

2017



Accomplishments

Safety

- 10 years recordable-free for the Land and Timber Department
- 1 year recordable-free for the Construction Group, with the lowest total incident rate (TIR) in 5 years
- More than 7,700 safety audits completed and near misses reported for the OSB and Plywood Business Units combined
- RoyOMartin-Plywood has been APA's safest plywood plant in North America for 3 consecutive years and had the lowest TIR on record, a 34% improvement over last year

Health & Wellness

- 88% of employees participated in our Winning with Wellness program
- 95% of employees and 66% of dependents reported Legacy as their primary-care provider
- 96% Excellent patient-satisfaction score at Legacy
- Legacy Health & Wellness relocated to the Central Louisiana Surgical Hospital campus
- Legacy Pharmacy established at Legacy Health & Wellness

Environmental

- No environmental permit violations across our businesses
- Passed air inspection by Louisiana Department of Environmental Quality at RoyOMartin-Plywood
- Obtained Corrigan Title V Air Permit for operation
- Obtained approval from Corps of Engineers for Voluntary Restoration at Bear Creek
- Obtained new Title V air permit for Chopin site, allowing us to remove continuous emission monitoring system units
- Obtained new Title V & Prevention of Significant Deterioration air permits for our Oakdale, LA, OSB plant

Benefits

- Held medical-insurance rates stable, with no increases
- Implemented non-subscriber coverage for worker's compensation in Texas
- Issued 105 scholarships to college students in Louisiana and Texas
- Completed 20 years of service with Marketplace Chaplains

Human Resources

- 8 team members completed the 11th session of RoyOMartin University
- 99% of positions filled at Corrigan OSB, L.L.C. in Texas
- Natalie Martin Monroe was named a STEP-Ahead Award winner by the Manufacturing Institute. She was RoyOMartin's 3rd recipient and was 1 of only 2 from Louisiana in 2017.
- Martco L.L.C. received national and state ACT Workplace Exemplar Awards for workforce development
- Achieved silver level for Workplace Health Achievement by the American Heart Association
- Sponsored inaugural "Women in Manufacturing Day"
- WoodWorks industry-based curriculum marked its 10th anniversary
- Converted all facilities to using ACT's Work Keys Assessments in pre-employment practices
- Instituted P-Tracker tracking system at our Oakdale and Corrigan facilities to better manage our Pay for Knowledge & Skills (PKS) advancement program
- Began complete revision of the PKS program at RoyOMartin-Plywood
- \$81,240 raised in our United Way of Central Louisiana employee campaign

Profit-Sharing & Accounting

- Made the largest profit-sharing contribution in company history
- Completed 7 consecutive years of zero bad debt
- Completed a clean audit after the 2016 corporate reorganization
- Updated and created new automatic-payment routines

Information Technology

- Implemented web system for daily/weekly logger load limits at the facilities
- Implemented new sales and order-entry system
- Upgraded Maximo purchasing system company-wide
- Implemented unmanned scale system at Corrigan OSB



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Forestry | Hunting Leases | OSB | Plywood | Solid Wood

Construction

- Completed extensive site work on underground utilities and concrete preparation at Corrigan OSB
- Maintained support staffing and supported outage schedules at both Oakdale and Chopin plants

Supply Chain

- Transported 1.1 billion feet of finished goods
- Transported 900 million pounds of residual materials
- Addressed 14,000 purchase requisitions with a 95% on-time rate

Legal

- \$1 million recovered from over-billing by forest-products supplier
- Received \$250,000 in forgivable loan funding for Corrigan OSB equipment purchase
- Received 6-figure arbitration settlement received from defective wood kiln
- Created and conducted training on first-ever written antitrust policies
- Obtained valuable precedent against future claims pertaining to long-term timberland leases

Land & Timber

- Regenerated more than 4,000 acres and planted over 2.2 million trees
- Acquired 25,000 acres of timberland from Hancock, Weyco, and others
- Harvested or sold more than 1 million tons of timber from company-owned lands
- Thinned 14,000 acres of pine plantations
- Conducted harvest operations on more than 25,000 acres
- Increased external fee stumpage sales by \$1 million
- Sourced 2.5 million tons of raw materials to our Oakdale and Chopin facilities
- Completed our 5-year Forest Stewardship Council (FSC) recertification audit
- Generated \$500,000 in FSC premiums from all products and finished goods
- Generated supply agreements for Corrigan OSB's first-year raw-material needs
- Planted more than 200 acres and 110,000 trees as our first renewal project in Corrigan, TX
- First logs delivered at Corrigan OSB
- Following the purchase of Walsh Timber Company, it became the largest external supplier of raw material at the Chopin facility
- Completed the first phase of the District 4 disposition
- Mickey Rachal named 2017 RoyOMartin Innovation Award recipient
- Opened Forest Edge residential development in Woodworth, LA

Plywood Sales & Production

- Increased sales revenue by \$10.3 million
- Increased sales by 16 million square feet
- 45% of sales were of sanded and siding
- 20% of sales were of siding
- Reduced press wood cost by 3.4%
- Increased panel production by 3.7%

Timber Mill Sales & Production

- Decreased wood cost by 12%, with an 11.6% improvement in tons/mbf recovery
- Introduced 5x5 timbers and 1x4 boards to the marketplace
- Reinstalled the Weinig molder to improve turnaround time on specialty items

OSB Sales & Production

- Increased sales by 2.5%
- Increased panel production by 3.4%
- Increased Eclipse sales volume by 14%
- Increased extended-length OSB sales by 6.5%
- Product on-grade was 99.7%
- Successfully influenced the establishment of 2 critical industry-related building codes
- Set records for press loads per shift; daily, weekly, and annual production; weekly Eclipse production; monthly overall equipment effectiveness; and weekly shipped volume
- Developed and introduced Eclipse Weather Resistant Barrier

Marketing & Public Relations

- Completed RoyOMartin rebranding, creating a unified look company-wide
- Completed RoyOMartin website redesign on a new platform
- WindBrace sales increased 2% with focused coastal campaign during hurricane season
- 28,040 followers reached with 326 engagements from unpaid social-media posts with solar eclipse-Eclipse product campaign
- 536% Twitter, 474% Instagram, 73% Facebook, and 38% LinkedIn fan/follower increases
- 181 minimum number of media mentions, resulting in at least 69,490,259 online visitors and 40,858 print readers
- 6 in-depth articles in *LBM Journal* featured RoyOMartin products and/or people
- 7 new builders/remodelers, all in Texas, participated in the Eclipse Rebate Program
- Surpassed \$2.2 million raised through BHA Guns & Golf for the Louisiana Baptist Children's Home