	2
Rainforest Alliance Certificate Holders	57	0
Tribal Representatives	4	2

3.5. Changes to Certification Standards

Forest stewardship	FSC-US Forest Management Standard (v1.0); FM-35 RA COC
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standard used in audit:	Standard for FME
Revisions to the standard since the last audit:	<input checked="" type="checkbox"/> No changes to standard. <input type="checkbox"/> Standard was changed (detail changes below)
Changes in standard:	none
Implications for FME:	Not applicable - no new requirements

3.6. Review of FME Documentation and required records

a) All certificate types

Required Records	Reviewed
Complaints received by FME from stakeholders, actions taken, follow up communication	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Complaints records were reviewed.	
Accident records	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
Comments: No accidents occurred during the audit period.	
Training records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Training records for FME staff and contractors were reviewed during the audit and found to be complete and well documented.	
Operational plan(s) for next twelve months	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Operational plans for the next 12 months were provided including anticipated harvest volumes as well as GIS maps of locations of anticipated activities over the next 12 months.	
Inventory records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: A summary of inventory records were provided both in the Forest Management Plan as well as in the GIS system.	
Harvesting records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: A summary of the harvest records for the past 12 months was reviewed.	

APPENDIX I: FSC Annual Audit Reporting Form:

Forest management enterprise information:			
FME legal name:	Mendocino Redwood Company		
FME Certificate Code:	RA-FM/CoC – 000128		
Reporting period	Previous 12 month period	Dates	7/1/2015-7/1/2016

1. Scope Of Certificate			
Type of certificate: single FMU	SLIMF Certificate: not applicable		
New FMUs added since previous evaluation	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Group Certificate: Updated of FMU and group member list provided in Appendix VII-a:			
Multi-FMU Certificate: List of new FMUs added to the certificate scope:			
FMU Name/Description	Area	Forest Type	Location Latitude/Longitude ¹
	ha		
	ha		

2. FME Information	
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Forest zone	
Certified Area under Forest Type	
- Natural	hectares
- Plantation	hectares
Stream sides and water bodies	Linear Kilometers

3. Forest Area Classification	
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Total certified area (land base)	ha
1. Total forest area	ha
a. Total production forest area	ha
b. Total non-productive forest area (no harvesting)	ha
- Protected forest area (strict reserves)	ha
- Areas protected from timber harvesting and managed only for NTFPs or services	ha
- Remaining non-productive forest	ha
2. Total non-forest area (e.g., water bodies, wetlands, fields, rocky outcrops, etc.)	ha

4. High Conservation Values identified via formal HCV assessment by the FME and respective areas			
<input type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)			
Code	HCV TYPES ²	Description:	Area
HCV1	Forest areas containing globally, regionally or	Coho core areas, Lower	5377 ha

¹ The center point of a contiguous FMU or group of dispersed properties that together comprise a FMU in latitude and longitude decimal degrees with a maximum of 5 decimals.

² The HCV classification and numbering follows the ProForest HCVF toolkit. The toolkit also provides additional explanation regarding the categories. Toolkit is available at <http://hcvnetwork.org/library/global-hcv-toolkits>.

	nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	Alder Creek Murrelet Area, northern spotted owl core areas, Point Arena Mountain Beaver	
HCV2	Forest 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.		ha
HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.	Type I and II OG, pygmy forest, oak woodland, salt marsh	795 ha
HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		ha
HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).	Forest area surrounding water pump for local community of native Americans	9 ha
HCV6	Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).	Significant cultural sites	4 ha
Number of sites significant to indigenous people and local communities			1

5. Workers

Number of workers including employees, part-time and seasonal workers:		
Total number of workers	210 workers	
- Of total workers listed above	186 Male	24 Female
Number of serious accidents	1	
Number of fatalities	0	

6. Pesticide Use

<input type="checkbox"/> FME does not use pesticides. (delete rows below)		
FME has a valid FSC derogation for use of a highly hazardous pesticide	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
FSC highly hazardous pesticides used in last calendar year		
Name	Quantity (liters)	# of Hectares Treated
		ha
		ha
		ha
Non FSC highly hazardous pesticides used in last calendar year		
Name	Quantity (liters)	# of Hectares Treated
Imazapyr	1823	1189 ha
Glyphosate	1899	778 ha
Triclopyr (amine and ester)	2595	775 ha

APPENDIX VI: Rainforest Alliance Database Update Form

Instructions: For each FSC certificate, Rainforest Alliance is required to upload important summary information about each certificate to the FSC database (FSC-Info). During each annual audit RA auditors should work with the certificate holder to verify that the information posted on FSC-Info is up to date as follows:

1. Print out current Fact Sheet prior to audit from FSC-Info website or direct link to fact sheets (<http://www.fsc-info.org>)
2. Review information with the FME to verify all fields are accurate.
3. If changes are required (corrections, additions or deletions), **note only the changes** to the database information in the section below.
4. The changes identified to this form will be used by the RA office to update the FSC database.

Is the FSC database accurate and up-to-date? YES NO
(if yes, leave section below blank)

Client Information (contact info for FSC website listings)

Organization name			
Primary Contact		Title	
Primary Address		Telephone	707-463-5125
Address		Fax	
Email		Webpage	

Forests

Change to Group Certificate	<input type="checkbox"/> Yes <input type="checkbox"/> No	Change in # of parcels in group	total members
Total certified area		Hectares (or)	Acres

Species (note if item to be added or deleted)

Scientific name	Common name	Add/Delete

Products

FSC Product categories added to the FM/CoC scope (FSC-STD-40-004a)		
Level 1	Level 2	Species