



**BUREAU  
VERITAS**

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

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PQC Code	E01E
Contract Number	US.1966165

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	4	Scope extension audit:	
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**Audit Summary**

**Introduction**

A surveillance audit of Louisiana Pacific Corporation’s (LP) wood procurement program was conducted from August until November 2019, at locations across the continent. Brian Callaghan RPF EP(EMSLA) lead the audit. Mr. Callaghan is a registered professional forester and certified environmental auditor with 30 years of experience in forest planning, operations and analysis.

**Audit Scope, Objectives and Process**

The scope of the audit was “*Procurement of wood fiber using both stumpage and gatewood systems*”. The objective of the audit was to verify the effectiveness and conformance of Louisiana Pacific’s 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 covered site audits at the Golden British Columbia, Hanceville Alabama and Clarke County Alabama, along with a visit to headquarters in Nashville. The audit plan was provided to the client prior to the start of the audit. The audit plan identified the various activities which would be carried out at each Company facilities. A copy of the audit plan is on file at the Bureau Veritas Certification office in Houston Texas.

All of the ten SFI Objectives including all of their Performance Measures and Indicators were 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 Fiber Sourcing 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.

### 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 April 25 and May 1, 2019. 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. Three sites were audited this year for SFI Fiber Sourcing; Golden British Columbia, Hanceville Alabama and Clarke County Alabama. The Nashville, TN headquarters office is audited annually.

Multi-Site	✓	Group Certification	
Sites		Sites Audited During this Event	
Nashville (Central Office)		✓	
Hanceville - OSB		✓	
Jasper - OSB			
Roxboro - OSB			
Two Harbors - Siding			
Peace Valley - OSB			
Carthage - OSB			
Hayward - Siding			
Newberry - Siding			
Sagola - OSB			
Dawson Creek - OSB			
Swan River - Siding			
Maniwaki - OSB			
Clark County - OSB		✓	
Houlton - EWP			
Roaring River - Siding			
Tomahawk - Siding			
Golden - EWP		✓	
East River - Siding			

### Audit Results

During the field portion of the fiber sourcing audit, a total of 10 field sites were reviewed for BMP monitoring and compliance. The majority of the sites inspected (9) were gatewood sales and one site

was a stumpage 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:**

Louisiana Pacific promotes biodiversity through their guidance to land owners, participation in research and conservation. They use relevant information such as NatureServe or similar datasets to evaluate the values that may be encountered in forest management activities. The Company participates in a variety of state/provincial program to identify and protect FECVs.

### **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 and local regulations. Recently the Company has implemented a web-based information system for capturing site monitoring data and allowing for the real time analytics of compliance monitoring throughout the corporation.

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 monitored by the Company were visited on the audit including pine plantations, spruce and fir clear cuts. All harvests were well executed with no apparent BMP issues (Figure 1).



**Figure 1. A temporary crossing removal on a trail through a riparian zone on the Powe tract.**

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:**

Company staff have access to all relevant laws and regulations through an electronic service which maintains access and provides updates when laws or regulations change. 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. 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.

Louisiana Pacific 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 labor laws.

### **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. Louisiana Pacific is working with a number of cooperators on a project to identify the bounds of natural variation at the landscape scale and how hope to incorporate this information into their upcoming management plan.

### **Objective 6-Training and Education:**

All company staff encountered during the audit were aware of their roles and responsibilities within the Company. From a review of staff training records it is clear that a wide array of training is provided to staff, all have had SFI training. Contractor training is actively monitored and recorded by the Company. Contract provisions require logger training.

### **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

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.

**Objective 8-Public Land Management Responsibilities:**

Louisiana Pacific for the most part does not procure fiber from public lands. Where it does they participate in public stakeholder involvement events. All Canadian operations are actively involved in public involvement programs related to their Crown licenses.

**Objective 9-Communications and Public Reporting:**

The 2018 Louisiana Pacific SFI 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 2018 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 the United States of America

**Objective 12-Avoidance of Controversial Sources including Illegal Logging:**

Not Applicable. All wood sourced in Canada and the United States of America

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

Not Applicable. All wood sourced in Canada and the United States of America

**Findings**

**Previous non-conformances:** *None.*

**Non-conformances:** *None*

**Opportunities for Improvement:** *None*

**Notable Practices:**

- 1) Movement of the inspection program to a web based platform (Intelex) which allows for instant updates and constant analytics making will allow for much better use of the monitoring information. (2.2 1)

**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 Fiber Sourcing standard is recommended.

**SEE SF61 FOR AUDIT NOTES**

Summary of Audit Findings:									
Audit Date(s):		From: October 7, 2019				To: November 21, 2019			
Number of SF02's Raised:				Major:		Minor:			
Is a follow up visit required:		Yes		No	X	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes		No		N/A	X	Date:	
Proceed to/Continue Certification		Yes	X	No		N/A		Date:	Nov. 21 2019
All NCR's Closed		Yes		No		N/A	X	Date:	
Standard audit conducted against:									
1)	SFI 2015-2019 Fiber Sourcing			3)					
2)				4)					
Team Leader (1):		Team Members (2,3,4...)							
Brian Callaghan RPF		2)							
		3)							
		4)							
		5)							
Scope of Supply: (scope statement must be verified and appear in the space below)									
<i>Procurement of wood fiber using both stumpage and gatewood systems.</i>									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	Summer/Fall 2020								
Audit Report Distribution									
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Clause	Audit Report
Opening Meeting	Participants: Matt Matwijec, Fernando Cocciolo, Tahl Lunoch, Tim Arnett 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: Matt Matwijec, Donna Kopecky, 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>



## SF02/NA NONCONFORMITY REPORT

Company Name and Site:		SF02#:	
Contract #:		Type of audit (e.g., initial, surveillance):	
Date:		Standard and Clause #:	
Major		Minor	
Other Documents (if applicable):		Company Representative:	
REQUIREMENT OF AUDITED STANDARD:			
OBSERVED NONCONFORMITY:			
<b>ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN</b> (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:		Company Representative:	
Root Cause Analysis and Corrective Action			
Root Cause:			
Corrective Action Plan:			
<b>ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause:			
Corrective Action Plan:			
Plan Accepted:	Yes	No	Comments:
Auditor:			Date:
<b>CORRECTIVE ACTION IMPLEMENTATION</b> To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input type="checkbox"/> 1 Year <input type="checkbox"/>			
Corrective Action Completion Date:		Company Representative:	
Corrective Action Implementation:			
Method used to verify effectiveness of action taken:			
<b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	No	Nonconformance Closed:
Follow Up Comments:		Yes	No
Auditor:			Date: