UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025 Commission File Number: 001-39974

WEST FRASER TIMBER CO. LTD.

(Exact name of Registrant as specified in its charter)

British Columbia, Canada	**2421**	**98-1630330**
(Province or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. Employer Identification No.)*

1500 – 885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3E8
Tel: (604) 895-2700
(Address and telephone number of Registrant's principal executive offices)

West Fraser, Inc.
57 Germantown Court, Suite 300
Cordova, TN 38018-4274
Tel: (901) 620-4200
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to section 12(b) of the Act:

Title Of Each Class	Trading Symbol(s)	Name Of Each Exchange On Which Registered
Common Shares, no par value	**WFG**	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

x Annual Information Form x Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report: **78,299,822 Common Shares**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes x No o

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company o

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o

INTRODUCTORY INFORMATION

West Fraser Timber Co. Ltd. (" **West Fraser**") is a company amalgamated under the laws of British Columbia, Canada. West Fraser's common shares were registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), effective February 1, 2021. West Fraser is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Exchange Act on Form 40-F pursuant to the multi-jurisdictional disclosure system (the "**MJDS**") adopted by the United States Securities and Exchange Commission (the " **SEC**"). The equity securities of the Company are further exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 of the Exchange Act. The common shares of West Fraser are traded in the United States on the New York Stock Exchange ("**NYSE**") under the symbol "**WFG**".

In this annual report on Form 40-F (this " **Annual Report**"), references to "we", "our", "us", the "Company" or "West Fraser", mean West Fraser Timber Co. Ltd. and its consolidated subsidiaries, unless the context suggests otherwise.

Unless otherwise indicated, all amounts in this Annual Report are in United States dollars and all references to "$" mean United States dollars.

PRINCIPAL DOCUMENTS

The following documents have been filed as part of this Annual Report:

Document	Exhibit No.
Annual Information Form of the Company for the year ended December 31, 2025 (our " **2025 AIF**")	99.1
Audited consolidated financial statements of the Company and notes thereto as at December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, together with the report of the Independent Registered Public Accounting Firm (our "**2025 Audited Annual Financial Statements**") and Management's Report on Internal Control over Financial Reporting	99.2
Management's Discussion and Analysis of the Company for the year ended December 31, 2025 (our " **2025 Annual MD&A**")	99.3

FORWARD-LOOKING STATEMENTS

This Annual Report and the exhibits attached hereto include certain statements that constitute "forward-looking statements" under the provisions of the U.S. Private Securities Litigation Reform Act of 1995, Section 21E under the Exchange Act, Section 27A of the U.S. Securities Act of 1933, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation. Actual results or events could differ materially from those set forth in, or implied by, the forward-looking statements and the related assumptions due to a variety of factors. Investors are referred to the cautionary notes entitled "Forward-Looking Statements" that are included in each of our 2025 AIF and 2025 Annual MD&A for a discussion of these forward-looking statements and the risks that impact these forward-looking statements. Investors are also referred to the risks described under the title "Risks and Uncertainties" in our 2025 Annual MD&A and in our 2025 AIF. This list of important factors affecting forward-looking statements is not exhaustive, and reference should be made to the other factors discussed in public filings with securities regulatory authorities, including the SEC. Accordingly, investors should exercise caution in relying upon forward-looking statements, and West Fraser undertakes no obligation to publicly update or revise any forward-looking statements, whether written or oral, to reflect subsequent events or circumstances except as required by applicable securities laws.

NOTE TO UNITED STATES READERS REGARDING DIFFERENCES BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

West Fraser is permitted to prepare this Annual Report in accordance with Canadian disclosure requirements which require Canadian public companies to prepare financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). Accordingly, the Company's 2025 Audited Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards. Therefore, West Fraser's 2025 Audited Annual Financial Statements incorporated by reference in this Annual Report may not be comparable to financial statements prepared in accordance with US GAAP. Our Independent Registered Public Accounting Firm performs an audit of the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "**PCAOB**"). Our Independent Registered Public

Accounting Firm is independent within the meaning of the Chartered Professional Accountants of British Columbia (" **CPABC**") Code of Professional Conduct in addition to the auditor independence standards of the PCAOB and the SEC.

CONTROLS AND PROCEDURES

West Fraser is responsible for establishing and maintaining disclosure controls and procedures (as such term is defined in Rules 13a-15(e) of the Exchange Act) and internal control over financial reporting (as such term is defined in Rules 13a-15(f) of the Exchange Act).

Disclosure Controls and Procedures

Disclosure controls and procedures are defined in Rule 13a-15(e) of the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and includes, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Management, under the supervision and with the participation of our President and Chief Executive Officer (" **CEO**") and the Executive Vice-President and Chief Financial Officer ("**CFO**"), has conducted an evaluation of our disclosure controls and procedures as of December 31, 2025. Based on this evaluation, management, under the supervision of our CEO and CFO, has concluded that our disclosure controls and procedures were effective as of December 31, 2025.

Management's Report on Internal Control over Financial Reporting

Management, under the supervision of the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under National Instrument 52-109 - Certification or Disclosure in Issuer's Annual and Interim Filings, in Canada, and the Exchange Act, in the United States, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with IFRS Accounting Standards.

Management, under the supervision of the CEO and CFO, has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025 based on the criteria set forth in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2025.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Additionally, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Attestation Report of the Independent Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report included with our 2025 Audited Annual Financial Statements, filed as Exhibit 99.2 to this Annual Report, and incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the year ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

AUDIT COMMITTEE

Our Board of Directors (the **"Board"**) has established a separately-designated independent Audit Committee (the **"Audit Committee"**) of the Board in accordance with Section 3(a)(58)(A) of the Exchange Act for the purpose of overseeing our accounting and financial reporting processes and the audits of our annual financial statements. As at the date of this Annual Report, the Audit Committee was comprised of Gillian D. Winckler (Chair), Doyle Beneby, Reid Carter, and Colleen M. McMorrow. The Board has determined that each of the members of the Audit Committee is independent as determined under Rule 10A-3 of the Exchange Act and Section 303A.02 of the NYSE Listed Company Manual.

AUDIT COMMITTEE FINANCIAL EXPERT

Our Board has determined that Gillian D. Winckler, the Chair of the Audit Committee, is an audit committee financial expert (as that term is defined in Form 40-F) and is an independent director under applicable securities laws and the listing requirements of the NYSE.

The SEC has indicated that the designation of a person as an audit committee financial expert does not make such person an "expert" for any purpose, or impose any duties, obligations or liability on such person that are greater than those imposed on members of the Audit Committee and the Board who do not carry this designation, or affect the duties, obligations or liability of any other member of the Audit Committee or Board.

PRINCIPAL ACCOUNTING FEES AND SERVICES

Our independent registered public accounting firm is PricewaterhouseCoopers LLP, Vancouver, Canada, (PCAOB ID No. 271).

The following table sets forth information regarding aggregate amounts billed to us by our independent registered public accounting firm for each of our last two fiscal years ended December 31 in thousands of United States dollars[1]:

	2025	2024
Audit Fees	$ 2,765	$ 2,714
Audit-Related Fees	137	121
Tax Fees	17	—
All Other Fees	101	52
Total	**3,020**	**2,887**

1. Amounts represent actual and estimated fees related to the respective fiscal years noted. Amounts are billed and paid in Canadian dollars, British pound sterling, and Euros and have been translated to United States dollars using the average exchange rate for the respective years noted.

Audit Fees

Audit fees relate to the integrated audit of our annual consolidated financial statements and the effectiveness of internal control over financial reporting, reviews of our interim consolidated financial statements, and statutory audits of the financial statements of our subsidiaries.

Audit-Related Fees

Audit-Related Fees include employee benefit audits.

Tax Fees

Tax fees relate to tax compliance services.

All Other Fees

All other fees relate to fees in connection with limited assurance engagements relating to climate matters and translation services.

Audit Committee Pre-Approval Policies

The Audit Committee has adopted a policy that sets out the pre-approval requirements related to services to be performed by our independent auditors. The policy provides that the Audit Committee will annually review proposed audit, audit-related, tax and other services (to be submitted by the CFO and the independent auditor), and will provide general approval of described services, usually including specific maximum fee amounts.

Unless a service has received general pre-approval, it will require specific pre-approval by the Audit Committee. The Audit Committee is permitted to delegate pre-approval authority to any of its members. The Audit Committee reports on the pre-approval process to the full Board from time to time.

None of the services provided by PricewaterhouseCoopers LLP in the fiscal year ended December 31, 2025 were treated as exempt from pre-approval pursuant to the de minimis provision of paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

West Fraser has not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

CONTRACTUAL OBLIGATIONS

The required tabular disclosure of contractual obligations is included in " *Liquidity & Capital Resources – Contractual Obligations*" of the 2025 Annual MD&A, filed as Exhibit 99.3 to this Annual Report, and incorporated herein by reference.

CODE OF ETHICS

West Fraser has adopted a "code of ethics" (as that term is defined in Form 40-F), entitled the West Fraser Code of Conduct that applies to all directors, officers and employees of West Fraser, including its CEO and CFO (the "**Code of Ethics**"). A copy of the Code of Ethics is posted on West Fraser's website at https://www.westfraser.com/investors/corporate/code-conduct.

There were no waivers granted in respect of the Code of Ethics during the fiscal year ended December 31, 2025. If there is an amendment to the Code of Ethics, West Fraser intends to disclose any such amendment by posting such information on West Fraser's website. Unless and to the extent specifically referred to herein, the information on West Fraser's website shall not be deemed to be incorporated by reference in this Annual Report. Except for the Code of Ethics, and notwithstanding any reference to West Fraser's website or other websites in this Annual Report or in the documents incorporated by reference herein or attached as exhibits hereto, no information contained on West Fraser's website or any other site shall be incorporated by reference in this Annual Report or in the documents incorporated by reference herein or attached as exhibits hereto.

NYSE CORPORATE GOVERNANCE

West Fraser's common shares are listed for trading on NYSE. Section 303A.11 of the NYSE Listed Company Manual requires foreign private issuers, such as West Fraser, to disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under the NYSE listing standards. Section 310.00 of the NYSE Listed Company Manual generally requires that a listed company's by-laws provide for a quorum for any meeting of the holders of the company's common shares that is sufficiently high to ensure a representative vote. Pursuant to the NYSE corporate governance rules we, as a foreign private issuer, have elected to comply with practices that are permitted under Canadian law in lieu of the provisions of Section 310.00. West Fraser's by-laws provide that the quorum requirement for meetings of shareholders is a minimum of 25% of the outstanding common shares in attendance at each meeting of shareholders, which is less than the 50% majority quorum requirement of many U.S. incorporated NYSE listed issuers.

Except as stated above, we are in compliance with the rules generally applicable to U.S. domestic companies listed on the NYSE. We may in the future decide to use other foreign private issuer exemptions with respect to some of the other NYSE listing requirements. Following our home country governance practices, as opposed to the requirements that would

otherwise apply to a company listed on the NYSE, may provide less protection than is accorded to investors under the NYSE listing requirements applicable to U.S. domestic issuers.

INTERACTIVE DATA FILE

West Fraser has submitted to the SEC an interactive data file in connection with this Annual Report.

UNDERTAKING

West Fraser undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC, and to furnish promptly, when requested to do so by the SEC, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

West Fraser has previously filed an Appointment of Agent for Service of Process and Undertaking on Form F-X signed by the Company and its agent for service of process with respect to the class of securities in relation to which the obligation to file this Annual Report arises. Any change to the name or address of West Fraser's agent for service shall be communicated promptly to the SEC by amendment to Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, West Fraser certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 11, 2026

WEST FRASER TIMBER CO. LTD.

By: */s/ Sean P. McLaren*

Sean P. McLaren
President and Chief Executive Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
97.1	West Fraser Timber Co. Ltd. Clawback Policy
99.1	Annual Information Form of the Company for the year ended December 31, 2025
99.2	Audited consolidated financial statements of the Company and notes thereto as at December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, together with the report of the Independent Registered Public Accounting Firm and Management's Report on Internal Control over Financial Reporting
99.3	Management's Discussion and Analysis for the year ended December 31, 2025
99.4	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of PricewaterhouseCoopers LLP
101	The following financial information from the Company's Annual Report on Form 40-F for the year ended December 31, 2025 formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Loss and Comprehensive Loss, (iii) the Consolidated Statements of Changes in Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Exhibits 99.1, 99.2, 99.3 and 99.8 of this Annual Report are incorporated by reference into the Company's Registration Statement on Form S-8 (File No. 333-252631), originally filed with the SEC on February 2, 2021, and the Registration Statement on Form S-8 (File No. 333-257254), originally filed with the SEC on June 21, 2021.

WEST FRASER TIMBER CO. LTD.

CLAWBACK POLICY

West Fraser Timber Co. Ltd. (the "Company") believes that it is appropriate for the Company to adopt this Clawback Policy (the "Policy") to be applied to the Executive Officers of the Company and adopts this Policy to be effective as of the Effective Date.

1. Definitions

For purposes of this Policy, the following definitions shall apply:

a) "Board" means the Board of Directors of the Company.

b) "Committee" means the Human Resources & Compensation Committee of the Board.

c) "Company Group" means the Company and each of its Subsidiaries, as applicable.

d) "Covered Compensation" means any Incentive-Based Compensation granted, vested or paid to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was Received (i) on or after the effective date of the applicable NYSE listing standard being October 2, 2023, (ii) after the person became an Executive Officer and (iii) at a time that the Company had a class of securities listed on a national securities exchange or a national securities association.

e) "Effective Date" means December 1, 2023.

f) "Erroneously Awarded Compensation" means the amount of Covered Compensation granted, vested or paid to a person during the fiscal period when the applicable Financial Reporting Measure relating to such Covered Compensation was attained that exceeds the amount of Covered Compensation that otherwise would have been granted, vested or paid to the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was granted, vested or paid and the Committee shall maintain documentation of such determination and provide such documentation to the NYSE.

g) "Exchange Act" means the U.S. Securities Exchange Act of 1934.

h) "Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company's parent(s) or subsidiaries are deemed executive officers of the Company if they perform such policy-making functions for the Company. "Policy-making function" does not include policy-making functions that are not significant. Both current and former Executive Officers are subject to the Policy in accordance with its terms.

i) "Financial Reporting Measure" means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures and may consist of IFRS/GAAP or non-IFRS/non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures need not be presented within the Company's financial statements or included in a filing with the SEC.

j) "Home Country" means the Company's jurisdiction of incorporation.

k) "Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

l) "Lookback Period" means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.

m) "NYSE" means the New York Stock Exchange.

n) "Received" Incentive-Based Compensation is deemed "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

o) "Restatement" means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). Changes to the Company's financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

p) "SEC" means the U.S. Securities and Exchange Commission.

q) "Subsidiary" means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust or unincorporated organization "affiliated" with the Company, that is, directly or indirectly, through one or more intermediaries, "controlling", "controlled by" or "under common control with", the Company. "Control" for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management

and policies of such person, whether through the ownership of voting securities, contract or otherwise.

2. Recoupment of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation Received during the Lookback Period prior to the Restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the Company Group in accordance with Section 3 of this Policy. The Committee must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below.

Notwithstanding the foregoing, the Committee (or, if the Committee is not a committee of the Board responsible for the Company's executive compensation decisions and composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered, including the costs that could be incurred if pursuing such recovery would violate local laws other than the Company's Home Country laws (following reasonable attempts by the Company Group to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to the NYSE), (ii) pursuing such recovery would violate the Company's Home Country laws adopted prior to November 28, 2022 (provided that the Company obtains an opinion of Home Country counsel acceptable to the NYSE that recovery would result in such a violation and provides such opinion to the NYSE), or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

3. Means of Repayment

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the Company Group, to require the forfeiture of any award granted by the Company Group to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code and the regulations and guidance thereunder. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company Group by wire, cash or cashier's check no later than thirty (30) days after receipt of such notice.

4. No Indemnification

No person shall be indemnified, insured or reimbursed by the Company Group in respect of any loss of compensation by such person in accordance with this Policy, nor shall any person receive any advancement of expenses for disputes related to any loss of compensation by such person in accordance with this Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering potential recovery obligations under

this Policy. For this purpose, “indemnification” includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the person a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any person an additional payment if any Restatement would result in a higher incentive compensation payment.

5. Miscellaneous

This Policy generally will be administered and interpreted by the Committee, provided that the Board may, from time to time, exercise discretion to administer and interpret this Policy, in which case, all references herein to “Committee” shall be deemed to refer to the Board. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Committee under this Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the NYSE, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the NYSE.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than recoupment, that may be available to the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

6. Amendment and Termination

To the extent permitted by, and in a manner consistent with applicable law, including SEC and NYSE rules, the Committee may terminate, suspend or amend this Policy at any time in its discretion.

7. Successors

This Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation granted, vested or paid to or administered by such persons or entities.

WEST FRASER TIMBER CO. LTD.

CLAWBACK POLICY

ACKNOWLEDGMENT, CONSENT AND AGREEMENT

I acknowledge that I have received and reviewed a copy of the West Fraser Timber Co. Ltd. Clawback Policy (as may be amended from time to time, the "Policy") and I have been given an opportunity to ask questions about the Policy and review it with my counsel. I knowingly, voluntarily and irrevocably consent to and agree to be bound by and subject to the Policy's terms and conditions, including that I will return any Erroneously Awarded Compensation that is required to be repaid in accordance with the Policy. I further acknowledge, understand and agree that (i) the compensation that I receive, have received or may become entitled to receive from the Company Group is subject to the Policy, and the Policy may affect such compensation and (ii) I have no right to indemnification, insurance payments or other reimbursement by or from the Company Group for any compensation that is subject to recoupment and / or forfeiture under the Policy. Capitalized terms used but not defined herein have the meanings set forth in the Policy.

Signed: _____

Print Name: _____

Date: _____

Exhibit 99.1

WEST FRASER TIMBER CO. LTD.

ANNUAL INFORMATION FORM

DATED FEBRUARY 11, 2026

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ITEM 1 - GENERAL INFORMATION

Basis of Presentation

This Annual Information Form ("AIF") of West Fraser Timber Co. Ltd. ("West Fraser", the "Company", "we", "us", or "our") is dated as of February 11, 2026. Except as otherwise indicated, the information contained in it is as of December 31, 2025.

For definitions of various abbreviations and technical terms used in this AIF, see Item 11, "*Glossary*" at the end of this AIF.

Where this AIF includes information from third parties, we believe that such information (including industry and general publications and surveys) is generally reliable. However, we have not independently verified any such third-party information and cannot assure you of its accuracy or completeness.

All financial information in this AIF is presented in United States ("U.S.") dollars, unless otherwise indicated. Information referred to in this AIF as being available on our website at www.westfraser.com does not form a part of this AIF.

Forward-looking Statements

This AIF includes statements and information that constitute "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of United States securities laws (collectively, "forward-looking statements"). Please refer to the cautionary note entitled "*Forward-looking Statements*" under Item 10 – "*Additional Information*" for a discussion of these forward-looking statements and the risks that impact these forward-looking statements. Additional risks impacting our business and these forward-looking statements are discussed under the heading "*Risks and Uncertainties*" in our Management Discussion and Analysis for the year ended December 31, 2025 (our "2025 MD&A").

