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Forest Management  
**2013 Annual audit**  
Report for:

**Mendocino Redwood  
Company, LLC**  
In  
Ukiah, California USA

Report Finalized: January 15, 2014  
Audit Dates: 23-24 September 2013  
Audit Team: Stephen C. Grado

Certificate code: SW-FM/COC-000128  
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# 1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Mendocino Redwood Company, LLC, 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 will be posted on the FSC website according to FSC requirements. All 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

<b>Based on Company's conformance with FSC and Rainforest Alliance requirements, the audit team makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	<b>Certification requirements <u>met</u>, certificate maintenance recommended</b> No NCR(s) issued
<input type="checkbox"/>	<b>Certification requirements <u>not met</u>:</b>
Additional comments:	None
Issues identified as controversial or hard to evaluate.	

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

There were no significant changes to the FME forest management relevant to conformance with the FSC-US Standard. There were some reorganization of personnel who were assigned new roles and/or responsibilities. A responsibilities flow chart for MRC was provided to the

auditor. None of the reconfigurations would impact forest management as it is now practiced. The total land base remained the same at 91,498 hectares. There were no additions or deletions to MRC's HCVF areas.

### 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 to FME or Rainforest Alliance since previous evaluation):*

#### 1. Issue:

- a. *Description:* Telephone calls were received by MRC staff from several community members in the Albion Watershed area who were concerned about MRC proposed herbicide use on the J-Road Timber Harvest Plan (THP) (Indicator 4.4.a.)
- b. *Response:* After multiple discussions, MRC agreed to a community meeting at the Albion Schoolhouse.
  - i. At the stakeholder meeting, Mike Jani, President and John Andersen, District Forester agreed to not utilize herbicides on the J-Road Timber Harvest Plan (THP). Instead staff would pursue mechanical treatments to reduce tanoak density and evaluate success. This approach was approved by MRC to address the high levels of public concern while producing a reasonable level of advanced regeneration to ensure future regeneration within the stand.
- c. *Resolution:* After fieldwork was completed feedback was received and the Albion Watershed residents who were concerned are fairly satisfied with the outcome. A recent letter to the editor in the Anderson Valley Advertiser (AVA) supported this conclusion.
- d. *Evaluation and Summary of Finding:* From the evidence presented to the auditor from MRC, field observations, review of news media, and stakeholder contacts, that FME has resolved this issue. Based on these findings this issue was resolved to the mutual benefit of all parties and MRC is in full conformance with Indicator 4.4.a.

#### 2. Issue 2

- a. *Description of issue:* On June 23, 2012, CAL FIRE received a written complaint regarding MRC's herbicide usage in one of MRC's operations (THP 1-10-060MEN) from two stakeholders (relevant to Indicator 4.4.a). Dead plant material was thought to be a potential fire hazard.
- b. *Response of FME:* John Ramaley, Forest Manager, discussed the issue with these stakeholders and walked the area in question with them.
- c. *Resolution/Actions:* John Ramaley, Forest Manager, worked with Andy Armstrong, Reforestation Forester to use MRC's vegetation management contracting crew to reduce any potential fire hazards adjacent to their property (through lopping existing slash). The landowners reported they were satisfied with MRC's follow-up.
- d. *Rainforest Alliance Evaluation and Summary of Finding:* From the evidence presented to the auditor from MRC the FME has resolved this issue and MRC is in full conformance with this Indicator 4.4.a.

