



2025

From Forest  
to Framework

West Fraser's TNFD Report



West Fraser

# Introduction

**West Fraser Timber Co. Ltd (West Fraser, the Company, we, us, or our) is an integrated wood products company that manufactures lumber, engineered wood and pulp sourced from responsibly managed forests**

The wood products industry has an important role to play in clearly communicating its close relationship with biodiversity. By early adopting the Taskforce for Nature-related Financial Disclosures (TNFD), we demonstrate our commitment to learning and strengthening how we assess and manage nature-related risks, dependencies, impacts and opportunities. TNFD is a global, market-led initiative launched in 2021 to provide organizations with a framework for assessing, managing, and reporting on nature-related risks and opportunities. In 2024, West Fraser committed to disclosing a TNFD-aligned report in 2026. To do so credibly, we adopted TNFD's recommended LEAP approach, applying it as a structured pilot in Alberta to test its applicability to our operations and build the internal capability needed for full disclosure. By early adopting TNFD, West Fraser is strengthening its ability to identify, measure and manage nature-related risks, impacts, dependencies and opportunities across its operations, building the analytical foundation needed as investor and regulatory expectations continue to evolve.

Our forestry operations are where we have the greatest direct interaction with nature through direct forest management practices including harvesting and silviculture. Focusing on our forestry operations in Alberta, Canada, we undertook TNFD's LEAP assessment and documented our approach in a [TNFD Methodology and Case Study for Alberta's Forest Products Sector](#) (Methodology). Our pilot LEAP assessment included all our mill sites, as well as Forest Management Unit (FMU) areas that supply the mills, which include both Forest Management Agreement Areas and Forest Management Units from which West Fraser receives fibre in the form of quota. We followed TNFD's guidance with the support of subject matter experts internally and externally as described in the Methodology. Our ambition in developing a methodology report was to provide as much transparency as possible on the steps taken, to enable those in the forest products sector to align to a consistent process of nature-related risk assessments. Alberta was the natural starting point: it is one of West Fraser's most significant regions of direct interaction with nature and an area with the most opportunity to address nature-related risks and opportunities.

The wood products industry in Alberta is significant: 60 per cent of Alberta's land area is forested and it contributes over \$14 billion in economic impact.<sup>1</sup> Alberta's biomes range from boreal forests to forested foothills and parklands with: Forestry companies manage public land under forest management agreements backed by a robust approach to sustainability guided by the Sustainable Forest Management (SFM) Standard (Canada) CSA Z809-02

and ensuring the incorporation of environmental, social, cultural, and economic values.

West Fraser is legally required to reforest public land harvested in Alberta within two years of harvest, with legislated regeneration surveys completed to confirm that the treatments were successful. An initial survey is undertaken to confirm that sufficient stocking of acceptable trees are present and a later survey to confirm that the rate of growth of the regenerating forest is on a trajectory consistent with the long-term yields included in the Forest Management Plan. This regulatory framework embeds a legally binding commitment to forest renewal across West Fraser's Alberta tenures, underpinning the Company's approach to nature stewardship and its long-term fibre supply sustainability.

By investing early in this work and publishing our methodology transparently, West Fraser aims to contribute to a consistent, sector-wide approach to nature-related risk assessment, one that is both scientifically grounded and operationally useful. This report is structured around the four TNFD pillars: Governance, Strategy, Risk Management and Metrics & Targets. The report outlines how nature considerations are integrated into our decision-making and long-term planning.

<sup>1</sup> Alberta Forest Products Association (2025) [ASLTC Welcomes Federal Investment in Forestry Sector and Workers](#).

# Governance

## TNFD Recommendation

### A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.

## West Fraser's Response

The Board of Directors (Board) oversees the responsibility for stewardship of the Company, including the responsibility for our overall approach to environmental, social and governance (ESG) strategies and policies. The Board oversees management, strategy, long-term planning and enterprise risk management and ensures ESG performance and risks are considered. The Board oversees the identification and monitoring of the principal risks of the Company's business, including among others environmental risks, and climate change risks, and is responsible to ensure that appropriate systems are implemented to manage those risks.

The Board has delegated oversight of certain ESG responsibilities to its Committees and in the case of social responsibilities, to its management, which in each case report their findings and provide recommendations to the Board.

