

Green Diamond Resource Company

Socio-Economic Monitoring Results

October 2018

Green Diamond takes great pride in our many programs that illustrate the Company's commitment to the well-being of our employees and our community. These programs are summarized below:

Community

- Spending in the local communities – We have analyzed our local spending and found that about sixty percent of our expenditures for goods and services were made in the local communities of Humboldt, Del Norte and Trinity Counties
- Community giving program – Each year the company provides support to a variety of community organizations. In 2017 and 2018 more than \$100,000 in giving was contributed to organizations in the local communities. The giving program is in the form of both cash and material contributions.
- In July of 2018, Green Diamond, through the Simpson Family Fund fully funded a \$10,000 grant request submitted by the Redwood Parks Conservancy to support the North Coast Junior Lifeguard Program. In addition to the funding, California State Park Rangers donated 240 hours of supervision and training.
- In December 2017, Green Diamond Resource Company made a \$50,000 donation to the Klamath branch of the Boys & Girls Club of the Redwoods from the Simpson Family Fund. The Boys & Girls Club in Klamath, open to both tribal and non-tribal youth, was created through a partnership between the Yurok Tribe and the Boys & Girls Club of the Redwoods.
- In 2018 Green Diamond contributed significantly to the 2018 annual Forestry Institute for Teachers. The in-kind contributions (time and materials) are estimated to be in excess of \$10,000. Foresters, wildlife biologists, and aquatic biologists as well as the Vice-President of the Company all participated in briefings with the teachers.
- Scholarships – Eight Mark E. Reed Scholarships, totaling \$24,000 annually, were awarded to college bound students that applied competitively in 2017 and 2018.

Employees

- Number of living wages jobs provided – Green Diamond provides jobs that are competitive with respect to compensation. In addition, all permanent positions have health, welfare, and retirement benefits. Total employment is reported in chart below.
- Safety training program – Safety is one of the five core values of Green Diamond Resource Company. The safety training program is comprised of a long list of training courses that are conducted for the applicable employees. A list of these courses is provided in the chart below.

Green Diamond Resource Co. Annual Employee Summary Report – 2017

Employee counts are based on the 15th of each month and include both Union and non-Union employees of California Timberlands, California Corporate and California Land Management employees residing in California.

2017	Employees
January	166
February	182
March	180
April	178
May	189
June	189
July	186
August	169
September	169
October	164
November	163
December	160

**Green Diamond Resource Company
Annual Safety Training Course Summary Report – 2017/2018
California Timberlands**

Accident Prevention Signs
Aerial Platform/Lift Safety
ATV
Battery Safety
Blood Borne Pathogens
Chain Saw Safety
Code of Conduct
Code of Ethics & Anti-Trust
Crane Training
Demonstration
Electrical Safety
Emergency Action Plan
Excavation/Trenching/Shoring
Fall Protection
Portable Fire Extinguishers
Fire Prevention Plan
First Aid, AED/CPR.
Forest Geology
Forklift
Fueling Safety
HAZCOM & Spill Prevention, Control, SDS
Hearing Protection
Heat Stress
HIPA
IIPP
LOA, Confidentiality

Lock Out Tag Out
MSHA Refresher
Naturally Occurring Asbestos
Non Supervisor HR Compliance Training
NSO/Raptor
Performance Reviews & Difficult Conversations
Pesticide Safety, Fieldworker
Pesticide Handler
Power Press
Personal Protective Equipment
FSC Training/HCP/FPR
Storm Water
Supervisory HR Compliance
Outdoor Work Hazards - Tick Testing Poison Oak
Vehicle Use
Welding
HAZWOPER Annual
Ergonomics Strain & Sprain Toolbox
JSA Review
DMV Pull Notice
Defensive Driving

Summary of Stakeholder Consultation

The Forest Management Plan anticipates that an Annual Summary of Stakeholder Consultation will be included as part of an Annual Socio-Economic Summary Report that is prepared by Green Diamond Resource Company for the previous years' stakeholder outreach, input and management considerations.

