



2016 SFI Public Summary Report

Michigan California Timber Company Sustainable Forestry Initiative® (SFI) Forest Management Standard [2015-2019]

Date: October 15, 2016

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a Re-Registration and Transition Assessment on Michigan California Timber Company's (MCTC or the Company) Forest Management practices in northern California. MCTC is a privately owned company that owns or is the managing partner of 114,811 acres of forestlands in Siskiyou, Trinity, and Shasta Counties in California. Wood products generated from MCTC timberlands provide raw materials for Timber Products Company's veneer and particleboard plants primarily in Oregon. The forest management activities are managed by the Central Office in Yreka, CA. The Lead Assessor was Dan O'Brien, EMS (LA). The audit team included James Lucas, EMS (LA), and PwC's Contract Assessor. The audit team was accompanied by MCTC's SFI Representative, Chris Quirnbach.

The primary objective of the assessment was to assess the Company's SFI management system and to evaluate the Company's implementation of the SFI Forest Management Standard in the field. There have been changes to the scope of the multi-site certification since the last public summary. MCTC was previously certified to the 2010 version of the SFI Forest Management Standard and transitioned to the new 2015 – 2019 version of the SFI Forest Management Standard this year.

Indicators

All of the indicators in the SFI Forest Management Standard were within the scope of the assessment, except for performance measure 8.2 within Objective 8 and Objective 13, since none of the land managed by the Company is public land. There were no substitute indicators.

Assessment Process

On September 8 and 9, 2016, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI Forest Management program requirements at the Central Office in Yreka, California. On September 8, 2016, the assessment team conducted field assessments at four harvesting operations, two road projects and one silviculture project. In total, the audit team spent one day at the central office and one day on-site for field assessments. The audit report was dated October 16, 2016.



Summary of Conformance, Findings, and Good Management Practices

FOREST MANAGEMENT

Objective	Performance Measure	Evidence of Conformity
<p>Objective 1. Forest Management Planning To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion</p>	<p><i>Performance Measure 1.1 Program Participants shall ensure that forest management plans include long-term harvest levels that are sustainable and consistent with appropriate growth-and-yield modes.</i></p>	<p><i>Evidence: Interviews with Timber Manager and Forester. Reviewed 2010-2019 10 year even aged harvest plans, 2016 MCTC Harvest Schedule and production report from Jan. 1-Dec. 31, 2015, GIS and soils maps.</i></p> <p>MCTC maintains a long-term forest management plan for their timberlands based on the Option A format from the California State Forest Practices Rules (FPRs). There are three Option A's filed with the State of California: Eastside, Klamath, and Scott Mountain. The Option A long term planning documents developed by MCTC for our lands address non-timber issues such as water quality, wildlife habitat protection, recreation, aesthetics, and regional economic vitality.</p> <p>Timber inventory updates are completed annually with the goal of the entire ownership being re-inventoried within a 10 to 15-year period.</p> <p>For the last five years, MCTC has not exceeded their allowable annual cut, with the exception of 2014 due to fire salvage, so is effectively growing more timber than is harvested.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 1.2 Program Participants shall not convert one forest cover type to another forest cover type, unless in justified circumstances.</i></p>	<p><i>Evidence: Interviews with Timber Manager and Forester. Reviewed 2010-2019 10 year even aged harvest plans, 2016 MCTC Harvest Schedule and production report from Jan. 1-Dec. 31, 2015, GIS and soils maps.</i></p> <p>MCTC is generally replanting their land base with the same species that were present. Most planting is a mix of Ponderosa Pine, Douglas Fir, Red Fir, and some white fir. Any species conversion (e.g., deciduous to conifer) is intended to achieve forest management objectives and approved by CalFire through the timber harvesting plan.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 1.3</i></p>	<p><i>Evidence: Interviews with Timber Manager and Forester.</i></p>