The Governance & Nominating Committee ensures, in light of the opportunities and risks facing the Company, that the Board maintains appropriate skills and expertise in sustainability through the use of a skills matrix, supporting informed oversight and strategic guidance and has oversight over Board and Committee effectiveness.

In connection with the Board's overall enterprise risk management (ERM) responsibility, the Audit Committee assists the Board, with the advice of management, in identifying and monitoring the principal financial risks, audit risks and information technology risks, including cyber security, artificial intelligence and other new or emerging technologies.

Oversight is further supported through the Health, Safety and Environment Committee, where the Board can review key environmental or biodiversity matters three times per year. These sessions have included updates on species at risk, regulatory developments, and operational considerations, so that the Board remains informed on time-sensitive issues and can provide direction and challenge to management as priorities shift.

The Board, through its Committees and management, receives ongoing updates on progress, including developments related to nature-related risk, impact, dependency and opportunity assessment and disclosure. The Board is informed on how emerging expectations—such as enhanced biodiversity disclosure and assessment frameworks—translate into practical requirements across forest management, fibre procurement, and operations. These updates provide the basis for informed discussion and enable Board members to ask targeted questions of management as financial or operational impacts, frameworks, best practice and regulatory signals continue to evolve.

# Governance

## TNFD Recommendation

- B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.**

## West Fraser's Response

West Fraser's CEO and executive management team are responsible for implementing the Company's strategy and sustainability targets, including nature and climate. Executive management committees advance priorities, identify and manage significant issues, and consider opportunities and provide updates to the Board.

Our Chief Environment and Sustainability Officer (CESO) reports directly to the CEO and is responsible for West Fraser's sustainability and environmental strategy development and performance management. Our CESO chairs the Sustainability Steering Committee (SSC), which is comprised of senior executives from operations, legal, fibre management, environment, finance, and strategy. The SSC receives ongoing updates from the CESO's team and provides oversight on emerging sustainability, climate, environmental, nature- and biodiversity-related issues. As a forestry company, our executives have a strong foundational understanding of fibre supply dynamics and climate- and nature-related risks and impacts to our business, supporting the cross-functional resilience of these types of issues.

Included within our executive leadership team and the SSC is the VP, Canadian Woodlands, who oversees compliance with Canadian forestry regulations and voluntary certification. This position is accountable for the practice and maintenance of sustainable forest management, strategic issues regarding forest management-related environmental performance, forestry-related Indigenous and Community consultation, climate risks and opportunities, and forest carbon. Our VP, Canadian Woodlands leads the woodlands teams across Western Canada, providing oversight into forest management planning, operations and responsible fibre supply.

West Fraser sources fibre from a combination of company-managed forests and third-party suppliers, applying consistent governance systems to support sustainable sourcing across its fibre base. Fibre procurement teams follow standard operating procedures on risk evaluation and management certification expectations on each procurement opportunity. Risk assessments and inspections support the management of responsible fibre procurement.

Our company-managed forests in Western Canada are certified under Sustainable Forestry Initiative® (SFI), [Forest Management](#).<sup>1</sup> Fibre procurement teams operate under established policies, certification requirements, and internal controls designed to promote responsible forestry, regulatory compliance, and risk management, supporting alignment to regulations such as the EU Deforestation-Free Regulation (EUDR). 100 per cent of fibre sourced is certified [SFI Fibre Sourcing](#) in the U.S. and Canada, and in Europe 100 per cent is sourced under [Programme for the Endorsement of Forest Certification](#) (PEFC) or Forest Stewardship Council® (FSC®) [Chain of Custody](#).<sup>1</sup> In 2025, West Fraser strengthened fibre sourcing governance by enhancing traceability and due diligence practices across its value chain. Our fibre procurement is supported by our [Sustainable Wood and Fibre Procurement Policy](#), aligning our global position on sourcing and supplier expectations.

<sup>1</sup> SFI Trademark: SFI-00043, CAN: FSC-C109667, FSC-C023585 (La Sarre only); EU: FSC-C012533, CAN: PEFC/29-23-202; EU: PEFC/16-37-1593

# Governance

## TNFD Recommendation

- B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities. Cont.**

## West Fraser's Response

In addition to our executive management level committees, we have a global Biodiversity Community of Excellence (BCOE), chaired by the Manager, Sustainability Performance and Manager, Biodiversity and Forest Ecology, Canada, and sponsored by our CESO, our VP, Canadian Woodlands and our VP, US Wood Procurement. West Fraser's BCOE enhances our ability to stay up to date by providing centralized, science-based expertise across the organization. The BCOE guided the TNFD LEAP assessment, acting as internal subject matter experts. The BCOE assists with the interpretation of emerging guidance (including TNFD related developments), strengthens the rigour of technical assessments, and aims to promote consistent application of best practices across regions. This structure supports the translation of external expectations into informed, practical decision making embedded into our broader governance and sustainability processes.

