



**BUREAU  
VERITAS**

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

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|                 |   |
|-----------------|---|
| Company Name    | Louisiana Pacific Corp                                |
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| PQC Code        | E01E  |
| Contract Number | US.1966165  |

|                      |  |                         |  |                     |   |                        |  |
|----------------------|--|-------------------------|--|---------------------|---|------------------------|--|
| Certification Audit: |  | Re-Certification Audit: |  | Surveillance Audit: | 1 | Scope extension audit: |  |
|----------------------|--|-------------------------|--|---------------------|---|------------------------|--|

| Audit Summary   |
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| <b>Introduction</b>   |
| A renewal audit of Louisiana Pacific Corporation’s (LP) forest management program was conducted over a two month period (August - October) in 2016. Brian Callaghan RPF EP(EMSLA) lead the audit and undertook all the fieldwork. Mr. Callaghan is a registered professional forester and certified environmental auditor with 30 years of experience in forest planning, operations and analysis.  |
| <b>Audit Scope, Objectives and Process</b>  |
| 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. |
| <b>Audit Plan</b>   |
| 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.   |
| Five of the ten SFI Objectives (2, 3, 4, 7, 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.  |
| <b>Company Information</b>  |
| Louisiana Pacific Corporation is a leading manufacturer of high quality building products. LP   |



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### **Audit Results**

During the field portion of the fiber sourcing audit, a total of 16 field sites were reviewed for BMP monitoring and compliance. One site was controlled stumpage and 15 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 (BMPs). 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.

All sites inspected included aspen clear-cut areas while two sites also had hardwood selection harvests. All aspen sites were naturally regenerated and exhibited abundant natural regenerations within six months of harvest.

#### **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 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. 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 labour laws.

Objective 5-Forestry Research, Science and Technology:

Not audited.

Objective 6-Training and Education:

Not audited.

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:

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

Objective 9-Communications and Public Reporting:

The 2015 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 2015 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:** *None*

**Notable Practices:** *None*

**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 1<sup>st</sup> to ensure that the previous audit report was submitted and posted.

### **Conclusions**

A closing meeting was held November 10<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**

| <b>Summary of Audit Findings:</b>  |                  |                |                         |                                     |    |                                     |                             |                                     |       |           |
|--|------------------|----------------|-------------------------|-------------------------------------|----|-------------------------------------|-----------------------------|-------------------------------------|-------|-----------|
| Audit Date(s):   |                  |                | From: July 26, 2015     |                                     |    |                                     | To: Nov 10 2016             |                                     |       |           |
| 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: | Nov 10/17 |
| 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)                      |                                     |    |                                     |                             |                                     |       |           |
|  |                  |                | 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 2017 |                         |                                     |    |                                     |                             |                                     |       |           |
| Audit Report Distribution  |                  |                |                         |                                     |    |                                     |                             |                                     |       |           |
| Missy Valdez - missy.valdez@us.bureauveritas.com                                   |                  |                |                         |                                     |    |                                     |                             |                                     |       |           |
| Doug Rodman – doug.rodman@lpcorp.com   |                  |                |                         |                                     |    |                                     |                             |                                     |       |           |
|  |                  |                |                         |                                     |    |                                     |                             |                                     |       |           |

| Clause          | Audit Report   |
|-----------------|--|
| Opening Meeting | <p>Participants: Brian Callaghan, David Hudnall, Chris Weber, Julie Schuler, Jessi freeman, Todd Pond, Audrey Tessmer</p> <p>Discussions:</p> <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 | <p>Participants: Brian Callaghan (lead), David Hudnall Doug Rodman</p> <p>Discussions:</p> <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>   |