



# SUSTAINABLE FORESTRY

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## ABOUT LP

Since 1972, LP Building Solutions (LP) has pioneered innovative, high-performance building products.

From our portfolio of durable Structural Solutions to our beautiful LP® SmartSide® Trim & Siding products, we create longer-lasting, carbon negative products that meet the demands of builders, remodelers, and homeowners. What we do and how we do it is rooted in our company purpose:

## Building a Better World™

Sustainable management of forest resources is critical for sourcing the wood we use to create our products and in the broader fight for climate change mitigation. As early adopters of third-party forest certification standards, we work with suppliers to implement sustainable forestry practices and ensure 100% of our wood fiber volume is sourced through certified sourcing programs, including Sustainable Forestry Initiative® (SFI®) and the Programme for the Endorsement of Forestry Certification (PEFC®).



# THE IMPACT OF SUSTAINABLE FORESTRY

We create building products that lock in carbon previously stored in trees.



Hayward, Wisconsin

These products continue to store carbon for

**100+ YEARS**

in residential and commercial buildings. The result is

**LESS CARBON IN OUR ATMOSPHERE**

as new trees are planted or regenerated to replenish trees used in our products.

## Forests are a vital renewable resource critical for plants, animals, communities, and livelihoods.

Working forests are forestland carefully managed by foresters, engineers, and scientists to provide a steady, renewable supply of wood for daily use. Responsible stewardship is the hallmark of a working forest.

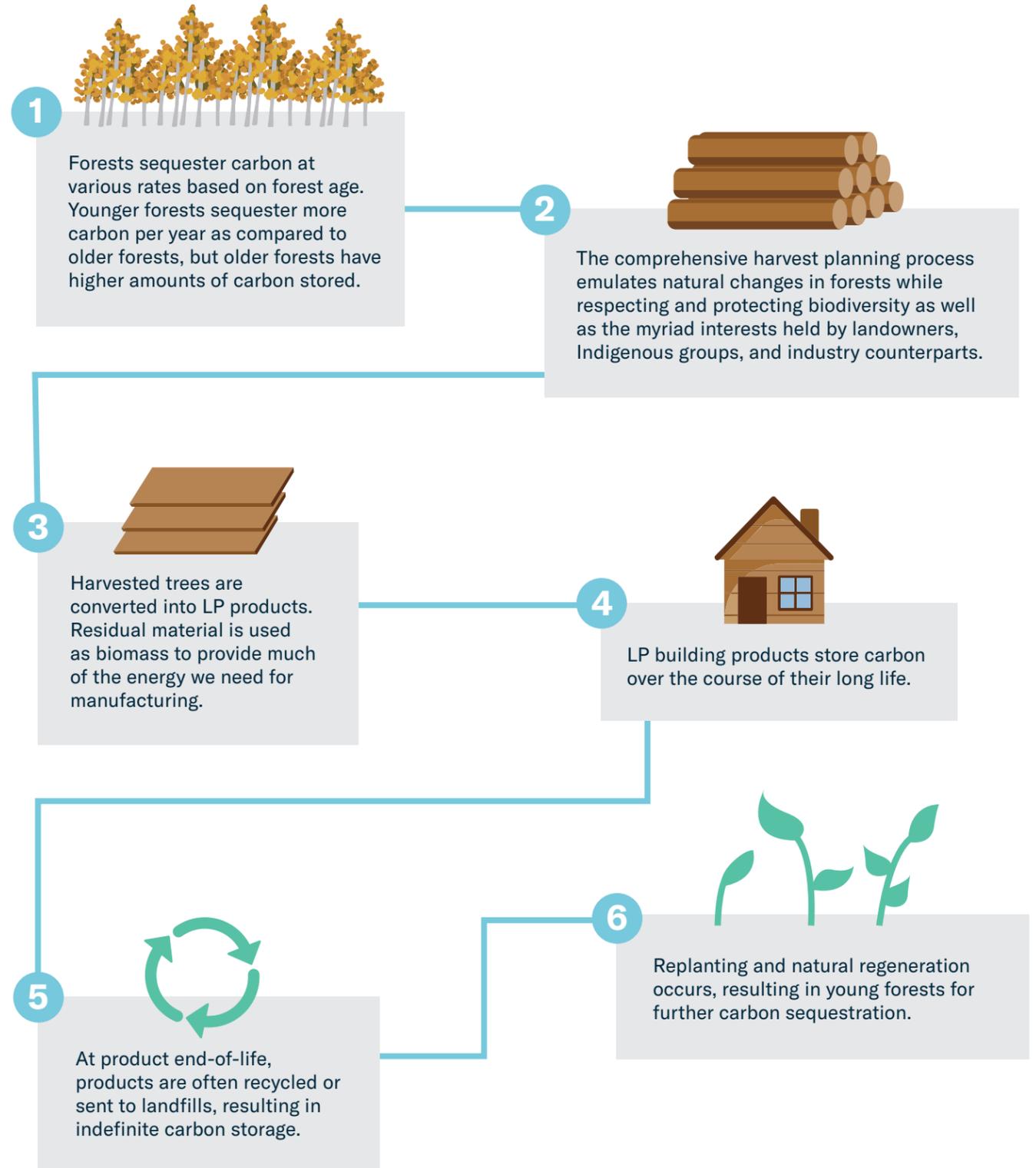
Practicing sustainable forestry ensures that this resource continues to thrive while meeting the needs of a variety of stakeholders—including our planet. Forests are also critical for removing carbon from the atmosphere, absorbing an estimated 2.6 billion tons of carbon dioxide per year, according to the International Union for Conservation of Nature (IUCN<sup>1</sup>).