### 3. Issue 3

- a. *Description of issue:* General concern has been expressed over treatment of tanoaks visible from the Comptche-Ukiah Road with a letter to the editor in the Anderson Valley Advertiser by local landowners with property adjacent to MRC managed lands (relevant to Indicator 4.4.a). Please note that stakeholder input regarding this issue has been long-term and ongoing and has been addressed in multiple past-year audit reports.
- b. *Response to current issue:* MRC responded in a letter to the editor of the AVA and also later met with the stakeholders to discuss the specific issues he raised.
- c. *Resolution:* There were far fewer specific concerns in 2013 compared to past years. MRC has employed forest operations without the use of herbicides and are performing research trials to pursue further eliminating chemical use in this area. One stakeholder stated that the herbicide issue is overblown.
- d. *Evaluation and Summary of Findings:* No state or federal laws are being violated by MRC. From the evidence presented to the auditor from MRC, field observations, review of news media, and stakeholder contacts, the auditor concludes that the FME is working towards and seeing improvement in stakeholder concerns relating to the treatment of tanoaks. Auditor determination is that the company is resolving the issues. MRC is in in conformance with FSC-US Standard demonstrated by their commitment to reduced herbicide use combined with face-to-face meetings to address non-scientific factors and diligent understanding and appropriate use of herbicide and forestry science in their management. MRC is in full conformance with this Indicator 4.4.a).

### 4. Issue 4

- a. *Description of issue:* Issues of concern in the workplace have been communicated to the auditor during stakeholder outreach, primarily after the audit field visit. Issues can be summarized as a lack of communication by the upper administration to the forest workers; lack of explanations for actions taken administratively and in terms of several field operational changes; lack of consultation with personnel prior to decision making; a stifling of communication among workers (e.g., no worker group e-mails, and yet no policy presented to this effect); and perceptions by workers that they are being targeted for elimination or demotion by management without due cause. Some workers feel it may be best to find different employment (relevant under Indicator 4.3.b., OBS 01/13).
- b. *Response:* MRC has not responded to these issues according to MRC staff, and no evidence was found to show any documentation on actions taken.
- c. *Resolution:* This issue is a new development since the last audit. It remains as to whether the administration can resolve these issues, perceived or otherwise.
- d. *Evaluation:* Based on communications presented to the auditor from MRC staff, the auditor determined the issue should be examined relative to the workforce culture. The workforce has had a stellar reputation from an FSC certification perspective, and in the view of many stakeholders. If the culture of operations are being altered there should be a better way to communicate with MRC staff. The Human Resource Manager stated that no complaints from workers have been received and, in fact, she was surprised there were issues. Workers; however, stated that they were intimidated by management, and fear expressing any opinions on the above issues (Indicator 4.3.b., OBS 01/13).
- e. *Summary of finding and applicable Indicator:* MRC has a policy and procedure in its Employee Handbook (pp. 6-7) to encourage an “open door” approach for all employees who may have a concern or a grievance. The policy encourages

employees to first seek resolution with his or her direct supervisor prior to taking the concern up the chain of command or to Human Resources. Employees are also provided direct access to the President and the CEO if an employee desires to communicate directly with MRC executives. Interviews with the Human Resource personnel indicated that there are no current disputes on record by workers. MRC is in conformance with 4.3.b of the Standard however MRC should continue to address increases in concerns expressed by employees.

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

NCR#:	01/12	NC Classification:	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0) July 8, 2010			
	<b>Indicator 1.6.a</b> The forest owner or manager demonstrates a long-term commitment to adhere to the FSC Principles and Criteria and FSC and FSC-US policies, including the FSC-US Land Sales Policy, and has a publicly available statement of commitment to manage the FMU in conformance with FSC standards and policies			
Report Section:	Appendix IV, Section 1.6			
<b>Description of Nonconformance and Related Evidence:</b>				
FME demonstrates long-term commitment in multiple ways – 100% of the ownership is FSC certified, MRC recently began a forest carbon project under the Climate Action Reserve (which requires a 100 year project timeline), and there is a significant effort to create customer relationships that value FSC certified products. The FME does have a public statement of commitment to the FSC however; the language of the public statement does not specifically declare a commitment to manage the FMU in conformance with FSC “Standards and Policies.”				
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.			
<b>Timeline for Conformance:</b>	Prior to the next annual audit.			
Evidence Provided by Organization:	MRC provided information from the following website link (Italicized text change to satisfy NCR):			
	<a href="http://www.mrc.com/key-policies/forest-stewardship-council-fsc-certification/">http://www.mrc.com/key-policies/forest-stewardship-council-fsc-certification/</a>			

