



**BUREAU  
VERITAS**

**Bureau Veritas Certification  
North America, Inc.  
SFI Forest Management Audit Report**

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PQC Code	E01E
Contract Number	US.1966165

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	3	Scope extension audit:	
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**Audit Summary**

**Introduction**

A surveillance audit of Louisiana Pacific Corporation’s (LP) forest management program was conducted over a three-month period (September - November) in 2018. Brian Callaghan RPF EP(EMSLA) lead the audit and was supported by Paul Chenard. Mr. Callaghan is a registered professional forester and certified environmental auditor with 30 years of experience in forest planning, operations and analysis. Mr. Callaghan has been auditing SFI forest management certificates for more than 15 years for clients in both Canada and the United States. Ms. Stangell is a certified forester with more than 20 years managing forest lands for industrial owners in the Pacific Northwest.

**Audit Scope, Objectives and Process**

The scope of the audit was “Forest management activities on all company held and managed crown licenses in Canada”. The objective was verifying the effectiveness and conformance of Louisiana Pacific Corporation’s forest management to the Requirements of the SFI 2015-2015 Standard and Rules. The audit consisted of a thorough review of documents and a review of the implementation of policies, programs and plans in the field. Prior to the audit, the auditor selected field sites to be sampled at each location based on all management operations and activities conducted over the past 12 months.

**Audit Plan**

An audit plan was prepared which covered the forest management audit as well as the fiber sourcing and chain of custody audits which occurred at the same time. The audit plan was provided to the client prior to the start of the audit. The plan identified the various activities which each auditor would carry out at each Company facility. Mr. Chenard performed the audit in Miniwaki Quebec September 10-12. Mr. Callaghan undertook the audit in Swan Rive Manitoba September 19-21 and the Headquarters audit Nashville November 13 and 14. A copy of the audit plan is on file at the Bureau Veritas Certification office in Houston Texas.

During this surveillance audit Objectives 1, 2, 3, 9, 10, 11, 12, 14 and 15 were audited including all Performance Measures and Indicators which were verified through a review of documents and field verification of sites to meet the intent of the SFI 2015-2019 Forest Management Standard. The

Louisiana Pacific Corporation Forest Management System Handbook, office documents, records, field files and interviews were used to verify conformance. A debriefing was conducted at the end of the day by the lead auditor.

A representative sample of forest management operations and activities was selected for site visits at both the Maniwaki and Swan River sites. Field files for each site were reviewed and used to determine overall effectiveness of the management planning process, harvesting and silviculture activities and BMP monitoring and compliance.

### Company Information

Louisiana Pacific Corporation is a leading manufacturer of high quality building products. LP Building Products manufactures LP Solid Start Engineered Wood Products such as Laminated Strand Lumber (LSL), Laminated Veneer Lumber (LVL), Oriented Strand Board (OSB), Siding, I-Joists and Rim Board. Products are used primarily in new construction, repair and remodeling, and manufactured housing. LP operates production facilities in the U.S., Canada and South America.

Forest Management operations at LP’s Maniwaki Quebec and Swan River Manitoba operations were the focus of this audit. LP manages the lands in both in accordance with provincial laws and regulations. The Maniwaki license covers 985,444 hectares of forest in the Outaouais region of Quebec. The Swan River license covers 2,079,262 hectares of boreal forest in the western Manitoba.

### Multi-Site Requirements

Louisiana Pacific Corporation maintains a multi-site certification consisting of headquarters and facilities throughout the U.S. and Canada which include forest management and fiber sourcing. Headquarters for all management systems is in Nashville, Tennessee. The company qualifies as a multi-site certification since the management system is controlled and directed by the central office. There is one set of procedures that applies to the entire system, and the SFI manager is the sole person responsible for maintaining the procedures. Individual sites are responsible for conforming to the company’s SFI program, and for providing corrective actions to the SFI manager when necessary. The company has a good, reliable internal audit program and monitoring system carried out at headquarters to determine conformance at facilities or sites and to implement corrective actions when appropriate. There is good coordination and communication between the central office and each site. Internal audits were conducted at all sites within the last year and a management review was conducted on June 6, 2018 in Calgary, AB. Louisiana Pacific Corporation meets all multi-site requirements.

