

Green Diamond Resource Company

Socio-Economic Monitoring Results

September 2015

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 2014 and 2015 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.
- Scholarships – Eight Mark E. Reed Scholarships, totaling \$24,000 annually, were awarded to college bound students that applied competitively in 2014 and 2015.

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 – 2014

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.

	Employees
January	190
February	190
March	190
April	210
May	210
June	210
July	196
August	196
September	196
October	187
November	187
December	187

**Green Diamond Resource Company
Annual Safety Training Course Summary Report – 2014
California Timberlands**

Safety Training Course
Accident Signs
ATV Training
Battery Handling/Storage
Blood borne Pathogens
Chain Saws
Code of Conduct
Cranes and Hoists
Demonstration Policy
Emergency Action Plan
Excavation/Trenching/Shoring
Fall Protection
Portable Fire Extinguishers
Fire Prevention Plan
Forklift
First Aid
Oxygen/Fuel Gas Supply Equip.
Heat Stress
Hazard Communications
Hearing Protection
Heat Stress Annual
Injury and Illness Prevention
Lock Out Tag Out
Naturally Occurring Asbestos
Nat Occurring Asbestos Yearly
Non-Supervisor HR
Power Presses
Pesticides/Herbicides
Personal Protective Equipment
SFI Training/HCP/FFR
Spill Prevention & Control
Supervisor HR Compliance
DOT Supervisors Drug & Alcohol
Vehicle Policy

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:

- On September 11, 2015, the Company held its 16th annual Day in the Forest tour for members of the community. Evaluations are requested from participants and feedback is considered in the development of future Days in the Forest.
- The Company contributed significantly to the 2015 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.
- The Company participated in the 2015 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.
- The Company provided field learning opportunities for HSU students by providing tours to various parts of the timberland property including active operations. Multiple field trips were conducted including classes from the geography and forestry departments
- Numerous school and community group tours were conducted.
- Administered the Mark E Reed Scholarship program for local students. Providing eight students with scholarships.

Employee Involvement with Local Non-profit 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.

Membership in other 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, Rotary Club of Arcata, Rotary Club of Mad River, Rotary Club of Fortuna Sunrise, 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.

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

1. The company received a call about potentially unsafe driving by a log truck. The area manager and all appropriate departments were instructed to remind all drivers to be safe and courteous. A Company employee was assigned to monitor the driving speed of log trucks in the vicinity of the complaint. The area Manager followed up with the community member and informed him of the actions taken. The community member was pleased with our response and no further follow up was warranted.
2. An adjacent landowner contacted a roads supervisor about concerns of ruts in the muddy road caused by logging trucks. The roads supervisor had a contractor lay a layer of crushed rock in the road and filled in the ruts. The landowner made direct contact with the contractor and was very pleased with Green Diamond's immediate response. No further follow up was warranted.
3. An adjacent landowner contacted Green Diamond because a window in the person's house had been shot out by a bullet that had come from the direction of Green Diamond property. Company security personnel launched a joint investigation with the Humboldt County Sheriff's Department and determined that trespassers had entered Company property illegally and were shooting in an unsafe direction. The area was posted with additional "No Trespassing" signs at possible access points and was patrolled more heavily by Company security personnel.

Interactions with Local Elected/Appointed Officials

Green Diamond representatives frequently attended Humboldt County Board of Supervisors meetings. Company representatives also meet with individual elected officials including members of the California State Assembly and Senate, and members of the U.S. Congress, elected officials and other community entities. The goals outlined below were met:

- Attend at least one meeting of Humboldt County and Del Norte County Board of Supervisors
- Meet with members of the Humboldt and Del Norte County Board of Supervisors
- Meet with the Congressional representative for Humboldt/Del Norte County
- Meet with the State Senate representative for Humboldt/Del Norte County

- Meet with the State Assembly representative for Humboldt/Del Norte County

Input from these individuals is considered and integrated as appropriate on an ongoing basis. This is the function of the Company's Manager of Forest Policy and Communications.

Public Input and Input Regarding Management Practices

In order to inform the public and seek local public input on Green Diamond forest management and community activities, a second facilitated stakeholder meeting was conducted in Del Norte County on August 20, 2015. Notes from the 2014 and 2015 Stakeholder Outreach Meetings will be analyzed to identify any trends so that Managers can take appropriate actions

Additional public input opportunities are provided through the Green Diamond internet site. This site includes the Forest Management Plan and monitoring data and an option for public input.

Monitoring Traditional and Social Media

Green Diamond continues to monitor local, regional and state-wide papers in addition to web sites and blogs for stories of local interest and stories of broader coverage. This media monitoring identifies stories that may directly involve Green Diamond and trends that involve broader forestry issues. Stories of interest are forwarded to managers.

Generally, the Company tracks forest management trends in California and along the west coast. Additionally, the Company tracks public opinion about forest management. The Company has noticed a trend of general public interest regarding clearcutting and climate change. These issues are discussed by upper management and considered when developing management decisions.

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.

In December 2013, Green Diamond completed the sale of 8,496 acres of timberlands in Pecwan Creek and Blue Creek to Western Rivers Conservancy, which will be transferred to the Yurok Tribe in the future. In March 2015, Green Diamond completed the sale of an additional 6,489 acres of timberlands in Blue Creek and Bear Creek to Western Rivers Conservancy, which will also be transferred to the Yurok Tribe in the future. In 2016 Green Diamond plans to sell an additional 748 acres in Blue Creek that will also eventually be transferred to the Yurok Tribe. These land purchases will further Yurok goals of re-establishing ownership of lands within their reservation and indigenous territory and implementing a sustainable forestry program managed by the Tribe.

Also, four representatives from three tribal communities that are closely associated with the California Timberlands were invited to the facilitated 2014 stakeholder outreach meeting. Two Tribal representatives attended the 2015 stakeholder outreach meeting in Del Norte County. A meeting was also held with a representative of the Blue Lake Rancheria.

Company personnel have had a variety of meetings with tribal members throughout the year.

The Company granted access to the Yurok Tribe for wildlife research and to install fish habitat enhancement structures in streams on Company property.