Direct Interaction with the Local Community

Green Diamond Resource Company staff interacts with stakeholders in the community on a variety of levels. Our Community Stakeholder Input (phone calls, emails, tours, meetings) is summarized by the FSC Coordinator in an Excel spreadsheet and sorted by topic. This allows repeated issues of concern to be more easily identified. A summary of this is posted to the website as the Social Impact Monitoring Report. Also, we have integrated an aspect into our Stakeholder Outreach meeting to be able to track the top concerns each year so potential trends can be identified moving forward.

One Stakeholder Outreach Meeting was held in September of 2015. A variety of stakeholders were invited including representatives from the tribes, academic, business, political, environmental and regulatory groups, as well as adjacent landowners. Attendees were asked to give input (likes, concerns, and suggestions) about the company in three areas: Community, Business Practices, and on the Ground Practices. This feedback was discussed at the meeting and

also entered into a Stakeholder Input Matrix so that we can track any trends in concerns/issues. A second stakeholders outreach meeting was held in Del Norte County in 2016 and included a similar mixture of invitees. A summary of the comments received at these meetings were included in past annual reports.

A common theme from the Stakeholder Outreach Meetings was “we don’t know who you are or what you do”. Rather than conduct another structured outreach session with targeted invitees, for the 2017/2018 audit year we decided to focus on direct outreach through tours and community interaction. Our key tours included hosting nine State Senators in mid-August. This was a joint tour in coordination with Humboldt Redwood Company where we provided these key policy makers an opportunity to see active forest management, manufacturing and biomass energy. The tour included field trips to both properties as well as a dinner.

On August 16, 2018 we hosted 10 staff from the Sacramento, Redding and Fortuna offices of CAL FIRE. The tour started with short introduction of the Green Diamond followed by a field tour. In late August we hosted a tour for over 15 staff from Sacramento, Redding and Eureka Department of Fish and Wildlife offices. This was a two day tour that included a short office meeting followed by field visits. On September 5th we hosted three staff members of the North Coast Region Water Quality Board. This was an all-day tour that included all aspects of our operations including monitoring and active harvesting. These three tours were important as our key staff were able to interact with staff from these three agencies in a non-regulatory setting. The tours also allowed these agencies to understand the entire Green Diamond management regime outside of the THP process.

We have also developed a close relationship with the Redwood Coast Mountain Bike Association. In May of 2017, we signed an access agreement that allow RCMBA to construct a series of mountain bike trails on GDRCo lands in the Mad River Tract. These trails have been completed and are now being actively used by members of the Club and invited guests. On September 8, 2018, the RCMBA hosted the “Mad River Enduro” on these trails. This event attracted over 90 riders from throughout Northern California and Southern Oregon. The riders expressed thanks for the use of the land and were very impressed with the quality of the trails. GDRCo also hosted the second annual “Diamond Grinder” ride on August 11th. This ride was done in conjunction with the RCMBA and was co-hosted by Mad River Brewery and Revolution Bicycles. The 75 participants traversed 27 miles of GDRCo logging roads through mostly third-growth forests and ended with an awards lunch at the Mad River Brewery. The relationship with RCMBA has created an interface with a very diverse all-aged group from throughout the community. The constant use of the RCMBA trails and events has been an added boost to the local Blue Lake economy.

We have also developed a close relationship with the Mad River Alliance, a local grass-roots organization focused on the health of the Mad River. We have supported their “Steelhead Days” program and fishing competition with cash donations, GRDCo staff participation and allowing access for tours and fishing.

We also recognize the need to outreach to our youth to garner interest in seeking technical or professional level careers in forestry and natural resources. In September we provide presentations to 70 California Conservation Corps members at the CCC Center in Fortuna. Green Diamond provided eight resource professional to interface with Corps Members to discuss forestry, fisheries, geology, harvesting and GIS/inventory. Our Senior VP, Neal Ewald has also been active in the “Get Ready Humboldt” education outreach program and participated in a panel on the October 11 county-wide event kickoff.