	<i>Program Participants shall not have within the scope of their certification to this SFI 2015-2019 Forest Management Standard, forestlands that have been converted to non-forestland use.</i>	<i>Reviewed 2010-2019 10 year even aged harvest plans, 2016 MCTC Harvest Schedule and production report from Jan. 1-Dec. 31, 2015, GIS and soils maps.</i> MCTC has not converted forest lands to other uses.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 2. Forest Health and Productivity To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, afforestation, minimized chemical use, soil conservation, and protecting forests from damaging agents.	<i>Performance Measure 2.1 Program Participants shall promptly reforest after final harvest.</i>	<i>Evidence: Interviews with silviculture foresters, review of Timber Harvesting Plans (THPs) and Stocking Reports, and site visits to completed harvesting units.</i> MCTC utilizes multiple silviculture systems (commercial thinning, shelter wood and seed trees with natural regeneration). Harvest units that are clear cut at final harvest are planted to meet stocking standards. Stocking surveys are completed within five years of harvest.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.2 Program Participants shall minimize chemical use required to achieve management objectives while protecting employees, neighbors, the public and the environment, including wildlife and aquatic habitats.</i>	<i>Evidence: Interviews with silviculture foresters, review of THPs and site visits to planting units. Pesticide Inventory 2016.</i> MCTC's licensed regeneration forester prescribes appropriate herbicide formulations based on need and permitting requirements. All herbicide application is ground based and targeted and in accordance with State pesticide laws and regulations which include notifications, permits/licensing, chemical storage and signage, and meeting application requirements. MCTC has been using the results of the Sierra Cascade Intensive Forest Management Research Coop in addition to its own trials to reduce chemical use across its lands. MCTC is not currently using WHO Type 1a/b listed pesticides. MCTC has found that in certain circumstances integrated pest management is not effective and it is

		<p>necessary to use strychnine to control pest species. A variance from the certification body will likely be pursued.</p> <p>MCTC does not use pesticides banned under the Stockholm Convention on Persistent Organic Pollutants (2001)</p>
	<p>No Nonconformities were identified related to this performance measure. Opportunities for Improvement include:</p> <ul style="list-style-type: none"> • MCTC could consider identifying listed chemicals in its inventory and maintaining inventory records for previous years to track any changes from year to year. • MCTC could consider creating and documenting a procedure for the use of listed chemicals where no other viable alternatives are available. • A variance for the use of listed chemicals should be requested from the Certification Body, PwC 	
	<p><i>Performance Measure 2.3 Program Participants shall implement forest management practices to protect and maintain forest and soil productivity.</i></p>	<p><i>Evidence: Review of THPs, GIS, soil maps. Interviews with silviculture foresters. Site visits to harvesting units.</i></p> <p>During harvest planning Erosion hazard is determined based based on slope, soil type and veg cover. Erosion hazard determines riparian management and harvesting system. In addition to clear cut, MCTC uses a variety of partial harvesting techniques including shelter wood and seed tree removals where advanced regeneration is conserved during harvest. MCTC uses existing skid trails and roads where available and new skid trails on steep slopes and roads are designated by the forester. All soils and erosion hazards are described in the THP which is approved by CalFire.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 2.4 Program Participants shall manage so as to protect forests from damaging agents, such as environmentally or economically undesirable wildfire, pests, diseases, and invasive exotic plants and animals, to maintain and improve long-term forest health, productivity, and economic viability.</i></p>	<p><i>Evidence: Interviews with Silviculture Forester and Wildlife Biologist. Review of THPs and documents. Site visits to harvesting and silviculture units,</i></p> <p>Annual aerial surveys and/or road surveys are used to monitor insect and disease damage. Insect infestations, wind throw and disease outbreaks are noted for salvage opportunities. Re-entry into each management area on a 5 to 10 year cycle ensures that forest health monitoring, road maintenance and implementation of silvicultural activities are carried out.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 2.5 Program Participants</i></p>	<p><i>Evidence: Interview with Silviculture Forester. Review of THPs and documents. Site visits to harvesting and</i></p>