### Partnerships, Memberships and Associations:

West Fraser actively [partners with collaborators](#) and participates in industry committees, where we both contribute to and learn from the development of sector-wide nature-related programs, research and best practices. This includes but isn't limited to [Alberta Biodiversity Monitoring Institute \(ABMI\)](#), [fRI Research](#), [NCASI](#) and [Forest Products Association Canada](#) (FPAC). Together, these actions help ensure that competence on nature and biodiversity is embedded into governance, management processes, and long-term decision-making.

Refer to both our [Annual Information Form](#) and [Management Information Circular](#) on further details on our Board and management-level experience and background.

# Governance

## TNFD Recommendation

- C. Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.**

## West Fraser's Response

West Fraser values our relationships with Indigenous Peoples. West Fraser actively engages with over 130 Indigenous communities through its extensive forest management areas and land management practices in Canada. Each community plays a vital role in our operations, and we engage in information sharing with most of the Nations. We have implemented an Indigenous Peoples’ policy where we aim to generate mutual economic benefits and improve social and environmental outcomes for our communities. Indigenous Relations was one of our top material topics resulting from our double materiality assessment we completed in 2025. For details on our alignment to the UN or ILO conventions, please refer to these policies.

In Canada, we have Indigenous Relations leads in both B.C. and Alberta who are responsible for our engagement and consultation with the large number of Indigenous Communities where we manage forestlands. Consultation is integrated into our forest management planning, biodiversity conservation, water stewardship, employment, employee engagement and trainings and business opportunities, harvesting and replanting decisions and our relationships with Indigenous communities are extremely important to West Fraser in Canada. In 2024 and in 2025, we signed joint development agreements to show our mutual respect and exploration of shared forestry-related opportunities in Alberta. For more details on our activities on engagement, refer to our most recent Sustainability Report and [westfraser.com](http://westfraser.com).

Our Supply Chain & Human Rights Policy and the Supplier Code of Conduct form part of our commitment to sustainability and reflect the Company’s evolving approach to sustainability matters and our associated efforts to ensure regulatory compliance. These documents set out our expectations for suppliers to abide by internationally recognized human rights standards. In Canada and the UK, we abide by national regulation, disclosing due diligence practices on modern slavery in our organization and supply chain.

In the U.S. we have SFI Fibre Sourcing where Community Involvement and Social Responsibility, and respect for Indigenous Rights is a key principle. We have additional policies around procurement, environmental expectations and biodiversity that serve as foundations for our business activities, on top of our code of ethics that encourages responsible stewardship of natural resources, transparency and acting with integrity.

### **Policies:**

- Sustainable Forest and Wood Procurement Policy
- Environment Policy
- Indigenous Peoples Policy
- Supply Chain and Human Rights Policy
- Biodiversity Policy

# Strategy

## TNFD Recommendation

- A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.**

## West Fraser's Response

Our LEAP assessment identified eight priority nature-related risks and four strategic opportunities within the pilot region of Alberta, Canada. Risks were identified considering the impact drivers and the ecosystem services we depend on and prioritized based on the efficacy of current mitigation practices. Through internal validation, we further considered mitigations with the subject matter experts in the BCOE. These are summarised in the table below and described in detail in our [TNFD Methodology and Case Study for Alberta's Forest Products Sector](#). By weighing likelihood and magnitude of each of the risks identified, 'Priority 1' was determined to be a higher priority for us and 'Priority 3' was a lower priority risk for us. Priority risks below incorporate time horizons into the rankings, with priority 1 inferring short-term risk and priority 2 indicating medium-longer term risk. We have not disclosed risks ranked as priority 3. Time horizons are defined in Strategy C.

