



2025 TCFD Report

Task Force on Climate-related Financial Disclosures



Introduction

West Fraser Timber Co. Ltd (referred to as West Fraser or the Company) is committed to understanding and addressing climate-related risks and opportunities to sustain long term resilience of operations, forests and communities.

As one of the world's leading wood-product companies, West Fraser operates at the intersection of natural resources and sustainable construction. Forests play a central role in climate change mitigation and adaptation; they act as major carbon sinks. Our industry has a unique capacity to contribute to climate change mitigation. At the same time, the sector faces growing exposure to physical climate risks such as wildfire, drought, pests and extreme weather events, as well as transition risks associated with fibre availability, energy costs, evolving regulations, market preferences and stakeholder expectations. Working to address both the risks and opportunities presented by climate change is fundamental to West Fraser's long-term business strategy.

West Fraser is committed to transparent disclosure of its climate-related financial risks and the measures being taken to mitigate or adapt to those risks in alignment with the California Senate Bill 261 ("SB 261 – Climate-Related Financial Risk Act"). West Fraser has prepared this disclosure in-line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and global best practices. This report is structured around the four TCFD pillars: Governance, Strategy, Risk Management and Metrics & Targets. The report outlines how climate considerations are integrated into our decision-making, long-term planning and contributing to the global transition toward a low-carbon and resilient economy.



Governance

Question	Answer
<p>a) Describe the board's oversight of climate-related risks and opportunities.</p>	<p>The Board of Directors (Board), supported by the Health, Safety & Environmental (HSE) Committee, oversees climate-related risks and opportunities via their meetings three times a year. These processes ensure the Board is informed about emerging risks, strategic priorities and operational implications of climate-related issues.</p> <p>Climate considerations enter Board-level decision-making primarily through the company's approved climate targets, including the Science Based Targets initiative (SBTi)-validated Scope 1, 2 and 3 emissions reduction targets. The Board's approval of these targets, and oversight of progress against them, informs review of the company's climate strategy, capital allocation associated with target delivery, performance objectives and strategic actions. The Board identifies principal risks facing the Company's business through the Board's Committees, including environmental risks, climate change risks and cybersecurity-related risks and vulnerabilities, and ensures that appropriate systems are implemented to manage those risks.</p> <p>This includes oversight of internal processes for tracking sustainability performance, compliance with corporate policies and achievement of emission reduction and environmental targets. The Governance Committee further ensures that the Board maintains appropriate skills and expertise in sustainability through the use of a skills matrix, supporting informed oversight and strategic guidance.</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Executive oversight of climate-related matters is delegated through the CEO, and the Chief Environment and Sustainability Officer (CESO). The CESO, in coordination with the CEO, provides updates to the Board on climate matters on an annual basis.</p> <p>Management is kept informed of climate-related issues through regular processes, including regular Sustainability Steering Committee meetings to periodically review emissions reduction projects, forest carbon calculations, Scope 3 engagement strategies and energy efficiency capital infrastructure projects and renewable energy projects. Management monitors climate-related issues through ongoing tracking of emissions and environmental performance, external limited assurance of reporting, public policy engagement and the setting and implementation of corporate environmental policies and commitments.</p> <p>Additionally, the Company completed a double materiality assessment over 2024-2025 to prepare for enhanced sustainability reporting requirements. This assessment identified climate change mitigation, adaptation and energy as some of the highest priority areas for risk management and opportunity development.</p>

Strategy

Question

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

Answer

The Company has identified and categorized key climate-related risks and opportunities across physical and transition risk categories. Time Horizons are defined as: short (1-10 years), medium (10-20 years) and long-term (20-100 years) periods – short term is aligned with annual strategic and financial processes, business resilience planning and progress toward the company's 2030 emissions reduction targets, medium to long term are aligned with capital asset planning, timber supply forecasts and fibre availability assessments, business resilience and forest management planning at our woodland divisions, where harvest rotations, silvicultural planning and Annual Allowable Cut projections operate on multi-decade horizons.

