



Fighting Against Forced Labour and Child Labour in Supply Chains Report for Financial Year Ending December 31, 2023

Introduction

This report (the “Report”) is produced by West Fraser Timber Co. Ltd. for the financial year ending December 31, 2023 (the “Reporting Period”). This Report is a joint report filed by West Fraser Timber Co Ltd. on behalf of itself and the following reporting entities that manufacture and/or sell goods in Canada or import goods into Canada: West Fraser Mills Ltd., Blue Ridge Lumber Inc., Manning Forest Products Ltd., Norbord Inc., Norbord Sales Inc., Spray Lake Sawmills (1980) Ltd., Sundre Forest Products Inc. and West Fraser Newsprint Ltd. The terms “West Fraser”, “we”, “our”, and “the Corporation” refer to West Fraser Timber Co. Ltd. and extend to all the entities listed in this Report. West Fraser Timber Co. Ltd. is a public company and its common shares trade on the Toronto Stock Exchange and the New York Stock Exchange under the symbol “WFG”.

This Report outlines West Fraser’s governance processes, existing measures, and progress made in the 2023 fiscal year to prevent and mitigate the risks of forced labour and child labour across the supply chain we utilize.

This Report constitutes the first report prepared by West Fraser pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). West Fraser Europe Ltd. (UK), an indirect subsidiary of the Corporation, is a reporting entity under the *UK Modern Slavery Act 2015*.

Our Corporation Structure and Business Activities

West Fraser is a diversified wood products company producing lumber, orientated strand board (“OSB”), laminated veneer lumber (“LVL”), medium-density fibreboard (“MDF”), plywood, particleboard, pulp, newsprint, wood chips, other residuals and renewable energy with facilities across Canada, in the United States, in the United Kingdom and in Europe.

West Fraser’s products are used in home construction, repair and remodelling, industrial applications, papers, tissue and box material. Our products are primarily sold to major retail chains, contractor supply yards and wholesalers, as well as industrial customers for further processing or as components for other products. Our OSB products are used primarily for sheathing, flooring and roofing in the construction of new homes, the renovation and repair of existing structures and for use in industrial applications.

In Canada, our lumber operations are located in Western Canada (Alberta and British Columbia) and produce lumber made from spruce, pine, balsam fir (known as SPF) and other species, including Douglas fir and hemlock, as well as wood chips and other residuals. The vast majority of our Canadian lumber production is SPF lumber. In Canada, our OSB operations are located in Alberta, Ontario, and Quebec.

Our Wood Products and their Destination

Lumber produced at our Canadian lumber mills and sold to North American customers is marketed and sold from our sales office in Quesnel, B.C. while sales to offshore markets are made from our export sales office in Vancouver, B.C. Offshore sales activities are complemented by a customer service office in Japan. In 2023, sales of lumber were made to customers in the U.S. and Canada and to customers offshore, predominantly in Japan and China.

Our Canadian OSB and plywood are marketed from our sales office in Toronto, Ontario, while our LVL and MDF products are marketed from our sales office in Quesnel, B.C. In 2023, most of our Canadian OSB was sold to customers in the U.S., with the remaining production sold to Canadian customers and exported to Japan and China. Most of our plywood was sold to customers in Canada and our MDF and LVL was sold to customers in both the U.S. and Canada.

Pulp is marketed out of our sales office in Vancouver, B.C. Most of our sales for pulp in 2023 were to customers in Asia (predominantly China) with some products shipped to the U.S. and other offshore customers.

Our Supply Chain

Our operations are dependent on the consistent supply of substantial quantities of wood fibre in various forms. The primary manufacturing facilities, which produce lumber, plywood, LVL and OSB, consume whole logs, while the pulp & paper, particleboard and MDF facilities mostly consume wood by-products in the form of wood chips (including from whole-log chipping operations), shavings and sawdust resulting from the production of lumber, plywood or LVL, as well as recycled materials. Many facilities also consume hog fuel and wood waste in energy systems.