Sites covered during the renewal audit were selected based on a randomized schedule developed by Bureau Veritas Certification at the time of renewal. The two sites audited this year were Swan River Manitoba and Maniwaki Quebec. The Nashville, TN headquarters office is audited annually.

Multi-Site	✓	Group Certification	
<b>Sites</b>		<b>Sites Audited During this Event</b>	
Nashville - HQ		✓	
Golden British Columbia - 552,892 ha			
Malakwa, British Columbia - 137,719 ha			
Dawson Creek, British Columbia -1,278,069 ha			
Maniwaki, Quebec - 578,744 ha		✓	
Swan River, Manitoba - 2,355,168 ha		✓	

## **Audit Results**

During the forest management audit, a total of 12 field sites (7 in Swan River and 5 in Maniwaki) were reviewed including 8 aspen clear cuts, 8 mixedwood clear cuts, a variety of streamside buffers, 3 road decommissioning's, and several visual management areas. The majority of the sites had multiple forestry activities such as access development, harvesting, debris management, forest renewal and tending activities. Two active harvest sites were inspected. All forestry staff working on the sites were available for the audit. All contractors involved were trained and current with their training requirements. Louisiana Pacific provides training to all their logging and road building contractors and maintains training records. All operations/activities were found to be in compliance with all regulations and best management practices (BMP's).

### **Objective 1-Forest Management Planning:**

Louisiana Pacific Corporation has a very thorough management planning process that addresses all regulatory requirements and objectives of the SFI Forest Management Standard. In Manitoba the allowable cut is determined during the forest management planning process – a new plan is underway with a 2020 implementation date. The Company has licenses covering more than 2.5 million hectares with an allowable cut of more than 800,000 m<sup>3</sup> per year. Pre-Harvest Survey Reports, site plans, assessments, pre-work harvesting reports, harvest inspection reports and silviculture and land management activity tracking sheets in the field files were used to verify conformance. The LP Sustainable Forestry Management System Handbook is well documented and is updated annually. Over the past five years harvest has been below the AAC of 875,000 m<sup>3</sup> in 2017 the harvest was 395,000 m<sup>3</sup> or 45% of the allowable cut.

In Quebec, the ministère de la Forêt, Faune et Parcs du Québec (MFFP; Ministry of Forests, Wildlife and Parks) is responsible for several activities formerly carried out by the private sector concerning resource evaluation, forest management planning and forest regeneration. The current assignment of responsibilities removes Louisiana Pacific Canada Ltd. Quebec Division (LP) from several activities under the scope of the SFI Standard. However, LP remains accountable for harvesting activities in the areas allocated to the Company by the MFFP, in compliance with applicable regulations. In summary, the MFFP is responsible for the overall planning of harvesting operations, allocation of the territories and volumes to cut, as well as replanting and site restoration after harvesting. The private sector operators are responsible for the preparation and execution of harvesting activities.

### **Objective 2-Forest Health and Productivity:**

All harvest blocks have a cutblock prescription which provides a forest renewal plan that complies with government guides and directives. Regeneration standards are set by the appropriate provincial agencies. Maniwaki is in the eastern boreal forest which is dominated by stands of spruce and aspen, while Manitoba is in the central boreal and is dominated by stands of pine, aspen and spruce. In both regions LP harvests mostly aspen stands, which regenerate naturally, as was seen on numerous sites during the audit (Figure 1).



**Figure 1. Block SRR 159 a year after harvest with excellent aspen regeneration and residual standing trees.**

In both Maniwaki and Swan River forest roads were found to be well built and properly maintained. No significant soil disturbance was observed within the portions of the field sites visited. In Canada forest health programs are lead by the provincial governments. LP participates in these activities by ensuring staff are trained in fire control and pest management. Staff and contractors must have fire suppression training and contractor are required have fire equipment on site

Road decommissioning was observed at three locations during the audit. In Manitoba, roads are removed and the slopes are recontoured to match the existing slope (Figure 2).