Risk Type	Risk/Opportunity	Impact Description	Time Horizon	Sector/Region
Transition	Availability of timber supply	Reduced forest access and forest fires	Medium/Long-term	Canada, U.S., Europe
Transition	Rising Energy Costs	Operational disruption and increased costs	Short/Medium-term	Canada, U.S., Europe
Transition	Policy Changes in Land Use	Revenue impact from harvest restrictions	Short/Medium-term	Canada, U.S.
Transition	Low-Carbon Technology Transition	Capital expenditure requirements	Short/Medium-term	Canada, U.S.
Transition	Operating expenses associated with carbon pricing	Operational disruption and increased costs	Short/Medium-term	Canada, Europe
Physical	Wildfires	Tree mortality and infrastructure damage	Short/Medium-term	Canada
Physical	Flooding/Landslides	Mill damage and operational disruption	Short/Medium-term	Canada, U.S., Europe
Opportunity	Low Emission Products	Market expansion potential	Medium-term	Canada, U.S., Europe
Opportunity	Innovative Technologies	Operational efficiency gains	Medium/Long-term	Canada, U.S., Europe

Climate-related financial risks and opportunities were identified through a Company-wide Climate Risk Assessment, incorporating input from operational sites, Enterprise Risk Management (ERM), processes and scenario analyses. The climate risk financial impact assessment was built upon foundational work completed in 2022, during which West Fraser engaged with stakeholders across the business to define clear impact pathways from climate risks and opportunities under future scenarios. From this assessment, the Company prioritized the most significant physical and transition risks (wildfires, flooding and rising energy costs) for the short, medium and long term to strengthen its risk mitigation and adaptation strategies. One financial impact was quantified for the three risks, see further details in part (c).

Question

Answer

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

Climate considerations are integrated into West Fraser's strategic planning through multiple mechanisms to ensure long-term business resilience. Environmental risks are assessed quantitatively to estimate potential financial impacts, guiding strategic decisions for both the forests we manage and source from, as well as across our broader supply chains. Our emissions profile and reduction targets inform operational and capital allocation decisions, ensuring alignment with the transition to a lower-carbon economy.

Climate-related risks and opportunities influence multiple aspects of our financial planning, including revenues, liabilities, capital allocation, acquisitions and divestments. Direct risks arise from environmental and operational factors, while indirect risks stem from regulatory changes, investor expectations and attention to ESG performance.

Climate considerations are embedded in financial planning through both capital expenditure and operating cost management. Climate considerations are embedded in financial planning through both capital expenditure and operating cost management. West Fraser has directed nearly \$200M USD capital toward climate-related infrastructure upgrades, including the Bemidji project (targeted Q1 2027) and the McDavid project (targeted Q2 2026), reflecting Board-approved commitments to operational modernization and renewable energy initiatives.

- **Capital Expenditure Plans:** Investments evaluate improving energy efficiency through infrastructure upgrades
- **Operating Efficiency:** Opportunities for energy efficiencies through our manufacturing processes
- **Renewable Energy:** West Fraser supports the adoption of renewable energy in jurisdictions where our facilities operate, this includes virtual power purchase agreements (VPPA's) and the strategic acquisition of high-quality electricity attribute credits

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

West Fraser has developed a comprehensive approach to assess and enhance its climate resilience to both physical and transition climate risks through scenario analysis and strategic planning.

Risk Category	Risk Factor	Quantified Financial Impact	Mitigation/Adaptation Strategy
Transition	Rising energy costs	Operational Expenditure (OpEx) impacts, such as costs associated with changes in energy and fuel use and carbon cost associated with emissions generated at the mills	Strategic focus on biomass energy (currently 74 per cent of total sourcing)
Physical	Wildfires	Earnings impacts resulting from increased timber costs and reduced harvest volumes	Enhanced forest management practices
Physical	Flooding/landslides	OpEx and revenue impacts, including repair costs for damaged assets, operational downtime and lost inventory (when stored at facilities)	Infrastructure resilience upgrades and flexible mill scheduling

West Fraser's adaptation approach includes:

- **Transition Planning:** Establishing a credible pathway to our 2030 emission reduction targets, and climate adaptation planning at our woodland divisions to understand landscape climate vulnerabilities and adjust planning to mitigate risks
- **Operational Efficiency:** Implementation of operational changes to reduce fossil fuel dependence and climate vulnerability, including facility upgrades and process modifications
- **Value chain engagement:** Collaboration with suppliers and stakeholders to enhance supply chain resilience and reduce systemic risks

The Company's scenario analysis evaluated three global temperature pathways, assessing how each could affect energy costs, fibre supply and physical risk exposure.