In Canada, we hold forest licences and agreements to source roundwood logs from Crown timberlands, which are supplemented by open market and private purchases. Further, substantially all our requirements for wood chips, shavings, sawdust and hog fuel are supplied from our own operations, either directly or indirectly through trades.

Our B.C. lumber mills and plywood plants produce a substantial portion of the fibre requirements of our B.C. pulp & energy operations and MDF plant. The Alberta MDF plant obtains its fibre from the adjacent Blue Ridge lumber mill and other lumber mills in the area. The fibre requirements of our 50%-owned newsprint mill are obtained from local lumber mills, including our lumber mill in Blue Ridge, and the Slave Lake veneer operation, through chip purchase agreements and log for chip trades using logs harvested from the newsprint mill's tenures.

The key manufacturing inputs for OSB, plywood, MDF, LVL and particleboard include resin and/or wax which are sourced principally from external North American suppliers. These feedstocks are widely-used industrial chemicals derived from oil and gas, such as benzene, phenol and methanol.

West Fraser is advancing an assessment of our supply chain. The degree to which we have visibility of our supply chain varies across divisions and business functions and depends on the nature of the supply or services being sought, the availability of local supply or service, geographic risk, and the degree to which there is process centralization or preferred suppliers identified. We have identified and engaged with major tier-one suppliers (based on spend) and are advancing our understanding of the supply chains for key products and services.

Subsequent to year end 2023, West Fraser sold its Hinton Pulp, Quesnel River Pulp and Slave Lake Pulp mills. Information concerning these mills and their supply chain are not included in this report. West Fraser purchased Spray Lake Sawmills (1980) Ltd. on November 17, 2023, and an assessment in 2023 was not possible.

Governance, Policies and Standards

Our Board of Directors, together with our executive and our senior leadership teams, set the policy and practice of our environmental, social and governance ("ESG") activities within our business.

Our Code of Conduct emphasizes our overall commitment to sustainability and sets out specific requirements in areas related to: (i) legal and ethical business conduct; (ii) promotion of safe and healthy work practices; (iii) commitment to operating in an environmentally sustainable manner; (iv) the commitment to human rights and a harassment, discrimination and violence-free workplace; and (v) maintaining a confidential feedback mechanism and conducting regular audits to ensure adherence to the Code.

During 2023, we issued our Anti-Bribery and Anti-Corruption Policy, Supplier Code of Conduct and Supply Chain and Human Rights Policy. These policies reflect and codify our values and commitment to business ethics and human rights in our own organization and set out our expectations for business partners in our value chain.

Our Supply Chain and Human Rights Policy and the Supplier Code of Conduct form part of our commitment to sustainability and reflect our evolving approach to ESG matters and our associated efforts to ensure regulatory compliance. The Supply Chain and Human Rights Policy outlines our commitment to human rights throughout our supply chain. Along with the Supplier Code of Conduct, these documents set out our expectations for suppliers to abide by internationally recognized human rights standards. Both policies are in place to prevent and reduce instances of human rights abuses, including forced and child labour, in our supply chain. The Supply Chain and Human Rights Policy integrates the Supplier Code of Conduct into our supplier contracts going forward.

For our due diligence associated with our fibre supply sourcing, we refer you to West Fraser's Forest Policy and the forest certifications available on the Company's website.

The due diligence performed for onboarding of suppliers varies across West Fraser's supply chain. Each of our divisions and/or business functions conducts supplier diligence, onboarding and orientations, which may include for example, solicitation and/or verification of credentials and certifications, credit review, insurance certification, safety record and program reviews and training, environmental performance record review, physical inspection, tracing of origin, background/trade references and other risk-based assessments.

Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

West Fraser has taken the following steps in an effort to prevent and reduce forced labour and child labour:

- undertook a review of our own policies and procedures in onboarding of employees and contractors, including, but not limited to, eligibility and voluntary commitment to work, minimum age requirement and conducted a limited audit of the effectiveness of such practices in relation to employee onboarding;
- adopted and published a Supply Chain and Human Rights Policy and Supplier Code of Conduct and communicated with our key suppliers concerning West Fraser's expectations that suppliers abide thereby;
- reserved the right to audit our suppliers for compliance with our Supply Chain and Human Rights Policy and Supplier Code of Conduct;
- reviewed the governance policies and practices concerning human rights of select key suppliers;
- commenced the process to review either on renewal or on onboarding, opportunities to incorporate, where appropriate, specific performance conditions in our contracts and terms and conditions;
- advanced a preliminary internal assessment of our supply chain to get better visibility of potential risks associated with forced labour or child labour in our operations and supply chain;
- performed physical inspections of supplier worksites;
- commenced review of our training procedures; and
- coordinated independent supply tracing assessments, in limited geographic-specific circumstances.

Remediation Measures and Remediation of Loss of Income

In our advancement of our internal and supply chain assessment, West Fraser has taken a risk-based approach and primarily focused on its first-tier suppliers and degree of geographical risk.

We have not implemented any remedial measures or remediated loss of income associated therewith as our assessment conducted to date has not identified any evidence of forced labour or child labour.

Understanding our Risk Exposure

At this time, our assessment conducted to date has not raised incidents of forced labour and child labour in West Fraser's operations or supply chain. The degree to which we have visibility or risk in our supply chain and the corresponding due diligence process of onboarding of suppliers, varies across the divisions and business functions depending on the nature of the supply or services being sought, the availability of local supply or service and the degree to which there is process centralization or preferred suppliers.

As part of our assessment conducted to date, we have identified and are engaging with, our significant first-tier suppliers (based on spend) and are advancing our understanding of the supply chains for key products and services.

For fibre supply sourcing, we refer you to West Fraser's Forest Policy and the forest certifications we maintain available on the Company's website. Our forest certifications are subject to regular audit.

As we continue to advance assessment of our supply chain, we expect that there will be opportunities to continually identify emerging risks and to seek way to close perceived gaps or clarify due diligence practices. Advancement will help further reinforce West Fraser's commitment to protecting human rights for the communities we operate and the communities that support our supply chain.

Training and Awareness

West Fraser's Code of Conduct affirms its commitments to human rights and to continual improvement of human rights, standards, and practices. We provide employee training and at onboarding and annually, track employee policy acknowledgements of our Code of Conduct.

West Fraser is reviewing its training procedures to consider opportunities to add to its existing training procedures and bring awareness to the forced labour and child labour subject area. As we mature our supply chain assessment, there will likely be opportunities to bring a more direct awareness to our employees in higher risk areas.

Assessing Effectiveness

West Fraser is committed to continuous improvement and as we advance further our supply chain assessment and learning, West Fraser will need to continue to assess the effectiveness of its policies and procedures with a view to identify any gaps and action any perceived risks.

We maintain a confidential and anonymous whistleblowing service and our Code of Conduct, Supply Chain and Human Rights Policy and Supplier Code of Conduct Code of Conduct all contain provisions to encourage employees, suppliers, contactors and any person in the community to report any violation. Our whistleblower services can be accessed either by:

- leaving a voice report with West Fraser's Director of Internal Audit at (604) 895-2763 or by mailing or couriering a report to the Company's head office at 885 West Georgia Street, Suite 1500 Vancouver, BC, V6C 3E8, addressed to the Director of Internal Audit and marked "Personal and Confidential"; or
- through our reporting hotline managed by ClearView Connects, which is set up to receive confidential and, if required, anonymous reports, via www.clearviewconnects.com, or via the North American Hotline: 1 (866) 608-7287 or European Hotline: 00 800 9643 9643.

We investigate and track all internal and external whistleblower complaints and regularly report to our Audit Committee of the Board the substance of the reports and the findings of the investigations.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above."

I have authority to bind West Fraser Timber Co. Ltd.:

"Originally signed by Sean McLaren"

Name: Sean McLaren
Title: President & Chief Executive Officer

