



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

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

**Introduction**

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 was undertaken to the SFI Forest Management 2015-2019 standard by Bureau Veritas Certification The audit team consisted of Brian Callaghan, Lead Auditor, Sarah Bros and Paul Chenard, Team Auditors.

**Audit Scope, Objectives and Process**

The scope of the renewal audit was “*Forest management activities on all company held and managed crown licenses in Canada*”. The objective was to verify the effectiveness and conformance of Louisiana Pacific Corporation’s land management to the Requirements of the SFI 2015-2019 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 forest management were reviewed.

Due to the COVID-19 pandemic portions of the audit were undertaken remotely as per *SFI Inc. Guidance Regarding Audit Restrictions Due to COVID-19*. Document review and staff interviews were undertaken remotely. Field work was undertaken with physical distancing protocols.

**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 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.

Objectives, 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 Forest Management Standard. The Louisiana Pacific Corporation Forest Management System Handbook, office documents,

records, field files and interviews were used to verify conformance.

A representative sample of forest management operations and activities was selected for site visits in Dawson Creek and Maniwaki. Prescriptions and activity records for each site were reviewed and used to determine overall effectiveness of the management planning process, harvesting, 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), 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.

In Dawson Creek the Company has four Crown licenses covering 1.27 million hectares. In Maniwaki the Company has licenses covering more than 900,000 hectares. The province in Quebec is responsible for management planning, forest protection and silviculture aspects of forest management.

### 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 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 renewal. The two sites selected for the forest management renewal audit were Dawson Creek BC and Maniwaki PQ. The Nashville, TN headquarters office is audited annually

Multi-Site	X	Group Certification	
Sites		Sites Audited During this Event	
Nashville - HQ		X	
Golden British Columbia – 544,812 ha			
Malakwa, British Columbia – 138,420 ha			
Dawson Creek, British Columbia -1,278,069 ha		X	
Maniwaki, Quebec – 985,444 ha		X	
Swan River, Manitoba - 2,079,262 ha			

## **Audit Results**

During the forest management audit, a total of 11 field sites (Dawson Creek 9 and Maniwaki -2) were reviewed. Field site operations consisted of completed harvest, road construction, reforestation, herbicide application, riparian protection, visual management and special site protection. The majority of the sites had multiple forestry activities or practices (harvesting and silviculture) on recently completed operations. Two active harvest sites were available for review. 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 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 British Columbia the allowable cut is determined by the provincial forester at the Timber Supply Area level, with harvest allotments being licensed to a variety of users. The Company has licenses for harvesting more than 1,200,000 cubic metres per year, as such they are responsible for preparing a 5 year Forest Stewardship Plan. The site plan for each harvest block requires a thorough evaluation or assessment of soil disturbance, terrain stability, archeological impact, visual impact, biodiversity, hydrology and communication with local indigenous peoples. 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 averaging less than 600.000 m<sup>3</sup>.

In Quebec since 2013, the ministère de la Forêt, Faune et Parcs du Québec (MFFP; Ministry of Forests, Wildlife and Parks) is responsible for 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 cut blocks have a site plan which provides the renewal prescription which complies with government guides and directives. Regeneration standards are set by the British Columbia Forest Service, though they can be modified within reason. In the Dawson Creek region forests of aspen and spruce dominate. Typically aspen will naturally regenerate within a year, while spruce sites may need site preparation prior to being planted within two years of harvest.

In British Columbia the Company uses chemicals to control competing vegetation all applications of glyphosate are applied at below label rates. The Company applies all listed BMPs for chemical usage. They minimize aerial spraying where possible and their contractors have to work within their license and provide all the proper equipment and trained

personnel. Herbicides and Pesticides are not used in Quebec.

In both British Columbia and Quebec forest roads were found to be well built and properly maintained. Water bars and slash placement are used to reduce erosion and to control access. No significant soil disturbance was observed within the portions of the field sites visited. By law there are requirements for coarse woody debris (CWD) on harvested sites – all sites inspected had plenty of CWD. In both Quebec and BC forest health programs are lead by the provincial government. 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.

The company has sought out a variety of ways to reduce the debris and slash loading on their sites. Slash piles are burnt or the slash redistributed. In Dawson they have started to grind the slash for use as hog fuel at the mill (Figure 1). This is an excellent alternative to burning slash piles or redistributing slash.



**Figure 1. Grinding slash for hog fuel is an effective way to dispose of logging residues**

In British Columbia LP Corp has added the identification of invasive species as part of their regeneration surveys. Surveyors and other forest workers are trained to identify and report any invasive species present. These efforts assist the company in being pro-active in identifying and controlling invasive species.