Scenario Type	Associated Risk Type	Temperature Alignment	IPCC Pathway	Time Horizon
Ultra-low Net Zero Emissions (NZE) 2050	Rising Energy Costs, Wildfires, Flooding	1.5°C-1.8°C	RCP 2.6	2030, 2050
Insufficient Global Action	Rising Energy Costs	2.7°C	RCP 4.5	2030, 2050
Climate Crisis	Wildfires, Flooding	>4.1°C	RCP 8.5	2030, 2050

Risk Management

Question	Answer												
<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>West Fraser's annual ERM review process is one of several inputs for identifying and assessing climate-related risks across the organization, alongside site-level operational risk assessments and forest certification program requirements. Climate-related risks are categorized into three key areas:</p> <table border="1"> <thead> <tr> <th>Risk Category</th> <th>Assessment Approach</th> <th>Time Horizon</th> </tr> </thead> <tbody> <tr> <td>Physical Risks</td> <td>Site-specific vulnerability assessments</td> <td>2030 and 2050</td> </tr> <tr> <td>Transition Risks</td> <td>Scenario analysis under multiple emissions pathways</td> <td>Through 2030</td> </tr> <tr> <td>Strategic Risks</td> <td>Integration with ERM</td> <td>Ongoing</td> </tr> </tbody> </table> <p>The climate risk assessment performed in 2024 informs mitigation actions and supports long-term fibre supply planning. To assist investors, West Fraser produces an annual sustainability report and annual financial report to provide details on climate-related issues including GHG emissions, energy consumption and waste generation.</p> <p>Physical risks are assessed based on their potential size, scope and regional variability, while transition risks are evaluated for their strategic and financial significance. These processes are integrated into business planning and overseen by senior executives and the Board. The Company uses a consistent risk classification framework to evaluate all material risks and determine the relative significance of climate-related risks compared to other operational and financial risks.</p>	Risk Category	Assessment Approach	Time Horizon	Physical Risks	Site-specific vulnerability assessments	2030 and 2050	Transition Risks	Scenario analysis under multiple emissions pathways	Through 2030	Strategic Risks	Integration with ERM	Ongoing
Risk Category	Assessment Approach	Time Horizon											
Physical Risks	Site-specific vulnerability assessments	2030 and 2050											
Transition Risks	Scenario analysis under multiple emissions pathways	Through 2030											
Strategic Risks	Integration with ERM	Ongoing											
<p>b) Describe the organization's processes for managing climate-related risks.</p>	<p>West Fraser identifies and reviews climate-related risks through an annual ERM review conducted by senior leadership. Subject matter experts participate in the annual review to identify and prioritize key risks, including climate-related risks. Risks are evaluated based on likelihood and potential impact and categorized relative to financial, operational and reputational thresholds. Priority risks inform business planning and operational decision-making.</p> <p>An environmental risk matrix supports audits and incident investigations, capturing consequences across financial, operational, reputational, health & safety and environmental dimensions. The process encompasses environmental, regulatory, contractual, legal, operational and organizational preparedness risks, with trends monitored over time to update risk registers and mitigation strategies as climate scenarios evolve. Alignment with forest certification programs such as Sustainable Forest Initiative (SFI®)¹, Programme for the Endorsement of Forest Certification (PEFC)² or Forest Stewardship Council® (FSC®)³ aims to manage operational risks consistently with sustainability commitments and that risk responses consider both compliance and long-term strategic objectives.</p>												
<p>c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Climate risks are assessed at multiple levels: operationally at the forest level, through forest certification systems such as SFI, FSC and PEFC, at the division and regional level via our climate risk assessment work, and at the enterprise level via annual reviews conducted by senior leadership. This multi-level integration is designed to ensure that climate considerations inform corporate governance, strategic planning and operational practices across the organization. By embedding climate-related processes into overall ERM, West Fraser strives to ensure that climate risks are interpreted consistently alongside other key business risks.</p>												

¹ Trademark: SFI-00043

² CAN: FSC-C109667, FSC-C023585 (La Sarre only); EU: FSC-C012533

³ CAN: PEFC/29-23-202; EU: PEFC/16-37-1593

Metrics and Targets

Question	Answer
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a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.

West Fraser has established comprehensive greenhouse gas (GHG) emissions targets covering Scopes 1, 2 and 3 across its operations in Canada, the United States and Europe.

The Company tracks key climate-related metrics to monitor progress toward these targets, including GHG emissions intensity per cubic meter of total production across all operating regions. For further information on the methodology used, disclaimers, emissions reporting over the last five years and to see our limited assurance report, refer to our [2025 Sustainability Report](#).