ITEM 2 - CORPORATE STRUCTURE

West Fraser is organized under the *Business Corporations Act* (British Columbia) and assumed its present form in 1966 by the amalgamation of a group of companies under the laws of B.C.

Our executive office is located at 885 West Georgia Street, Suite 1500, Vancouver, B.C., Canada, V6C 3E8 and our registered office is located at 1055 West Georgia Street, Suite 1500, Vancouver, B.C., Canada, V6E 4N7.

The material subsidiaries of the Company are:

Name	Jurisdiction of Incorporation	Percentage of Voting Securities Owned (directly or indirectly)
Norbord Inc.	Canada	100%
West Fraser Alberta Wood Products Ltd. [1]	Alberta	100%
West Fraser, Inc.	Delaware	100%
West Fraser Mills Ltd. [2]	British Columbia	100%
West Fraser Sales Inc. [3]	Ontario	100%
West Fraser US EWP LLC	Delaware	100%
West Fraser Wood Products LLC [4]	Delaware	100%

1. Formed effective January 1, 2026 by amalgamation and holds the Alberta LVL and lumber mills other than the Hinton, Edson and High Prairie lumber mills.
2. On December 31, 2025 as part of an internal reorganization, the Canadian panels businesses (MDF and plywood) were transferred from West Fraser Mills Ltd. to West Fraser Panel Products Ltd.
3. Formerly, Norbord Sales Inc.
4. Converted to an LLC on February 28, 2025. Formerly West Fraser Wood Products Inc.

ITEM 3 - GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business Over the Last Three Years

History and Development of Business

West Fraser is a diversified wood products company with facilities in Canada, the U.S., the U.K. and Europe, manufacturing, marketing, selling, and distributing lumber, engineered wood products (OSB, LVL, MDF, plywood, particleboard), northern bleached softwood kraft pulp, paper, wood chips and other residuals. The business has expanded over time through the acquisition or development of lumber, OSB, panels and pulp & paper businesses and related timber harvesting rights. As at December 31, 2025, our business is comprised of 28 lumber mills, 15 OSB facilities, 3 plywood facilities, 3 MDF facilities, 1 particleboard facility, 1 LVL facility, 1 veneer facility, and 2 pulp and paper mills.

Major developments for West Fraser during the last three years include the following:

Senior Leadership Changes

Effective December 31, 2023, Ray Ferris retired as President and Chief Executive Officer. Sean McLaren, our former Chief Operating Officer, was appointed as our President and Chief Executive Officer effective January 1, 2024 following the retirement of Mr. Ferris. Mr. McLaren was appointed to our Board of Directors effective January 1, 2024, in place of Mr. Ferris.

Changes to Long-Term Debt and Operating Facilities

In May 2025, we amended and restated our syndicated Credit Agreement providing for the renewal of our $1 billion Revolver Facility and extension of the facility's maturity from July 2028 to May 2030. The renewed credit facility was made available on substantially the same terms and conditions as our existing credit facility. The Credit Agreement was originally entered into in 2021 and was first amended and restated in 2023.

We also increased and extended our existing $200 million Term Facility maturing July 2025. The modified Term Facility is for $300 million and matures May 2028. Interest on the Term Facility is payable at floating rates based on US Base Rate Advances or SOFR Advances at our option. This Term Facility is repayable at any time, in whole or in part, at our option and without penalty but cannot be redrawn after payment.

We have interest rate swap contracts to pay fixed interest rates and receivable variable interest rates on $75 million notional principal amount of indebtedness. These swap agreements have the effect of fixing the interest rate on $75 million of the $300 million Term Facility, with the balance being subject to a floating rate. The weighted average fixed interest payable under these swap agreements is 3.27%.

Additional information regarding the Credit Agreement, Revolving Facility and Term Facility is provided in Item 9 - " *Material Contracts*" of this AIF.

On October 15, 2024, we repaid the principal and accrued interest on our $300 million senior notes on maturity with cash at hand.

Share Repurchases

Over the past three years, we have had in place several NCIBs, which have allowed us to repurchase our Common shares in accordance with the rules of the TSX in the following amounts:

- 2023: 1,834,801 Common shares were purchased at a cost of $129 million.
- 2024: 1,799,217 Common shares were purchased at a cost of $144 million.
- 2025: 1,639,207 Common shares were purchased at a cost of $124 million.

On February 27, 2025, we renewed our normal course issuer bid (“2025 NCIB”) allowing us to acquire up to 3,868,177 Common shares for cancellation from March 3, 2025 until the expiry of the bid on March 2, 2026. As of February 10, 2026, we have repurchased 1,286,185 Common shares under our 2025 NCIB program.

On February 27, 2024, we renewed our normal course issuer bid (“2024 NCIB”) allowing us to acquire up to 3,971,380 Common shares for cancellation from March 1, 2024 until the expiry of the bid on February 28, 2025. Under this program, we repurchased 2,079,530 Common shares for cancellation.

On February 22, 2023, we renewed our normal course issuer bid ("2023 NCIB") allowing us to acquire up to 4,063,696 Common shares for cancellation from February 27, 2023 until the expiry of the bid on February 26, 2024. Under this program, we repurchased 1,907,510 Common shares for cancellation.

Commitment to GHG Emissions Reductions

In April 2023, the Science Based Targets Initiative ("SBTi") completed its validation of the science-based targets we set in the first quarter of 2022 to achieve near-term greenhouse gas (“GHG”) reductions across all our operations located in the United States, Canada, United Kingdom and Europe.

Mill Closures and Curtailments

Over the last three years, we have announced the permanent closure and indefinite curtailment of a number of mills within our lumber and OSB operations in North America. Within our lumber operations, these permanent closures reflect a reduction of approximately 950 million board feet in our lumber capacity. Within our OSB operations, the indefinite curtailments announced represent 1,300 million square feet (3/8 inch) of our OSB capacity.

These permanent closures and indefinite curtailments included the following in 2025:

- On November 6, 2025, we announced the permanent closure of our lumber mills in Augusta, Georgia (reducing our U.S. lumber capacity by approximately 140 million board feet) and 100 Mile House, B.C. (reducing our Canadian lumber capacity by approximately 160 million board feet). We also announced that the 2024 indefinite curtailments of our Huttig, Arkansas and Lake Butler, Florida lumber mills are now permanent; and

- On December 4, 2025 we announced the indefinite curtailment of our OSB mill in High Level, Alberta to take effect in the spring of 2026 following an orderly wind-down and consumption of the mill's existing log supply reducing our Canadian OSB capacity by 860 million square feet (3/8 inch). We also confirmed the idling of one of the production lines at our Cordele, Georgia OSB facility since 2023 will continue indefinitely, reducing our U.S. OSB capacity by 440 million square feet (3/8 inch).

Henderson, Texas Lumber Manufacturing Complex

Construction for the modernization of our Henderson, Texas lumber manufacturing facility is complete and the mill has begun its ramp-up. Capacity at the new mill is anticipated to be 275 MMfbm, an approximate doubling of the prior mill's annual capacity. Operations at the prior Henderson facility have been wound down and that mill has been decommissioned. We do not expect to realize meaningful incremental run-rate production from the new mill until late 2026.

Acquisition of Spray Lake Lumber

On September 6, 2023, we announced that we had entered into an agreement to acquire Spray Lake Sawmills (1980) Ltd., which produces treated wood products, dimensional lumber and a variety of innovative wood residuals and byproducts in Cochrane, Alberta, increasing our lumber capacity by approximately 155 million board feet. The transaction closed on November 17, 2023.

Pulp Divestitures

On July 10, 2023, we announced an agreement to sell the Hinton pulp mill to Mondi. Under the terms of the agreement, Mondi agreed to purchase specified assets, including property, plant and equipment and working capital, and assumed certain liabilities related to the Hinton pulp mill in exchange for a base purchase price of $5 million prior to working capital and other adjustments specified in the asset purchase agreement. We agreed to continue to supply fibre to the Hinton pulp mill under a long-term contract, via residuals from our Alberta lumber mills.

The transaction closed on February 3, 2024 following the successful completion of customary regulatory reviews and closing conditions, eliminating our UKP capacity (approximately 250 thousand tonnes).

On September 22, 2023, we announced that we had entered into an agreement to sell our Quesnel River Pulp mill in Quesnel, British Columbia and our Slave Lake Pulp mill in Slave Lake, Alberta to an affiliate of Atlas Holdings. The agreement includes related woodlands operations and timber holdings in Alberta and a long-term fibre supply agreement for the Quesnel River Pulp facility. Combined total cash proceeds from the sale are US$120 million prior to working capital adjustments specified in the asset purchase agreement.

The transaction closed on April 22, 2024, following the successful completion of customary regulatory reviews and closing conditions, eliminating our BCTMP capacity (approximately 690 thousand tonnes).

Dissolution of CPL Joint Venture

On April 2, 2024, we announced an agreement to dissolve our 50/50 joint venture in CPL located in Quesnel, British Columbia with Mercer International Inc. and we became the sole owner and operator of CPL. CPL has the capacity to produce up to approximately 340,000 tonnes of NBSK annually.

Tariffs

Canadian softwood lumber exports to the U.S. have been the subject of trade disputes and managed trade arrangements for several decades. The current round of countervailing and antidumping duties have been in place since April 2017.

On March 4, 2025, the U.S. administration, under the International Emergency Economic Powers Act ("IEEPA"), implemented an additive 25% tariff on all goods imported into the U.S. Our wood products were subject to the IEEPA tariffs for a two-day period from March 4, 2025 to March 6, 2025. The legality of the IEEPA tariffs is currently under review by the Supreme Court of the United States as of February 10, 2026.

On September 29, 2025, the U.S. administration issued a proclamation that imposed a tariff of 10% under Section 232 of the *Trade Expansion Act of 1962* on imported softwood timber and lumber into the U.S., effective October 14, 2025. This tariff is in addition to the existing softwood lumber duties applied to U.S. imports of Canadian lumber. The tariffs implemented under Section 232 of the *Trade Expansion Act of 1962* are still in effect as of February 10, 2026.

For additional information, refer to the discussion in our 2025 MD&A under *"Risks and Uncertainties – Trade Restrictions"* for a detailed discussion of the risks and uncertainties associated with the imposition of tariffs.

3.2 Corporate Strategy

Our goal at West Fraser is to generate strong financial results through the business cycle, supported by robust product and geographic diversity, and relying on our committed workforce, the quality of our assets and our well-established people and culture. This culture emphasizes cost control in all aspects of the business and operating in a sustainable, financially conservative and prudent manner.

The North American wood products industry is cyclical and periodically faces difficult market conditions. Our earnings are sensitive to changes in world economic conditions, primarily those in North America, Asia and Europe and particularly to the U.S. housing market for new construction and repair and renovation spending. Most of our revenues are from sales of commodity products for which prices are sensitive to variations in supply and demand. As many of our costs are denominated in Canadian dollars, British pounds sterling and Euros, exchange rate fluctuations of the Canadian dollar, British pound sterling and Euro against the United States dollar can and are anticipated to be a significant source of earnings volatility for us.

We believe that maintaining a strong balance sheet and liquidity profile, along with our investment-grade issuer rating, enables us to execute a balanced capital allocation strategy. Our goal is to optimize our portfolio of assets as well as reinvest in our operations across all market cycles to strategically enhance productivity, product mix, and capacity and to maintain a leading cost position. We believe that a strong balance sheet also provides the financial flexibility to capitalize on growth opportunities, including the pursuit of opportunistic acquisitions and larger-scale strategic growth initiatives, and is a key tool in managing our business over the long term including returning capital to shareholders.

Sales
($ millions - for the year ended December 31)

	2025	2024	2023
Lumber	2,523	2,550	2,722
NA EWP	2,131	2,794	2,602
Pulp & Paper	315	378	612
Europe EWP	493	453	517
Total Sales	5,462	6,175	6,454

The above amounts include sales of Spray Lake lumber since the acquisition date of November 17, 2023.

ITEM 4 - DESCRIPTION OF THE BUSINESS

4.1 Principal Products and Markets

West Fraser is a diversified wood products company with facilities in Canada, the U.S., the U.K. and Europe, manufacturing, marketing, selling, and distributing lumber, engineered wood products (OSB, LVL, MDF, plywood, particleboard), northern bleached softwood kraft pulp, paper, wood chips and other residuals. We hold rights to timber resources that are sufficient to supply a significant amount of the fibre required by our Canadian operations and have long-term agreements for the supply of a portion of the fibre required by our U.S. lumber and U.K. OSB operations.

4.2 Markets

West Fraser's products are used in home construction, repair and remodelling, industrial applications, papers, and tissue. Our products are primarily sold to major retail chains, pro dealers, contractor supply yards and wholesalers, as well as industrial customers for further processing or as components for other products. Changes in new home construction activity levels in the U.S. are a significant driver of volatility in lumber and OSB demand. In general, the business is affected by the level of housing starts, the level of home repairs, the availability and cost of financing, changes in industry capacity, changes in raw material prices, changes in foreign exchange rates (primarily the Canadian dollar, Pound Sterling and Euro currencies) and other operating costs.

In Canada, our lumber operations are located in Western Canada and produce lumber made from spruce, pine, fir 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 the U.S., our lumber mills are located in the southern U.S. and produce southern yellow pine ("SYP") lumber, wood chips and other residuals. OSB operations are located in Canada, the U.S., the U.K. and Belgium.

The markets for our products are highly competitive and product pricing can be volatile. Our products are sold in markets open to a number of companies with similar products and we compete with global producers. Our competitive position is affected by factors such as cost and availability of raw materials, energy, labour, the ability to maintain high operating rates and low per unit manufacturing costs, the quality of our final products and our ability to transport products to our customers. Some of our products may also compete with non-wood fibre-based alternatives or with alternative products in certain market segments. Purchasing decisions by customers are generally based on price, quality, service and availability of supply; however, because commodity products such as ours have few distinguishing properties from producer to producer, competition for these products is based primarily on price. Prices and sales volumes are influenced by general economic conditions, the balance of supply and demand for the product, and the availability of transportation.

4.3 Manufacturing Inputs

Fibre Supply

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.

West Fraser does not own timberlands, apart from a nominal amount of private land that is managed for timber production; wood fibre supply comes from several different sources. In Canada, we hold forest licences and agreements to source roundwood logs from Crown timberlands, which are supplemented by open market and private purchases, as discussed below under "*Canadian Forest Tenures*". In the U.S., roundwood logs for both lumber and OSB are primarily sourced from private and industry-owned woodlands. In Europe, wood fibre is purchased from government and private landowners.

Canadian Forest Tenures

Our manufacturing operations located in Canada obtain fibre directly or indirectly from timberlands that are substantially all publicly owned. The right to harvest timber is acquired through provincially granted licences. Licences grant the holder the right to harvest up to a specified quantity of timber annually and either have a term of 10 to 25 years and are primarily replaceable, while some tenures are also non-replaceable with a fixed term. Government objectives in granting licences include responsible management of timber, soils, wildlife, water and fish resources and the preservation of biodiversity and the protection of cultural values. The objectives also include achieving the fullest possible economic utilization of the forest resources and employment in local communities.

Timber tenures across Canada require the payment of a fee, commonly known as stumpage, for timber harvested pursuant to its terms. Stumpage in Canada is primarily product/price specific and, in some provinces, varies on a lagged basis with the sales price of the product into which the logs will be converted. Stumpage in a number of provinces is also influenced by the results of certain publicly auctioned timber harvesting rights. Timber tenures in B.C. and Alberta also require the holder to carry out reforestation to ensure re-establishment of the forest after harvesting. Reforestation projects are planned and supervised by our woodlands staff and are subject to approval by relevant government authorities. Our timber harvesting and reforestation operations are carried out by independent contractors under the supervision of our woodlands staff.

While we have provincially granted timber tenures or licences granting the right to harvest timber up to a specified quantity of timber each year, our ability to access such timber or the availability of such timber can be affected by federal or provincial legislative changes, policies or other governmental actions and also by natural events such as forest insect infestations and wildfires. The Government of B.C. has recently adopted amendments to the *Forest Act* and the *Forest and Range Practices Act (British Columbia)* that may result in actions by the Government of B.C. that reallocate timber harvesting rights to Indigenous Nations and/or local communities or require the development of forest landscape plans by the Chief Forester of B.C. in consultation with affected Indigenous Nations. These actions could potentially impact both the area covered by our forest licences in B.C. and the amount of timber that we are able to harvest from these licences.

On February 21, 2020, the Governments of Canada and B.C. and the West Moberly and the Saulteau First Nations finalized two conservation agreements for the Southern Mountain Caribou, under Section 11 of the federal *Species at Risk Act*: the Section 11 conservation agreement between Canada and B.C. and the partnership agreement between West Moberly First Nations, Saulteau First Nations, Canada, and B.C. These agreements establish varying levels of protection and limits for forest management regimes in the South Peace area, which reduces our access to timber supply. The full timber supply impact of these agreements is not yet known, as there are aspects of the agreements that have not been implemented. The 2020 caribou-focused conservation agreement, consistent with Section 11 of the *Species at Risk Act*, between the Government of Alberta and the Government of Canada has expired. It is not clear at this time if the agreement will be renewed or replaced. We have been working with the Provinces of B.C. and Alberta to develop strategies that support caribou recovery while maintaining our access to the forest resource. The AAC impact from federal and provincial recovery plans will not become known until the final location of the conservation areas and the forest management regimes are identified and implemented.

The mountain pine beetle infestation has impacted the timber supply in B.C. and Alberta. In the B.C. interior the infestation reached a peak in 2005 and the non-recoverable timber losses to the mature pine forests within our operating areas are significant. The Province of B.C. previously increased the AAC on dead pine stands and limited the harvest of non-pine species until the salvage of dead pine stands came to a conclusion with the intent that the AAC will be reduced to reflect lower mature inventories as dead pine stands are harvested or when they are no

longer economic to harvest. The Province has substantially reduced the AAC in B.C.'s central interior in the past five years and we expect this process to continue for up to another three years as the Province transitions AACs by incrementally reducing mountain pine beetle uplifts, re-apportioning volume to Indigenous Nations and deferring harvest in defined old growth areas.

Mountain pine beetle populations in Alberta are currently at endemic levels. The Government of Alberta is monitoring annually for increases in mountain pine beetle populations through aerial surveys. Over the next several years, we expect our accelerated AAC levels in Alberta to normalize post mountain pine beetle which could impact availability of logs for consumption in our Alberta mills.

Over the past five years, wildfires in B.C. burned approximately 5,812,098 ha, with an annual average of 1,162,420 ha burned. The B.C. area burned in 2025 was just below the five-year average at approximately 886,360 ha. West Fraser operating areas in B.C. were not significantly impacted in 2025, as the fires in 2025 were largely outside our operating areas. In 2025, wildfires in Alberta burned approximately 681,751 ha. West Fraser operating areas in Alberta were impacted in 2025 to a high degree, primarily in the Peace area north of Slave Lake. Salvage of fire damaged trees remains an ongoing priority to minimize non-recoverable timber losses in burned forests.

As the timing of future AAC reductions and the effect on our AACs will depend on a variety of factors, including the impact of wildfires, the amount of non-pine species available for harvest, and the removal of land from the timber harvesting land-base due to changing government policies, the full effect on our operations cannot reasonably be determined at this time.

