



**BUREAU
VERITAS**

**Bureau Veritas Certification
North America, Inc.
SFI Fiber Sourcing Audit Report**

390 Benmar Drive, Suite 100
Houston, TX 77060
Phone (281) 986-1300: Toll Free (800) 937-9311

Company Name	Louisiana Pacific Corp
Contact Person	Doug Rodman
Address	414 Union Street, Suite 2000 Nashville, TN 37219-1765
Phone / Fax	Tel-615-986-5751/ Fax-866-726-6982
PQC Code	E01E
Contract Number	US.1966165

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	2	Scope extension audit:	
----------------------	--	-------------------------	--	---------------------	---	------------------------	--

Audit Summary

Introduction

A surveillance audit of Louisiana Pacific Corporation’s (LP) wood procurement program was conducted from July until October 2017, at locations across the continent. Brian Callaghan RPF EP(EMSLA) lead the audit and was supported by Julie Stangell. Mr. Callaghan is a registered professional forester and certified environmental auditor with 30 years of experience in forest planning, operations and analysis. Ms. Stengall 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 renewal audit was “Fiber Sourcing activities for company mills in Canada and the United States”. The objective was verifying the effectiveness and conformance of Louisiana Pacific wood procurement activities 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 fiber sourcing audit as well as the forest management audit 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 audit plan identified the various activities which each auditor would carry out at each Company facility. A copy of the audit plan is on file at the Bureau Veritas Certification office in Houston Texas.

Seven of the ten SFI Objectives (2, 3, 5, 6, 7, 9 and 10) including all of their Performance Measures and Indicators were all verified through a review of documents and field verification of sites to meet the intent of the SFI 2015-2019 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.

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.

This year’s audit examined fiber sourcing at five facilities: Newberry EWP, Sagola OSB, the Houlton EWP, Golden EWP and Dawson OSB to determine if operations were in conformance with the SFI standard. In total 14 recently harvested sites were visited during the audit.

Multi-Site Requirements

Louisiana Pacific Corporation maintains a multi-site certification consisting of headquarters and 18 facilities throughout the U.S. and Canada which are certified to the SFI fiber sourcing standard. 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 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, 2017. Louisiana Pacific Corporation meets all multi-site requirements.

Sites covered during this surveillance audit were selected based on a randomized schedule developed by Bureau Veritas Certification at the time of contract renewal. Five sites were audited this year for SFI Fiber Sourcing; Newberry MI, Sagola MI, Houlton MN, Golden BC, and Dawson Creek BC. The Nashville, TN headquarters office is audited annually.

Multi-Site	X	Group Certification	
Sites		Sites Audited During this Event	
Nashville HQ		X	
Hanceville OSB			
Jasper OSB			
Roxboro OSB			
Two Harbors Siding			
Peace Valley OSB			
Carthage OSB			
Hayward Siding			
Newberry Siding		X	
Sagola OSB		X	
Dawson Creek OSB		X	
Swan River OSB			
Maniwaki OSB			
Clarke County OSB			

Houlton EWP	X
Roaring River Siding	
Tomahawk Siding	
Golden EWP	X
East River Siding	

Audit Results

During the field portion of the fiber sourcing audit, a total of 14 field sites were reviewed for BMP monitoring and compliance. One site was controlled stumpage and 13 sites were gatewood sales. All operations/activities were found to be in compliance with all regulations and BMP's.

Louisiana Pacific Corporation's fiber sourcing system does a very good job of documenting BMP compliance on their wood suppliers. The Wood Supply On-Site Visit Report is well developed and documents findings of Best Management Practices (BMP) compliance and forest management activities. Site visit reports from all fiber sourcing facilities are collected and summarized annually at headquarters to provide insight on any compliance issues or areas of concern. Louisiana Pacific provides communication packets to all suppliers and maintains records of contractor training. Documentation was found to be consistent between mills and in conformance with the standard.

Objective 1-Biodiversity in Fiber Sourcing:

Not audited.

Objective 2-Adherence to Best Management Practices:

Louisiana Pacific monitors the sites where it obtains timber to ensure that they are in compliance with Best Management Practices. In order to deliver fibre to a Louisiana Pacific mill each supplier signs a timber purchase agreement which specifies training requirements and adherence to BMPs. Each supplier signs an agreement that that includes BMP requirements. LP's Timber Products Purchase Agreement (TPPAs) and supplements include the requirement for use of BMPs, trained loggers, and required signage from the supplier.

A wide variety of harvest sites were visited on the audit including aspen clear cuts, northern hardwood selection harvests, spruce and fir clear cuts and Douglas fir. All harvests were well executed with no apparent BMP issues (Figure 1).