Nature-related Risk	Underlying Dependency / Impact Driver	Priority
Impaired forest productivity caused by declines in tree growth, health, and/or mortality as a result of external chronic stressors associated with declining ecosystem services which timber production is dependent on, including affecting natural disturbance regime. This includes the impact chronic wildfires have on forest productivity.	<ul style="list-style-type: none"> <li>• Air filtration services</li> <li>• Biomass provisioning services</li> <li>• Genetic material services</li> <li>• Global climate regulation services</li> <li>• Local (micro and meso) climate regulation services</li> <li>• Nursery population and habitat maintenance services</li> <li>• Rainfall pattern regulation services</li> <li>• Soil quality regulation services</li> <li>• Solid waste remediation services</li> <li>• Water flow regulation services</li> <li>• Water purification services</li> </ul> Risk category: Physical (chronic)	1*
Impaired forest productivity caused by declines in tree growth, health, and/or mortality as a result of more frequent/intense external acute stressors associated with declining ecosystem services which timber production is dependent on.	<ul style="list-style-type: none"> <li>• Flood mitigation services</li> <li>• Global climate regulation services</li> <li>• Local (micro and meso) climate regulation services</li> <li>• Rainfall pattern regulation services</li> <li>• Soil and sediment retention services</li> <li>• Water flow regulation services</li> </ul> Risk category: Physical (acute)	1*
Legal claims associated with negative corporate environmental impacts	<ul style="list-style-type: none"> <li>• Area of land use: Natural to unnatural land cover change</li> <li>• Disturbances: Light</li> </ul> Risk category: Transition (liability)	1*

\* Following the LEAP process, this risk was ranked 'Moderate'. Through internal validation, this risk ranking was modified to reflect the increased priority of the region.

# Strategy

Nature-related Risk	Underlying Dependency / Impact Driver	Priority
Operational disruptions to mills/harvesting as a result of a decline in the ability of ecosystems to mitigate the potential physical impacts of external acute stressors	<ul style="list-style-type: none"> <li>Local climate regulation services</li> <li>Global climate regulation services</li> <li>Water Flow regulation services</li> <li>Rainfall pattern regulation services</li> <li>Flood Mitigation services</li> <li>Soil and sediment retention services</li> </ul> Risk category: Physical (chronic)	1**
Costs associated with the development of/investment in alternatives to natural ecosystem services as a result of a decline in the ability of ecosystems to provide services which WF's revenue generation are directly dependent on	<ul style="list-style-type: none"> <li>Biomass provisioning services</li> <li>Genetic material services</li> <li>Nursery population and habitat maintenance services</li> </ul> Risk category: Physical (chronic)	2**
Damage to reputation and brand as a result of direct environmental impacts from business activities	<ul style="list-style-type: none"> <li>Area of land use: Natural to unnatural land cover change</li> </ul> Risk category: Transition (liability)	2
Reduced operational capabilities and/or additional investment needs associated with more stringent regulatory requirements related to corporate environmental impacts	<ul style="list-style-type: none"> <li>Area of land use: Natural to unnatural land cover change</li> <li>Disturbances: Light</li> <li>Other biotic resource extraction: Biomass</li> </ul> Risk category: Transition (policy)	1*
Reduced market access and positioning as a result of shifts in stakeholder values/preferences related to corporate environmental impacts	<ul style="list-style-type: none"> <li>Area of land use: Natural to unnatural land cover change</li> </ul> Risk category: Transition (market)	2

Nature-related Opportunity	
Markets + Capital Flow and Financing:	Monetization of sustainable forest management activities
Products and Services:	Expanded development of products beyond timber
Resource Efficiency:	Adoption of technological innovations that increase resource efficiency, circularity, reduce dependencies or risks
Reputational Capital:	Continued participation in development of new sustainability-related standards, frameworks, rules of guidance for the forestry industry in Alberta.

We identified a longlist of opportunities relevant to West Fraser and aligned to the TNFD's opportunity categories. The initial suite of opportunities were refined based on the following considerations:

- Priority dependencies, impact drivers, and risks;
- Existing initiatives that may influence or act upon any of the identified opportunities;
- Strategic priorities and available budget and other resources; and
- Existing market conditions and future market outlook, and the feasibility of the identified opportunities

\* Following the LEAP process, this risk was ranked 'Moderate'. Through internal validation, this risk ranking was modified to reflect the increased priority of the region.

\*\* Following the LEAP process, this risk was ranked 'Low'. Through internal validation, this risk ranking was modified to reflect the increased priority of the region.