	<i>that deploy improved planting stock, including varietal seedlings, shall use best scientific methods.</i>	<i>silviculture units</i> MCTC is involved in tree improvement Co-ops with the USFS and other industrial land owners. Testing of improved planting stock is ongoing following jointly accepted methods. MCTC maintains one progeny site on its land.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 3. Protection and Maintenance of Water Resources To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.	<i>Performance Measure 3.1 Program Participants shall meet or exceed all applicable federal, provincial, state and local water quality laws, and meet or exceed best management practices developed under Canadian or U.S. Environmental Protection Agency – approved water quality programs.</i>	<i>Evidence: Interview with Planning Foresters, Review of THP, Contracts, Inspection Checklists, GIS, soils maps, 2016 roads budget, storm patrol maps. Site visits to harvesting and road projects.</i> Logging, road construction and silviculture contracts specify full compliance with all applicable laws and regulations including the Fish and Game Code, water quality protection laws, California Forest Practice Act/Rules, and labor and safety laws. For MCTC’s timberlands, THPs written by Registered Professional Foresters document water quality and riparian protection prescriptions based upon pre-field research and field reconnaissance. Approved THPs have been determined to be in compliance with the California Environmental Quality Act and the Water Quality Control Plan for the North Coast Region Contracts for all phases of work include requirements for compliance with state laws and Federal regulations and BMPs MCTC requires the use of Qualified Logging Professionals. Sufficient inventory is maintained at the mill to avoid harvesting in wet weather conditions.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 3.2 Program Participants shall implement water, wetland and riparian protection measures based on soil type, terrain, vegetation, ecological function, harvesting system, state best management practices (BMPs), provincial guidelines and other applicable factors.</i>	<i>Evidence: Interview with Planning Foresters, Review of THP, Contracts, Inspection Checklists, GIS, soils maps, 2016 roads budget, storm patrol maps. Site visits to harvesting and road projects. Wet weather policy.</i> The Timber Harvesting Plan includes measures for protection of water resources. Erosion hazard ratings are determined based on slope, soil type and veg cover. Erosion hazard determines riparian management and harvesting system. Wet weather and winter operating plans are detailed in each THP. Activities within riparian zones are mitigated through the use of sediment fences, vegetation filter zones, straw bales, geotextile fabric, grass seeding and mulching, rock

		<p>rip-rap, road approach surface rocking, and/or erosion control blankets. Permanent crossings are designed to provide appropriate debris passage and structure protection such as the use of over-sized culverts, flared or beveled end-sections on culverts, and/or trash racks at the entrance to culverts.</p> <p>Formal inspections are completed and documented by MCTC personnel.</p>
	<p>No Nonconformities were identified related to this performance measure. Opportunities for improvement were identified related to:</p> <ul style="list-style-type: none"> • digitizing storm event maps produced during TPC’s flood and heavy storm road surveys, so they can be used in Avenza to better document survey findings; and, • requiring contractors to have spill kits on site and associated with equipment where there is a risk of a spill. 	
<p>Objective 4. Conservation of Biological Diversity To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand-and landscape-level measures that promote a diversity of types of habitat and successful stages, and the conservation of forest plants and animals, including aquatic species, as well as threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.</p>	<p><i>Performance Measure 4.1 Program Participants shall conserve biological diversity.</i></p>	<p><i>Evidence: Interview with Wildlife Biologist. Review of Wildlife Management Plans, GIS, Noxious weeds policy. Site visits to harvesting units.</i></p> <p>MCTC has a land classification system associated with its Multi Resource Inventory program that stratifies lands by vegetation type, soils type, Wildlife Habitat Relationship types, harvest history and silvicultural operations history. This information is kept in the GIS and is maintained on an annual basis by MCTC staff. Snag and woody debris estimates are recorded as well as understory and overstory vegetation species, habitat structural elements and animal usage indicators.</p> <p>MCTC has implemented a number of wildlife management and monitoring programs that include: maintaining a GIS system with habitat classifications related to the Wildlife Habitat Relationships types; use of the California Natural Diversity Data Base; development of a Spotted Owl management plan; and a program for protecting hardwood communities. THPs include a provision for 2% to be retained as a Bio-forestry area, targeting snags, wildlife trees, and coarse woody debris. MCTC’s Bio-forestry Program is informed by research and provides guidelines for in-stand retention to improve habitat.</p>