Residual Fibre Supply

In Canada, a majority of our requirements for wood chips (residual and whole log), shavings, sawdust and hog fuel are supplied from our own operations, either directly or indirectly through trades. This reduces our exposure to risks associated with price fluctuations and supply shortages of these products and minimizes logistics costs.

Our B.C. lumber mills and plywood plants produce a substantial portion of the fibre requirements of our energy operations, CPL, and MDF plant. In B.C. we utilize pulp logs from our harvesting operations to produce whole log chips to supplement the supply of residual chips from our various lumber mills to support CPL. Changing government policies in B.C. are having an impact on the primary industry and the subsequent production of residual fibre for pulp and energy operations. Although still too early to estimate what the impacts on our operations will be, there is intense competition for residual fibre supply across the interior of B.C. and we may experience shortages.

The Alberta MDF plant obtains its fibre from the adjacent Blue Ridge lumber mill and other lumber mills in the area. We currently supply fibre to the Hinton pulp mill under a long-term agreement with Mondi, via residuals from our Alberta lumber mills and pulp logs from our Alberta harvesting. Additionally, we have a long-term agreement to supply fibre to the Quesnel River Pulp facility operated by Millar Western Forest Products. The fibre requirements of our 50%-owned paper operation are met through log for chip arrangements using logs harvested from the paper operation's tenure and chips supply from our lumber mill in Blue Ridge, with incremental supply coming from our Slave Lake veneer and Sundre lumber operations, as well as from chip purchase agreements. We also supply wood chips and other residuals to third-party consumers, as necessary.

The majority of the wood chips produced by our U.S. lumber mill operations are sold to pulp mills at market prices pursuant to long-term contracts. Our European particleboard facilities source recycled fibre from third party suppliers and our European MDF facilities source wood chips from third party lumber mills in the U.K.

4.4 Fibre Consumption

Our Canadian lumber mills, plywood facilities and LVL plant, if operating at the capacities described herein, would consume approximately 10.6 million m^3 of softwood logs (coniferous) per year. We access the majority of these requirements from quota-based tenures and the balance is typically acquired from third parties holding short or long-term timber harvesting rights, including independent logging contractors, Indigenous groups, communities and

woodlot owners. We do not necessarily consume the maximum permitted volume of logs that may be harvested from our tenures annually but will adjust between tenure and purchase logs depending on circumstances including the availability of purchase logs and our ability to secure approvals to harvest in economically viable stands.

Our Canadian OSB operations, if operating at the capacities described herein, after giving effect to indefinite curtailments, would consume approximately 3.4 million m^3 of hardwood logs (deciduous) per year. Our volume requirements are largely filled within our quota-based tenures, consumption rights or wood guarantees with the balance purchased on a competitive market-based system.

Our U.S. operations, which produce both SYP lumber and OSB, if operating at the capacities described herein, after giving effect to the indefinite idling of one of our production lines at our Cordele, Georgia OSB facility, would consume approximately 20.8 million tonnes of softwood logs per year. The majority of our volume requirements are purchased on the open market, with the balance under long-term supply contracts and/or timber deeds. Open market purchases come principally from timber real estate investment trusts, timberland investment management organizations, and private landowners.

Our U.K. and European operations, which produce OSB, particleboard and MDF, if operating at the capacities described herein, would consume approximately 2.6 million m^3 of fibre per year, consisting of softwood and hardwood logs, residual chips and recycled fibre.

4.5 Forestry Certification

West Fraser holds third party verified sustainable forest management and fibre sourcing certification from the Sustainable Forestry Initiative (SFI®) program, and chain-of-custody certificates from SFI®, and the Programme for the Endorsement of Forest Certification (PEFC). In addition, West Fraser holds chain of custody and Controlled Wood certification from the Forest Stewardship Council.

4.6 Resin and Wax

The manufacturing inputs for OSB, plywood, MDF, LVL and particleboard include resin and/or wax which are sourced through outside suppliers with prices for the underlying feedstocks based on global indices. These feedstocks are widely-used industrial chemicals derived from oil and gas, such as benzene, phenol and methanol. Feedstock prices are influenced by global supply and demand conditions, and have exhibited significant volatility over time.

4.7 Seasonality and Cyclicality of Business

Our operating results are subject to seasonal fluctuations that may impact quarter-to-quarter comparisons. Consequently, interim operating results may not proportionately reflect operating results for a full year.

Market demand varies seasonally, as home building activity and repair-and-remodelling work are generally stronger in the spring and summer months. Extreme weather conditions, including wildfires in Western Canada and hurricanes in the U.S. South, may periodically affect operations, including logging, manufacturing and transportation. Log inventory is typically built up in the northern regions of North America and Europe during the winter to sustain our lumber and EWP production during the second quarter when logging is curtailed due to wet and inaccessible land conditions. This inventory is generally consumed in the spring and summer months.

4.8 Indigenous Relations

West Fraser engages with Indigenous Nations and communities to develop and strengthen meaningful relationships. We are committed to collaborative relationships that respect the unique culture and rights of Indigenous Peoples, incorporating Indigenous Peoples' perspective and knowledge into our work, increasing the participation of Indigenous Peoples in our business through direct employment, the procurement of services, and other forms of partnership. West Fraser has received third-party verification for Committed Phase 3 criteria through the Partnership Accreditation in Indigenous Relations (PAIR) by the Canadian Council for Indigenous Business (CCIB), to ensure we

improve consistency in our approach to community relations, focused on mutual respect and understanding of each other's interests, values, and goals. Through support of a variety of programs, including sponsorship of youth employment programs and scholarships, growing internship opportunities and paths to meaningful employment, ensuring our teams receive cultural awareness training, and a commitment to expand procurement from Indigenous-led business, we are working to establish the foundation for positive Indigenous relations.

Our voluntary forest certification standards include respect for Indigenous Peoples' rights and traditional knowledge. This is specifically addressed in the Sustainable Forestry Initiative (SFI) 2022 Standards and Rules, which recognizes the spirit of the federal *United Nations Declaration for the Rights of Indigenous Peoples Act*. As a program participant, West Fraser communicates and collaborates with local Indigenous Nations and communities to better understand Indigenous traditional practices with respect to forest management. West Fraser is and will continue to be proactive in its efforts to engage with Indigenous Nations and communities to seek positive and beneficial working relationships and maintain access to the timber harvesting land base.

Notwithstanding these efforts, our continued access to the forest resources in Canada could be impacted by Indigenous rights and title claims, treaties, non-treaty agreements, legislation related to Indigenous rights and other governmental decisions and policy changes and judicial interpretation of these rights. These, and related duties of government to consult Indigenous groups in respect of statutory decision-making and the evolution of Indigenous rights and title jurisprudence could affect the issuance, validity, renewal and exercise, and terms and conditions of Crown timber rights and authorizations to harvest, or the timeliness of obtaining such rights. In an effort to reduce risk, West Fraser takes an approach to optimize mutual benefits and build resilient relationships.

Included in the above are actions that governments may take pursuant to the *B.C. Declaration on the Rights of Indigenous Peoples Act* , brought into force in November 2019 and the federal *United Nations Declaration on the Rights of Indigenous Peoples Act* , brought into force in December 2020. The Government of British Columbia may take actions concerning its relationships with Indigenous groups under the recent amendments to the *Forest Act* (British Columbia) and the *Forest and Range Practices Act* (British Columbia) and its plan to defer logging in "old growth" forest areas, and these actions may ultimately reduce the available timber supply from our British Columbia forest licences.

As the jurisprudence, legislation and government policies respecting Indigenous title and rights and the consultation process continue to evolve, we cannot predict whether claims will have a material adverse effect on our timber harvesting rights or on our ability to exercise, renew or transfer them, or secure other timber harvesting rights.

4.9 Human Resources, Culture and Safety

As of December 31, 2025, we employed approximately 9,600 individuals, including our proportionate share of those in our 50%-owned paper operation. Of these, approximately 4,900 are employed in our lumber segment, 3,000 in our NA EWP segment, 660 in our Europe EWP segment, 420 in our pulp & paper segment and 600 in our corporate & other segment. Approximately 29% of our employees are covered by collective agreements. There was one expired collective agreement covering 2% of our employees as at December 31, 2025 under which the bargaining process is ongoing. Collective agreements representing 8% and 12% of our unionized employees expire in 2026 and 2027, respectively.

West Fraser believes inclusive, diverse teams build a more vibrant workforce, safer operations and a stronger company overall. We strive to create workplaces and leadership teams that are reflective of the diverse communities where we live and work. At the end of 2025, approximately 14% of our workforce were women and a further approximately 24% were under-represented minorities.

The safety of our employees is a core value and business priority and our safety goal is to eliminate all incidents and injuries. We are committed to continuously improving our safety programs. We provide ongoing safety training for our employees to minimize potential risks inherent in forestry-related manufacturing industries. See Item 4.14, "*Governance and Oversight*" section of this AIF.

4.10 Environmental Performance

West Fraser's operations are subject to a range of general and industry-specific environmental laws and regulations relating to air emissions, wastewater discharges, solid and hazardous waste management, plant and wildlife protection and site remediation. Our Environmental Policy articulates our commitments related to the integration of environmental considerations into our day-to-day decisions, as well as climate action and the reduction of non-biogenic greenhouse gas emissions, which West Fraser verifies. We also reinforce how we value biodiversity and engagement with stakeholders and rights holders. We continue to work to integrate a standardized environmental management system (EMS) to improve our performance by aligning our environmental audit programs, as well as increasing engagement on our EMS framework and standards. Our EMS establishes the foundation to both manage environmental risk in our operations and also comply with environmental laws and regulation.

Regulatory Requirements

Our manufacturing operations are subject to environmental protection laws and regulations. We are continuously improving our internal environmental management programs, standards and guidelines to help ensure that our operations are in compliance with applicable laws and standards and to address any instances of non-compliance. We have incurred, and will continue to incur, capital expenditures and operating costs to comply with environmental laws and regulations. We are required to carry out remediation activities, including site decommissioning, under applicable environmental protection laws and regulations. In addition, we are required to carry out reforestation activities under our various timber licences. We maintain accruals in our financial statements for certain environmental, reforestation and decommissioning obligations. We are preparing for emerging sustainability-related regulatory requirements by aligning to internationally recognized *International Sustainability Standards Board* ("ISSB") standards, *Corporate Sustainability Reporting Directive* ("CSRD"), *European Union Deforestation Regulation* ("EUDR") and the *Taskforce on Nature-related Financial Disclosures* ("TNFD"). This includes policy development, management systems integration, and enhanced performance tracking related to environment and social impacts.

Environmental Attributes of Wood Products and Minimization of Waste

Wood products have three beneficial roles in the carbon cycle: as a store of carbon, as an alternative to more carbon intensive building materials, and for generating carbon-neutral energy.

West Fraser has completed its biogenic carbon inventory for 2023 and 2024, which accompanies our Scope 1, 2, and 3 inventory to provide a complete carbon footprint. We initially anticipated aligning this work to the GHG Protocol's Land Sector and Removals Standard, but due to continued delays in its publication and the subsequent exclusion of forestry, we elected to develop an accompanying methodology document aligned to the recently published ISO 13391 series standards for calculating greenhouse gas dynamics of wood and wood-based products. This calculation work enables West Fraser to demonstrate with quantitative rigor that company-wide—from harvesting wood through manufacturing and product use—the carbon stored and emissions avoided exceed the emissions generated by our operations.

West Fraser actively participates in numerous forestry sector and local associations. We support climate-smart and green building initiatives through our membership in the Softwood Lumber Board ("SLB") to increase market demand for wood products. The SLB, through programs such as WoodWorks and ThinkWood, supports initiatives that promote the benefits and encourage the use of softwood lumber products in outdoor, residential and non-residential construction.

Our lumber, OSB, particleboard, plywood, MDF and LVL products are backed by industry standard Life Cycle Assessments, environmental product declarations ("EPD") and EPD transparency briefs that support its increased use in lower carbon building construction. West Fraser's certified wood products are eligible for points in one of the most widely used green building rating systems globally, LEED (Leadership in Energy and Environmental Design), sponsored by the United States Green Building Council.

Our high-efficiency primary manufacturing recovers raw materials for a range of valuable secondary products. We maximize our product utilization and minimize the waste and material sent to landfill through innovations to our production process to use more wood residuals, recovering them for value-added products and renewable energy generation. Secondary products include: (i) sawdust and shavings are used in our MDF plants or are transformed into fuel and energy to run mill operations; (ii) wood chips and the wood cores from our plywood and veneer operations are used in pulping operations; (iii) heat, steam, gases and biomass liquids (such as black liquor) that develop during our manufacturing processes are captured to generate bioenergy in our mills; and (iv) bark and wood residuals are used as fuel in our energy systems. Sustainably sourced wood products store approximately half their weight as carbon throughout their lifespan. A portion of this carbon remains sequestered even after the product's end-of-life, making wood, along with its embodied carbon, a valuable and relatively low-carbon building material compared to steel and concrete.

4.11 Responsible Resource Efficiency

Our goal is to have a sustainable and resilient business. We are committed to consciously managing our air emissions and water resources, working towards efficiency, reducing consumption and developing sustainable energy solutions.

We are focused on replacing fossil fuel energy sources where feasible with renewable and carbon-neutral energy sources. Renewable sources now supply about three-quarters of our operations' energy needs. We use manufacturing by-products such as wood residuals and pulp mill liquor to generate bioenergy and invest capital to improve manufacturing processes' energy efficiency.

Regulators in Canada, the European Union, and the U.K. have all committed to ambitious emissions reduction targets under international climate frameworks, with jurisdictions implementing various policy mechanisms to achieve these goals. The Canadian federal government and the four provinces in which West Fraser currently operates have enacted regulations to meet GHG reduction obligations through carbon pricing systems including carbon taxes and cap-and-trade initiatives.

West Fraser has a long history of participating in energy efficiency programs that deliver both environmental and economic benefits. Our U.K. operations have achieved significant cost savings through climate and energy efficiency commitments, while our Western Canadian operations have consistently participated in utility-led strategic energy management programs. As of December 31, 2025, our most energy-intensive U.S. mills have joined the Better Plants program, run by the U.S. Department of Energy to promote ISO 50001-aligned advancement in energy efficiency within industrial manufacturing.

Carbon pricing mechanisms have operated in the U.K. and Europe for nearly two decades, creating established markets for emissions trading. Our biomass heat energy generating units have enabled compliance with energy efficiency targets across our U.K. and European mills while generating carbon credits and renewable heat incentives that provide additional value to our businesses.

4.12 SBTi

There are numerous government initiatives and proposals globally to address climate-related issues. Within the jurisdictions that we operate, some of these initiatives regulate and/or tax the production of carbon dioxide and other greenhouse gases. In response, West Fraser developed plans to achieve near-term greenhouse gas ("GHG") reductions across all our operations located in the United States, Canada, U.K. and Europe. In the first quarter of 2022, we joined the SBTi and established specific science-based targets to achieve near-term greenhouse gas reductions across all of our operations located in Canada, the U.S., the U.K., and Europe. In April 2023, the SBTi completed its validation of the science-based targets we set. In our 2024 Sustainability Report, we reported our reductions achievements as being on track to our 2030 SBTi goals.

4.13 Community and Stakeholder Engagement

We value our relationship with stakeholders and rights holders and recognize the interdependency between our operations and investments with healthy societal, community and environmental ecosystems. Meaningful engagement and effective consultation is a crucial part of our business strategy and is embedded in our forest management planning process, fibre sourcing and wood procurement efforts, as well as our approach with local communities and Indigenous Peoples. Furthermore, we comply with the legal framework in Canada, at all levels including federal and provincial regulatory requirements, that governs the permitting and approval of harvesting and forest management planning on public lands.

4.14 Governance and Oversight

Our Board of Directors, particularly the Health, Safety & Environment Committee and the Governance & Nominating Committee, together with our executive and our senior leadership teams, set the policy and practice of our environmental, social and governance activities within our business and are responsible for monitoring our safety and environmental performance, including identifying and managing environmental risks.

We have adopted and implemented social and environmental policies and practices that are essential to our operations. Our social, environmental and safety practices are governed by the principles set out in our Code of Conduct, Environmental Policy and Health and Safety Policy. In addition, we have 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 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.

Our Environmental Policy sets out our commitment to do business in an environmentally, socially, and economically responsible manner. This commitment includes: (i) responsible stewardship of the environment; (ii) sustainable forest management; and (iii) protection of the health and safety of our employees, customers, and the public. Our operating philosophy involves continually improving our forest practices and manufacturing procedures, optimizing the use of resources, and minimizing or eliminating the impact of our operations on the environment.

Environmental excellence is an integral aspect of our long-term business success. We are committed to: (i) complying with all applicable environmental laws and regulations and striving to maintain biodiversity and to protect wildlife habitat and ecosystems; (ii) developing and implementing best practices to continuously improve our environmental performance; (iii) preventing pollution and continuing to improve our environmental performance by setting and reviewing environmental objectives and targets; (iv) conserving, reducing, reusing and recycling wherever practical the resources and materials that we use and ensuring that all waste is safely and responsibly handled and disposed of; (v) employing and encouraging the development and use of environmentally friendly practices and technology; (vi) conducting periodic environmental audits; (vii) providing training for employees and contractors to ensure environmentally responsible work practices; and (viii) communicating our sustainable forest management and environmental performance openly and transparently to our Board of Directors, employees, customers, shareholders, local communities and other stakeholders.

Our Health and Safety Policy outlines our commitment to safety as a core value and a business priority. We are committed to maintaining a safe workplace and strive to be an industry leader by managing an effective safety program, complying with all laws and regulations, and continuously improving our performance. Within our safety program, we have identified key responsibilities for executive management, operating site management, employees and contractors, as detailed in our safety policy. The Health and Safety Policy requires management to develop and maintain company-wide and site-specific occupational health and safety programs, that include core guidelines and

systems to measure ongoing effectiveness. Our employees are also responsible for following established safe work procedures as outlined in their job duties and company safety guidelines, including reporting unsafe conditions, acts, and practices.

Our Anti-Bribery and Anti-Corruption Policy outlines our commitment to comply with all applicable anti-bribery and anti-corruption laws, and reflects our efforts to prevent any improper payments or benefits being given or offered to public officials or other third parties to secure an undue advantage in connection with any aspect of the Company's business.

Our Supply Chain & 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 & Human Rights Policy integrates the Supplier Code of Conduct into our supplier contracts going forward.

4.15 Research and Development

West Fraser supports industry research and development organizations, partners with local universities and conducts research and development at certain operations to improve processes, maximizes resource utilization, and develops new products and environmental applications. In addition, in the previous five years, we have focused on bioenergy generation projects, and green raw materials.

4.16 Capital Expenditures and Acquisitions

We regularly invest in upgrading and expanding our facilities and operations. The following table shows the capital expenditures and acquisitions during the past three years.

Capital Expenditures and Acquisitions
($ millions and for the year ended)

	2025	2024	2023	
Lumber	210	312	253	
NA EWP	163	140	156	
Pulp & Paper	14	15	32	
EU EWP	20	19	30	
Corporate & Other	4	1	7	
Total capital expenditures	411	487	477	
Cash Acquisitions	—	—	100	[1]

1. Represents the Spray Lake Lumber Acquisition in November 2023, net of cash acquired.

4.17 Lumber

Sales

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. Lumber produced at our U.S. lumber mills is marketed and sold from our sales office in Memphis, Tennessee. From time to time, we purchase lumber for resale in order to meet requirements of customers.