# Strategy

## TNFD Recommendation

- B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.**

## West Fraser's Response

Nature-related risks, notably wildfires, pests, extreme weather and reduced forest access, have manifested as operational disruptions and supply-chain considerations across West Fraser's value chain (refer to our [Annual Reports](#) and [Management's Discussion & Analysis](#)) and are integrated into operational risk assessments and contingency planning. These physical risks are distinct from the Company's own impact drivers (including harvesting activities, and associated land-use change), which contribute to changes in forest ecosystem condition. Nature-related physical risks, particularly wildfire and pest-driven fibre supply disruption, affect both upstream fibre availability and downstream production continuity, and are integrated into operational risk assessments, contingency planning, and asset-level risk exposure assessments for affected operations.

West Fraser's dependencies on provisioning and regulating ecosystem services (including fibre supply, watershed function, and climate regulation) have influenced the Company's business model and financial planning. These dependencies drive location-specific fibre supply strategies, fibre access monitoring, and the integration of forest health and climate resilience into operational decision-making.

West Fraser allocates dedicated resources to assess and manage nature-related risks, impacts, and dependencies, including the TNFD LEAP assessment undertaken in 2025 and continued scope expansion. This reflects the strategic importance of nature to long-term business resilience and our relationships with customers, investors, and forest-dependent communities.

Nature-related opportunities (sustainable forestry certifications, carbon storage in wood products, and biogenic energy use) alongside positive biodiversity impacts generated through stewardship activities are being used strategically to reduce emissions, meet customer and investor expectations, and create market differentiation that feeds into product strategy and sustainability targets.

West Fraser has not yet undertaken a scenario analysis or developed a standalone nature transition plan; however, nature-related considerations are integrated into the Company's broader operational risk management, capital planning, and sustainability strategy, and the Company will assess the need for a formalised nature transition plan as its TNFD implementation matures.

# Strategy

## TNFD Recommendation

- C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.**

## West Fraser's Response

West Fraser's current strategy shows resilience across physical, transitional, and systemic nature-related risks by combining regulatory compliance, third-party certification, asset-level risk assessments, operational contingency measures, and adaptive silviculture practices. These measures reduce near-term exposure to acute events (floods, fires), sustain medium-term productivity, and mitigate the likelihood of systemic ecosystem impacts over the long term.

### Short-Term (0–2 years)

West Fraser's strategy is resilient to short term risks through risk awareness and directed action. Annual climate vulnerability assessment include flood, drought and biodiversity risk assessments for all woodlands operations in Alberta, with site-specific adaptation plans responding to wildfire and hydrological extremes. Flexible mill schedules and strong health and safety systems reduce operational and liability impacts from short-term disruptions.

### Medium-Term (5-10 years)

Region-specific fibre-supply assessments and climate-adaptation planning inform harvest sequencing and silviculture prescriptions. Adaptive practices (seedling research, seed-lot transfers, thinning) maintain productivity and biodiversity, while habitat protection and monitoring programs ensure compliance. Through active participation in industry committees such as FPAC, West Fraser stays informed of emerging policy, regulatory, and market developments, ensuring the organisation is well-positioned to anticipate and respond to nature-related transition risks. This is reinforced by our voluntary certifications and integrated forest management planning processes, which embed evolving best practices and stakeholder expectations into operational decision-making.

### Long-Term (10+ years)

West Fraser's long-term resilience to systemic nature-related risks is underpinned by Forest Management Area plans that forecast up to 200 years, with a 70-year spatial planning horizon. Biodiversity needs are embedded directly into these projections through habitat models that account for key ecosystem services and impact drivers, including freshwater regulation, timber provisioning, habitat connectivity, wildfire, pest disturbance, and climate-driven shifts in forest productivity. Explicit contingency provisioning ensures downside scenarios are reflected in harvest and silviculture decisions. As a result, systemic risks are considered low given the long planning horizons and multiple intervention points available over time.

West Fraser's evergreen fibre supply agreements in Alberta provide the long-term tenure security that enables meaningful investment in advanced growth, superior planting stock, and more resilient tree species — knowing those investments will be realised at harvest. This long-term certainty allows West Fraser to pursue opportunities that deliver both sustained fibre supply and broader ecosystem service benefits, including improved habitat quality, carbon sequestration, and biodiversity outcomes.