**Figure 2. Forest access roads are decommissioned after use.**

### **Objective 3-Protection and Maintenance of Water Resources:**

Louisiana Pacific abides by provincial and national water quality regulations. They have procedures in place to prevent negative impacts through proper layout of roads and harvest areas along with regular inspections. In both Manitoba and Quebec legislation and regulations are in place which contain specific requirements on forest activities and are considered to equate to Best Management Practices (BMP's). Procedures are driven by regulation. Contracts specify that the contractor must comply with all applicable federal, provincial and municipal laws and regulations. Requirements for BMP compliance are also stated in the harvesting and silviculture agreements. Louisiana Pacific has procedures in place to address wet-weather events. Regular site inspections are undertaken and documented in inspection reports for all areas they operate on.

Forest management plans contains riparian management guidelines for forest operations. Riparian area protection buffers are designated and marked in the field. Locations are recorded and mapped using GPS on the harvest maps. Machine operators have tablets that are uploaded with the maps that show the machine location in relation to the boundary. Non-forested wetlands are identified in their GIS layers and are required to be protected by law.

During the audit two bridges were inspected, both were well constructed and properly sized for the rivers they crossed. Three temporary crossing were inspected after removal and all were effectively implemented. Several road rehabilitations were also inspected and all the water crossing removals they included were effectively completed. All water crossings observed during the audit were found to be functioning properly and of sound construction

**Objective 4-Conservation of Biological Diversity:**

Not audited

**Objective 5-Management of Visual Quality and Recreational Benefits:**

Not audited

**Objective 6-Protection of Special Sites:**

In both Manitoba and Quebec there are extensive areas of protected Crown forests where management is precluded. The Company has a policy and operating procedure for managing special sites. Cultural heritage data and species at risk data is used to assess harvest areas to determine if special sites are present. If found such sites are catalogued and protected.

**Objective 7-Efficient Use of Fiber Resources:**

Not audited

**Objective 8: Recognize and Respect Indigenous People's Rights:**

In Manitoba, the Swan River operations extend over a large area of west-central Manitoba and Eastern Saskatchewan where they come in contact with 34 indigenous and northern communities. The Company has an extensive outreach program which was evident from examining the community contact logs being kept and the variety of presentations they have made. To improve the effectiveness of their communications and community outreach LP has retained a consultant to work with First Nations' communities on their behalf. Archeological surveys are conducted on road construction projects to identify and assess cultural heritage sites. LP sponsors and assists in a variety of community projects with the First Nations. Participation varies amongst communities but it is increasing in response to LP's efforts.

**Objective 9-Legal and Regulatory Compliance:**

Company staff have access to all relevant laws and regulations. Each location has a SFI Handbook which contains a complete list of regulations that apply to their operations with website listings. Relevant laws and regulations are stated in all contracts and purchase agreements. There have been no violations issued by the BC Ministry against LP during the audit period. Any issues with operations that arise are documented in Report of Corrective Action. LP utilizes site visits and follows BMP procedures to ensure compliance. These visits and checklists note compliance with laws and regulations.

LP Corp is a responsible employer and business venture. They employ a Code of Business Conduct to guide all their relationships. The Company provides a full range of benefits and rights to its employees. It contracts responsible suppliers to provide service and complies with all labour laws.

**Objective 10-Forestry Research, Science and Technology:**

LP is a member of NCASI which conducts research on forest health, water quality, wildlife habitat, climate change, etc. NCASI recently assembled information on Climate Change and prepared a presentation that was made available to LP personnel on Climate Change and its effects on Forest,

Wildlife and Biodiversity. A Q & A fact sheet was then prepared and distributed to LP Staff. LP contributed to an Auburn study on the effects of wet decking logs (moisture content and geometry). LP support ten FIA projects in Canada providing funding and sites for study. Staff at all locations actively participated in SFI implementation committees which discuss BMP practices, growth modeling, regeneration, etc.