In 2025, sales of lumber were made to customers in the U.S. and Canada and to customers offshore, predominantly in Japan and China. Most lumber shipments to North American customers by our Canadian operations were made by rail and the balance by truck. Lumber sales to North American customers by our U.S. operations were either customer pick-up or delivered by truck and the balance by rail. Offshore shipments from both Canada and the U.S. were made through various public terminals in bulk or container vessels.

Shipments and sales of our lumber products can be impacted by seasonal influences. Shipments from our Western Canadian mills can be affected by winter weather that affects rail and other transportation services. In the summer months, during fire season, logging, manufacturing and transportation can all be affected by wildfire activity or by evacuation alerts or orders in regions where we operate. Operations in the U.S. South can be affected by hurricanes and other extreme weather conditions. Home construction activity, which significantly influences the demand for our products, has historically been higher in the first half of the year and experiences a seasonal slowdown in the third quarter. A significant portion of our SYP products are used in treated wood applications and demand for these products is often highest in anticipation of spring and summer construction activity.

Softwood Lumber Dispute

The Canada - U.S. Softwood Lumber Agreement expired in October 2015 and, on the expiry of that agreement, a one-year moratorium on trade sanctions by the U.S. came into place. The Government of Canada and the U.S. Trade Representative have been unable to reach agreement on a new managed trade agreement.

In November of 2016, a coalition of U.S. lumber producers petitioned the USDOC and the USITC to investigate alleged subsidies to Canadian producers and levy CVD and ADD duties against Canadian imports.

The CVD and ADD details are fully described in note 25 to our 2025 annual audited consolidated financial statements and under " *Discussion & Analysis of Annual Results by Product Segment - Lumber Segment - Softwood Lumber Dispute and Tariffs*" in our 2025 MD&A.

For additional information, refer to the discussion in our 2025 MD&A under *"Risks and Uncertainties – Trade Restrictions"* for a detailed discussion of the risks and uncertainties associated with the softwood lumber dispute and the imposition of tariffs.

Operations

As of December 31, 2025, we have 28 lumber mills and two wood treating facilities at our Sundre and Cochrane, Alberta lumber mills. Our Canadian lumber mills, of which four are in B.C. and another seven are in Alberta, produce primarily SPF lumber of various grades and dimensions, as well as small quantities of lumber from other wood species, which we include in reported SPF production and shipments. Our 17 U.S. lumber mills produce SYP lumber of various grades and dimensions.

Capacity and Production
(MMfbm)

	2025	2024	2023
Capacity (year-end)			
B.C.[1]	1,140	1,300	1,460
Alberta[2]	1,810	1,810	1,810
U.S. South[3]	3,520	3,510	3,550
	6,470	6,620	6,820
Production			
B.C.	1,072	1,195	1,260
Alberta	1,511	1,604	1,427
U.S. South	2,426	2,545	2,860
	5,008	5,344	5,548

1. The capacity figures in B.C. for year-end 2025 give effect to the permanent closure of our 100 Mile House, B.C. lumber mill (160 MMfbm) and the capacity figures in B.C. for year-end 2024 give effect to the permanent closure of Fraser Lake lumber mill (160 MMfbm).
2. The capacity figures in Alberta for year-end 2023 includes an increase of 155 MMfbm relating to the acquisition of Spray Lake lumber in November 2023.
3. The capacity figures in the U.S. South for year-end 2025 give effect to the permanent closure of our Augusta, Georgia lumber mill (140 MMfbm) and the conversion of Huttig, Arkansas (170 MMfbm) and Lake Butler, Florida (110 MMfbm) lumber mills from indefinitely curtailed to permanent closure. The capacity figures for year-end 2024 give effect to the permanent closure of our Maxville lumber mill (110 MMfbm), but do not give effect to the indefinitely curtailed capacity of Huttig lumber mill (170 MMfbm) and Lake Butler lumber mill (110 MMfbm). The capacity figures for year-end 2023 give effect to the permanent closure of Perry lumber mill (100 MMfbm), which was converted from the indefinite curtailment announced in January 2023, but do not give effect to the permanent closures and indefinite curtailments announced after December 31, 2023.

Lumber production capacity is generally based on the normal operating configuration of our lumber mills for the period indicated and gives effect to capacity increases from our capital program once implemented. We maintain variable operating schedules and do not adjust our production capacities described above to reflect curtailments unless such curtailment is permanent in nature.

4.18 North America Engineered Wood Products

Sales

Our NA EWP segment includes our North American OSB and Canadian plywood, LVL and MDF products. OSB, LVL, and plywood are marketed from our sales office in Toronto, Ontario, while our MDF products are marketed from our sales office in Quesnel, B.C.

In 2025, the majority of our North American OSB production was distributed to customers in the United States, while the remainder was supplied to Canadian clients and exported to Japan. The majority of our plywood was sold to customers in Canada, while our MDF and LVL products were distributed to clients in both the U.S. and Canada. Canadian mills mainly ship by rail, whereas shipments from our U.S. OSB mills are transported primarily by truck.

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. NA OSB products are marketed under the following brand names: Durastrand® pointSIX®, Pinnacle® and Stabledge® (premium flooring), TruFlor® pointSIX® and TruFlor® (commodity flooring), Rimboard™, SteadiTred® (industrial), QuakeZone®, Windstorm™, TallWall® and Trubord™ (wall sheathing) and SolarBord™ (radiant barrier sheathing), Trubord™ (roof sheathing), TruDeck® (flat roof sheathing for large industrial/commercial buildings), StableDeck® and StableWall® (utility trailer floors and walls), DuraSmart™ (engineered wood core for hardwood flooring), Stable RV® (floor, roof and slide-outs in recreational vehicles) and NorCore® (core for industrial applications).

Canadian MDF products are marketed under the brand names Ranger ™, WestPine™, and EcoGold™ both from our sales office and through distributors. (Use of ® or ™ indicates Canadian trademark status. Trademark status may vary in other jurisdictions).

For additional information, refer to the discussion in our 2025 MD&A under *"Risks and Uncertainties – Trade Restrictions"* for a detailed discussion of the risks and uncertainties associated with the imposition of tariffs.

Operations

Our NA EWP OSB operations include 11 multi-opening presses and 3 continuous presses. Continuous press technology allows for the production of OSB in non-standard sizes and with specialized performance characteristics.

Our NA EWP operations also include three plywood mills that primarily produce standard softwood sheathing plywood, two MDF mills, each with the flexibility to manufacture varying thicknesses and sizes, a LVL mill, and a veneer mill that produces veneer for use in our Edmonton plywood mill.

Capacity and Production

	2025	2024	2023
OSB (MMsf 3/8" basis)			
Capacity (year-end)[1,2]	8,060	8,060	8,060
Production	6,351	6,661	6,389
Plywood (MMsf 3/8" basis)			
Capacity (year-end)	760	760	760
Production	696	726	727
MDF (MMsf 3/4" basis)			
Capacity (year-end)	240	240	240
Production	168	194	197
LVL (Mcf)			
Capacity (year-end)	2,700	2,700	2,700
Production	2,064	1,838	2,117

1. The capacity figures for year-end 2025 include 440 MMsf 3/8" of indefinitely curtailed capacity at our Cordele, Georgia OSB mill and 860 MMsf 3/8" at our High Level, Alberta OSB mill which will be indefinitely curtailed following its orderly wind-down.
2. At year-end 2025, Canadian OSB mills represented approximately 35% of our total OSB capacity.

We maintain variable operating schedules and do not adjust our production capacities described above to reflect curtailments unless such curtailment is considered to be permanent in nature.

4.19 Pulp & Paper

Sales

Pulp is marketed out of our sales office in Vancouver, B.C. Most of our sales for NBSK in 2025 were to customers in Asia (predominantly China and Japan) with some products shipped to the U.S. and other offshore customers. Shipments within North America were primarily by rail and those to offshore customers were by rail and truck to Vancouver, B.C. and then by bulk or container vessels.

Operations

Following our attaining of sole control of CPL in the first quarter of 2024 and the pulp divestitures described in Item 3.1, "General Development of the Business" section, the Pulp & Paper segment is comprised of our 100% interest in CPL and our 50%-owned joint operation, Alberta Newsprint Company.

NBSK is produced at CPL and is used by paper manufacturers to produce a variety of paper products, including tissues and printing and writing papers.

Newsprint is sold to various publishers and printers in North America and delivered by rail and truck.

Capacity and Production
(Mtonnes)

	2025	2024	2023
NBSK			
Capacity (year-end)[1]	340	340	170
Production[2]	309	237	134
Newsprint			
Capacity (year-end)	135	135	135
Production	112	104	89

1. Reflects only NBSK product from CPL.
2. Reflects West Fraser's 100% ownership of CPL from April 1, 2024 and 50% ownership in 2023 and January 1, 2024 - March 31, 2024.

4.20 Europe Engineered Wood Products

Sales

Our EU EWP segment includes OSB, particleboard and MDF products that are marketed from our sales office in Cowie, Scotland. Our OSB is sold primarily to customers in the U.K., Germany, the Benelux Union (Belgium, the Netherlands, and Luxembourg) ("**Benelux**"), France and Scandinavia, while our particleboard and MDF products are sold primarily to customers in the U.K. Our products sold within the U.K. and within continental Europe are shipped by truck and rail, with deliveries to Benelux and France also made by vessels, while our products sold to Scandinavia are shipped exclusively by vessel.

Our OSB and particleboard are used primarily in sheathing, flooring and other construction applications. MDF applications include cabinet doors, mouldings and interior wall paneling. Our European panel products are sold under the trademarks SterlingOSB Zero® (OSB), CaberFloor® (particleboard), and CaberMDF™ (MDF).

Operations

All of our EWP mills in Scotland and Belgium utilize continuous press technology.

Capacity and Production

	2025	2024	2023
OSB (MMsf 3/8" basis)			
Capacity (year-end)	1,515	1,515	1,515
Production	1,142	1,125	1,016
MDF (MMsf 3/8" basis)			
Capacity (year-end)	380	380	380
Production	253	226	224
Particleboard (MMsf 3/8" basis)			
Capacity (year-end)	405	405	405
Production	243	261	310

4.21 Risks and Uncertainties

A detailed discussion of risk factors is included under the heading " *Risks and Uncertainties*" in our 2025 MD&A, which is incorporated herein by reference. Our 2025 MD&A is available on the System for Electronic Document Analysis and Retrieval + ("SEDAR+") at www.sedarplus.ca and on the Electronic Document Analysis and Retrieval ("EDGAR") at www.sec.gov/edgar under the Company's profile.

ITEM 5 - CAPITAL STRUCTURE

Share Capital

Our authorized share capital consists of 430,000,000 shares divided into:

(a) 400,000,000 Common shares,

(b) 20,000,000 Class B Common shares, and

(c) 10,000,000 Preferred shares, issuable in series.

The Common shares and Class B Common shares are equal in all respects, including the right to dividends, rights upon dissolution or winding up and the right to vote, except that each Class B Common share may at any time be exchanged for one Common share. The Common shares are listed and traded on the TSX and the NYSE under the symbol WFG while our Class B Common shares are not. Certain circumstances or corporate transactions may require the approval of the holders of our Common shares and Class B Common shares on a separate class by class basis.

As at December 31, 2025, the issued share capital consisted of 76,018,344 Common shares and 2,281,478 Class B Common shares for a total of 78,299,822 shares (December 31, 2024 - 79,988,266 shares). West Fraser's Common shares trade under the symbol WFG on the TSX and the NYSE.

Share Repurchases

See Item 3.1, "*General Development of the Business Over the Last Three Years - Share Repurchases*" for a description of share repurchases completed by the Company over the past three years pursuant to the NCIBs.

Issuer Ratings

As shown in the table below, West Fraser is considered investment grade by two leading rating agencies. West Fraser pays annual fees to maintain certain of its corporate ratings. The ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by each rating agency.

Agency	Rating	Outlook
Moody's[1]	Baa2	Stable
Standard & Poor's[2]	BBB-	Stable

1. Moody's credit ratings for long-term obligations range from Aaa to C. Moody's describes obligations rated Baa as "subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics". Additional information on the rating is available on Moody's website.
2. S&P credit ratings for long-term obligations range from AAA to D. A rating of BBB- is described by S&P as "considered lowest investment grade by market participants". Additional information on the rating is available on S&P's website.

Market For Securities

The following table sets forth adjusted market prices and trading volumes of our Common shares on the TSX and the NYSE for each month of 2025.

TSX Trading Data (CAD)

2025 Month	High ($)	Low ($)	Close ($)	Volume (000's)
January	133.59	118.38	126.01	2,623,969
February	124.43	110.09	114.96	3,528,913
March	116.24	107.18	110.53	3,282,959
April	113.49	98.05	102.07	3,385,251
May	108.40	100.31	101.10	2,763,246
June	105.97	98.71	99.86	5,398,350
July	107.43	95.52	96.06	5,309,050
August	105.40	94.66	100.04	10,229,331
September	106.41	92.48	94.61	4,921,739
October	99.34	85.10	85.60	4,946,678
November	87.24	80.82	86.61	3,944,077
December	87.64	80.82	83.97	3,563,920
Total				53,897,483

Source: TMX

NYSE Trading Data (USD)

2025 Month	High ($)	Low ($)	Close ($)	Volume (000's)
January	93.03	82.29	86.78	3,271,512
February	86.88	76.98	79.52	3,979,570
March	80.73	74.49	76.94	4,314,488
April	79.22	69.48	73.98	5,200,912
May	77.38	72.40	73.58	3,086,042
June	77.62	72.39	73.30	4,442,505
July	78.55	68.92	69.31	5,192,133
August	76.09	68.63	72.91	5,458,516
September	76.90	66.36	67.98	4,566,848
October	71.16	60.49	61.00	5,761,326
November	62.00	57.34	61.50	4,940,792
December	63.02	58.81	61.11	5,025,037
Total				55,239,681

Source: NYSE

Prior Sales

During the year ended December 31, 2025, we issued options to purchase an aggregate of 65,205 Common shares at a weighted average price of CAD$113.01 (US$79.69) per share, 76,844 PSUs at weighted average price of CAD$113.010 (US$79.69) , 28,458 RSUs at weighted average price of CAD$113.01 (US$79.69) and 10,299 DSUs at a weighted average price of CAD$96.12. For the year ended December 31, 2025, we issued 4,700 Common shares

under our share option plans. See note 15 to our annual audited consolidated financial statements for the year ended December 31, 2025.

Cash dividends

The declaration and payment of cash dividends is within the discretion of our Board of Directors. Historically, cash dividends have been declared on a quarterly basis payable after the end of each quarter. Dividends of US$1.28 were declared in 2025, dividends of US$1.26 were declared in 2024 and dividends of US$1.20 were declared in 2023. There can be no assurance that dividends will continue to be declared and paid by us in the future, as the discretion of the Board of Directors will be exercised from time to time taking into account our current circumstances.

ITEM 6 - TRANSFER AGENT

Our transfer agent and registrar is Computershare Investor Services Inc. The contact information is:

- **Phone**: 1-800-564-6253 (toll free in North America) between 9:00 am and 6:00 pm Eastern Time or 514-982-7555 (international direct dial)
- **Fax:** 1-888-453-0330 (toll free in North America) or 416-263-9524 (international)
- **Online**: www.computershare.com/service
- **Mail**: Computershare Investor Services, 100 University Ave., 8 th Floor, North Tower, Toronto, Ontario, M5J 2Y1 Canada

ITEM 7 - INTEREST OF EXPERTS

Our Independent Registered Public Accounting Firm is PricewaterhouseCoopers LLP (“PwC”), who have issued a Report of the Independent Registered Public Accounting Firm dated February 11, 2026 in respect of the Company’s consolidated financial statements as at December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024 and on the effectiveness of the Company’s internal control over financial reporting as at December 31, 2025. PwC has advised that they are independent with respect to us, within the meaning of the Chartered Professional Accountants of British Columbia (CPABC) Code of Professional Conduct and the rules of the US Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (United States) (PCAOB) on auditor independence.

ITEM 8 - DIRECTORS AND EXECUTIVE OFFICERS

8.1 Directors

The names and municipalities of residence of the Directors of the Company as of February 11, 2026, their principal occupations during the past five years and the periods during which they have been Directors of the Company are as follows:

Name and Municipality of Residence	Principal Occupation	Director Since
Henry H. Ketcham Vancouver, B.C.	Chair of the Board	September 16, 1985
Doyle N. Beneby[1 & 3] West Palm Beach, Florida	Corporate Director	April 18, 2023
Eric L. Butler[2] Omaha, Nebraska	Corporate Director	May 15, 2023

Name and Municipality of Residence	Principal Occupation	Director Since
Reid E. Carter[1 & 4] West Vancouver, B.C.	Corporate Director	April 19, 2016
John N. Floren[2, 3 & 4] Oakville, Ontario	Corporate Director	April 19, 2016
Brian G. Kenning[2 & 4] Vancouver, B.C.	Corporate Director	April 19, 2017
Ellis Ketcham Johnson[4] Greenwich, Connecticut	President, Private Philanthropic Foundation	April 20, 2021
Marian Lawson[2 & 3] Toronto, Ontario	Corporate Director	February 1, 2021
Sean P. McLaren Collierville, Tennessee	President and Chief Executive Officer	January 1, 2024
Colleen M. McMorrow[1 & 3] Oakville, Ontario	Corporate Director	February 1, 2021
Janice G. Rennie[2 & 4] Edmonton, Alberta	Corporate Director	April 28, 2004
Gillian D. Winckler[1 & 3] Vancouver, B.C.	Corporate Director	April 19, 2017

1. Member of the Audit Committee. Ms. Winckler is Chair.
2. Member of the Human Resources & Compensation Committee. Mr. Kenning is Chair.
3. Member of the Health, Safety & Environment Committee. Mr. Floren is Chair.
4. Member of the Governance & Nominating Committee. Mr. Carter is Chair.

All of our Directors have held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years except for:

Doyle Beneby was Chief Executive Officer of Midland Cogeneration Venture from November 2018 to September 2022.

John Floren, who before December 31, 2022 was President and Chief Executive Officer, Methanex Corporation; and

Sean McLaren became a Director, President and Chief Executive Officer effective January 1, 2024 following the retirement of Raymond Ferris on December 31, 2023. He was Chief Operating Officer from December 7, 2021 to December 31, 2023. Prior to December 7, 2021 he was President, Solid Wood.

The term of office of each Director will expire at the conclusion of the Company's next annual general meeting.

For additional information about our Directors, please see our 2026 Management Proxy Circular, which, when published, will be posted on our website at www.westfraser.com, on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov/edgar under the Company's profile.