# Strategy

## TNFD Recommendation

- D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.**

## West Fraser's Response

Out of 21 Forest Management Units (FMUs) assessed across West Fraser's direct operations in Alberta, 5 FMUs were identified as priority locations. Our FMU's include both our Forest Management Areas and quota tenures. These were flagged because they scored above the portfolio mean on a combination of:

- Ecosystem Sensitivity
- Dependency on Ecosystems
- Potential Impact Magnitude

These FMUs represent areas where operations intersect with ecosystems that are both highly sensitive and critical for service provision, and where the organisation's activities could generate more significant nature-related impacts.

While the assessment primarily covers direct operations, these priority FMU s also influence upstream and downstream value chains through:

- Supply chain continuity risks (e.g., timber availability tied to ecosystem health)
- Stakeholder and Indigenous rights considerations in shared landscapes.

This assessment also covered all 13 mills in our direct operations in Alberta. It aggregates nature-related sensitivity, dependency, and impact scores; biodiversity significance indicators (e.g., Key Biodiversity Areas, ecological corridors); and physical water risk metrics (Aqueduct & drought). Upstream/downstream value-chain locations were not assessed in this work and are therefore outside this disclosure's scope. Four sites (31 per cent) meet our criteria for priority locations due to elevated combined nature-risk scores and/or overlap with mapped biodiversity features (e.g., KBAs); a further six sites (46 per cent) are moderate-priority owing to ecological corridor overlap, higher relative sensitivity, or elevated physical/drought water risk. The remaining three sites (23 per cent) are baseline under current thresholds. No sites are located inside protected areas per the datasets used.

Although five out of 21 FMUs and four out of all 13 mills in Alberta were identified as high-priority locations due to elevated combined scores for sensitivity, dependency, and potential impact, the overall risk and opportunity assessment was not limited to these areas. Instead, the composite results across all FMUs and mills, including their aggregated impacts, dependencies, and resilience factors, were used to inform a holistic evaluation of nature-related risks and opportunities for the organisation. This approach ensures that strategic decisions consider both concentrated risks in priority areas and systemic dependencies across the entire operational footprint.

# Risk Management

## TNFD Recommendation

**A/B. Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts and risks in its direct operations, upstream and downstream value chain(s).**

## West Fraser's Response

Each year, we conduct an ERM review assessment to identify, prioritize and evaluate emerging and ongoing risks. Fibre supply, forest health, invasive species, wildfire, pests, and other ecosystem stressors are components of this assessment, given their direct implications for operational continuity and long-term fibre availability. The TNFD LEAP pilot builds on this process and provides a spatially-explicit methodology to identify, prioritise, and eventually quantify risks related to nature. We plan to expand the geographic scope of our TNFD-informed assessment to cover all West Fraser operating and sourcing regions in the future.

In alignment with the TNFD LEAP framework, we focused our pilot on mills and forest management areas in Alberta, Canada because this geography represents the area where we have the most immediate opportunity to address nature related risks. The operations within this region including forestry and milling are broadly representative of our activities in other locations, so we expect that many of the insights from this pilot could be transferable across our business. Downstream was not in scope of our assessment as we believe our most relevant impact and resulting risk comes from our forest management and fibre procurement practices.

During the Locate and Evaluate phases, we used spatial, operational, and ecological data to identify areas of interface with nature and to assess key dependency and impact drivers across our pilot area. West Fraser generated an initial longlist of its dependencies and impact drivers by using ENCORE's Explore tool to identify those material to the International Standard Industrial Classification of All Economic Activities (ISIC) industry groups of silviculture and logging (for FMU), and sawmilling and wood planning (for mills). These outputs were then analyzed to prioritize the most relevant dependencies and impacts based on their scale, scope, and potential significance.

West Fraser's priority dependencies and impact drivers were then used to identify potential corresponding nature-related business risks, leveraging the TNFD's risk and opportunity registers and additional guidance for the forestry, pulp, and paper sector. Each risk was assessed and ranked using a standardized methodology that considered both likelihood and severity.

Preliminary LEAP-derived rankings were subsequently reviewed and validated through an internal subject matter expert process. This review integrated operational knowledge and practical experience from our BCOE, including representatives from Woodlands and Manufacturing. Based on this internal validation, rankings were refined and consolidated into a three-tier priority framework (Priority 1, Priority 2, and Priority 3), ensuring alignment with operational realities and risk management practices.

