

Social Impact Monitoring Report 2019

(October 2018 – October 2019)

Green Diamond Resource Company collects input from community members on a continuous basis. When Company employees have interactions with community members, we ask that they fill out a Community Stakeholder Input form and forward that to the Company's FSC coordinator. Those forms are reviewed and action is taken when necessary. The forms are then input into a database to track the issues that arise over time. This allows the Company to identify significant issues or trends of concern in the community.

Other input opportunities for the public are through the Company's main telephone number and using several e-mail addresses on the website including one on the FSC page set up to receive comments fsc@greendiamond.com. To the extent possible, we try to respond to all comments/concerns received. Most calls and e-mails are able to be resolved by company communication with the initiator.

Community Stakeholder Input is summarized by the FSC Coordinator in an Excel spreadsheet sorted by topic. This allows repeated issues of concern to be more easily identified. A summary of this is posted to the website in this 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.

Green Diamond continues to engage with the different "publics" and "stakeholders" at various levels. We monitor media for state, regional and local concerns. We also attend and present at state and regional and local meetings and workshops. However our most common direct involvement is with our neighbors or those in the vicinity of our operations.

While our evenaged management is still a concern for some, we are hearing fewer complaints since we implemented our in-unit retention policy. A more common question is "why don't you grow your trees older?" There is a common misconception that we harvest all of our trees the day they turn 45. Through our outreach we try educate the interested stakeholders that our average harvest age for evenaged units ranges between 55 and 60 years. We also use our outreach opportunities to educate stakeholders about our thinning program and our continuing evaluation of rotation age based on growth response and value increase in redwood due to heartwood content of larger trees.

At the local/neighbor level, the key areas of concern were:

- **Herbicide use**

- **Traffic safety**
- **Fuel hazard reduction and escape routes**

Herbicide Use: Both the Yurok Tribe and Sproul Creek neighbors have expressed concerns about herbicide use. The Tribe is concerned about herbicide applications in or near areas where Tribal members may be gathering berries or basket-making materials. We are working with the Tribe to identify the key gathering areas and to develop buffers or alternative practices in these areas. We will be engaging with the Sproul Creek neighbors this fall and winter to identify water intakes and development near the Sproul Creek property lines. We have also reviewed the pending elevation of Glyphosate and Oxyfluorfen to the FSC “Highly Hazardous Pesticide” list and decided to stop using these chemicals as of this August 1, 2019. We will continue to follow all state and federal requirements for the application of herbicides and work with our neighbors to address their concerns.

Traffic Safety: Over the last two years we have had three complaints regarding our pickups violating speed limits and school bus traffic codes. In all cases we acted immediately via broadcast emails that such actions are unacceptable and will not be tolerated. Regarding speeding in the school bus stop zone, we are working with the North Fork Lumber Mill to develop solutions that may include new signage. We are also sensitive to log truck traffic interacting with local traffic. The residents of the Sproul Creek area expressed concerns about using a narrow road with very sharp curves for log hauling. We are seeking alternatives to this route. We will continue to monitor our company vehicles and contact truckers to insure compliance with vehicle codes and safe driving practices, and be responsive to site-specific traffic concerns.

Fuel hazard reduction and escape routes: Given the tragedies that have occurred over the last two years there is heightened awareness of the need to treat fuels and to identify escape routes. The Yurok Tribe expressed an interest in treating the fuels along the Bald Hills Road as both a fuel break and an escape route for the residents along the Klamath River. We have met with Redwood National Park and reviewed potential fuel treatment projects. We are also engaging with Cal FIRE to identify key fuel treatment areas along our property borders and along roadways. We have also engaged with local fire departments to identify alternate escape routes through GDRCo lands.

Green Diamond continues to focus on direct outreach through tours and community interaction. We participated in the KARE tour in the Mt Shasta area that included 12 state legislators. We also conducted a local tour in conjunction with The Forest Foundation that included 5 state legislators. We have a tour planned for later this year with two members of Congress.

We have also continued a close relationship with the Redwood Coast Mountain Bike Association through the continued use of the mountain bike course constructed on GDRCo lands near Blue Lake. On September 7, the RCMBA hosted the “Mad River Enduro” on these trails. This event attracted over 120 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 10th. This ride was also done in conjunction with the RCMBA and was co-hosted by Mad River Brewery and Revolution Bicycles. The 55 participants challenged the rainy conditions and traversed 35 miles and 5000’ of climbing on GDRCo logging roads through mostly third-growth forests. 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.

Green Diamond has 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 just participated in a joint cleanup day around the Blue Lake area. Over 20 participants, including 12 from GDRCo, filled a 40 yard dumpster.

Green Diamond also recognizes the need to provide outreach to our youth to garner interest in seeking technical or professional level careers in forestry and natural resources. We continue to be active in the “Get Ready Humboldt” education outreach program and provide field trips and speakers at high school and college classes. We have also worked closely with College of the Redwoods, Farm Bureau and local truckers to develop log truck drivers training programs. We also participated in the ‘Boots on the Ground” program. Local high school kids that expressed an interest in working in the woods participated in hands-on field experience with our loggers and contactors. At the end of the program they were all given certificates to buy loggers boots.

Green Diamond also continues to be active in 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 ENGOs. This group has provided input to the CARB and its staff, and met with several legislators during a capital visit in August.

In 2019, Green Diamond was also very active working with CFA in the implementation of the forestry legislative initiatives approved with the passage of SB 901 and other changes. This includes modified exemption standards, a new shaded fuel break emergency rule, and changes to the stocking standards.

Green Diamond continues to be engaged with the Yurok Tribe, Redwood National Park and the US 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 the

Environmental Assessment is nearly completed. They expect to start the reintroduction project next year.

We are actively engaged with the Trinidad Coastal Land Trust and the Yurok Tribe regarding the permanent protection of Strawberry Rock. The Land Trust and Tribe are seeking funding for the purchase of a 44 acre conservation easement that would include the rock, the trail, and a 24 acre stand of mature redwoods. We have an option agreement with the Land Trust that runs through December of 2020.

We have been actively engaged with the North Coast Regional Water Quality Resources Board regarding Elk River for several years. Even though we have an Elk River Management Plan and WDR that was approved in 2006 and again in 2013, we are required to update the protection measures consistent with the TMDL that was approved 2017. Negotiations with staff have been ongoing for four years to develop additional protection measures consistent with the TMDL. Three different times we had reached agreement, but WQ staff continues to change their position. We are scheduled for a hearing on the WDR in February of 2020.

Also, GDRCo managers attend numerous meetings in the local area throughout the year. These meetings are both land use related (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, and State Cal Chamber). Comments regarding Green Diamond and general comments regarding forest management are relayed back to our staff and FSC coordinator.