On one site in Michigan the logger did not have a spill kit readily available. An Opportunity for Improvement has been issued to highlight the need to have spill kits and to ensure foresters are checking their availability.



Figure 1. The Wolfenden Woodlot recently harvested and promptly replanted.

Wood procurement staff at each mill plan wood supply deliveries around seasonal weather constraints by stockpiling wood in winter when everything is frozen. Most mills have both off-site and on-site storage.

Objective 3-Use of Qualified Resource and Qualified Logging Professionals:

Louisiana Pacific requires that all loggers be trained to the standard of the applicable Implementation Committee. Training includes the application of best management practices to protect soil and water quality, knowledge of species at risk and rare/threatened/endangered species, safety, and environmental protection. All suppliers must sign a Timber Products Purchase Agreement which requires loggers to be trained. All loggers interviewed were fully trained.

Objective 4-Legal and Regulatory Compliance:

Not audited.

Objective 5-Forestry Research, Science and Technology:

Louisiana Pacific 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. *Louisiana Pacific* contributed to an Auburn study on the effects of wet decking logs (moisture content and geometry). Louisiana Pacific 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 6-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 7-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 . Trees for Tomorrow, MFPC Training Programs, Young Forest Initiative, Wheels to Woods, Log-A-Load for Kids, and the Eastern Upper Peninsula Citizen's Advisory council.

Sagola participates in Western Upper Peninsula Citizen's Advisory Council, RGS Coverts, radio awareness campaign, school mill tours, and the MI State Extension Mill Tour

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 and Central Canada SICs. 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.

LP's Houlton facility's support of the Region Two School of Applied Technology Forestry Program is notable. Students are taught the basics of logging on the School's Woodlot. Through direct management of a woodlot the school is exposing students the forestry and logging professions and helping to create a next generation of loggers. Several student over the pas ten years have gone on to work in the forestry field in a variety of capacities (7.2.1).

Objective 8-Public Land Management Responsibilities:

Not Applicable – Fiber sourcing applies to private land and stumpage.

Objective 9-Communications and Public Reporting:

The 2016 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 2016 SFI Annual Progress Report was submitted to SFI, Inc. prior to the deadline.

Objective 10-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. Where necessary non-conformances are issued when standard requirements are not met. 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.

Objective 11-Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Conservation Wilderness Areas:

Not Applicable – all wood sourced in Canada and USA

Objective 12-Avoidance of Controversial Sources including Illegal Logging:

Not Applicable – all wood sourced in Canada and USA

Objective 13-Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws:

Not Applicable – all wood sourced in Canada and USA

Findings

Previous non-conformances: *None*

Non-conformances: *None*

Opportunities for Improvement:

- 1) Environmental protection would be enhanced if all contractors carried spill kits and LP staff were to verify their presences on-site (2.2.1)

Notable Practices:

- 1) LP's participation and support of the Region Two School of Applied Technology's forestry program. Through direct management of a woodlot the school is exposing students to both the forestry and logging professions and helping to create a next generation of loggers. (7.2.1)

Logo/label use:

Louisiana Pacific uses 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 October 1st to ensure that the previous audit report was submitted and posted.

Conclusions

A closing meeting was held November 15th 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 Fiber Sourcing standard is recommended.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:										
Audit Date(s):			From: July 11 2017				To: Nov 15 2017			
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:										
Team Leader Recommendation:										
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:	Nov 15/17
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 FS 2015-2019			3)						
2)				4)						
Team Leader (1):			Team Members (2,3,4...)							
Brian Callaghan			2) Julie Stangell							
			3)							
			4)							
			5)							
Scope of Supply: (scope statement must be verified and appear in the space below)										

<i>Fiber Sourcing activities for company mills in Canada and the United States</i>					
Accreditation's	ANAB				
Number of Certificates	3				
Proposed Date for Next Audit Event					
Date	September 2018				
Audit Report Distribution					
Liliana Ramirez - liliana.ramirez@us.bureauveritas.com					
Doug Rodman – doug.rodman@lpcorp.com					

Clause	Audit Report
Opening Meeting	Participants: Brian Callaghan, Chad radke, Travis Kangas, Matt M. Dan Toivenan > Introductions Discussions: > Scope of the audit > Audit schedule/plan > Nonconformance types – Major / Minor > Review of previous nonconformances - 0. > Process approach to auditing and audit sampling > Confidentiality agreement > Termination of the audit > Appeals process > Closing meeting timing
Closing Meeting	Participants: Brian Callaghan (lead), Matt M, Doug Rodman, Lynn Wilson Discussions: > Introductions and appreciation for selecting Bureau Veritas Certification. > Review of audit process - process approach and sampling. > Review of OFIs and System Strengths > Nonconformances - 0 > Date for next audit. > Reporting protocol and timing