Year	2025	2024	2023
Units	Tonnes (t) CO ₂ e/m ³	Tonnes (t) CO ₂ e/m ³	Tonnes (t) CO ₂ e/m ³
Total Emissions Intensity (Scope 1,2,3)	0.32	0.32	0.34
Canada	0.33	0.32	0.35
U.S.	0.30	0.31	0.33
Europe	0.35	0.39	0.38

West Fraser applies an internal carbon price of USD 32 per tonne of CO₂e for planning and selection of strategic energy projects. The price supports prioritization of energy efficiency and low-carbon investments and is used to assess the marginal abatement cost of the company’s emissions reduction pathway. It currently covers Scope 1 and Scope 2 emissions and is reviewed periodically. The price was established using a marginal abatement cost curve supported by peer and policy benchmarking, with expectations for incremental increases over time.

Additionally, the Company uses a variety of energy sources in its manufacturing processes, which vary by product category and mill location. 78 per cent of our energy comes from renewable sources with (74 per cent from biomass and 4 per cent from other renewables). In addition, manufacturing residuals are used to fuel operations and produce value-added products such as mulch, bedding, road base, fertilizer and soil improvements. This serves as a key climate-related opportunity metric for the Company, reflecting the renewable energy usage and resource efficiency in our operations.

Question

Answer

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

West Fraser quantifies its greenhouse gas emissions following the guidelines prescribed in accordance with the GHG Protocol. The reporting period for each year is Jan 1–Dec 31 and 100 percent of the activities under West Fraser’s operational control are disclosed within our GHG emissions reporting. For further information on the breakdown of Scope 3 emissions, the methodology used and to see our limited assurance report, refer to our [2025 Sustainability Report](#).

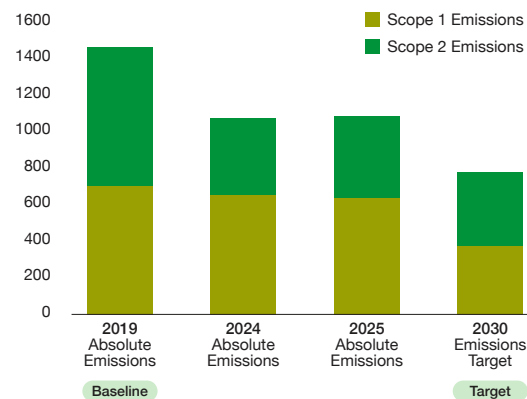
Year	2025	2024	2023
Units	Thousand Metric Tonnes (t) CO₂e	Thousand Metric Tonnes (t) CO₂e	Thousand Metric Tonnes (t) CO₂e
Total Scope 1 emissions	634	652	658
Total Scope 2 emissions (Market Based)	455	420	545
Total Scope 3 emissions	5,469	5,940	6,378

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

West Fraser’s GHG reduction targets have been validated by SBTi. In line with SBTi requirements, the Company selected baseline years based on the most reliable and complete emissions data available.

Scope 1 and Scope 2 Emissions

Year-over-Year Scope 1 and 2 Emissions (ktCO₂e)



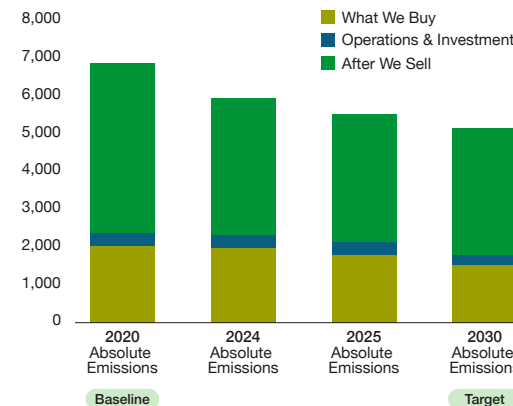
Baseline: For Scope 1 and 2 emissions, 2019 was chosen as the baseline year, representing the most accurate and comprehensive inventory at the time.

Target: West Fraser aims to reduce absolute Scope 1 and Scope 2 GHG emissions by 46.2 per cent by 2030.

Progress: By the end of 2025, the Company achieved a 25 per cent reduction compared to the 2019 baseline.

Scope 3 Emissions

Year-over-Year Scope 3 Emissions (ktCO₂e)



Baseline: For Scope 3 emissions, 2020 was selected as it marked the first year with completely available information.

Target: West Fraser aims to reduce 25 per cent of absolute emissions by 2030.

Progress: As of 2025, the Company achieved a 20 per cent reduction in Scope 3 emissions compared to the 2020 baseline.