### **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 British Columbia Louisiana Pacific is required to meet the Forest Planning and Practices Regulations (FPPR) which contain specific

regulations 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 are also stated in the harvesting and silviculture agreements. Louisiana Pacific has procedures in place to address wet-weather events. Periodic inspections are made and documented in inspection reports. The BC Ministry of Forests conducts random compliance of individual site plans.

The Forest Stewardship Plan 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. The FPPR has wetland classification identification guidelines and protection measures. The area LP operates in Northeastern British Columbia has few rivers/streams and no real lakes. The company follows provincial requirements as well as their own procedures to ensure water bodies are protected. During the audit only 2 streams (both intermittent and dry) were encountered both of which had the appropriate buffers and machine exclusion zone

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

Louisiana Pacific has a Policy and Procedure for Biodiveristy, which underlies all their activities. To support the policy an extensive program is in place for maintain biodiversity. British Columbia has a hierarchical planning system with land use plans , timber supply reviews, forest stewardship plans and site plans, Higher level plans strive to conserve biodiversity at the landscape scale. Timber supply reviews and management plans identify the diversity of forest cover types and ages. LP working with other licenses on the TSA strive to maintain forest diversity. The planning system incorporates land use direction and wildlife recovery plans. New recovery plans are in development for several warbler species to go along with Grizzly Bear, and Osprey. As a signatory to the CBFA LP is committed to using the latest conservation information in planning in order to protect native species

Forest panning require the protection of forest values of a variety of types. T&E species receive special attention. All blocks are cruised prior to harvest to confirm volumes and conditions. The animal den below was found during a cruise and then protected during operations (Figure 2).



**Figure 2. Animal den found during preharvest and protected from operations**

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

Louisiana Pacific has an Aesthetics Policy and Procedure which seek to preserve aesthetic values in areas where visual quality has been identified as a significant value. A visual quality assessment is made of all site plans to determine if there are values to be protected. There are few visual concerns in the Dawson Creek area or Maniwaki, though in Golden area areas of major visual quality exist.

Louisiana Pacific addresses recreation in their site plans. The Forest Service identifies areas that have to be protected for recreation. LP contributes to recreation as a byproduct. LP works with various recreational groups such as the local snowmobile clubs and heli-ski companies. In Quebec the Province manages recreational values through both the planning and regulatory processes.

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

In both British Columbia 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:**

In British Columbia Louisiana Pacific is required to conduct a Harvesting Slash Hazard and Risk Assessment as well as a Waste Assessment to evaluate utilization, waste and fire hazard on each block Utilization is an inspected item on each job at regular intervals. Landing piles are typically burned. All the harvest sites visited in both British Columbia and Quebec were harvested with care and had high levels of utilization (Figure 3).



**Figure 3. Little waste remains on site at Block PN88**

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

The Company’s Code of Business Conduct commits the company to respect, behave fairly with all people. They realize that a majority of consultations happen between the provinces and the First nations. In British Columbia Louisiana Pacific consults affected First Nations on site plans scheduled. A procedure for working with Aboriginal Peoples has been implemented. Locally the Company is developing relationship with local First Nations, in both regions.

**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 or the ministère de la Forêt, Faune et Parcs du Québec 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 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

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

LP Corp participates in all BC planning processes include Land Use (higher level) Plans, Timber Supply Reviews and Forest Stewardship plans. The Company undertakes public consultation on all of its site plans. Staff in Dawson Creek have been participating in the Timber Range Impact Mitigation Committee.

In Quebec the ministère de la Forêt, Faune et Parcs du Québec prepares a five year forest management plan which goes through extensive public consultation. LP is involved as a consumer and stakeholder.

### **Objective 14-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 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 Issued

**Non-conformances:** None Issued

**Opportunities for Improvement:** None Issued

#### **Notable Practices:**

- 1) To reduce slash and logging debris the Company has been grinding its slash to be used as hog fuel at the mill.(PM 2.3 I 4)
- 2) Incorporating invasive species identification and extent as part of regeneration surveys (PM 2.4 I1)

#### **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 1<sup>st</sup> 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**

<b>Summary of Audit Findings:</b>									
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:									
<b>Team Leader Recommendation:</b>									
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 Land Management 2015-2019		3)						
2)			4)						
Team Leader (1):			Team Members (2,3,4...)						
Brian Callaghan			2) Paul Chenard						
			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									
Lorisa Love - BVC									

Clause	Audit Report
Opening Meeting	Participants: Matt Matwijec, Donna Kopeky, Dan Toivenan 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 Kopeky 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>