8.2 Senior Executive Officers

The names and titles of the senior executive officers of the Company on February 11, 2026 are as follows:

Name and Municipality of Residence	Office Held
Sean P. McLaren Collierville, Tennessee	President and Chief Executive Officer
Christopher A. Virostek North Vancouver, B.C.	Executive Vice-President and Chief Financial Officer
Kevin J. Burke Greenville, South Carolina	Executive Vice-President, North American Operations
Keith D. Carter Quesnel, B.C.	Senior Vice-President, Western Canada
Robin A. Lampard Toronto, Ontario	Senior Vice-President, Corporate Services
Alan G. McMeekin Milngavie, Scotland	Senior Vice-President, Europe
Matthew V. Tobin North Vancouver, B.C.	Senior Vice-President, Sales and Marketing

Each officer has held the same or a similar office with the organization indicated or a predecessor thereof for the last five years except for:

Sean McLaren became a Director and the President and Chief Executive Officer effective January 1, 2024 following the retirement of Raymond Ferris on December 31, 2023. He was Chief Operating Officer from December 7, 2021 to December 31, 2023. Prior to December 7, 2021 he was President, Solid Wood;

Christopher Virostek, who before September 15, 2025 was Senior Vice-President, Finance and Chief Financial Officer, and before September 7, 2022, was Vice-President, Finance and Chief Financial Officer;

Kevin Burke, who before January 1, 2024 was Senior Vice-President, Wood Products, before December 7, 2021 was Vice-President, North American Engineered Wood Products and Renewable Energy, and before July 23, 2021 was our Vice-President, North American Engineered Wood Products;

Keith Carter, who before December 7, 2021 was Vice-President, Western Canada Operations and before July 23, 2021 was our Vice-President, Pulp and Energy Operations;

Robin Lampard, who before June 1, 2025 was Senior Vice-President, Finance;

Alan McMeekin, who before December 7, 2021 was Vice-President, European Engineered Wood Products; and

Matthew Tobin, who before January 1, 2024 was Vice-President, Sales and Marketing, and before April 1, 2022 was Vice-President, Lumber Sales.

8.3 Shareholdings of Directors and Senior Executive Officers

The Directors and senior executive officers of the Company as a group, beneficially owned or controlled or directed, directly or indirectly, the following shares of the Company:

	December 31, 2025
Common shares	1,413,888
% of total Common shares	1.86%
Class B Common shares	78,728
% of total Class B Common shares	3.45%
% of all shares outstanding	1.91%

8.4 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Christopher Virostek, our Executive Vice-President and Chief Financial Officer, was a director of Masonite (Africa) Limited ("MAL"), a majority owned subsidiary of Masonite International Corporation ("Masonite"), when MAL commenced voluntary business rescue proceedings in South Africa in December 2015. Mr. Virostek served as a director of MAL in connection with his duties as an employee of Masonite. The business rescue plan of MAL was substantially implemented as provided under its terms and the business rescue proceedings ended in August 2016, at which time Mr. Virostek resigned as a director.

8.5 Legal Proceedings and Regulatory Actions

The Company is subject to various investigations, claims and legal, regulatory and tax proceedings covering matters that arise in the ordinary course of business activities, including civil claims and lawsuits, regulatory examinations, investigations, audits and requests for information by governmental regulatory agencies and law enforcement authorities in various jurisdictions. Each of these matters is subject to uncertainties and it is possible that some of these matters may be resolved unfavourably.

There are no legal proceedings to which we are or were a party, or to which any of our property is or was the subject of, during our financial year ended December 31, 2025, which involves claims that exceed 10% of our current assets.

On November 25, 2016, a coalition of U.S. lumber producers petitioned the USDOC and the USITC to investigate alleged subsidies to Canadian softwood lumber producers and levy CVD and ADD against Canadian softwood lumber imports. The USDOC chose us as a "mandatory respondent" to both the countervailing and antidumping investigations, and as a result, we have received unique company-specific rates. For a description of the developments related to the softwood lumber dispute and the impact on us, please refer to (i) the "Discussion & Analysis of Annual Results by Product Segment – Lumber Segment – Softwood Lumber Dispute and Tariffs" in our 2025 MD&A; and (ii) Note 25 to our annual audited consolidated financial statements for the year ended December 31, 2025.

8.6 Governance

Corporate governance is guided by our Corporate Governance Policy, a copy of which may be viewed on our website: www.westfraser.com. The Board of Directors has established a Governance & Nominating Committee comprised of Reid Carter (Chair), John Floren, Ellis Johnson, Brian Kenning and Janice Rennie, all of whom are independent directors. The Committee provides support for the stewardship and governance role of the Board in reviewing and making recommendations on the composition of the Board, the functioning of the Board and its committees and all other corporate governance matters and practices. On the occasion of each regularly scheduled meeting of the Committee in 2025, the Committee met without management representatives present and reviewed these and other issues.

The Corporate Governance Policy includes a Code of Conduct which sets out our policies and requirements relating to, among other categories, legal compliance, safety, environmental stewardship, human rights, anti-corruption and whistleblowing. Additional information is available on our website www.westfraser.com under Corporate Governance. Please see Item 4.14, " *Governance and Oversight*" of this AIF with respect to each of the Anti-Bribery and Anti-Corruption Policy, Supplier Code of Conduct and Supply Chain and Human Rights Policy.

8.7 Audit Committee

The Audit Committee of our Board of Directors assists the Board in fulfilling its responsibility to oversee our financial reporting and audit process. The full text of the Audit Committee's Charter is attached as Schedule 1.

Members

The following identifies each current member of the Audit Committee, and the education and experience of each member that is relevant to the performance of the member's responsibilities as an Audit Committee member. All members of the Audit Committee are considered "independent" and "financially literate" within the meaning of NI 52-110.

Doyle N. Beneby

Mr. Beneby was appointed a member of our Audit Committee on April 18, 2023. He was Chief Executive Officer of Midland Cogeneration Venture from November 2018 to September 2022. Prior to that he had been self-employed as a professional director since May 2016. Mr. Beneby was formerly the CEO of New Generation Power International from October 2015 to May 2016. Prior to joining New Generation Power International, he was the President & CEO of CPS Energy, a position held since August 2010. He has over 30 years' experience in the electrical power industry and holds a Master of Business Administration from the University of Miami and a Bachelor of Science from Montana Technical College.

Reid E. Carter

Mr. Carter holds a combined undergraduate degree in Forestry and Biology and a master's degree in Forest Soils. He was president of a large timberlands investment firm and was involved with that firm and related firms in various senior roles for the period 2003 to 2018. Prior to that he served as National Bank Financials' Paper and Forest Products Analyst.

Colleen M. McMorrow

Ms. McMorrow was appointed a member of our Audit Committee on February 11, 2021. Ms. McMorrow, who holds a Bachelor of Commerce, is a Chartered Professional Accountant, Chartered Accountant and was a senior client assurance partner with Ernst & Young LLP until her retirement in 2016. She was elected as a Fellow of the Chartered Accountants in 2000. Ms. McMorrow has chaired or been a member of several audit committees of public and private companies in the past and is currently the chair of the audit committee of Exco Technologies Limited and was formerly a member of the audit committee of Ether Capital Corporation.

Gillian D. Winckler

Ms. Winckler, who holds a Bachelor of Science and Bachelor of Commerce (Honours) obtained in South Africa, is a Chartered Accountant (South Africa). Ms. Winckler worked in the audit profession for five years, in corporate finance for five years, and in a number of executive positions with Coalspur Limited and BHP Billiton. Ms. Winckler is currently the Chair of the Board of Directors of Pan American Silver Corp., which is listed on the TSX and the NYSE, and was formerly a member of the audit committee of FLSmidth & Co. A/S, a Danish engineering company listed on The NASDAQ OMX Exchange Copenhagen.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that sets out the pre-approval requirements related to services to be performed by our independent auditors. The policy provides that the Audit Committee will annually review proposed audit, audit-related, tax and other services (to be submitted by the Chief Financial Officer and the independent auditor), and will provide general approval of described services, usually including specific maximum fee amounts.

Unless a service has received general pre-approval, it will require specific pre-approval by the Audit Committee. The Committee is permitted to delegate pre-approval authority to any of its members. The Audit Committee reports on the pre-approval process to the full Board of Directors from time to time.

Fees Paid to Independent Registered Public Accounting Firm[1]
($ thousands)

		2025		2024
Audit Fees	$	2,765	$	2,714
Audit-Related Fees		137		121
Tax Fees		17		—
All Other Fees		101		52

1. Amounts represent actual and estimated fees related to the respective fiscal years noted. Amounts are billed and paid in CAD, GBP, and EUR and have been translated to USD using the average exchange rate for the respective years noted.

Audit Fees

Audit fees relate to the integrated audit of our annual consolidated financial statements and the effectiveness of internal control over financial reporting, reviews of our interim consolidated financial statements, and statutory audits of the financial statements of our subsidiaries.

Audit-Related Fees

Audit-Related Fees include employee benefit audits.

Tax Fees

Tax fees relate to tax compliance services.

All Other Fees

All other fees relate to fees in connection with limited assurance engagements relating to climate matters and translation services.

ITEM 9 - MATERIAL CONTRACTS

On May 30, 2025, we amended and restated our credit agreement (the “Credit Agreement”) with the Toronto-Dominion Bank, as Administrative Agent, BMO Capital Markets, RBC Capital Markets and the Bank of Nova Scotia, as Co-Lead Arrangers and Documentation Agents for the Revolver Facility, TD Securities, as Lead Arranger and Sole Bookrunner for the Revolver Facility, TD Securities, as Lead Arranger and Sole Bookrunner for the Term Facility, and the syndicate of U.S., Canadian and Term Lenders named in the Credit Agreement. The Credit Agreement provided for the renewal of our $1 billion revolving credit facility (the “Revolver Facility”) and extension of the Revolver Facility's maturity from July 2028 to May 2030. Interest on our Revolver Facility is payable at floating rates based on Prime Rate Advances, US Base Rate Advances, Canadian Overnight Repo Rate Average (CORRA) Advances, or Secured Overnight Financing Rate (“SOFR”) Advances at our option. Additionally, under the Credit Agreement, we increased

and extended our $200 million non-revolving term loan maturing July 2025 to $300 million maturing May 30, 2028 (“Term Facility”). Interest on our Term Facility is payable at floating rates based on US Base Rate Advances or SOFR Advances at our option. This loan is repayable at any time, in whole or in part, at our option and without penalty but cannot be redrawn after payment.

Each of the Revolver Facility and the Term Facility are unsecured. As at December 31, 2025, we had interest rate swap contracts that had the effect of fixing the interest rate on $75 million of our Term Facility with the remaining balance of our Term Facility subject to a floating interest rate. See note 12 to our annual audited consolidated financial statements for the year ended December 31, 2025 for further details on our operating loans and long-term debt, including the interest rate swap contracts and the weighted average fixed interest rate payable. The weighted average fixed interest payable under these swap agreements is 3.27%.

ITEM 10 - ADDITIONAL INFORMATION

Management Information Circular

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans, will be contained in the Management Information Circular for the annual general meeting of the Company to be held on April 22, 2026. Additional financial information is provided in our annual audited consolidated financial statements for the year ended December 31, 2025 and the 2025 MD&A.

Copies of our Annual Report, and the documents incorporated by reference herein, our annual audited consolidated financial statements (including the report of our Independent Registered Public Accounting Firm) for the year ended December 31, 2025 and our Management Information Circular may be obtained at any time upon request from us once these documents have been published, but we may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.

This AIF, our Annual Report (once published) and additional information concerning the Company may also be obtained on our website at www.westfraser.com, on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov/edgar under the Company's profile.

Forward-looking Statements

This AIF includes statements and information that constitutes “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of United States securities laws (collectively, “forward-looking statements”). Forward-looking statements include statements that are forward-looking or predictive in nature and are dependent upon or refer to future events or conditions. We use words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts,” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would,” and “could,” to identify these forward-looking statements. These forward-looking statements generally include statements which reflect management’s expectations regarding the operations, business, financial condition, results of operations expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of West Fraser and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods.

Forward-looking statements included in this AIF include references to:

Discussion	Forward-Looking Statements
General Development of Business	ability to achieve near-term greenhouse gas reductions under the SBTi validated targets that we have set; our determination to permanently close and indefinitely curtail lumber and OSB production; the availability of our Revolving Facility; the ramp-up in production, capital investment, planned mill start up, full run rate production, anticipated capacity at Henderson lumber manufacturing complex; and annual capacity at Spray Lake lumber
Corporate Strategy	our corporate strategy and objectives to generate strong financial results through the business cycle, supported by robust product and geographic diversity, to rely on our committed workforce, the quality of our assets and our well-established people and culture, to execute a balanced capital allocation strategy by maintaining a strong balance sheet and liquidity profile along with an investment-grade issuer rating, to maintain a leading cost position, to maintain financial flexibility through a strong balance sheet and to return capital to shareholders, reinvest in operations across all market cycles to enhance productivity, product mix and capacity, and pursuit of opportunistic acquisitions and larger-scale growth initiatives
Manufacturing Inputs	our ability to maintain adequate timber and fibre supply for our operations, including our expectations regarding (i) re-forestation, (ii) the impacts of mountain pine beetle, caribou recovery planning and forest fires on our timber supply and AAC, (iii) the impacts of recent amendments to British Columbia forest legislation and government policies, (iv) the impacts of the conservation agreements signed between the Governments of Canada and B.C. and the West Moberly and the Saulteau First Nations; and (v) the impacts on residual fibre supply
Seasonality and Cyclicality	our expectations regarding the seasonality and cyclicality of our business.
Indigenous Relations	the potential impact to our operations and timber supply of Aboriginal title or rights and the actions of Canadian governments in relation to their relationships with Indigenous groups and "old growth" forest logging deferrals; our ability to develop and maintain positive resilient relationships with Indigenous Nations
Environmental Performance	our ability to align our operations to ISSB, CSRD, EUDR and TNFD standards and regulations; the results of our biogenic carbon inventory estimates and the assumptions and methodologies on which they rely, including whether harvesting wood through manufacturing and product use—the carbon stored and emissions avoided will be able to exceed the emissions generated by our operations
Responsible Resource Efficiency	our goals to have a sustainable and resilient business, to manage our air emissions and water resources and develop sustainable energy solutions; our continued participation in energy efficiency programs and our ability to achieve our energy efficiency targets
SBTi	our ability to achieve science based targets to achieve near-term greenhouse gas reductions across all our operations and to meet our 2030 SBTi goals
Capital Expenditures and Acquisitions	our plans relating to capital expenditures and acquisitions and our continued upgrading and expansion of our facilities and operations
Our Products	the capacities of our lumber, North American engineered wood products, pulp and paper operations, and Europe engineered wood products, and the seasonality of these operations
Capital Structure - Cash dividends	future declarations and payment of dividends
Trade Restrictions	our continued access to the export markets; the impact to our exports due to the imposition of trade sanctions by the U.S.; impact of tariff actions and possible further actions from the Section 232 investigation, including the finalization of effective tariff rates, the duration of tariffs imposed and the scope and nature of tariffs imposed; the review of the legality of the IEEPA by the Supreme Court of the United States; the possibility of a trade agreement between the U.S. and Canada.

By their nature, these forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts, and other forward-

looking statements will not occur. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to:

- assumptions in connection with the economic and financial conditions in the U.S., Canada, U.K., Europe and globally and consequential demand for our products, including the ability to meet our shipment guidance, and variability of operating schedules and the impact of the conflicts in Ukraine and the Middle East or elsewhere;
- future increases in interest rates and inflation or continued sustained higher interest rates and rates of inflation could impact housing affordability and repair and remodelling demand, which could reduce demand for our products;
- near and long-term impacts and uncertainties of U.S. administration tariffs and other government policies on the demand and prices of our wood products in the U.S. and the consequential impact on the profitability of our Canadian business, financial condition, results of operations and cash flow and ability to meet our shipment guidance;
- risks associated with international trade and trade restrictions, including impact of tariff actions and possible further actions from the Section 232 investigation such as potential tariffs, export controls, including quotas, or incentives to increase domestic production, future cross border trade rulings, agreements and duty rates, including the renegotiation of CUSMA and/or the failure to renew or replace CUSMA as well as the impact of other government policies;
- global supply chain issues may result in increases to our costs and may contribute to a reduction in near-term demand for our products;
- continued governmental approvals and authorizations to access timber supply, and the impact of forest fires, infestations, environmental protection measures and actions taken and legislation adopted by government respecting Indigenous rights, title and/or reconciliation efforts on these approvals and authorizations, and evolving jurisprudence in Canada on aboriginal rights and title;
- risks inherent in our product concentration and cyclicality;
- effects of competition for logs, availability of fibre and fibre resources and product pricing pressures, including continued access to log supply and fibre resources at competitive prices and the impact of third-party certification standards; including reliance on fibre off-take agreements and third party consumers of wood chips;
- effects of variations in the price and availability of manufacturing inputs, including energy, employee wages, resin and other input costs, and the impact of inflationary pressures on the costs of these manufacturing costs, including increases in stumpage fees and log costs;
- availability and costs of transportation services, including truck and rail services, and port facilities, and impacts on transportation services of wildfires and severe weather events, and the impact of increased energy prices on the costs of transportation services;
- the recoverability of property, plant and equipment ($3,593 million), goodwill and intangibles ($1,726 million), both as at December 31, 2025, is based on numerous key assumptions which are inherently uncertain, including production volume, product pricing, operating costs, terminal multiple, and discount rate. Adverse changes in these assumptions could lead to a change in financial outlook which may result in carrying amounts exceeding their recoverable amounts and as a consequence an impairment, which could have a material non-cash adverse effect on our results of operations;
- transportation constraints, including the impact of labour disruptions, may negatively impact our ability to meet projected shipment volumes;
- the timing of our planned capital investments may be delayed, the ultimate costs of these investments may be increased as a result of inflation, and the projected rates of return may not be achieved;
- various events that could disrupt operations, including natural, man-made or catastrophic events including drought, wildfires, fires, explosions, mechanical failures, cyber security incidents, any state of emergency and/or evacuation orders issued by governments, and ongoing relations with employees;
- risks inherent to customer dependence;
- implementation of important strategic initiatives and identification, completion and integration of acquisitions;
- impact of changes to, or non-compliance with, environmental or other regulations;
- government restrictions, standards or regulations intended to reduce greenhouse gas emissions and our inability to achieve our SBTi commitment for the reduction of greenhouse gases as planned;

- the costs and timeline to achieve our greenhouse gas emissions objectives may be greater and take longer than anticipated;
- changes in government policy and regulation, including actions taken by the Government of British Columbia pursuant to recent amendments to forestry legislation and initiatives to defer logging of forests deemed “old growth” and the impact of these actions on our timber supply;
- impact of weather and climate change on our operations or the operations or demand of our suppliers and customers;
- ability to implement new or upgraded information technology infrastructure;
- impact of information technology service disruptions or failures or cyber-security breaches or attacks;
- impact of any product, property or general liability claims in excess of insurance coverage;
- risks inherent to a capital intensive industry;
- impact of future outcomes of tax exposures;
- potential future changes in tax laws, including tax rates;
- risks associated with investigations, claims and legal, regulatory and tax proceedings covering matters which if resolved unfavourably may result in a loss to and/or reputational issues for the Company;
- effects of currency exposures and exchange rate fluctuations;
- fair values of our electricity swaps may be volatile and sensitive to fluctuations in forward electricity prices and changes in government policy and regulation;
- future operating costs;
- availability of financing, bank lines, securitization programs and/or other means of liquidity;
- continued access to timber supply in the traditional territories of Indigenous Nations and our ability to work with Indigenous Nations in B.C. to secure continued fibre supply for our lumber mills through various commercial agreements and joint ventures;
- our ability to continue to maintain effective internal control over financial reporting;
- the risks and uncertainties described in this document; and
- other risks detailed from time to time in our annual information forms, annual reports, MD&A, quarterly reports and material change reports filed with and furnished to securities regulators.