	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 4.2 Program Participants shall protect threatened and endangered species, Forests with Exceptional Conservation Values (FECV) and old-growth forests.</i>	<i>Evidence: Interview with Wildlife Biologist. Review of Wildlife Management Plans, GIS, Noxious weeds policy. Site visits to harvesting units.</i> Critically imperiled and imperiled species on MCTC's timberlands are located using the California Natural Diversity Data Base (CNDDDB). The CNDDDB is used by forestry staff to determine the presence of any known listed species, including state and federal threatened or endangered fish, animals and plants. The CNDDDB is maintained and updated by the California Department of Fish and Wildlife and includes terrestrial, aquatic and plant species. Old Growth or late successional forests are identified per the definition within the California Forest Practice Rules and protected according to those regulations Measures are defined in wildlife management plans and implemented in the THP to protect threatened or endangered species and areas of conservation value.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 4.3 Program Participants shall manage ecologically important sites in a manner that takes into account their unique qualities.</i>	<i>Evidence: Interview with Wildlife Biologist. Review of arch surveys in THPs, GIS. Site visits to harvesting units</i> MCTC completes archaeology and natural heritage surveys in the development of the THP. Ecologically important sites are identified in the THP. The state reviews THP submissions and will notify MCTC if additional arch sites or ecologically significant are present and must be protected.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 4.4 Program Participants shall apply knowledge gained through research, science, technology, and field experience to manage wildlife habitat and contribute to the conservation of biological diversity.</i>	<i>Evidence: Interview with Wildlife Biologist. Reviewed Wildlife Management Plans and Wildlife Research Initiatives.</i> MCTC has developed wildlife management plans that are informed through research, science and field experience. MCTC participates in wildlife research studies, which contribute to forest management planning and conservation measures.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 5.	<i>Performance Measure 5.1</i>	<i>Evidence: Interviews with Planning Forester, Review of</i>

<p>Management of Visual Quality and Recreational Benefits To manage the visual impact of forest operations and provide recreational opportunities for the public.</p>	<p><i>Program Participants shall manage the impact of harvesting on visual quality.</i></p>	<p><i>THPs and GIS.</i></p> <p>Timber Harvest Plans are required by the California Forest Practices Act to document on site and cumulative visual quality concerns and mitigation measures based upon pre-field research and field reconnaissance.</p> <p>Visual objectives are recognized and implemented during site preparation and pre-commercial thinning activities where slash is treated along public roads adjacent to the project area.</p> <p>Silvicultural prescriptions are modified to accomplish visual objectives where significant numbers of people can view the timber operation at distances of less than three miles according to the California Forest Practice Rules.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 5.2 Program Participants shall manage the size, shape and placement of clear-cut harvests.</i></p>	<p><i>Evidence: Interviews with Planning Forester, Review of THPs , SFI Annual Report</i></p> <p>MCTC complies with the California Forest Practice Rules which require that regeneration harvest of even aged management areas be limited to 20 acres for tractor yarding and 30 acres for aerial or cable yarding. The California Forest Practice Rules also require that, at a minimum, even aged regeneration units within an ownership be separated by a logical logging unit that is at least as large as the area being harvested or 20 acres, whichever is less, and shall be separated by at least 300 feet in all directions.</p> <p>In 2015, 581 acres was harvested in 32 units with an average opening size of 18 acres. In the same period, there was 68 acres of selective harvesting (seed tree and shelter wood).</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 5.3 Program Participants shall adopt a green-up requirement or alternative methods that provide for visual quality.</i></p>	<p><i>Evidence: Interviews with Planning Forester, Review of THPs , SFI Annual Report</i></p> <p>MCTC complies with requirements for even aged regeneration, that units must have an approved report of stocking, and the dominant and codominant trees average at least five feet tall, or at least five years of age from the timber of establishment on the site. If these standards are to be met with trees that were present at the time of the harvest, there shall be an interval of not less than five years following the completion of operations before adjacent even aged management may occur.</p>