	<p><b>FOREST STEWARDSHIP COUNCIL (FSC) CERTIFICATION</b></p> <p>There are lots of models for what it means to be a successful business, but few models for what it means to be successful in forest stewardship. About six months after starting into business, MRC determined that one of the best benchmarks for stewardship was Forest Stewardship Council (FSC) certification and publicly committed itself to achieving this goal. HRC also publicly committed to attaining FSC certification when it began as a business.</p> <p>Having FSC certification says a great deal about a forestry company. It is a conservation tool that takes a voluntary, market-based approach to encouraging responsible forestry practices. Certification involves an independent evaluation of a landowner's forestry practices according to strict environmental and socio-economic standards. FSC also provides "chain of custody" monitoring, which tracks a product from an FSC-certified forestland to the final product. This provides a link between the forestland from which the product was produced directly to the consumer.</p> <p>We chose the FSC standard for certification because we, as well as many others, believe that it is the toughest standard available for management of forests on a commercial basis. <i>To honor this choice, both HRC and MRC have made a long-term commitment to manage our forests in conformance with FSC standards and policies.</i></p>
Findings for Evaluation of Evidence:	Auditor interviewed Sarah Billig, MRC Stewardship Director on this issue and examined the MRC website information. Based on the change MRC made to the website it was determined that there is now a public statement that specifically declares its commitment to manage the FMU in conformance with FSC "Standards and Policies."
<b>NCR Status:</b>	CLOSED
Comments (optional):	None

<b>NCR#:</b>	<b>02/12</b>	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0) July 8, 2010			
	<b>Indicator 4.2.b.</b> The forest owner or manager and their employees and contractors demonstrate a safe work environment. Contracts or other written agreements include safety requirements.			
Report Section:	Appendix IV, Section 4.2			
<b>Description of Nonconformance and Related Evidence:</b>				
Observations and interviews with both staff and contractors generally demonstrated conformance with applicable health and safety regulations and demonstrated that the FME hires qualified workers. Additionally, contracts were found to include safety requirements. However, interviews with workers applying herbicides indicated that there are times when the crew does not have anyone with first aid/CPR certification on site.				
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.			
<b>Timeline for Conformance:</b>	Prior to the next annual audit.			
Evidence Provided by Organization:	A majority of the MRC contract herbicide crew was trained in both CPR and first aid in June of 2012. Copies of 14 first aid and CPR cards for the crew			

	were provided to the auditor. Furthermore, interviews were conducted to confirm these activities with MRC's Stewardship Director, Reforestation Forester, and Reforestation Supervisor in the field during a working crew inspection.
Findings for Evaluation of Evidence:	With evidence on first aid and CPR training provided by MRC to the auditor and through interviews with MRC personnel it was determined herbicide crews will now have all of its members who are adequately trained in these areas when working in contract crews for MRC.
<b>NCR Status:</b>	CLOSED
Comments (optional):	None