In addition, actual outcomes and results of these statements will depend on a number of factors including those matters described under “Risks and Uncertainties” in our 2025 MD&A and may differ materially from those anticipated or projected. This list of important factors affecting forward-looking statements is not exhaustive and reference should be made to the other factors discussed in public filings with securities regulatory authorities. Accordingly, readers should exercise caution in relying upon forward-looking statements and we undertake no obligation to publicly update or revise any forward-looking statements, whether written or oral, to reflect subsequent events or circumstances except as required by applicable securities laws.

ITEM 11 - GLOSSARY

2023 NCIB
Normal course issuer bid - February 27, 2023 to February 26, 2024

2024 NCIB
Normal course issuer bid - March 1, 2024 to February 28, 2025

2025 MD&A
Our Management Discussion and Analysis for the year ended December 31, 2025

2025 NCIB
Normal course issuer bid - March 3, 2025 to March 2, 2026

AAC
Annual allowable cut. The volume of timber that may be harvested annually from a specific timber tenure

ADD
Antidumping duty

AIF
Annual Information Form

AR
Administrative Review by the USDOC

B.C.
British Columbia

BCTMP
Bleached chemithermomechanical pulp

BCTS
B.C. Timber Sales

Benelux
The Benelux Union of Belgium, the Netherlands, and Luxembourg

CAD or **CAD$**
Canadian Dollars

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CPL
Cariboo Pulp mill, now operated by Cariboo Pulp Ltd.

Credit Agreement
Our amended and restated credit agreement dated for reference May 30, 2025, as described above under Item 9 - " *Material Contracts*" originally entered into in 2021, and previously amended and restated in 2023

Crown timber
Timber harvested from lands owned by a provincial government

CSRD
Corporate Sustainability Reporting Directive

CUSMA
Canada-United States-Mexico Agreement

CVD
Countervailing duty

EDGAR
Electronic Data Gathering, Analysis and Retrieval System

EPD
environmental product declarations

ESG
Environmental, Social, and Governance

EU
Europe

EU EWP
Europe Engineered wood products

EUDR
European Union Deforestation Regulation

EUR
Euro

EWP
Engineered wood products

forward-looking statements
Collectively, statements and information that constitute "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of United States securities laws

GBP
British pound sterling

GHG
Greenhouse gas

ha
hectare

IEEPA
International Emergency Economic Powers Act

IFRS
International Financial Reporting Standards as issued by the International Accounting Standards Board

ISO
International Organization for Standardization

ISSB
International Sustainability Standards Board

LLC
Limited liability company

LVL
Laminated Veneer Lumber. Large sheets of veneer bonded together with resin then cut to lumber equivalent sizes

m^3
A solid cubic metre. A unit of measure for timber, equal to approximately 35 cubic feet

MAL
Masonite (Africa) Limited, a subsidiary of Masonite

Masonite
Masonite International Corporation

Mcf
One thousand cubic feet. A unit of measure for laminated veneer lumber

MDF
Medium Density Fibreboard. A panelboard produced by chemically bonding highly refined wood fibres of uniform size under heat and pressure

Mfbm
One thousand board feet (equivalent to one thousand square feet of lumber, one inch thick)

MMfbm
One million board feet (equivalent to one million square feet of lumber, one inch thick)

MMsf
One million square feet

Mondi
A subsidiary of Mondi Group plc

Msf
One thousand square feet. A unit of measure for Panel products (such as OSB, MDF and plywood) equal to one thousand square feet on a 3/4 inch basis for MDF, on a 3/8 inch basis for plywood and on either a 3/8-inch or 7/16-inch thick basis for OSB

Mtonne
One thousand tonnes

NA
North America

NA EWP
North America Engineered Wood Products

NBSK
Northern Bleached Softwood Kraft Pulp

NCIB
Normal course issuer bid

NI 52-109
National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*

Norbord
Norbord Inc.

NYSE
New York Stock Exchange

OSB
Oriented Strand Board. An engineered structural wood panel produced by chemically bonding wood strands in a uniform direction under heat and pressure

Panelboard
Oriented strand board, particleboard, medium density fibreboard and plywood

Particleboard
A panelboard produced by chemically bonding clean sawdust, small wood particles and recycled wood fibre under heat and pressure

Plywood
A panelboard produced by chemically bonding thin layers of solid wood veneers

PSU
Performance share unit issued under the Company's Phantom Unit Plan

PwC
PricewaterhouseCoopers LLP

Revolver Facility
Our $1 billion revolving credit facility under the Credit Agreement

RSU
Restricted share unit issued under the Company's Phantom Unit Plan

S&P
Standard & Poor's

SBTi
Science Based Targets Initiative

Section 232
Section 232 of the *Trade Expansion Act of 1962*

SEDAR+
System for Electronic Document Analysis and Retrieval +

SLB
Softwood Lumber Board

SOFR
Secured Overnight Financing Rate

SPF
Spruce/pine/balsam fir lumber

SYP
Southern yellow pine lumber

Term Facility
Our $300 million non-revolving term loan maturing May 30, 2028 under the Credit Agreement

TNFD
Taskforce on Nature-related Financial Disclosures

Ton
A unit of weight equal to 2,000 pounds, generally known as a U.S. ton

Tonne
A unit of weight in the metric system equal to one thousand kilograms or approximately 2,204 pounds

TSX
Toronto Stock Exchange

U.K.
United Kingdom

UKP
Unbleached kraft pulp

U.S.
United States

USD or **$** or **US$**
United States Dollars or $

USDOC
United States Department of Commerce

USITC
United States International Trade Commission

SCHEDULE 1 – AUDIT COMMITTEE CHARTER

The Audit Committee Charter, which is set out below, was approved by the Board on September 10, 2025.

General Mandate

The Audit Committee (the "Committee") will assist the Board in fulfilling its responsibility to oversee the Company's financial reporting and audit processes, its system of internal controls and its process for monitoring compliance with applicable financial reporting and disclosure laws, and its own policies.

The Committee will have oversight responsibility over:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the external auditors' appointment, qualifications, independence and performance; and
- the performance of the Company's internal audit function ("Internal Audit").

The Committee's role is one of oversight. The Company's management is responsible for preparing the Company's financial statements and providing all required certifications relating to those financial statements, and the external auditor is responsible for auditing those financial statements. In carrying out its oversight role, the Committee will be entitled to rely on information provided by management of the Company ("Management") and the external auditor. The Committee is not responsible for providing any expert or special assurance or any guarantee as to the accuracy or completeness of the Company's financial statements or its public disclosure.

The Committee will also be responsible for those other matters as set out in this Charter and/or as may be delegated to it by the Board from time to time.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements

- Review with Management and the external auditors the significant accounting and financial reporting matters relating to the Company's financial statements, including:

  (i) significant matters regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS");

  (ii) critical accounting policies and practices to be used by the Company in preparing its financial statements;

  (iii) significant judgments and critical accounting estimates made in connection with the preparation of the financial statements, including (i) any analysis prepared by Management and/or the external auditors in support of significant financial reporting issues and judgments, and (ii) any analysis of the effects of alternative accounting principles in accordance with IFRS;

  (iv) complex or unusual transactions, including any off-balance sheet transactions and any contingencies, and their impact on the Company's financial statements;

(v) all material alternative treatments of financial information in accordance with IFRS that have been discussed between the external auditor and Management, ramifications of the use of these alternative treatments, and the treatment recommended or preferred by the external auditors where either (i) the external auditor does not agree with the treatment proposed by Management, or (ii) the external auditor recommends an alternate treatment to that proposed by Management;

(vi) the effect of significant regulatory and accounting initiatives and pronouncements on the financial statements of the Company; and

(vii) any material issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.

- Meet and review with Management and the external auditors prior to public disclosure:

  (i) the annual and interim financial statements of the Company;

  (ii) the related annual or interim management's discussion and analysis of financial condition and results of operations ("MD&A"); and

  (iii) each related news release.

  In completing its review, the Committee will:

  (i) consider whether the financial statements, MD&A and news release are complete, are consistent with information known to Committee members, and reflect appropriate accounting principles;

  (ii) obtain reasonable assurance that (i) the financial statements are presented fairly in accordance with IFRS, and (ii) the MD&A is in compliance with appropriate regulatory requirements; and

  (iii) provide a recommendation to the Board with respect to the approval of, or, if authority has been delegated by the Board, approve the financial statements, MD&A and news release and their filing with securities regulators in accordance with applicable securities laws.

  In meeting, the Committee may meet in person, via telephone, via video-conference or by the use of any other equivalent communications platform that enables each participant to communicate with each other participant.

- Review and discuss with Management and the external auditors prior to public disclosure all earnings news releases and other press releases that contain "first-time disclosure" of significant financial information respecting the Company or contains estimates or information regarding the Company's future financial performance or prospect, which will include review and discussions as to:

  (i) "first-time disclosure" financial information and earnings guidance provided to analysts and, if applicable, ratings agencies; and

  (ii) the type and presentation of information to be included in such press releases (in particular the use of "pro forma" or "adjusted" information that is not in accordance with IFRS).

- Review and discuss with Management and the external auditors, and recommend to the Board for approval prior to public disclosure:

  (i) the portions of the Annual Information Form containing significant financial information derived from the Company's financial statements and within the Committee's mandate;

(ii) the portions of any Company's annual or special management proxy circular that (i) contain significant financial information derived from the Company's financial statements and within the Committee's mandate, or (ii) relate to the Committee's composition and responsibilities;

(iii) all prospectuses, registration statements and other offering or tender documents, including any prospectus supplement filed pursuant to a base shelf prospectus to the extent that any of these documents include significant financial information derived from the Company's financial statements and within the Committee's mandate that has not previously been reviewed and approved by the Committee or the Board; and

(iv) significant financial information, including "pro forma" or "adjusted" non-IFRS information, respecting the Company contained in a publicly disclosed document (other than routine investor relations or similar materials or communications that contain extracts of previously disclosed financial information) that has not previously been reviewed and approved by the Committee or the Board.

- Review with Management and the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, or material reports or inquiries from regulators or governmental agencies, that could have a material effect upon the financial position of the Company, and the manner in which these matters have been disclosed in the financial statements.

Internal Control

- Oversee Management's design and assessment of internal control procedures over financial reporting.

- Review and discuss Management's assessment of the effectiveness of the Company's internal controls over financial reporting on an annual basis or as more frequently required to ensure effectiveness of these internal control systems, including any identified significant deficiencies or material weaknesses in the design or operation of internal controls or any fraud that involves Management or other employees who have a significant role in the Company's internal controls.

- Review reports received from Management and/or the external auditors that include recommendations for improvement of such internal controls and processes and remediation of any identified significant deficiencies or material weaknesses on an annual basis or as more frequently required to ensure effectiveness of these internal controls.

- In connection with the Board's overall enterprise risk management responsibility, assist the Board with its responsibility to, with the advice of Management, identify the principal financial and audit risks of the Company and establish systems and procedures to ensure these principal financial and audit risks are monitored, and to make recommendations to the Board, which will include discussions with Management relating to:

  (i) Identification of key risks, including, without limitation:

    a. significant financial risk exposures;

    b. significant audit risks; and

    c. the principal information technology risks, including those related to cyber security, artificial intelligence and other new or emerging technologies, data protection, information security and information systems risks;

  (ii) the establishment of systems and procedures to ensure these risks are monitored;

  (iii) the steps Management has taken to assess, monitor and control, manage or mitigate the Company's exposures to these risks;

(iv) the adoption of controls to prevent and detect fraud or improper or illegal transactions or payments and to ensure compliance with anti-fraud and anti-bribery laws;

(v) implementing guidelines and policies to govern the process by which risk assessment and management is undertaken; and

(vi) monitoring and reviewing, at least annually and more frequently as may be required, the processes and controls designed to identify, assess, monitor and manage the risks referred to above.

- Annually review the Company's disclosure controls and procedures, including any significant deficiencies in or material non-compliance with such controls and procedures.

- Commencing with the audit of the Company's financial statements for the year ended December 31, 2022, review the scope of the external auditors' assessment of internal control over financial reporting, and obtain and review reports on significant findings and recommendations, including those in respect of the Company's accounting principles or changes to such principles or their application and the treatment of financial information discussed with Management, together with Management's responses.

External Audit

- Recommend to the Board the appointment or removal of the external auditor to be appointed for the purpose of preparing or issuing any audit report or performing any other audit, review or attestation services for the Company, with any such appointment or removal to be confirmed by the shareholders of the Company at each annual general meeting in accordance with the requirements of the British Columbia *Business Corporations Act*.

- Be directly responsible for the compensation of the external auditors to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services.

- Be directly responsible for the oversight of the services of the external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company (with the external auditors reporting directly to, and being accountable to, the Committee).

- Exercise sole authority to pre-approve all audit services and all permitted non-audit services to the Company, provided that the Committee need not approve in advance non-audit services where:

  (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of fees paid by the Company to the external auditors during the fiscal year in which the non-audit services are provided; and

  (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

  (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee.

  The Committee shall have the sole authority to delegate to one or more designated members of the Committee the authority to grant pre-approvals required by this section, provided that the decision of any member to whom authority is delegated to pre-approve a service shall be presented to the Committee at its next scheduled meeting. If the Committee approves an audit service within the scope of the engagement of the external auditors, such audit service shall be deemed to have been pre-approved for purposes of this section.

- Meet with the external auditors prior to the annual audit to review and approve the external auditors' proposed annual audit plan, scope, approach, staffing and fee schedule.

- Annually receive from the external auditors, and review, a report on items required to be communicated to the Committee by applicable rules and regulations.

- Review the external auditors' report to the shareholders on the Company's annual financial statements.

- Review with Management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements.

- Review with the external auditors any audit problems or difficulties encountered in the course of the audit of the Company's financial statements, including any restrictions on the scope of the external auditors' activities or on access to any requested information, and any significant disagreements with Management, Management's response to such disagreements and the resolution of such disagreements.

- Annually review the independence of the external auditors, including their formal written statement of independence delineating all relationships between the external auditors and the Company, review all such relationships, and consider applicable auditor independence standards and take any decisions and actions that are necessary and appropriate where the Committee becomes aware of the potential for a conflict (or the reasonable perception of a conflict) between the interests of the external auditors and the interests of the Company.

- Ensure that the external auditors are in good standing with the Canadian Public Accountability Board and, if applicable, the United States Public Company Accounting Oversight Board by receiving, at least annually, a report by the external auditors on their internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the external auditors, or any governmental or professional authorities of the external auditors within the preceding five years, and any steps taken to deal with such issues.

- Ensure that the external auditors meet the rotation requirements for lead audit partner assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of the lead audit partner with respect to the appropriate regulatory rotation requirements and plans to transition a new lead audit partner onto the audit engagement.

- Annually evaluate, taking into account the opinions of Management and the head of Internal Audit, the performance of the external auditors, including the lead audit partner, and report to the Board on its conclusions regarding the external auditors and recommendation to shareholders for appointment of the external auditors.

- Periodically review and approve the Company's hiring policies with respect to partners or employees (or former partners or employees) of either former or present external auditors of the Company.

Internal Audit

- The Committee will be responsible for reviewing and overseeing:

  (i) the activities, organization structure and qualifications of the Internal Audit function;

  (ii) the adoption of a charter for the Internal Audit function (the "Internal Audit Charter"), and the approval of any amendments to the Internal Audit Charter from time-to-time to ensure the proper functioning of the Internal Audit function;

  (iii) during any period of transitional relief provided to the Company in implementing the Internal Audit function, the Committee will oversee Management's plans for implementation of the Internal Audit

function and meet periodically with the Company personnel primarily responsible for the design and implementation of the Internal Audit function;

(iv) the planned activities of the Internal Audit function;

(v) the Internal Audit findings and the implementation of any accepted recommendations and Management's response thereto;

(vi) ensure that appropriate steps have been taken to ensure that there are no unjustified or inappropriate restrictions or limitations on the functioning of the Internal Audit function or on access to requested information;

(vii) the budget, staffing and resources allocated to the Internal Audit function in order to ensure the effectiveness, objectivity and independence of the Internal Audit function; and

(viii) the adequacy of the line of communication between Internal Audit and the Committee, ensuring that is maintained.

Compliance

- Establish procedures for: (a) the receipt, retention and treatment of complaints received regarding non-compliance with the Company's Code of Conduct, violations of laws or regulations, or concerns regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by officers or employees of the Company or by other persons of concerns regarding questionable accounting, auditing or financial reporting and disclosure matters or non-compliance with the Company's Code of Conduct or other matters that are of a sensitive or "whistleblower" nature.

- Obtain and review regular reports from Management and others (including, without limitation, the external auditors and legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including: (i) tax and financial reporting laws and regulations; (ii) legal withholding requirements; (iii) environmental protection laws and regulations; and (iv) other laws and regulations which expose directors to liability.

- Review and discuss with Management and with the Company's legal counsel, if necessary, any legal matters or reports or inquiries received from regulators or governmental agencies that could have a material effect upon the financial position of the Company and that are not subject to the oversight of another committee of the Board.

Reporting Requirements

- Regularly report, at least quarterly, to the Board about Committee activities, issues and related recommendations.

- Review any reports the Company issues that relate to Committee responsibilities.

Other Responsibilities

- Meet separately with Management of the Company, the head of Internal Audit and the external auditors of the Company as frequently as the Committee determines to be necessary and appropriate for the Committee to discharge its oversight duties.

- Annually review and, if requested by the Human Resources & Compensation Committee, approve the calculation provided by Management to the Human Resources & Compensation Committee of any performance metrics

that may be required to be calculated under any executive incentive plans or equity based compensation plans used to determine executive bonuses or cash award payouts.

- Perform other activities related to this Charter as requested by the Board.

- Confirm annually to the Board that all responsibilities outlined in this Charter have been carried out, with the annual confirmation to follow the completion of the audit of the Company's financial statements for each year and to be targeted for to the Board by no later than the meeting of the Board to follow each annual meeting of the shareholders of the Company.

- Consider and, if deemed appropriate, approve in advance any "related party transactions" to which the Company may propose to become a party to.

Qualifications and Procedures

- The Committee will be comprised of at least three directors, each of whom will be "independent" as determined in accordance with the securities laws, rules, regulations and guidelines of all applicable securities regulatory authorities (collectively, "Securities Laws"), including without limitation the securities commissions in each of the provinces and territories of Canada and the United States Securities and Exchange Commission, and the stock exchanges on which the Company's securities are listed, including without limitation the Toronto Stock Exchange and the New York Stock Exchange ("NYSE").

- In addition to the foregoing requirements, the composition of the Committee will comply with all Securities Laws to which the Company is subject, including requirements for independence, financial literacy, audit committee financial experts and audit experience.

- The Chair of the Committee will be designated by the Board.

- The Committee will meet at least four times annually, and more frequently as circumstances dictate, and the Chief Financial Officer and the head of Internal Audit and the external auditors, as required by the Committee, should be available on request to attend all meetings.