Cautionary Statements

Forward Looking Statements

This report contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to as “forward-looking statements”). All statements other than statements of historical fact are forward-looking statements. We use words such as “committed to”, “aims to”, “ensure”, “establish”, “enhance”, “strengthen”, “support”, “focus”, “target”, “reduce”, “mitigate”, “adjust”, “integrate”, “assess”, “expectations” and “could” or similar expressions to identify forward-looking statements. Forward-looking statements in this report include, but are not limited to, statements relating to: our targets used to manage climate-related risks and opportunities, including Scope 1, 2 and 3 GHG emission targets, validated by SBTi and the pathways and timeline evolving to achieve such targets and the assumptions and uncertainties associated therewith, our expectations and strategies as to how and when we will meet our goals, targets, commitments and plans, our processes for identifying, assessing and managing climate-related risks and opportunities, including our annual Enterprise Risk Management (ERM) reviews and our risk mitigation and adaptation strategy, the integration of climate considerations into our corporate governance and operational practices, including decision-making, strategic planning and financial planning and the ability to ensure long-term business resilience, our contribution to the global transition toward a low-carbon and resilient economy, and our governance processes for oversight of emerging climate-related risks, strategic priorities and operational implications of climate-related issues.

The forward-looking statements in this report are based on a number of estimates, projections, beliefs and assumptions believed to be reasonable as of the date of this report, though inherently uncertain and difficult to predict, including, but not limited to, expectations and assumptions concerning: the implementation, performance and effectiveness of technology and other factors needed to achieve and operationalize our goals and priorities, our access to sufficient capital and resources to undertake such projects and plans and to deploy such capital to achieve the results expected therefrom, the laws and regulations which will apply to our business, our ability to attract and retain skilled employees to implement our goals, targets and plans, environmental compliance costs generally and assumptions regarding the development of

our business generally. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience or achievements of West Fraser to be materially different from those expressed or implied by the forward-looking statements.

Risks and uncertainties that could influence actual results include, but are not limited to: risks associated with climate change and the environment, timber supply availability, rising energy costs, risks associated with permitting, operational problems, changes in laws and governmental regulations, environmental compliance challenges, costs of compliance with environmental and other laws and regulations, we experience capital cost inflation and/or delays associated with, improving energy efficiencies and meeting decarbonization or emission reduction objectives, risks relating to the development and use of new technology, lack of appropriate technologies or resources needed to advance our goals and achieve our targets, competition for labour and services and related shortages, natural disasters and adverse weather conditions, including wildfires, flooding and landslides that may cause mill damage and operational disruption, general business and economic conditions and the future operation and financial performance of West Fraser generally.

You should also carefully consider the matters discussed under “Risks and Uncertainties” in our management’s discussion and analysis for the year ended December 31, 2025, as updated in our quarterly reports from time to time and other documents available at www.sedarplus.ca and in public filings with the United States Securities and Exchange Commission at www.sec.gov. We caution you that the foregoing list of important risks and assumptions is not exhaustive, and readers should exercise caution in relying upon forward-looking statements. The forward-looking statements speak only as of the date of this report and we undertake no obligation to publicly update or revise any forward-looking statements, to reflect subsequent events or circumstances except as required by applicable securities laws.

Scope 1, 2 and 3 GHG Emissions Quantification Methodologies

This report includes our Scope 1, 2 and 3 GHG emissions as presented in our [2025 Sustainability Report](#) on WestFraser.com. Our emission calculation methodologies

employed include these important concepts, assumptions and limitations:

1. Scope 1 and 2 emissions are calculated in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004) and are independently verified at limited assurance level. Scope 3 emissions are calculated in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) and are independently verified at limited assurance level. Our company-specific [Scope 3 Quantification Methodology Document](#), including key calculations and emission factors, is published alongside this TCFD Report.

While we make efforts to improve the data quality and quantity of data that support all of our climate-related disclosures, including implementing process and internal control enhancements and improving data collection, results from data collected, as well as changes in the planned or accepted methodology, assumptions and interpretations for our Scope 1, 2 and 3 GHG emission quantification subsequent to the date of this report, may justify revision of such quantification and may differ, perhaps materially, from the current quantification presented in our report, and investors are cautioned against attributing undue certainty to such quantifications.

Note on Materiality

Materiality, as used in this report and in our double materiality assessment process referenced in this report, is different from the definition used in the context of filings with Canadian and United States securities authorities. Issues deemed material for the purposes of this report may not be considered material for securities reporting purposes.

Note on Comparative Historical Data

Where available, we include comparative historical data to demonstrate trends. Historical data is reported based on the scope of the report for the respective year. In our efforts to continually improve our annual reporting process, the interpretation and reporting will align where possible to the best available methodology at the time of report publication. Certain comparative amounts for prior years may have to be reclassified or restated to conform to the presentation adopted for subsequent reporting periods.



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