	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.4 Program Participants shall support and promote recreational opportunities for the public.</i>	<i>Evidence: Interviews with Planning Forester. Site visits to proposed Pacific Crest Trail Land Sale.</i> Vehicles can access MCTC lands where safe and practicable. All MCTC lands are open to non-mechanical access.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 6. Protection of Special Sites To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.	<i>Performance Measure 6.1 Program Participants shall identify special sites and manage them in a manner appropriate for their unique features.</i>	<i>Evidence: Interviews with Wildlife Biologist and Planning Forester. Review of THP. Site visits to harvesting units.</i> MCTC completes archaeology and natural heritage surveys in the development of the THP. Ecologically important sites are identified in the THP and management actions are prescribed. The state reviews THP submissions and will notify MCTC if additional arch sites or ecologically significant are present and must be protected.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 7. Efficient Use of Fiber Resources To minimize waste and ensure the efficient use of fiber resources.	<i>Performance Measure 7.1 Program Participants shall employ appropriate forest harvesting technology and in-woods manufacturing processes and practices to minimize waste and ensure efficient utilization of harvested trees, where consistent with other SFI 2015-2019 Forest Management Standard Objectives.</i>	<i>Evidence: Interviews with Planning Foresters, review of harvest inspection reports, site visits to biomass chipping at harvesting units.</i> Harvesting systems and “in-woods” manufacturing processes are prescribed to minimize waste and ensure efficient utilization of trees harvested consistent with other objectives. MCTC foresters work with log buyers and inter-company mill managers to determine optimum log and chip utilization specifications before logging operations begin.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 8. Recognize and Respect Indigenous Peoples’ Rights To recognize and respect Indigenous Peoples’ rights and traditional knowledge.	<i>Performance Measure 8.1 Program Participants shall recognize and respect Indigenous Peoples’ rights.</i>	<i>Evidence: Reviewed TPC/MCTC Environmental Management System Policies and Procedures</i> MCTC’s policies state that: "It is the policy of Michigan-California Timber Company To recognize and respect Indigenous Peoples’ rights and traditional knowledge."
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 8.2 Program Participants</i>	<i>Evidence:</i>

	<i>with forest management responsibilities on public lands shall confer with affected Indigenous Peoples with respect to sustainable forest management practices.</i>	Not applicable. MCTC does not have forest management responsibilities on public land.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 8.3 Program Participants are encourage to communicate with and shall respond to local Indigenous Peoples with respect to sustainable forest management practices on their private lands.</i>	<i>Evidence: Reviewed TPC/MCTC Environmental Management System Policies and Procedures</i> MCTC's foresters conduct an archaeological records check with the State Information Center to discern all known sites for all Timber Harvest Plan, Emergency Notice, and Fuel Hazard Reduction Thinning projects. MCTC's foresters notify local Native American Tribes of the location of Timber Harvest Plan, Emergency Notice, and Fuel Hazard Reduction Thinning projects and request information regarding the known occurrence of archaeological sites. Any inquiries and concerns received from Indigenous Peoples are assigned by the Timber Manager to the appropriate MCTC staff person and a response prepared by MCTC.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 9. Legal and Regulatory Compliance To comply with applicable federal, provincial, state, and local laws and regulations.	<i>Performance Measure 9.1 Program Participants shall comply with applicable federal, provincial state and local forestry and related social and environmental laws and regulations.</i>	<i>Evidence: Reviewed Harvesting Contracts, Inspection Reports, and Interviews with loggers and State stumpage inspector.</i> MCTC staff are familiar with legislative and regulatory requirements. The THP is designed to ensure compliance with requirements. MCTC conducts regular inspections of its operations. At the time of the audit there were no known issues of non-compliance related to forest management activities.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 9.2 Program Participants shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which the Program Participant operates.</i>	<i>Evidence: Reviewed TPC/MCTC Environmental Management System Policies and Procedures</i> MCTC abides by all federal, state and local laws and ordinances relating to civil rights, equal employment opportunities, anti-discrimination and anti-harassment, workers' compensation, indigenous peoples rights, workers' and communities right to know, prevailing wages, worker's rights to organize, and occupational health and safety. MCTC respects the rights of workers and labor representatives encompassing the intent of the International Labor Organization core conventions.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