- A quorum at meetings of the Committee shall be a majority of members present in person or by telephone, video communication or other telecommunication device that permits all persons participating in the meeting to speak and hear one another.

- The Committee should meet privately and separately in *in camera* sessions with representatives of each of Management, the head of Internal Audit and of the external auditors to discuss any matters of concern to the Committee or such members, including any post-audit management letter. In addition, the Committee will meet with the external auditors, upon the receipt of a request from the external auditors, to discuss any matter that the external auditors believe should be brought to the attention of the directors or the shareholders of the Company.

- The Committee will have the authority to engage and retain independent legal counsel and any outside professional advisor that it determines necessary to carry out its duties, at the expense of the Company, without the Board's approval, at any time and has the authority to determine any such advisor's fees and other retention terms.

- The Company will provide appropriate funding, as determined by the Committee, for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, including compensation paid to the Company's external auditor and to legal and other professional advisers retained by the Committee.

- The Committee shall fix its own procedures for meeting and keep records of its proceedings. Minutes of each meeting should be prepared, approved by the Committee and circulated to the full Board. Copies of meeting records will be made available to the external auditors as requested.

Annual Performance Evaluation and Charter Assessment

- On an annual basis, the Committee will conduct an annual performance evaluation of the Committee, taking into account this Charter, to determine the effectiveness of the Committee.

- The Committee will annually review and assess the adequacy of this Charter and will as required request Board approval for proposed changes, taking into account all applicable legislative and regulatory requirements as well as consideration of any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship.

West Fraser Timber Co. Ltd.

Consolidated Financial Statements
December 31, 2025 and 2024

RESPONSIBILITY OF MANAGEMENT

Management's Report on the Consolidated Financial Statements

The accompanying consolidated financial statements and related notes are the responsibility of the management of West Fraser Timber Co. Ltd. (the "Company"). They have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and include amounts based on estimates and judgments. Financial information included elsewhere in this report is consistent with the consolidated financial statements.

The consolidated financial statements are approved by the Board of Directors on the recommendation of the Audit Committee. The Audit Committee, appointed by the Board of Directors, is composed entirely of independent directors. The Audit Committee reviews the Company's consolidated financial statements and reports its findings to the Board of Directors for consideration before the consolidated financial statements are approved for issuance to shareholders and submitted to securities commissions and/or other regulatory authorities.

The Audit Committee's duties also include reviewing critical accounting policies and significant estimates and judgments underlying the consolidated financial statements as presented by management and approving the fees of the Company's independent registered public accounting firm.

The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, performed an audit of the consolidated financial statements, the results of which are reflected in their Report of Independent Registered Public Accounting Firm for 2025. PricewaterhouseCoopers LLP has full and independent access to the Audit Committee to discuss their audit and related matters.

Management's Report on Internal Control over Financial Reporting

Under our supervision, management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* in Canada and Rules 13a-15(f) and 15d-15(f) of the *Securities Exchange Act of 1934*, as amended, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with IFRS Accounting Standards.

Under our supervision, management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025 based on the criteria set forth in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report which appears herein.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Additionally, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Sean McLaren
Sean McLaren
President and Chief Executive Officer

/s/ Chris Virostek
Chris Virostek
Executive Vice-President and Chief Financial Officer

February 11, 2026

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of West Fraser Timber Co. Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of West Fraser Timber Co. Ltd. and its subsidiaries (the Company) as of December 31, 2025 and 2024, and the related consolidated statements of loss and comprehensive loss, of changes in shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessments

As described in note 8 to the consolidated financial statements, the Company's goodwill balance was $1,471 million as of December 31, 2025. Management conducts annual impairment assessments in the fourth quarter, or more frequently if an indicator of impairment is identified. Management assesses the recoverability of goodwill by comparing the carrying value of each cash generating unit (CGU) or group of CGUs associated with the goodwill balance to its estimated recoverable amount, which is determined based on the higher of its estimated fair value less costs of disposal and its value in use.

An impairment loss is recorded if the carrying value exceeds the estimated recoverable amount of the CGU or group of CGUs. Management has determined the recoverable amount of each CGU or group of CGUs based on their fair value less cost of disposal using discounted cash flow models. The key assumptions used in the discounted cash flow models include production volume, product pricing, operating costs, terminal multiples and discount rates. With the exception of the U.S. Lumber group of CGUs, the estimated recoverable amount of each CGU or group of CGUs exceeded its respective carrying amount in management's goodwill impairment assessments and as such, no impairment losses were recorded. For the U.S. Lumber group of CGUs, a goodwill impairment loss of $409 million was recorded by management.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessments is a critical audit matter are (i) the significant judgment by management when determining the recoverable amount of each CGU or group of CGUs, including the development of key assumptions; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's key assumptions in the discounted cash flow models related to production volume, product pricing, operating costs, terminal multiples and discount rates; and (iii) the audit effort involved and the use of professionals with specialized skills and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the determination of the recoverable amount of each CGU or group of CGUs. These procedures also included, among others, testing management's process for determining the recoverable amount of each CGU or group of CGUs, including evaluating the appropriateness of the discounted cash flow models, testing the completeness and accuracy of underlying data used in the models and evaluating the reasonableness of the key assumptions used by management. Evaluating the reasonableness of production volume, product pricing and operating costs involved considering the past performance of the CGU or group of CGUs, as well as economic and industry forecasts, as applicable. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the discounted cash flow models, and the reasonableness of terminal multiples and discount rates.

Chartered Professional Accountants

Vancouver, Canada
February 11, 2026

We have served as the Company's auditor since 1973.

West Fraser Timber Co. Ltd.
Consolidated Balance Sheets

(in millions of United States dollars, except where indicated)

	Note	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	4	202	641
Receivables	22	244	294
Income taxes receivable		79	22
Inventories	5	828	844
Prepaid expenses		34	36
		1,387	1,837
Property, plant and equipment	6	3,593	3,842
Timber licences	7	335	358
Goodwill and other intangible assets	8	1,726	2,180
Export duty deposits	25	474	408
Other assets	9	99	129
Deferred income tax assets	19	6	7
		7,620	8,760
Liabilities			
Current liabilities			
Payables and accrued liabilities	10	584	604
Current portion of long-term debt	12	—	200
Current portion of reforestation and decommissioning obligations	11	52	55
Income taxes payable		14	75
		651	934
Long-term debt	12	300	—
Other liabilities	11	423	264
Deferred income tax liabilities	19	397	609
		1,771	1,807
Shareholders' Equity			
Share capital	14	2,496	2,549
Retained earnings		3,630	4,726
Accumulated other comprehensive loss		(277)	(321)
		5,849	6,954
		7,620	8,760

The number of Common shares and Class B Common shares outstanding at February 10, 2026 was 78,299,822.

Approved by the Board of Directors

/s/ Gillian D. Winckler
Gillian D. Winckler
Director

/s/ Reid Carter
Reid Carter
Director

West Fraser Timber Co. Ltd.
Consolidated Statements of Loss and Comprehensive Loss

(in millions of United States dollars, except where indicated)

	Note	Years Ended December 31, 2025	Years Ended December 31, 2024
Sales		$ 5,462	$ 6,174
Costs and expenses			
Cost of products sold		4,184	4,333
Freight and other distribution costs		766	815
Export duties, net, and tariffs	25	177	72
Amortization		544	549
Selling, general and administration		280	282
Equity-based compensation	15	(14)	14
Restructuring and impairment charges	16	712	102
		6,649	6,167
Operating earnings (loss)		(1,187)	7
Finance income, net	17	1	34
Other income (expense)	18	15	(2)
Earnings (loss) before tax		(1,171)	38
Tax recovery (provision)	19	233	(43)
Loss		$ (937)	$ (5)
Loss per share (dollars)			
Basic	21	$ (11.87)	$ (0.06)
Diluted	21	$ (12.08)	$ (0.07)
Comprehensive loss			
Loss		$ (937)	$ (5)
Other comprehensive earnings (loss)			
Items that may be reclassified to earnings			
Translation gain (loss) on operations with different functional currencies		44	(24)
Items that will not be reclassified to earnings			
Actuarial gain on retirement benefits, net of tax	13	16	8
		60	(16)
Comprehensive loss		$ (877)	$ (21)

West Fraser Timber Co. Ltd.
Consolidated Statements of Changes in Shareholders' Equity

(in millions of United States dollars, except where indicated)

	Note	Share Capital		Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
		Number of Shares Issued and Outstanding	Amount			
Balance at December 31, 2023		81,720,996	$ 2,607	$ 4,913	$ (297)	$ 7,223
Loss for the year		—	—	(5)	—	(5)
Other comprehensive earnings (loss):						
Translation loss on operations with different functional currencies		—	—	—	(24)	(24)
Actuarial gain on retirement benefits, net of tax		—	—	8	—	8
Issuance of Common shares	14	12,550	1	—	—	1
Repurchase of Common shares for cancellation	14	(1,745,280)	(59)	(88)	—	(147)
Dividends declared[1]		—	—	(102)	—	(102)
Balance at December 31, 2024		79,988,266	$ 2,549	$ 4,726	$ (321)	$ 6,954
Loss for the year		—	—	(937)	—	(937)
Other comprehensive earnings:						
Translation gain on operations with different functional currencies		—	—	—	44	44
Actuarial gain on retirement benefits, net of tax		—	—	16	—	16
Issuance of Common shares	14	4,700	—	—	—	—
Repurchase of Common shares for cancellation	14	(1,693,144)	(54)	(73)	—	(127)
Dividends declared[1]		—	—	(101)	—	(101)
Balance at December 31, 2025		78,299,822	$ 2,496	$ 3,630	$ (277)	$ 5,849

1. Cash dividends declared during the year ended December 31, 2024 were $1.26 per share. Cash dividends declared during the year ended December 31, 2025 were $1.28 per share.

West Fraser Timber Co. Ltd.
Consolidated Statements of Cash Flows

(in millions of United States dollars, except where indicated)

	Note	Years Ended December 31, 2025	Years Ended December 31, 2024
Cash provided by operating activities			
Loss		$ (937)	$ (5)
Adjustments			
Amortization		544	549
Restructuring and impairment charges	16	712	102
Finance income, net	17	(1)	(34)
Foreign exchange loss (gain)		5	(7)
Export duty	25	59	10
Retirement benefit expense	13	70	77
Net contributions to retirement benefit plans	13	(40)	(55)
Tax provision (recovery)	19	(233)	43
Income taxes received (paid)		(46)	3
Unrealized loss (gain) on electricity swaps		(18)	8
Other		(18)	(15)
Changes in non-cash working capital			
Receivables		59	5
Inventories		(1)	11
Prepaid expenses		1	4
Payables and accrued liabilities		(61)	(35)
		96	661
Cash used for financing activities			
Repayment of long-term debt	12	—	(300)
Proceeds from amendment of long-term debt	12	100	—
Repayment of lease obligations		(15)	(15)
Finance expense paid		(21)	(27)
Repurchase of Common shares for cancellation	14	(129)	(140)
Issuance of Common shares		—	1
Dividends paid		(101)	(101)
		(167)	(582)
Cash used for investing activities			
Proceeds from sale of pulp mills		—	124
Additions to capital assets		(411)	(487)
Interest received		24	43
Other		7	2
		(380)	(318)
Change in cash and cash equivalents		(451)	(238)
Foreign exchange effect on cash and cash equivalents		11	(21)
Cash and cash equivalents - beginning of year	—	641	900
Cash and cash equivalents - end of year		$ 202	$ 641

1. Nature of operations

West Fraser Timber Co. Ltd. ("West Fraser", the “Company”, "we", "us" or "our") is a diversified wood products company with more than 50 facilities in Canada, the U.S., the U.K., and Europe, which promotes sustainable forest practices in its operations. The Company produces lumber, engineered wood products (OSB, LVL, MDF, plywood, and particleboard), northern bleached softwood kraft pulp, paper, wood chips, and other residuals. West Fraser's products are used in home construction, repair and remodelling, industrial applications, papers and tissue. Our executive office is located at 885 West Georgia Street, Suite 1500, Vancouver, British Columbia. West Fraser was formed by articles of amalgamation under the *Business Corporations Act* (British Columbia) and is registered in British Columbia, Canada. Our Common shares are listed for trading on the Toronto Stock Exchange (“TSX”) and on the New York Stock Exchange (“NYSE”) under the symbol WFG.

2. Basis of presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and were approved by our Board of Directors on February 11, 2026.

Figures have been rounded to millions of dollars to reflect the accuracy of the underlying balances and as a result certain tables may not add due to rounding impacts.

Material accounting policies

Material accounting policies that relate to the consolidated financial statements as a whole are incorporated in this note. Where a material accounting policy is applicable to a specific note disclosure, the policy is described within the respective note.

Basis of consolidation

These consolidated financial statements include the accounts of West Fraser and its wholly-owned subsidiaries after the elimination of intercompany transactions and balances.

Our material subsidiaries are West Fraser Mills Ltd. and Norbord Inc. Our 50%-owned joint operation, Alberta Newsprint Company, is accounted for by recognizing our share of the assets, liabilities, revenues, and expenses related to the joint operation.

Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual amounts could differ materially from these and other estimates, the impact of which would be recorded in future periods. Management is also required to exercise judgment in the process of applying accounting policies. Information about areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2 – Determination of functional currency
- Note 5 – Valuation of inventories
- Note 6-8, 16 – Recoverability of PPE, timber licences, and other intangible assets
- Note 6 – Estimated useful lives of PPE
- Note 8 – Recoverability of goodwill
- Note 11 – Reforestation and decommissioning obligations
- Note 13 – Defined benefit pension plans
- Note 19 – Income taxes
- Note 25 – CVD and ADD duty dispute

Revenue recognition

Revenue is derived primarily from product sales and is recognized when a customer obtains control over the goods. The timing of transfer of control to customers varies depending on the individual terms of the sales contract and typically occurs when the product is loaded on a common carrier at our mill, loaded on an ocean carrier, or delivered to the customer. The amount of revenue recognized is net of our estimate for early payment discounts and volume rebates.

Revenue includes charges for freight and handling. The costs related to these revenues are recorded in freight and other distribution costs.

Reporting currency and foreign currency translation

The consolidated financial statements are presented in USD, which is determined to be the functional currency of our U.S. operations and the majority of our Canadian operations.

For these entities, all transactions not denominated in our U.S. functional currency are considered to be foreign currency transactions. Foreign currency denominated monetary assets and liabilities are translated using the rate of exchange prevailing at the reporting date. Gains or losses on translation of these items are included in earnings and reported as Other income (expense). Foreign currency denominated non-monetary assets and liabilities, measured at historic cost, are translated at the rate of exchange at the transaction date.

Our European operations have British pound sterling and Euro functional currencies. Our Cochrane lumber mill and jointly-owned paper operation have Canadian dollar functional currency. Assets and liabilities of these entities are translated at the rate of exchange prevailing at the reporting date, and revenues and expenses at average rates during the period. Gains or losses on translation are included as a component of shareholders' equity in Accumulated other comprehensive loss.

Impairment of capital assets

We assess property, plant and equipment, timber licences, and other finite-life intangible assets for indicators of impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

We conduct a review of external and internal sources of information to assess for any impairment indicators. Examples of such triggering events related to our capital assets include, but are not limited to: a significant adverse change in the extent or manner in which the asset is being used or in its physical condition; a change in management's intention or strategy for the asset, including a plan to dispose of the asset or idle the asset for a significant period of time; a significant adverse change in our long-term price assumption or in the price or availability of inputs required for manufacturing; a significant adverse change in legal factors or in the business climate that could affect the asset's value; and a current period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the asset's use.

Impairment testing is applied to individual assets or cash generating units ("CGUs"), the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. We have identified each of our mills as a CGU for impairment testing unless there is economic interdependence of CGUs, in which case they are grouped for impairment testing.

When a triggering event is identified, the recoverability of an asset or CGU is assessed by comparing the carrying amount of the asset or CGU to the estimated recoverable amount, which is the higher of its estimated fair value less costs of disposal and its value in use.

Fair value less costs of disposal is determined by estimating the price that would be received to sell an asset in an orderly transaction between market participants under current market conditions, less incremental costs directly attributable to the disposal. Value in use is determined using a discounted cash flow model by estimating the pre-tax cash flows expected to be generated from the asset over its estimated useful life discounted by a pre-tax discount rate.

Where an impairment loss for an asset or CGU subsequently reverses, the carrying amount of the asset or CGU is increased to the lesser of the revised estimate of its recoverable amount and the carrying amount that would have been recorded had no impairment loss been previously recognized.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs.

The three levels of the fair value hierarchy are:

Level 1
Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2
Values based on inputs other than quoted prices that are observable for the asset or liability, directly or indirectly.

Level 3
Values based on valuation techniques that require inputs which are both unobservable and significant to the overall fair value measurement.

Accounting standards issued but not yet applied

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements to improve comparability in the reporting of financial performance to give investors a better basis for analyzing and comparing entities. The standard impacts the presentation of the financial statements and notes, in particular the income statement where entities will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will also require management-defined performance measures to be explained and included in a separate note within the financial statements. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. We are currently assessing the impact of this amendment on our consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

These amendments are effective for reporting periods beginning on or after January 1, 2026. These amendments are not expected to have a material impact on our consolidated financial statements.

3. Business combinations

Accounting policies

Business combinations are accounted for using the acquisition method. We measure goodwill at the acquisition date as the fair value of the consideration transferred less the fair value of the identifiable assets acquired and liabilities assumed.

Supporting information

We attained sole control of Cariboo Pulp ("CPL") during Q1-24 in relation to an agreement ("the CPL agreement") with Mercer International Inc. ("Mercer") to dissolve our 50/50 joint venture in Cariboo Pulp ("CPL JV").

CPL produces northern bleached softwood kraft ("NBSK") pulp, related by-products, and energy. Prior to the CPL agreement, we accounted for the CPL JV under IFRS Accounting Standards by recognizing our share of the assets, liabilities, revenues, and expenses related to this joint operation.

Prior to the CPL agreement, the CPL JV was a joint operation under IFRS Accounting Standards that met the definition of a business. Accordingly, we applied the requirements for a business combination achieved in stages in accordance with IFRS 3, *Business Combinations*.

This required us to first remeasure the carrying value of our existing 50% interest in the CPL JV to fair value and then recognize an additional 50% interest in CPL at fair value in accordance with the requirements of IFRS 3.

During the year ended December 31, 2024, we recognized a net gain of $ 1 million on the business combination as the estimated fair value of 100% of CPL's identifiable assets and liabilities exceeded the carrying value of our 50% interest in the CPL JV prior to the CPL agreement (note 18).

4. Cash and cash equivalents

Accounting policies

Cash and cash equivalents consist of cash on deposit and short-term interest-bearing securities maturing within three months of the date of purchase.

Supporting information

As at		December 31, 2025		December 31, 2024
Cash	$	157	$	389
Cash equivalents		44		252
	$	202	$	641

5. Inventories

Accounting policies

Inventories are valued at the lower of cost and net realizable value, with cost determined on an average cost basis. The cost of finished goods inventories includes direct material, direct labour, and an allocation of overhead based on normal operating capacity.

Supporting information

As at		December 31, 2025		December 31, 2024
Manufactured products	$	315	$	344
Logs and other raw materials		266		255
Materials and supplies		247		245
	$	828	$	844

Inventories at December 31, 2025 were subject to a valuation reserve of $ 64 million (December 31, 2024 - $18 million) to reflect net realizable value being lower than cost.