While it may not seem like a significant outreach initiative, we modified the GDRCo logo to make it bolder and more noticeable on our trucks, equipment and advertisements. The lack of visibility of our logo was raised at the Del Norte outreach meeting. The two new logs designs are inserted below, with the vertical design being the preferred logo.



Green Diamond has also joined with other forest landowners to create the California Forest Carbon Coalition. This group was formed to support the forest carbon offset program through education and outreach. The landowners that are members include industrial, nonprofit, Tribal and TIMOs. This group provides testimony to the CARB, and meets with legislators.

Green Diamond was also very active working with the Governor’s office and the state agencies on the development of the 2018 forestry legislative initiative. This initiative was organized to address opportunities to reduce fuel hazards through more efficient permitting and access. There are also changes that provide more flexibility for small landowners. The forestry legislative initiative was implemented with the passage of SB 901 and the Governor’s signature.

Also, GDRCo managers attend numerous meetings in the local area throughout the year. These meetings are both land use related (Elk River, Strawberry Rock, General Plan Update, Humboldt and Sacramento Farm Bureau, Buckeye) and general community/social meetings (local Chamber of Commerce, Democrat of the Year, Rotary, HSU Advancement Foundation, Hospice of Humboldt, and State Cal Chamber) . Comments regarding Green Diamond and general comments regarding forest management are relayed back to our FSC coordinator.

The Company participated in the 2018 Redwood Region Logging Conference. Two employees serve on the Board and many Company employees helped with education day and education

activities serving as tour guides, making presentations in classrooms, and leading tours with grade school and high school students.

Involvement with Schools and Teachers

The Company continues to provide field learning opportunities for Humboldt State University (HSU) students by providing tours to various parts of the timberland property including active logging operations. Multiple field trips were conducted throughout the year with classes from the geology, wildlife and forestry departments.

The Green Diamond Opportunity Internship & Scholarship Program started in 2017 with the purpose of expanding and enriching Green Diamond by supporting outstanding students from various cultural, ethnic, and socio-economic backgrounds, with diverse talents, interests, and life experiences whose educational pursuits align with our business. The Opportunity Program is intended to introduce to Green Diamond students who are currently pursuing academic degrees in an accredited college of forestry or natural resources and to help them achieve their academic goals.

In 2018, several Green Diamond staff gave presentations at local schools about a variety of topics including forest management, logging, wildlife, fisheries, botany, and careers in the natural resources field.

Annually, Green Diamond plays a key role in the Forestry Institute for Teachers (FIT) tour. This natural resource education program designed to improve the curriculum of California's K-12 teachers. This is a great opportunity for the teachers to connect with folks from Green Diamond and learn more about us and what we do. Every year FIT receives feedback about the benefit of these interactions and the teachers would like to have more of us around at these events. Foresters, wildlife biologists, and aquatic biologists as well as the Vice-President of the Company all participated in briefings with the teachers.

In September 2018, Green Diamond staff volunteered to be tour guides at the Redwood Region Resource Rally. This one day program is focused on providing information for High School students regarding the extensive career possibilities in the Forestry and Natural Resources and Production Agriculture Industries on the North Coast. Emphasis is placed on potential career choices, educational requirements, specific job options, scholarships, internships and other resources available to students.

Membership/Volunteering in Local and Community Organizations

Employees throughout the Company serve on a variety of groups and boards within the community including:

- California Forestry Association, The Forest Foundation, CLFA, Cal Poly Forestry Advisory Committee Buckeye Conservancy, Humboldt County Farm Bureau, Forestry Review Committee, CASA, youth sports, Humboldt County Hospice, Eureka Chamber of Commerce, California State University Agriculture Advisory Committee, California State Chamber of Commerce, UC Berkeley Center for Forestry Advisory Committee, College

of the Redwoods Forestry Advisory Committee Professional Foresters Examining Committee, HSU Advancement Foundation Board, Western Forestry and Conservation Association, North Coast Regional Land Trust, Humboldt Area Foundation, etc.