**Objective 11-Training and Education:**

Louisiana Pacific has a Training Policy which presents the Company's commitment to staff and corrector training. LP Canada has developed their own program for their logging and road building contractors. LP has an extensive training matrix to keep track of training topics and when it was given. LP maintains a list and tracks training all of suppliers and contractors

**Objective 12-Community Involvement and Landowner Outreach:**

Louisiana Pacific is active in all the communities it has facilities in. Forestry staff in most locales make presentations to schools and community groups. The Company supports a range of charities such as the American Heart Assoc., The Wounded Warrior Project, Pencil Box (provide school supplies), and Habitat for Humanity

The Company is active in SFI implementation committees in all the states and provinces it has facilities. Louisiana Pacific staff are active participants in all SICs. Staff are active on SFI implementation committees, from program development to delivery on any number of typical issues. LP is active in SFI implementation committees for the Western Canada, Central Canada and Quebec. LP provides support and is an active participant in their SFI Implementation Committees. Several of the LP resource personnel and staff are involved on committees or have positions in the SIC. LP also contributes time and materials to various activities and projects

The company has a landowner outreach package which it distributes to private landowners and the general public.

**Objective 13: Public Land Management Responsibilities:**

Not audited

**Objective 14-Communications and Public Reporting:**

The 2017 LP Audit Report is posted on the SFI Website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit. The 2017 SFI Annual Progress Report was submitted to SFI, Inc. prior to the deadline.

**Objective 15-Management Review:**

The internal audit and management review system is mature, fully functioning and effective. LP has a well-documented procedure for collecting information, conducting an internal audit and reporting results of all monitoring to management. An internal audit is conducted annually at each facility. A checklist is completed listing evidence for each indicator in the standard. Conformance and non-conformances are issued. A corrective action procedure is followed to remedy any non-conformances. A management review meeting is conducted annually where monitoring results are presented and discussed.

## Findings

### **Previous non-conformances:**

*None.*

### **Non-conformances:**

*None.*

### **Opportunities for Improvement:**

*None*

### **Notable Practices:**

LP has implemented a program of First Nations' involvement at Swan River, that clearly exceeds the industry norm and is becoming increasingly effective. (8.3.2)

### **Logo/label use:**

Louisiana Pacific users the SFI Trademark for promotional purposes. They seek approval from SFI Inc. before using the trademark. They do not use the Bureau Veritas trademark at this point.

### **SFI reporting:**

During this audit verification of the SFI website was consulted on September 20<sup>th</sup> to ensure that the previous audit report was submitted and posted.

## Conclusions

A closing meeting was held November 14<sup>th</sup> in the Company's corporate offices in Nashville. The lead auditor chaired the meeting and provided findings from all sites audited. The audit team found that Louisiana Pacific operates a sophisticated information system which can capture, track and store all the information requirements of the standard. The auditor recommended continued certification to the 2015-2019 SFI Forest Management standard is recommended.

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>									
Audit Date(s):		From: September 10, 2018				To: November, 14 2018			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:			
Follow-up visit remarks:									
<b>Team Leader Recommendation:</b>									
Corrective Action Plan(s) Accepted		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Proceed to/Continue Certification		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	14/11/18
All NCR's Closed		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Standard audit conducted against:									
1)	SFI 2015-2019 Forest Man.			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Brian Callaghan			2) Paul Chenard						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
<i>Forest management activities on all company held and managed crown licenses in Canada</i>									
Accreditation's		ANAB							
Number of Certificates		2							
Proposed Date for Next Audit Event									
Date	Summer 2019 – dates to be confirmed								
Audit Report Distribution									
Liliana Ramirez - liliana.ramirez@us.bureauveritas.com									
Doug Rodman – doug.rodman@lpcorp.com									

Clause	Audit Report
Opening Meeting	Participants: Paul LeBlanc, Ted Unrau, Todd Yakielashek, Keith Proctor, Doug Rodman Discussions: <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 0.</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	Participants: Doug Rodman, Matt Matwijec, Donna Kopecky, Dan Toivonen, Mike Blosser Discussions: <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformances - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>