<b>NCR#:</b>	<b>03/12</b>	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0) July 8, 2010  <b>Indicator 6.6.d</b> Whenever chemicals are used, a written prescription is prepared that describes the site-specific hazards and environmental risks, and the precautions that workers will employ to avoid or minimize those hazards and risks, and includes a map of the treatment area.			
Report Section:	Appendix IV, Section 6.6			
<b>Description of Nonconformance and Related Evidence:</b>				
An FME employee with a chemical applicator's license oversees the contractor's work crew to ensure compliance with contracts. However, interviews with workers applying herbicides indicated the FME employee frequently divides his time between two chemical applicator crews, meaning that one crew does not have a licensed applicator present on site while applying chemicals. Moreover, the FME employee does not work on weekends when the contractor's crew works make-up hours for missed work time due to weather conditions during the week. FME does not verify that a licensed applicator is present during these alternate work hours. This presents an increased risk of failure to respond in emergencies or changing site conditions, particularly when there are large work crews. Therefore, chemicals are not applied only by workers who have received proper training in application methods and safety.				
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.			
<b>Timeline for Conformance:</b>	Prior to the next annual audit.			
Evidence Provided by Organization:	California law requires that all crew members are trained in safely applying chemicals. All crew members wear appropriate PPE at all times. An MRC Reforestation Forester with an applicator's license and pest control advisor license oversees all herbicide applications via visits, recommendations, and through his direct designee (Reforestation Supervisor). Additionally, the contractor has four employees with an applicator's license who oversees the work. The Mendocino County Agricultural Commissioner regularly inspects the applicator crew and enforces state regulations which include safe applications that follow label requirements. All contract crews have a supervisor who have been working with the company for multiple years and have a thorough understanding of emergency response, spill response, and environmental hazards. The Supervisors are experienced and well-trained in managing any emergency situation or changing site condition that may preclude safe application. Furthermore, interviews were conducted to confirm these activities with MRC's Stewardship Director, Reforestation Forester, and Reforestation Supervisor in the field during a working crew			



	inspection.
Findings for Evaluation of Evidence:	MRC applies chemicals by workers who have received proper training in application methods and safety. They have been made aware of the risks, wear proper safety equipment, and are trained to minimize environmental impacts on non-target species and sites. MRC is also now in conformance with California state law.
<b>NCR Status:</b>	CLOSED
Comments (optional):	None

<b>NCR#:</b>	<b>04/12</b>	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	<p><i>FM-35 Rainforest Alliance Chain-of-Custody Standard for Forest Management Enterprises (FMEs)</i></p> <p><b>CoC 1.3:</b> 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. <i>Note: For <b>large scale operations (&gt;10,000ha) and Group Entities</b>, CoC procedures covering all relevant CoC criteria shall be documented.</i> Including:</p> <ul style="list-style-type: none"> <li>a) Procedures for physical segregation and identification of FSC certified from non-FSC certified material. <b>(If applicable)</b></li> <li>b) Procedures to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation. <b>(If applicable)</b></li> <li>c) 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.</li> <li>d) 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.</li> <li>e) Procedures to ensure compliance with all applicable FSC/Rainforest Alliance trademark use requirements.</li> </ul>			
Report Section:	Appendix V Chain-of-Custody Conformance CoC 1.3			
<b>Description of Nonconformance and Related Evidence:</b>				
While the FME does include the FSC certificate registration code and the FSC claim on all sales shipping documents and the shipping and sales documents are clearly linked, the documented procedures do not describe this requirement as detailed in CoC Indicator 1.3.c above.				
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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>			
<b>Timeline for Conformance:</b>	Prior to the next annual audit.			
Evidence Provided by Organization:	MRC added text below to their Chain-of-Custody procedures:  Section 5.0, Part 8. All sales (invoices) and shipping (trip tickets) documents shall include the FSC claim (FSC 100%) and MRC's FSC certificate code (SW-COC/FM-000128).			
Findings for Evaluation of Evidence:	MRC's Chain-of-Custody procedures titled "OPERATING PROCEDURES FOR HANDLING FSC-CERTIFIED LOGS ON MRC TIMBERLANDS" were transmitted to the auditor, who examined its content. Based on this examination and it was determined that the documented control system			

	(DCS) procedures describe the requirement, which was already being implemented, that the FSC certificate registration code and the FSC claim be included on all sales shipping documents and the shipping and sales documents.
<b>NCR Status:</b>	CLOSED
Comments (optional):	None

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

Check if N/A (there are no new NCRs issued as a result of this audit)