When we create products made from wood fiber from sustainably managed forests, the carbon stored in these forests is then transferred to our longer-lasting products. Our products can then store carbon over the long term, substituting more emissions-intensive materials and helping reduce emissions in other sectors (Masson-Delmotte et al. 2019<sup>2</sup>).

The harvested wood is then replenished through replanting or natural regeneration. As these young forests grow, they not only create new avenues to absorb carbon from the atmosphere, but also absorb carbon at a faster rate than older, more mature forests. The result: less carbon in our atmosphere.

# FROM FORESTS TO PRODUCTS

Sustainable Forestry's Role in Mitigating Climate Change



<sup>1</sup> <https://www.iucn.org/resources/issues-brief/forests-and-climate-change>

<sup>2</sup> <https://www.ipcc.ch/site/assets/uploads/2019/11/SRCCL-Full-Report-Compiled-191128.pdf>

# OUR SUSTAINABLE FORESTRY PRACTICES

## Our core value is Do the Right Thing Always™.

This core value is seen clearly in our advancement of sustainable forestry—not just in the way we manage forests, but in the way we engage with suppliers, partners and communities. Our commitment to sustainable forestry is communicated in our [Sustainable Fiber Sourcing Policy](#).

We work with biologists, hydrologists, geologists, ecologists, and more to make sure working forests are as healthy and productive tomorrow as they are today.

It is why we harvest on schedules planned decades ago, and plant seedlings throughout the years to continue the cycle that sustains our business. Responsible stewardship is not just the right thing to do—it is critical for the long-term welfare of our forests, our communities, and our business.



Swan River, Manitoba

# SUSTAINABLE FORESTRY INITIATIVE®

SFI is an independent nonprofit organization that works to advance sustainable forestry in North America, providing standards, conservation research and guidance, community engagement, and continued education for entities involved in forest management.

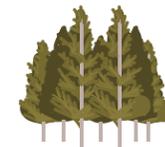
LP was an early adopter of SFI Standards, achieving our first certification in 2000. In the United States and Canada, we proudly ensure that 100% of the wood fiber we source is vetted through our forest certification program.

## SFI STANDARDS

LP maintains SFI certification for three key standards—Forest Management, Fiber Sourcing, and Chain of Custody. These standards define the principles, objectives, performance measures, and indicators we must adhere to depending on whether forests are publicly or privately owned, managed, and certified, or whether the wood supply is purchased from a vetted source.

Each of our locations has a unique log supply and procurement footprint. Though we do not own forestland, in some areas we act as forest managers, including on public lands licensed to LP in Canada. This requires us to implement sustainable forest management practices on the lands we manage and ensure that these same best practices are used by our suppliers where we do not directly manage forestland.