This integrated approach enabled us to systematically identify and prioritize nature-related risks in a manner that is both evidence-informed and operationally-informed. For a detailed explanation on our approach, refer to our [Methodology Report](#).

# Risk Management

## TNFD Recommendation

**A/B. Describe the organisation's processes for identifying, assessing and prioritising opportunities in its direct operations, upstream and downstream value chain(s).**

**C. Describe the organisation's processes for monitoring nature-related dependencies, impacts, risks and opportunities.**

**D. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.**

## West Fraser's Response

West Fraser initially identified a longlist of forestry sector opportunities potentially relevant to its business and aligned to the TNFD's opportunity categories. The initial suite of opportunities were refined based on the following considerations:

- West Fraser's priority dependencies, impact drivers, and risks;
- West Fraser's existing initiatives that may influence or act upon any of the identified opportunities;
- West Fraser's strategic priorities and available budget and other resources; and
- Existing market conditions and future market outlook, and their resulting potential impact on the feasibility of investing in the identified opportunities.

Over time, as we continue to build our understanding of nature-related dependencies, impact drivers and impacts, risks, and opportunities, and as available industry guidance continues to develop, we plan to reassess and prioritize opportunities for potential investment/action to ensure that they align with supporting overall business performance while reducing our impacts on nature.

West Fraser's current ability to systematically monitor nature-related dependencies, impacts, risks and opportunities is developing. At present, monitoring is largely embedded within existing operational processes: Forest Management Area (FMA) plans incorporate ongoing landscape-level monitoring of pressures such as wildfire, pest disturbance, and long-term timber availability, and our wildlife and biodiversity teams run habitat models and species-at-risk monitoring programs that inform operational practices at multiple spatial scales. However, we do not yet have a consolidated framework that explicitly links these activities to nature-related risk monitoring as defined under TNFD. Our existing ability to monitor is currently restricted to management-level activities, including re-running models to understand nature-related dependencies and impacts as conditions change.

As a result of this TNFD pilot, West Fraser will look to develop a more robust monitoring framework as part of a nature transition plan. The LEAP assessment methodology will inform how we identify the right indicators, data sources and review cadence for tracking nature-related risks and opportunities over time. The BCOE will play a central role in ongoing review and validation of nature-related risk profiles, and we intend to embed accountability for monitoring into our ERM process to ensure that risk updates are captured and escalated appropriately.

Nature-related risks identified through the LEAP process plan to be incorporated into West Fraser's ERM cycle and assessed on a global West Fraser scale, as applicable. These risks are reviewed by the Executive Sustainability Steering Committee and presented to the Board as part of the Company's risk identification process. Going forward, outputs from TNFD-aligned assessments will be used to inform ERM updates, capital allocation decisions, and forest management planning across the portfolio.

# Metrics and Targets

## TNFD Recommendation

**A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.**

**B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.**

**C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.**

## West Fraser's Response

West Fraser contributed over \$34 million (CAD) to research funding in 2025, Forest Health and Productivity, Indigenous Traditional Forest-related Knowledge and Biodiversity, Species at Risk Act (SARA), and Species Maintenance and Recovery were the three leading research categories supported. Nature-related metrics are tracked and reported annually.

For full data tables, refer to the Forestry and Environment sections of our latest [Sustainability Report](#).

For detailed information on datasets and metrics used for our LEAP assessment, refer to our [TNFD Methodology Report](#):

- Appendix F details Data Sources Used for West Fraser's Analysis of Interface with Nature
- Appendix G details Data Sources Used for West Fraser's Analysis of Interface with Ecologically Sensitive Locations
- Appendix H details Data Sources Used for West Fraser's Evaluation of Dependencies
- Appendix I details Data Sources Used for West Fraser's Evaluation of Impacts/Impact Drivers

West Fraser views forests, ecosystems, biodiversity and local communities as crucial for the wood products industry. We strive to ensure our working forests are regenerated for the future. We maintain 100 per cent SFI Forest Management certification in Western Canada. Refer to our [Biodiversity Policy](#) and [Sustainable Forest and Wood Procurement Policy](#) for additional details on our enterprise-wide commitments. We comply with the stringent provincial forestry regulations in the areas where we manage and harvest, committing to regenerating the forest within two years of harvest in Western Canada and managing for a multitude of ecosystem services.