## 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).

<b>OBS 01/13</b>	<b>Reference Standard &amp; Requirement:</b> FSC-US Forest Management Standard (v1.0), Indicator 4.3.b.
<p><b>Indicator 4.3.b.</b> The forest owner or manager has effective and culturally sensitive mechanisms to resolve disputes between workers and management.</p> <p><b>Findings:</b> MRC has a policy and procedure in its Employee Handbook (pp. 6-7) to encourage an “open door” approach for all employees who may have a concern or a grievance. The policy encourages employees to first seek resolution with his or her direct supervisor prior to taking the concern up the chain of command or to Human Resources. Employees are also provided direct access to the President and the CEO if an employee desires to communicate directly with MRC executives. Interviews with the Human Resource personnel indicated that there are no current disputes on record by workers.</p> <p>During the course of stakeholder outreach and after the audit visit it was communicated to the auditor by a number of individuals (some who wish to remain anonymous) that there are issues of concern in the workplace. Feedback can be summarized as a lack of communication by the upper administration to the workers (e.g., the MRC website’s last communication to employees was from 2011); lack of explanations for actions taken administratively and in terms of several field operational changes; lack of consultation with personnel prior to decision making; a stifling of communication among workers (e.g., no worker group e-mails, and yet no policy presented to this effect was requested); and perceptions by workers that they are being targeted for elimination or demotion by management without due cause. Some workers feel it may be best to find other employment. Many expressed that, from an operational standpoint, these issues need quick resolution.</p> <p>MRC is in conformance with the Standard, however MRC should continue to address the increases in concerns expressed by employees.</p> <p><b>Observation:</b> MRC should ensure that it is in continued conformance with the requirements of Indicator 4.3.b.</p>	

### 3. AUDIT PROCESS

#### 3.1. Auditors and qualifications:

Auditor Name	Stephen C. Grado	Auditor role	Lead Auditor
Qualifications:	<p>Dr. Grado is a Society of American Foresters (SAF) Certified Forester/Forest Certification Auditor #1155 and an SAF Fellow and the George L. Switzer Professor in the College of Forest Resources Department of Forestry at Mississippi State University. He received a Ph.D. in Forest Resources in 1992, a M.S. in Forest Resources and Operations Research in 1984, and a B.S. in Forest Science in 1979 at The Pennsylvania State University, State College, Pennsylvania. He also has a B.A. in Political Science from Villanova University near Philadelphia, Pennsylvania. Dr. Grado is certified to the ISO 9001:2008 standard for Quality Management Systems for Lead Auditors. Dr. Grado has served as a socio-economic assessor/auditor on 73 primarily Rainforest Alliance FM/COC pre-assessments (1, lead; 3, team), assessments (16 lead, 23 team), USDA Forest Service Test Evaluations (2 SW team, 1 SGS team), and numerous annual field audits (22 lead, 6 team; 1 SFI team). In addition, he has served as an assessor/auditor for innumerable Rainforest Alliance chain-of-custody (COC) assessments/audits, and also served as a peer reviewer for numerous FSC certification, FM/COC assessment reports.</p>		

#### 3.2. Audit schedule

Date	Location/Main sites	Principal Activities
September 1, 2013	Off-site	Review of documents and information supplied by Mendocino Redwood Company (MRC) and Rainforest Alliance, further provision of information Mendocino Redwood Company.
September 23, 2013	Main Office, Ukiah, California	Opening meeting with MRC staff, introductions, review of documentation, discussion of outstanding NCRs, refining designated site visits for the audit.
September 23, 2013	Somewhere in Between, Black Rock, Flynnian Rising FMUs	Site visits.
September 24, 2013	One Mile and J Road FMU, Pygmy Forest HCVF	Site visits.
September 24, 2013	Main Office, Ukiah, California	Closing meeting with MRC staff. Preliminary findings discussion, next steps, questions.
September 25, 2013 through October 13, 2013	Off-site	Complete document review, exchanges of information, e-mails and telephone contact, and stakeholder interviews.
<p>Total number of person days used for the audit:5.5            = number of auditors participating 1 X average number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation <b>5.5</b></p>		

### 3.3. Sampling methodology:

MRC holds a single FMU FSC FM Certificate that is 91,498 hectares in size. Sites were selected for auditing based on the auditors request for a diversity of activities (e.g., completed harvests, planned harvests, watersheds, HCVFs), and also on-site covering a reasonable expanse of the FMU. Due to severe weather conditions prior to the auditor's arrival actual sites visited was adjusted due to impassable roads to access sites pre-selected by the auditor.