A full list of our certifications can be found on SFI's [website](#).



### SFI Forest Management

Applies to organizations that own or manage forestlands.



### SFI Fiber Sourcing

Applies to organizations that work with landowners, harvesters, and other forest management professionals to source wood fiber.



### SFI Chain of Custody

A mechanism for tracking fiber from harvest to the final end product. This allows full visibility into the raw materials used to create products.

# SFI PRINCIPLES

SFI Standards center on 13 key principles. As a certified organization, our Sustainable Fiber Sourcing Policy holds us accountable for implementing these principles in our operations, as well as in our dealings with landowners, wood producers, and other stakeholders.

## 01 Sustainable Forestry

Meeting present needs through land stewardship practices that protect vital ecosystem services for the benefit of future generations.

## 02 Forest Productivity and Health

Facilitate forest regeneration by maintaining healthy and productive soil and by protecting forests from the negative impacts of wildfire, pests, diseases, invasive species, and other damaging agents.

## 03 Protection of Water Resources

Protect and maintain water quality, bodies of water, and riparian areas to support healthy communities and forests.

## 04 Protection of Biological Diversity

Promote animal, plant, and habitat biodiversity and protect threatened, endangered, and ecologically and culturally important species.

## 05 Aesthetics and Recreation

Manage the visual impacts of forest operations and provide recreational opportunities for the public.

## 06 Protection of Special Sites

Manage geologically or culturally important sites in a way that respects and protects their unique qualities.

## 07 Legal Compliance

Comply with all applicable local, state, provincial and federal forestry, and environmental laws, statutes and regulations.

## 08 Research

Advance sustainable forestry through research, science, and technology.

## 09 Training and Education

Use education and training programs to improve sustainable forestry practices.

## 10 Community Involvement and Social Responsibility, and Respect for Indigenous Rights

Involve and engage with local communities on forestry practices and recognize and respect Indigenous Peoples' rights and traditions.

## 11 Transparency

Broaden certification understanding by documenting certification audits and making findings publicly available.

## 12 Continual Improvement

Seek continuous improvement of forest management practices and monitor, measure, and report performance against sustainable forestry commitments.

## 13 Responsible Fiber Sourcing

Use and promote sustainable forestry across a diverse range of scientifically credible and environmentally responsible ownership and management types in the United States and Canada. Avoid sourcing from controversial sources domestically and internationally.

# PROGRAMME FOR THE ENDORSEMENT OF FORESTRY CERTIFICATION

Our facilities were the first in Chile to be certified to PEFC’s new Chain of Custody Standard (ST 2002:2020). PEFC is the largest forest certification system in the world, with more than 330 million hectares of certified forests. As an international nonprofit, nongovernmental organization, PEFC certification assures our customers that the products they buy from LP are sustainably sourced. Given that PEFC has endorsed SFI, our certifications are complementary, allowing us to effectively meet customer expectations in a variety of locations.

## FOREST MANAGEMENT

**Sustainable forest management requires extensive planning, consultation, and scientific research to keep forests productive and thriving.**

In Canada, we manage forestlands under agreements authorized by provincial governments. Through these agreements, we have direct, on-the-ground responsibility for forest management. Across the millions of acres we manage in Canada, we are certified to the SFI Forest Management Standard and adhere to additional rigorous legislative and regulatory requirements.

### Qualified Logging Professionals

**Qualified logging professionals (QLPs), or equivalent certified logging companies, are critical for carrying out the on-the-ground work required to meet SFI Standards.**

QLPs understand the importance of careful planning and decision making for managing stakeholder interests and mitigating environmental risks. Further, these individuals and companies are knowledgeable about best management practices and implement strategies that protect ecologically and culturally sensitive sites, facilitate forest productivity, protect water quality, and conserve wildlife habitat and biodiversity.



Carthage, Texas

We conduct regular supplier audits to comprehensively evaluate ownership, certification, training, harvest management plans, endangered species management, visual quality and aesthetics, and best management practices for water quality, among other things. When supplier issues are identified during an audit, we detail corrective action plans and follow up with suppliers to close identified gaps.

