



**BUREAU
VERITAS**

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

16800 Greenspoint Park Dr. Suite 300 S
Houston, TX 77060
Phone (281) 986-1300: Toll Free (800) 937-9311

Company Name	Louisiana Pacific Corp
Contact Person	Donna Kopecky/Matt Matwijec
Address	414 Union Street, Suite 2000 Nashville, TN 37219-1765
Phone / Fax	Tel-615-986-5761/ Fax-866-726-6982
PQC Code	E01E
Contract Number	US.3763592

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

Audit Summary
<p align="center">Introduction</p> <p>A renewal audit of Louisiana Pacific Corporation’s (LP) forest management program was conducted over a two month period (July and August) in 2020. The audit team consisted of Brian Callaghan RPF EP(EMSLA), lead auditor with team auditors Sarah Bros, and Steve Tomlin.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>The scope of the renewal audit was “<i>Fiber Sourcing activities for company mills in Canada and the United States</i>”. 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. All Objectives, Performance Measures and Indicators pertinent to land management and fiber sourcing were reviewed.</p> <p>Due to the COVID-19 pandemic portions of the audit were undertaken remotely as per <i>SFI Inc. Guidance Regarding Audit Restrictions Due to COVID-19</i>. Document review and staff interviews were undertaken remotely. Field work was undertaken with physical distancing protocols.</p> <p align="center">Audit Plan</p> <p>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.</p> <p>Objectives, Performance Measures, and Indicators were all verified through a review of documents, staff interviews, 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.</p>

Company Information

Louisiana Pacific Corporation is a leading manufacturer of high-quality building products. LP Building Solutions manufactures LP Solid Start Engineered Wood Products such as Laminated Strand Lumber (LSL), Laminated Veneer Lumber (LVL), Oriented Strand Board (OSB), Siding and I-Joists. 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. Fiber sourcing operations were audited at the Roxboro, Roaring River, Dawson Creek, and Peace Valley facilities.

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 strong 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 21 2020. 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 contract renewal. Five sites were audited this year; Roxboro NC, Roaring River NC, Dawson Creek BC, and Peace Valley BC. The Nashville, TN headquarters office is audited annually.

Multi-Site	✓	Group Certification	
Sites		Sites Audited During this Event	
Nashville HQ		✓	
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 OSB			
Maniwaki OSB			
Clarke County OSB			
Houlton EWP			
Roaring River Siding		✓	
Tomahawk Siding			
Golden EWP			

Audit Results

During the field portion of the fiber sourcing audit, a total of 14 field sites were reviewed for BMP monitoring and compliance (Figure 1). Three sites were controlled stumpage and 11 sites were gatewood sales. All operations/activities were found to be following all regulations and BMP's.



Figure 1. Aspen site in the Peace Valley found in conformance.

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 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:

To address the practice of sustainable forestry by conserving biological diversity the Company has undertaken staff training and has updated their landowner outreach packet with new information on biodiversity and conservation. The North Carolina Natural Heritage Program provided training for the Roxboro staff in order to access specific information from the Natural Heritage web site. Roxboro staff apply this information extensively across their wood basket.

In Peace Valley, the Company collaborated with Canfor to undertake monitoring of wood procurement from private lands. Improving efficiencies by eliminating redundant inspections. During the audit, sites inspected by Canfor were found to be accurately described in monitoring reports.

Inspection reports include aspects covering forest diversity including riparian areas, RTE species, and aesthetics.

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). To deliver fibre to a Louisiana Pacific mill each supplier signs a timber purchase agreement which specifies training requirements and adherence to BMPs.

In North Carolina sites for inspection are chosen through a random sample derived from list of loads received. A site visit report is filled out and results are entered into a database that is reviewed by management monthly, findings and improvements are discussed at the annual SFI management review meeting.



Figure 2 Harvest site in Caldwell county with appropriate SMZ and good utilization.

In British Columbia, the Company applies the approach developed by the Western Canada Implementation Committee. This involves undertaking a risk assessment on all private tracts, if the results are Low Risk no survey is needed. In Dawson Creek 11 of the 19 purchase wood sites required inspection.

LP has developed a corporate database of all BMP monitoring reports, which allows for both tabular and dashboard reporting. The system allows users at a variety of levels within the Company to analyze and present data at a variety of scales. The system also provides for tracking activities and corrective actions related to BMPs.

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. 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.

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:

Louisiana Pacific is a member of NCASI which conducts research on forest health, water quality, wildlife habitat, climate change, etc. Louisiana Pacific supports eight projects in Canada providing funding and sites for study. Studies include research into Caribou, Moose and song birds. The Company is also funding research in the Lakes States focusing on aspen regeneration. 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 contractor training. There are certified logger training programs in all the US states LP

Corp operates in and the Company is a major supporter of these initiatives. There are no certified logger training programs in Canada therefore LP Canada has developed their own training 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. The Company supports a number of local conservation programs such as the Cumberland River Compact, and the Harpeth Conservancy.

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 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 contractors, 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 2019 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 2019 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. 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.

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 Issued

Opportunities for Improvement: None Issued

Notable Practices:

1. *PM 1.1.1* - Roxboro foresters significantly exceed the minimum requirements of this Indicator for the promotion of biodiversity in its stumpage purchase program. Far beyond just identifying and protecting FECVs, they actively look for biodiversity opportunities. They encourage and consult with landowners, and implement numerous elements where feasible such as protection of global G3/G4 and state rankings, protection of rare vernal pools, robust SMZs and riparian zones with tree removal selections to enhance the zones, and encouragement of protection of under-represented of biodiversity species of value. They use state heritage occurrence information to help with this effort as a standard practice, and have consulted with state and federal agencies

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 completed on August 1st to ensure that the previous audit report was submitted and posted.

Review of Previous Audit Cycle

Over the past five years, LP Corp has successfully operated their fiber sourcing program across all mills. There have been no non-conformances issued and there are no outstanding issues.

Conclusions

A closing meeting was held August 14 2020 remotely with Company staff. The lead auditor chaired the meeting, 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. Immediate recertification to the 2015-2019 SFI Fiber Sourcing standard is recommended.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: June 30 2020				To: August 14 2020			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:			Yes	No	Date(s) of follow up visit:				
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	No	N/A	✓	Date:			
Proceed to/Continue Certification		Yes	No	N/A		Date:		August 14 2020	
All NCR's Closed		Yes	No	N/A	✓	Date:			
Standard audit conducted against:									
1)	SFI Fiber Sourcing 2015-2019			3)					
2)				4)					
Team Leader (1):		Team Members (2,3,4...)							
Brian Callaghan		2) Steve Tomlin							
		3) Sarah Bros							
		4)							
		5)							
Scope of Supply: (scope statement must be verified and appear in the space below)									
<i>The procurement of logs, pulpwood and other wood fiber in the United States and Canada using both stumpage and gatewood systems</i>									
Accreditation's		ANAB							
Number of Certificates		4							
Proposed Date for Next Audit Event									
Date	Summer 2021								
Audit Report Distribution									
Matt Matwijec - LP									

Clause	Audit Report
Opening Meeting	Participants: Matt Matwijec, Donna Kopecky, Dan Toivonen Discussions: <ul style="list-style-type: none"> ➤ Introductions ➤ 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: Matt Matwijec Donna Kopecky Discussions: <ul style="list-style-type: none"> ➤ 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