### 3.4. Stakeholder consultation process

No formal stakeholder notification was conducted as part of this audit. Arrangements were made to meet with a number of stakeholders in the field and were interviewed by the auditor. Specific stakeholders were contacted by the auditor after the field visits to gather evidence on conformance with the FSC standards evaluated during this audit. Several stakeholders contacted the auditor on their own after the field audit as well. No federal stakeholders were contacted since they were unavailable during the U.S. government shutdown.

Stakeholder type	Stakeholders notified (#)	Stakeholders consulted or providing input (#)
Academia	0	1
Adjacent Landowner	0	1
Board of Supervisors	0	1
ENGOS	0	3
Forest Industry	0	3
Herbicide Contractor	0	1
Logging Contractors	0	3
MRC Employees	0	16
State Agency	0	2

### 3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	FSC-US Forest Management Standard (v1.0); FM-35 RA COC 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: Documentation on a number of significant issues that arose since the last audit was provided to the auditor. Details are found in Section 2.4 above. All	

records of issues are kept in MRC's main office in Ukiah, California.	
Accident records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Recordable Accident records were reviewed with three total records, 2 Recordable Accidents and 1 Lost Time. All records are kept in MRC's main office in Ukiah, California.	
Training records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: A list of key training activities for employees were provided to the auditor. They included training in leadership, growth and yield, and fire training (all employees). Herbicide safety training records for contractors were reviewed since they were central to the previous year's nonconformance. All training records are kept in MRC's main office in Ukiah, California.	
Operational plan(s) for next twelve months	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Operational plans were reviewed in recent THPs and are also found in the FMP's Option A. All operational plans are kept in MRC's main office in Ukiah, California.	
Inventory records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: MRC provided the auditor with an updated inventory report titled "2013 Inventory Ownership 1-28-13." Long-term inventory records are also found in the FMP's Option A. All inventory records are kept in MRC's main office in Ukiah, California.	
Harvesting records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Data on harvest and sales of FSC certified wood materials were provided to the auditor for review. All harvests records are kept in MRC's main office in Ukiah, California.	

## APPENDIX I: FSC Annual Audit Reporting Form:

<b>Forest management enterprise information:</b>			
<b>FME legal name:</b>	Mendocino Redwood Company, LLC		
<b>FME Certificate Code:</b>	SW-FM/CoC -000128		
<b>Reporting period</b>	Previous 12 month period	<b>Dates</b>	9/17/12 through 8/31/13

<b>1. Scope Of Certificate</b>	
Type of certificate: single FMU	SLIMF Certificate: not applicable

<b>2. FME Information</b>
<input checked="" type="checkbox"/> No changes since previous report

<b>3. Forest Area Classification</b>
<input checked="" type="checkbox"/> No changes since previous report

<b>4. High Conservation Values identified via formal HCV assessment by the FME and respective areas</b>
<input checked="" type="checkbox"/> No changes since previous report

<b>5. Workers</b>		
Number of workers including employees, part-time and seasonal workers:		
Total number of workers	263 workers	
- Of total workers listed above	248 Male	15 Female
Number of serious accidents	0	
Number of fatalities	0	

<b>6. Pesticide Use</b>		
<input type="checkbox"/> FME does not use pesticides.		
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-None		
Non FSC highly hazardous pesticides used in last calendar year		
Name	Quantity (l)	# of Hectares Treated
Imazapyr AC	1,376.52	1,780 ha
Glyphosate	137.89	123 ha
Triclopyr	58.99	130 ha
Imazapyr SP	31.30	69 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)

<b>Organization name</b>			
<b>Primary Contact</b>		<b>Title</b>	
<b>Primary Address</b>		<b>Telephone</b>	
<b>Address</b>		<b>Fax</b>	
<b>Email</b>		<b>Webpage</b>	www.mrc.com

### Forests

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

### 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