Our involvement with suppliers often extends far beyond simply confirming that they adhere to SFI principles. We establish relationships with the forestry community in and around our facilities and serve as a valued partner and resource for suppliers, working to drive continuous improvement in the training, resources, and understanding of individuals in the forestry community.

## HARVEST PLANNING

Harvest planning is a critical component of all SFI and PEFC Standards and occurs long before a harvest. Rigorously planning all elements of the harvest process, from how loggers access harvest sites to mitigating risks to endangered or threatened species, allows for long-term sustainable harvest levels and protects areas important to plant and animal life.



Hayward, Wisconsin

**Harvests are planned with the goal of maintaining habitats for a range of species. Following a harvest, we retain patches of trees of various ages to provide shelter for wildlife, as well as corridors through which animal species can move.**

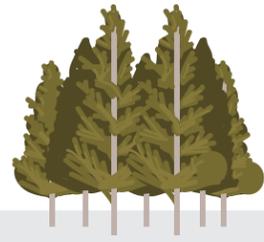
## REFORESTATION

Reforestation is a key element of sustainable forestry and a critical component of harvest planning. When we identify an area of land for harvest, we evaluate the species present in that particular area, focusing on the percentage makeup of each tree species. On lands we manage in Canada, we are required to regenerate timberlands to their original species composition after harvest.

**Reforestation efforts differ based on tree species. We primarily use two types of timber in our products: aspen and southern yellow pine.**



Aspen is a deciduous hardwood tree known for its ability to rapidly self-regenerate. Though aspen can grow to great heights, it has a shorter lifespan than most tree species due to its susceptibility to insects and disease. This means that forest management plays a critical role in maintaining aspen ecosystems, prompting the natural regeneration process, and preventing the spread of disease in older trees.



Southern yellow pines are softwood trees found predominately in the southern United States. When southern yellow pines are harvested, reforestation occurs through the planting and direct seeding of new trees, known as artificial regeneration, or through natural regeneration, which leaves dominant, more desirable seed trees on-site to allow for the natural regeneration of forestlands.

Regardless of the type of tree targeted for harvest, the planning process ensures long-term forest health, continued resource availability, and in turn, the continued production of beautiful, long-lasting LP products.

## WE SUPPORT REFORESTATION ACROSS OUR FOOTPRINT.

**In Canada and the northern United States, approximately 33% of our wood volume is from deciduous tree species that naturally regenerate. In the southern United States—where more than one billion seedlings are planted annually<sup>3</sup>—we work with landowners to artificially regenerate forests through tree planting.**

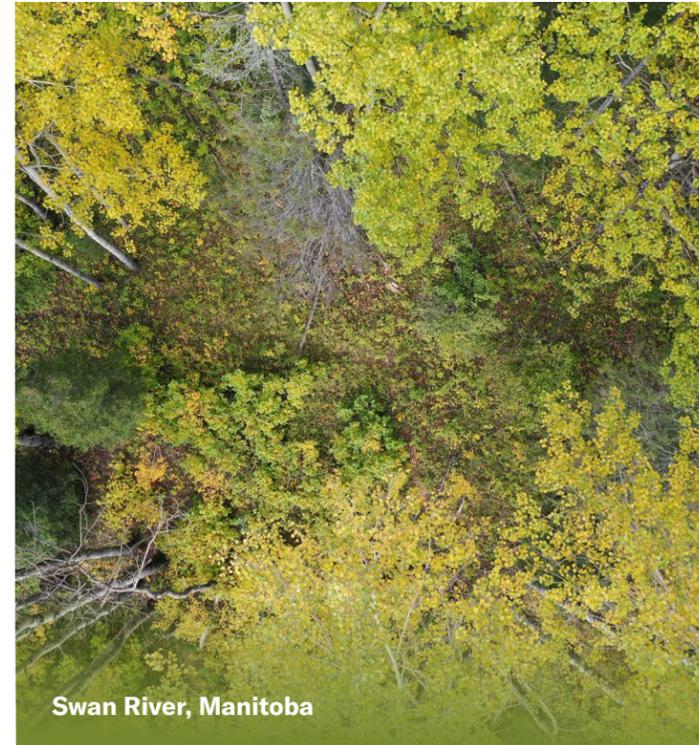
## BIODIVERSITY AND HABITAT CONSERVATION

Protecting and promoting biodiversity is essential for maintaining healthy forests to benefit future generations. Biodiversity considerations are incorporated throughout the harvest process, from planning to operations.