In alignment with the EUDR requirements, we strive to avoid deforestation in our supply chain and through our own forestry operations. This includes continued due diligence and risk assessments relating to our fibre procurement in the U.S., Europe and Canada.

We have set Science Based Targets initiative (SBTi) validated climate goals for Scope 1 and 2 emissions and Scope 3 emissions, refer to our latest Sustainability Report. We are exploring carbon storage as an opportunity through biochar at some of our operations.

We aim to complete a Canada-wide TNFD-aligned nature-related risk assessment and expand scope to all operations by 2030. In parallel, we are evaluating a suite of ecosystem service metrics to better quantify our dependencies and impacts on forest health, with the goal of integrating these into our annual sustainability reporting.

# Cautionary Statements

## Forward-Looking Statements

This TNFD report describes our approach to identifying, assessing and managing nature-related impacts, dependencies, risks and opportunities in line with the TNFD recommendations focusing on our forest management areas, quota tenures and mill sites in Alberta, Canada. 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 “expect”, “anticipate”, “plan”, “believe”, “estimate”, “seek”, “intend”, “target”, “project”, “goal”, “potential”, “design”, “focus”, “work to”, “may”, “will”, “should”, “would” 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 commitment to sustainability, projections or other forward-looking statements regarding future events, targets, management discipline, or other expectations, and nature-related risks and opportunities (including the eight priority risks and our strategic opportunities identified under “Strategy”), our targets used to manage nature-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 resilience of our strategy across physical, transitional and systemic nature related risks, our plans to expand the geographic scope of our TNFD-informed assessment to cover all West Fraser operating and sourcing regions, plans to develop a nature transition plan, plans to develop a more robust monitoring framework as part of a future transition plan, and plans to incorporate nature-related risks and mitigations and adaptation strategies identified through the LEAP process plan into West Fraser’s ERM cycle and our governance and operational practices.

The information in this TNFD report, including forward-looking statements, are based on the process and assumptions established under TNFD’s LEAP (Locate, Evaluate, Assess, Prepare to Report) approach, as set out in our TNFD Methodology and Case Study for Alberta’s Forest

Products Sector which are believed to be reasonable as of the date of this report, though inherently uncertain and difficult to predict. We’ve further assumed that we will have continued access to sufficient capital and resources to undertake our plans and to deploy such capital to achieve the results expected therefrom, and that we will have the ability to attract and retain skilled employees to implement our goals, targets and plans. 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, risks associated with permitting, operational problems, changes in laws and governmental regulations, environmental compliance challenges, costs of compliance with environmental and other laws and regulation, risks relating to the development and use of new technology or lack of appropriate technologies or resources needed to advance our goals, competition for labour and services and related shortages, natural disasters and adverse weather conditions, general business and economic conditions and the future operation and financial performance of the Company 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](http://www.sedarplus.ca) and in public filings with the United States Securities and Exchange Commission at [www.sec.gov](http://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.

## TNFD Methodology and Case Study for Alberta’s Forest Products Sector

This TNFD report further relies on a [TNFD Methodology and Case Study for Alberta’s Forest Products Sector](#), which was conducted in accordance with the TNFD LEAP framework. The LEAP assessment undertaken by West Fraser is a voluntary effort to identify and assess nature-related risks and opportunities, which we supplemented with publicly available technical guidance from recognized international institutions referenced therein.

All outputs of the LEAP assessment are modelled estimates derived from publicly available third-party data that underwent an internal review, are limited in geographic scope to West Fraser’s Alberta operations and have not been independently audited. The results outlined in the LEAP assessment further reflect the state of available data and methodology as of April – December 2025. While we make efforts to ensure the results of the LEAP assessment are true and accurate, results from the third-party data, as well as changes in the LEAP framework, technical guidance and other planned or accepted methodology, assumptions, and interpretations of the third-party data subsequent to the date of this report, may justify revision of such methodology and may yield results that differ, perhaps materially, from the current results presented in our report, and investors are cautioned against attributing undue certainty to such results and data.

## 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.



**West Fraser Timber Co. Ltd.**

604.895.2700

Photo: Fiera Biological Consulting

 Report Concept and Design  
[redrocketcreative.com](http://redrocketcreative.com)