	performance measure.	
<p>Objective 10. Forestry Research, Science and Technology</p> <p>To invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.</p>	<p><i>Performance Measure 10.1</i></p> <p><i>Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners provide in-kind support or funding for forest research to improve forest health, productivity and sustainable management of forest resources, and the environmental benefits and performance of forest products.</i></p>	<p><i>Evidence: Record of financial contributions, SFI Annual Report</i></p> <p>MCTC contributes to a number of organizations which support sustainable forestry research, education and outreach, including: the California SIC, Southern Oregon Timber Industries Association, the Sierra Cascade Logging Conference, the Klamath Alliance for Resources and the Environment, the California Forestry Association, the California Licensed Foresters Association, and the Sierra Regeneration Co-op. MCTC annually reviews it's program and commitments under the SFI Standard</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 10.2</i></p> <p><i>Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners – develop or use state, provincial or regional analyses in support of their sustainable forestry programs.</i></p>	<p><i>Evidence: Interviews with Forester.</i></p> <p>MCTC's Lead Planning Forester is the Chair of California SIC. MCTC also contributes to National Council for Air and Stream Improvement (NCASI).</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 10.3</i></p> <p><i>Program Participants shall – individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners – broaden the awareness of climate change impacts on forests, wildlife and</i></p>	<p><i>Evidence: Timber Harvesting Plants. Conference Agenda</i></p> <p>MCTC supports NCASI, which provides information on climate change impacts through webinars to members. MCTC's harvesting plans evaluate the overall contribution of each harvest unit to climate change by conducting a simple GHG calculation.</p>

	<i>biological diversity.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<p>Objective 11. Training and Education</p> <p>To improve the implementation of sustainable forestry practices through appropriate training and education programs.</p>	<p><i>Performance Measure 11.1</i></p> <p><i>Program Participants shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Forest Management Standard.</i></p>	<p><i>Evidence: Training records in annual continual improvement report to management. Contractor registration with State QLP programs.</i></p> <p>MCTC personnel undertake regular training relevant to their roles and responsibilities under the Standard.</p> <p>Contractors receive regular training through State logger certification programs.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 11.2</i></p> <p><i>Program Participants shall work – individually and/or with SFI Implementation Committees, logging or forestry associations, or appropriate agencies or others in the forestry community – to foster improvement in the professionalism of wood producers.</i></p>	<p><i>Evidence: Interviews with Forester.</i></p> <p>MCTC’s Lead Planning Forester has been the Chair of California SIC since 2014. The California SIC has been working on defining QLP requirements and lobbying Cal Fire to provide summaries of violations and inspection reports.</p> <p>California SIC definition of QLP is ProLogger (Association of California Loggers) and Certified Logger (Loggers Association of Northern California). Both accreditations include continuing education related to safety and sustainable forestry.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<p>Objective 12. Community Involvement and Landowner Outreach</p> <p>To broaden the practice of sustainable forestry through public outreach, education and involvement, and to support the efforts of SFI Implementation Committees.</p>	<p><i>Performance Measure 12.1</i></p> <p><i>Program Participants shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, Indigenous Peoples and governments, community groups, sporting organizations, labor, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to</i></p>	<p><i>Evidence: Interviews with Forester. Record of financial contributions, SFI Annual Report. Documents and field inspection of Black Butte Conservation Easement.</i></p> <p>MCTC has made significant financial contributions to a number of agencies and research organizations.</p> <p>MCTC is currently negotiating the Black Butte Working Forest Conservation Easement with Pacific Forest Trust.</p>