Memberships in local organizations include:

- Eureka Chamber of Commerce, Blue Lake Chamber of Commerce, McKinleyville Chamber of Commerce, Crescent City Chamber of Commerce, Orick Chamber of Commerce, etc.

Documenting Employee Interactions with Stakeholders

In an effort to document employee interactions with stakeholders, a form has been developed for employees to record forest management or business related interactions and input from stakeholders (see Appendix H). This form is available on the Company's internal intranet site for employees to document their interactions with stakeholders. Completed forms have been submitted to the FSC Coordinator who will conduct an initial review of the forms before providing appropriate comment forms to the management team.

Consideration of Stakeholder Input

Managers discuss issues that arise to determine if there are significant issues or trends, and to consider those issues that need potential follow-up action. These issues are discussed at monthly managers' meetings. A summary of identified trends and action items taken in response to these are summarized in the Social Impact Monitoring Report

Most calls and e-mail communications to the Company were resolved by a direct response to the initiator. Only three communications warranted a more extensive response;

1. In August of 2018, one of our contract logging trucks accidentally damaged an electric gate that was on adjacent property causing it become inoperable. Green Diamond contacted the private landowner and the gate is in the process of getting replaced.
2. In September of 2018, Green Diamond received several phone calls about the condition of a private road that accesses company property. Neighbors had alleged that logging trucks had damaged the road from recent activity. In response, Green Diamond repaved the entire section of road that leads through that neighborhood.
3. In October of 2018, we received a call from the City of Blue Lake regarding Green Diamond trucks driving too fast through the school zone. We immediately sent out a broadcast email to all employees directing them to observe all posted speed limits with extra care in the school zone. We then followed up with a visit to the Blue Lake Elementary School and spoke to the Superintendent. They had not observed any recent concerns and we asked her to call us with any additional observations and asked if they could get a truck number.

Interactions with Native American Communities

In addition to the Native American contact process associated with THPs, the Company also regularly contacts tribal communities to improve communications between tribal representatives and Company staff. These interactions are documented in the Stakeholder Input Matrix by the FSC Coordinator.

Between 2009 and 2017, Green Diamond completed a series of timberlands sales north and east of the Klamath River to Western Rivers Conservancy, which will eventually be transferred to the Yurok Tribe. A summary of these transactions is listed below:

Transaction	ACRES	Transaction Year
Yurok Phase 1A - Weitchpec & Cappell	5536	2009
Yurok Phase 1B& 1C - Pecwan	16731	2010/2011
Blue Creek Phase 2A	8502	2013
Blue Creek Phase 2B	6489	2015
Blue Creek Phase 2D	560	2015
Blue Creek Phase 2C	748	2016
Blue Creek Phase 2E	8577	2017
TOTAL	47143	

These land purchases will further the Yurok Tribe's goal creating a block of ownership that they can manage within their reservation and ancestral territory while implementing a sustainable forestry program managed by the Tribe.

Over the past few years, Green Diamond has been engaged with the Yurok Tribe, Redwood National Park and the U.S. Fish and Wildlife Service for the reintroduction of the California condor in the Lower Klamath/Redwood Creek basins. We are party to the MOU for the project and worked closely with the Yurok Tribe to develop state legislation that will harmonize state and federal laws pertaining to "fully protected species" under California law. AB 2640 was authored by Assemblymen Jim Wood and was signed by the Governor on Sept 20th.

The Company also granted access to the Yurok Tribe for wildlife research and to install fish habitat enhancement structures in streams on company property, and coordinates with the Yurok Tribe on fisheries enhancement projects.

Additionally, Green Diamond has also had numerous communications with forestry and wildlife staff from the Hoopa Tribe regarding our Forest Habitat Conservation Plan (HCP), federal bird banding permit, and the Barred Owl Science Team.