Whether we or our suppliers are responsible for forest management, biodiversity assessments are conducted during the planning process to understand forest age, as well as plant and animal species present in the targeted harvest area. The goal is to maintain a balance of forest types and ages, which preserves a range of wildlife habitats and helps mitigate potential biodiversity risks.

**In Canada, for example, we aim to limit forestry activities during the migratory bird nesting period. If we determine that there is an at-risk or sensitive species active in an area planned for harvest, we defer harvest until after the nesting period has ended.**

In the United States and Canada, we use the NatureServe Explorer<sup>®</sup> Pro database, a tool that allows foresters to assess tracts of private forestland available for harvest for known or predicted occurrences of state, provincial, or federally listed species at risk (known as Forests with Exceptional Conservation Value within SFI Standards). This information helps guide tract purchases and allows us to educate landowners and workers about potential species that may be in or near property, how to spot endangered species, and what to do if these species are encountered during harvest activities.



Swan River, Manitoba

### Boreal Forest Management

**We are committed to rigorous sustainable forest management practices in Canada's boreal forest.**

LP develops and implements sustainable forest management plans based on scientific data and research, as well as updated forest inventories to help guide our responsible forestry activities in the boreal forest. Our forest management plans are approved by provincial governments and also reviewed by local Indigenous communities to ensure future operations are aligned with cultural, traditional, and rights-based interests of Canadian Indigenous Peoples. We established a partnership with Ducks Unlimited Canada in 2001 to conserve plants and wildlife across a 1.3-billion-acre region of Canada's boreal forest. In 2020, we expanded our partnership to proactively inventory more than 6.2 million acres of boreal wetlands. Learn more about our partnership [here](#).

<sup>3</sup> <https://forisk.com/blog/2020/02/19/trillion-trees-good-for-the-timber-industry/#:~:text=For%20context%2C%20forest%20owners%20and,South%20alone>



## INDIGENOUS ENGAGEMENT

We work to build and maintain positive relationships with Indigenous Nations across our operations. In Canada, where we manage public lands licensed to LP by provincial governments, we engage with Indigenous Nations as early as possible during the planning process to understand their values and interests and mitigate any concerns long before plans are finalized and permits are submitted. Our approach is collaborative and provides flexibility to design harvests in a way that respects and protects Indigenous interests.

Beyond harvest planning, our relationships with Indigenous Nations are built on a strong foundation of mutual respect and understanding. We participate in Indigenous cultural events, collaborate with First Nations to contribute to community funding, and work together to advance research projects and ensure the Nations benefit economically from forestry activities.

### LP Peace Valley successfully partners with Halfway River First Nation on sustainable forestry in northeast British Columbia.

**“Together with LP, we mapped out very specific corridors, and then strategized where development can occur to keep these corridors intact, so our wildlife stays in the area. I was really impressed with what was left behind after harvest. You want to make sure wildlife still have connectivity. This gives the animals a chance to survive through the hunting season.”**

*-Roslyn Notseta, Halfway River First Nation Lands Manager*

## PARTNERSHIPS

We partner with conservation organizations, industry groups, and other bodies to advance sustainable forestry. These partnerships support continued research on forest ecosystems, the at-risk or endangered species present in these ecosystems, and the role of forestry in mitigating climate change. Our partners include:

- **American Wood Council**
- **Ducks Unlimited Canada**
- **Forest Resources Association**
- **Forest Products Association of Canada**
- **National Council on Air and Stream Improvement**
- **Society of American Foresters**

Across our locations, we get involved with our communities to provide education and create awareness of the importance of sustainable forestry. Whether educating school aged children about forestry or raising money for nonprofits like Log a Load for Kids Foundation, we aim to be true community partners.



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