	<i>apply principles of sustainable forest management.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 12.2 Program Participants shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.</i>	<i>Evidence: Interviews with Timber Manager. Board members for California Forest Foundation.</i> Examples include support for KARE efforts, public tours, high school educational efforts etc. MCTC's Timber Manager is a Board Member of California Forest Foundation (www.calforestfoundation.org)
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 12.3 Program Participants shall establish at the state, provincial or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other Program Participants regarding practices that appear inconsistent with the SFI 2015-2019 Forest Management Standard principles and objectives.</i>	<i>Evidence: Reviewed CA SIC Website.</i> The California SIC has a hotline number and email on their website. Currently any complaints are delivered to MCTC Forester who is the Chair of the SIC. http://www.caltreefarm.com/California-SFI-Implementation.html
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 13. Public Land Management Responsibilities To participate and implement sustainable forest management on public lands.	<i>Performance Measure 13.1 Program Participants with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.</i>	<i>Evidence:</i> Not applicable. MCTC does not manage public lands.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 14. Communications and Public	<i>Performance Measure 14.1 A Program Participant</i>	<i>Evidence: Audit Report, SFI Public Summary Report.</i> PwC prepares an annual SFI audit report. The SFI Public

<p>Reporting To increase transparency and to annually report progress on conformance with the SFI 2015-2019 Forest Management Standard.</p>	<p><i>shall provide a summary audit report, prepared by the certification body, to SFI Inc. after the successful completion of a certification, recertification or surveillance audit to the SFI 2015-2019 Forest Management Standard.</i></p>	<p>Summary is submitted annually.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 14.2 Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Forest Management Standard.</i></p>	<p><i>Evidence: 2016 Annual SFI Report and correspondence from SFI.</i></p> <p>MCTC has rigorous processes for summarizing required information for the annual report. MCTC submits their report to SFI annually and on time.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 15. Management Review and Continual Improvement To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.</p>	<p><i>Performance Measure 15.1 Program Participants shall establish a management review system to examine findings and progress in implementing the SFI 2015-2019 Forest Management Standard, to make appropriate improvements in programs, and to inform their employees of changes.</i></p>	<p><i>Evidence: Reviewed MCTC's Annual Management Review</i></p> <p>MCTC completes an annual management review which is submitted to upper management. Management discusses results with MCTC's personnel who implement any necessary changes for continual improvement.</p>

Specific Good management practices are noted below:

- MCTC has invested substantial time and energy in two conservation projects which will benefit recreationalists in their forest management area. The first is the Black Butte Working Forest project which aims to capture conservation benefits while retaining options for MCTC to manage forests in the area under a reduced harvest level. The second is the Trinity Divide-Pacific Crest Trail project which proposes a sale of 10,589 acres to the US Forest Service which include 17 miles of Pacific Crest Trail and substantial recreational opportunity to access mountain lakes and other historical trails in Siskiyou County.
- MCTC has been successful in lobbying CalFire to grant forest land owners in CA Forest Fire Prevention Thinning Exemptions and harvested 54% of the acreage cut in this program since its inception in February, 2015. Approximately 75% of these projects have been in the wildland-urban interface in the area.

- MCTC/TPC have been keen advocates in supporting the continued production of “green” power from electricity plants powered by biomass in Northern California and are working with these companies to keep sending feedstock from their fee lands and stumpage sales the company has purchased.

Conclusion

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Forest Management Standard [2015-2019]. The certificate can be can be obtained by contacting Chris Quirnbach of MCTC at (1-530-842-2310 x1238). More information on MCTC’s sustainable forestry program can be found at: www.timberproducts.com