6. Property, plant and equipment

Accounting policies

Property, plant and equipment are recorded at historical cost, less accumulated amortization and impairment losses. Expenditures for additions and improvements are capitalized. Specific and general borrowing costs are capitalized when the asset construction period exceeds 12 months. Expenditures for maintenance and repairs are charged to earnings. Upon retirement, disposal, or destruction of an asset, the cost and related amortization are derecognized and any resulting gain or loss is included in earnings.

Property, plant and equipment are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10 - 30 years
Manufacturing plant, equipment and machinery	6 - 25 years
Fixtures, mobile and other equipment	3 - 10 years
Roads and bridges	Not exceeding 40 years
Major maintenance shutdowns	1 - 2 years

Construction-in-progress includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Construction-in-progress is not depreciated. Once the asset is complete and available for use, the construction-in-progress balance is transferred to the appropriate category of property, plant and equipment and depreciation commences.

Supporting Information

	Manufacturing plant, equipment and machinery	Construction-in-progress	Roads and bridges	Other	Total
As at December 31, 2023	$ 3,319	$ 376	$ 46	$ 94	$ 3,835
CPL agreement (note 3)	12	2	—	—	15
Additions	73	411	11	—	495
Amortization[1]	(462)	—	(7)	(1)	(470)
Impairment (note 16)	(15)	—	—	—	(15)
Foreign exchange	(11)	—	—	(5)	(16)
Disposals	(2)	—	—	—	(2)
Transfers	343	(343)	—	—	—
As at December 31, 2024	$ 3,259	$ 445	$ 49	$ 89	$ 3,842
As at December 31, 2024					
Cost	$ 6,939	$ 445	$ 165	$ 91	$ 7,641
Accumulated amortization	(3,680)	—	(116)	(2)	(3,798)
Net	$ 3,259	$ 445	$ 49	$ 89	$ 3,842
As at December 31, 2024	$ 3,259	$ 445	$ 49	$ 89	$ 3,842
Additions	166	264	10	—	440
Amortization[1]	(469)	—	(8)	(2)	(478)
Impairment (note 16)	(227)	(13)	—	—	(241)
Foreign exchange	26	1	—	4	31
Disposals	—	—	—	(1)	(1)
Transfers	413	(414)	1	—	—
As at December 31, 2025	$ 3,168	$ 282	$ 52	$ 91	$ 3,593
As at December 31, 2025					
Cost	$ 7,204	$ 282	$ 163	$ 98	$ 7,747
Accumulated amortization	(4,036)	—	(112)	(6)	(4,154)
Net	$ 3,168	$ 282	$ 52	$ 91	$ 3,593

1. Amortization of $468 million relates to cost of products sold and $10 million relates to selling, general and administration expense (2024 - $462 million and $8 million respectively).

7. Timber licenses

Accounting policies

Timber licences, which are renewable or replaceable, are recorded at historical cost, less accumulated amortization and impairment losses. Timber licences are amortized on a straight-line basis over their estimated useful lives of 40 years.

Supporting information

		Timber licences
As at December 31, 2023	$	376
Amortization[1]		(17)
Foreign exchange		(1)
As at December 31, 2024	$	358
As at December 31, 2024		
Cost	$	672
Accumulated amortization		(314)
Net	$	358
As at December 31, 2024	$	358
Amortization[1]		(17)
Impairment (note 16)		(3)
Disposals		(3)
As at December 31, 2025	$	335
As at December 31, 2025		
Cost	$	663
Accumulated amortization		(328)
Net	$	335

1. Amortization relates to cost of products sold.

8. Goodwill and other intangibles

Accounting policies

Goodwill represents the excess purchase price paid for a business acquisition over the fair value of the net assets acquired. Goodwill is tested annually for impairment in the fourth quarter, or more frequently if an indicator of impairment is identified.

The customer relationship intangible assets relate to historical business combinations and are amortized straight-line over 3 to 10 years.

Other intangibles are recorded at historical cost less accumulated amortization and impairment losses. Other intangibles include software which is amortized over periods of up to five years and non-replaceable finite term timber rights which are amortized as the related timber volumes are logged.

Goodwill is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination from which it arose. The allocation is based on the lowest level at which goodwill is monitored internally.

Recoverability of goodwill is assessed by comparing the carrying value of the CGU or group of CGUs associated with the goodwill balance to its estimated recoverable amount, which is the higher of its estimated fair value less costs of disposal and its value in use.

An impairment loss is recorded if the carrying value exceeds the estimated recoverable amount. Goodwill impairment losses cannot be reversed.

Supporting information

	Goodwill	Customer Relationship Intangible	Other	Total
As at December 31, 2023	$ 1,949	$ 339	$ 20	$ 2,307
Additions	—	—	3	3
Amortization[1]	—	(53)	(9)	(63)
Impairment (note 16)	(70)	—	—	(70)
Foreign exchange	(1)	—	—	(1)
Other	—	—	2	2
As at December 31, 2024	$ 1,879	$ 285	$ 16	$ 2,180
As at December 31, 2024				
Cost	$ 1,879	$ 489	$ 81	$ 2,448
Accumulated amortization	—	(203)	(65)	(268)
Net	$ 1,879	$ 285	$ 16	$ 2,180
As at December 31, 2024	$ 1,879	$ 285	$ 16	$ 2,180
Additions	—	—	3	3
Amortization[1]	—	(47)	(2)	(49)
Impairment (note 16)	(409)	—	—	(409)
Foreign exchange	1	2	—	3
Disposals	—	—	(4)	(4)
Other	—	—	2	2
As at December 31, 2025	$ 1,471	$ 239	$ 15	$ 1,726
As at December 31, 2025				
Cost	$ 1,471	$ 491	$ 78	$ 2,040
Accumulated amortization	—	(251)	(63)	(314)
Net	$ 1,471	$ 239	$ 15	$ 1,726

1. Amortization relates to selling, general and administration expenses.

Goodwill

For the purposes of impairment testing, goodwill has been allocated to the following CGU groups:

As at	December 31, 2025	December 31, 2024
Canadian lumber	$ 171	$ 171
U.S. lumber	—	409
North America EWP	1,280	1,280
Europe EWP	20	19
Total	$ 1,471	$ 1,879

The recoverable amounts of the above CGU groups as at December 31, 2025 were determined based on their estimated fair value less costs of disposal using discounted cash flow models. The fair value measurements were classified as Level 3 fair value measurements.

Cash flow forecasts were based on internal estimates for 2026 through 2029 and a terminal value, with the exception of the U.S. lumber cash flow forecasts, which were based on internal estimates for 2026 through 2028 and a terminal value. Key assumptions include production volumes, product pricing, operating costs, terminal multiple, and discount rate. Key assumptions were derived using external sources and historical data from internal sources. Specifically, product pricing has been estimated by reference to average historical prices and margins as well as third-party analyst projections of long-term product pricing. Production volume and operating costs have been estimated by reference to historical data from internal sources. The post-tax discount rate used was 9.9% (2024 - 10.8% to 12.8%).

We recorded an impairment loss of $409 million in relation to U.S. lumber goodwill during the year ended December 31, 2025. The impairment loss was a result of the protracted downcycle that has caused management to recalibrate certain assumptions used in our annual goodwill impairment test. Adjustments to these assumptions included, but are not limited to, species-specific product pricing trends, lower demand and pricing for wood chip residuals, and the depth and duration of the current downcycle and its expected recovery. The impairment represented the entire amount of goodwill associated with our U.S. lumber operations.

We forecasted U.S. lumber production volumes ranging from 2,701 MMfbm to 3,181 MMfbm in determining the recoverable amount (2024 - 2,785 MMfbm to 3,250 MMfbm).

Following the impairment loss recognized in the U.S. lumber CGU group, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment to property, plant and equipment in the CGU group.

The following table lists the key assumptions and sensitivities for the U.S. lumber CGU group:

Key assumptions	Sensitivity of recoverable amount to a 1% change in assumption
Product pricing	$96 million
Production volumes	$18 million
Operating costs	$84 million

Due to the complexity by which key assumptions interrelate with each other and with our operating plans, the sensitivities were performed for each key assumption individually with all other assumptions held constant.

The estimated recoverable amounts of all other CGU groups exceeded their respective carrying amounts.

As it relates to the Europe EWP CGU group, a reasonably possible change in certain key assumptions could cause the carrying amount to exceed the recoverable amount. The estimated recoverable amount of the Europe EWP CGU group exceeded its carrying amount by approximately $73 million. A 2% change in product pricing, an 11% change in production volumes, or a 3% change in operating costs would result in the recoverable amount equaling the carrying amount.

9. Other assets

As at	Note	December 31, 2025	December 31, 2024
Retirement assets	13	$ 52	$ 61
Electricity swaps	—	24	12
Deposits		—	42
Other		23	13
		$ 99	$ 129

10. Payables and accrued liabilities

As at	Note	December 31, 2025	December 31, 2024
Trade accounts		$ 398	$ 401
Accrued equity-based compensation	15	18	41
Compensation		58	56
Accrued export duties	25	16	8
Accrued dividends		25	26
Accrued interest		2	2
Electricity swaps	22	4	4
Current portion of lease obligations		9	10
Restructuring provision		16	5
Other		38	52
		$ 584	604

11. Other liabilities

As at	Note	December 31, 2025	December 31, 2024
Retirement liabilities	13	$ 102	$ 97
Non-current portion of reforestation obligations		50	47
Non-current portion of decommissioning obligations		44	24
Non-current portion of lease obligations		24	19
Export duties	25	166	46
Electricity swaps	22	6	8
Other		30	22
		$ 423	$ 264

Reforestation and decommissioning obligations

Reforestation and decommissioning obligations relate to our responsibility for reforestation under various timber licences and our obligations related to landfill closure and other site remediation costs.

Accounting policies

Reforestation obligations are measured at the present value of the expected expenditures required to settle the obligations and are accrued and charged to earnings when timber is harvested. The reforestation obligation is accreted over time through charges to finance expense and reduced by silviculture expenditures. Changes to estimates are credited or charged to earnings.

We record a liability for decommissioning obligations in the period a reasonable estimate can be made. The liability is determined using estimated closure and/or remediation costs and discounted using an appropriate discount rate. On initial recognition, the carrying value of the liability is added to the carrying amount of the associated asset and amortized over its useful life, or expensed when there is no related asset. The liability is accreted over time through charges to finance expense and reduced by actual costs of settlement. Changes to estimates result in an adjustment of the carrying amount of the associated asset or, where there is no asset, they are credited or charged to earnings.

Reforestation and decommissioning obligations are discounted at the risk-free rate at the balance sheet date.

Supporting information

	Note	Reforestation		Decommissioning	
		2025	2024	2025	2024
Beginning of year		$ 83	$ 92	$ 43	$ 37
Acquisition	3	—	—	—	1
Liabilities recognized		59	49	21	9
Liabilities settled		(57)	(61)	(12)	(4)
Change in estimates		(1)	10	3	3
Foreign exchange		4	(7)	4	(3)
End of year		88	83	58	43
Less: current portion		(38)	(36)	(14)	(19)
		$ 50	$ 47	$ 44	$ 24

The total undiscounted amount of the estimated cash flows required to satisfy these obligations is $ 159 million (December 31, 2024 - $ 139 million). The cash flows have been discounted using risk-free rates ranging from 2.50% to 3.85% (2024 - 2.50% to 3.33%).

The timing of reforestation expenditures is based on the estimated period required to ensure the associated areas are well established and attain free to grow status, which is generally between 12 to 15 years. Payments relating to landfill closures and site remediation are expected to occur over periods ranging up to 50 years.

12. Operating loans and long-term debt

Accounting policies

Transaction costs related to debt financing or refinancing are deferred and amortized over the life of the associated debt. When our operating loan is undrawn, the related deferred financing costs are recorded in other assets.

Supporting information

Credit Facility and Term Loan Renewals

In May 2025, we amended and restated our syndicated credit agreement providing for the renewal of our $ 1 billion revolving credit facility and extension of the facility's maturity from July 2028 to May 2030. The revolving credit facility was made available on substantially the same terms and conditions as our revolving credit facility prior to renewal. Additionally, under the amended and restated credit agreement, we increased and extended our $200 million term loan facility maturing July 2025. The modified term loan facility is for $ 300 million, matures May 2028, and is under substantially the same terms and conditions as our term loan facility prior to renewal.

The amendment of the term loan facility was determined to be a non-substantial modification and resulted in a nominal loss recognized in Finance income, net.

Operating loans

As at December 31, 2025, our credit facilities consisted of the aforementioned $ 1 billion committed revolving credit facility which matures May 2030, a $20 million (£15 million) credit facility dedicated to our European operations, and an $ 11 million (CAD$15 million) demand line of credit dedicated to our jointly-owned newsprint operation.

As at December 31, 2025, our revolving credit facilities were undrawn (December 31, 2024 - undrawn) and the associated deferred financing costs of $2 million (December 31, 2024 - $2 million) were recorded in other assets. Interest on the facilities is payable at floating rates based on Prime Rate Advances, US Base Rate Advances, Canadian Overnight Repo Rate Average (“CORRA”) Advances, or Secured Overnight Financing Rate (“SOFR”) Advances at our option.

In addition, we have credit facilities totalling $ 130 million (December 31, 2024 - $130 million) dedicated to letters of credit. Letters of credit in the amount of $38 million (December 31, 2024 - $36 million) were supported by these facilities.

All debt is unsecured except the $11 million (CAD$15 million) jointly-owned paper operation demand line of credit, which is secured by that joint operation’s current assets.

As at December 31, 2025, we were in compliance with the requirements of our credit facilities.

Long-term debt

As at		December 31, 2025		December 31, 2024
Term loan due May 2028; floating interest rate	$	300	$	200
		300		200
Less: current portion		—		(200)
	$	300	$	—

Interest on our term loan is payable at floating rates based on US Base Rate Advances or SOFR Advances at our option. This loan is repayable at any time, in whole or in part, at our option and without penalty but cannot be redrawn after payment.

Required principal repayments are disclosed in note 22.

Interest rate swap contracts

We have interest rate swap contracts that have the effect of fixing the interest rate on our term loan.

In January 2024, we amended the interest rate swaps to extend their maturity from August 2024 to July 2025. Following this amendment, the weighted average fixed interest rate payable under the contract was 2.61%. On July 25, 2025, these interest rate swaps expired per their terms. During the fourth quarter of 2025, we entered into new interest rate swap contracts to fix $75 million notional principal amount of indebtedness.

As at December 31, 2025, we have interest rate swap contracts to pay fixed interest rates and receivable variable interest rates on $ 75 million notional principal amount of indebtedness. These swap agreements have the effect of fixing the interest rate on $75 million of the $300 million term loan discussed above, with the balance being subject to a floating rate. The weighted average fixed interest payable under these swap agreements is 3.27%.

The interest rate swap contracts are accounted for as a derivative, with the changes in their fair value included in other income or expense in our consolidated statements of earnings. For the year ended December 31, 2025, a nominal gain (year ended December 31, 2024 - a loss of $4 million) was recognized in relation to the interest rate swap contracts. The fair value of the interest rate swap contracts at December 31, 2025 was a nominal asset (December 31, 2024 - asset of $2 million).

13. Retirement benefits

We maintain defined benefit and defined contribution pension plans covering most of our employees. The defined benefit plans generally do not require employee contributions and provide a guaranteed level of pension payable for life based either on length of service or on earnings and length of service, and in most cases do not increase after commencement of retirement. We also provide group life insurance, medical and extended health benefits to certain employee groups.

The defined benefit pension plans are operated in Canada and the U.S. under broadly similar regulatory frameworks. The majority are funded arrangements where benefit payments are made from plan assets that are held in trust. Responsibility for the governance of certain of the plans, including investment and contribution decisions, resides with our Retirement Committees, Human Resources & Compensation Committee of the Board of Directors, and Board of Directors. For the registered defined benefit pension plans, regulations set minimum requirements for contributions for benefit accruals and the funding of deficits.

Starting January 1, 2022, defined benefit pension plans for certain employee groups were closed to new entrants and were replaced by defined contribution plans.

Accounting policies

We record a retirement asset or liability for our employee defined benefit pension and other retirement benefit plans by netting our plan assets with our plan obligations, on a plan-by-plan basis.

The cost of defined benefit pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields from high quality corporate bonds with cash flows that approximate expected benefit payments at the balance sheet date. Plan assets are valued at fair value at each balance sheet date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to equity through other comprehensive earnings in the period in which they arise.

Past service costs arising from plan amendments are recognized immediately. The finance amount on net retirement balances is included in finance income or expense in our consolidated statements of earnings.

A gain or loss on settlement is recognized in earnings, calculated as the difference between the present value of the defined benefit obligation being settled, as determined on the date of settlement, and the settlement amount.

For defined contribution plans, pension expense is the amount of contributions we are required to make in respect of services rendered by employees.

Supporting information

The actual return on plan assets for 2025 was a gain of $ 31 million (2024 - gain of $40 million). The total pension expense for the defined benefit pension plans was $37 million (2024 - $43 million). In 2025, we made net contributions of $ 2 million to our defined benefit pension plans (2024 - $18 million). We expect to make cash contributions of approximately $ 22 million to our defined benefit pension plans during 2026 based on the most recent valuation report for each pension plan. We also provide group life insurance, medical and extended health benefits to certain employee groups, for which we contributed $1 million in 2025 (2024 - $1 million).

In 2024, we entered into buy-out annuity purchase agreements to settle $ 101 million of our defined benefit obligations by purchasing annuities using our plan assets. These agreements transferred the pension obligations of retired employees under certain pension plans to financial institutions. The difference between the cost of the annuity purchases and the liabilities held for these pension plans was reflected as a settlement loss of $1 million in Other income (expense) (see note 18).

The status of the defined benefit pension plans and other retirement benefit plans, in aggregate, is as follows:

	Defined benefit pension plans		Other retirement benefit plans	
	2025	2024	2025	2024
Accrued benefit obligations				
Benefit obligations - opening	$ 678	$ 791	$ 19	$ 17
CPL acquisition (note 3)	—	10	—	3
Service cost	33	41	—	—
Finance cost on obligation	34	36	1	1
Benefits paid	(27)	(34)	(1)	(1)
Actuarial gain due to change in financial assumptions	(24)	(12)	—	—
Actuarial loss due to demography/experience	1	4	—	—
Settlement	—	(101)	—	—
Other	2	(3)	—	1
Foreign exchange[1]	31	(55)	1	(2)
Benefit obligations - ending	$ 729	$ 678	$ 19	$ 19
Plan assets				
Plan assets - opening	$ 664	$ 786	$ —	$ —
CPL acquisition (note 3)	—	11	—	—
Finance income on plan assets	32	35	—	—
Actual return on plan assets, net of finance income	(2)	5	—	—
Employer contributions	7	21	1	1
Benefits paid	(27)	(34)	(1)	(1)
Settlement	—	(102)	—	—
Other	—	(1)	—	—
Refund of excess contributions	(5)	(3)	—	—
Foreign exchange[1]	30	(55)	—	—
Plan assets - ending	$ 700	$ 664	$ —	$ —
Funded status[2]				
Retirement assets	$ 55	$ 65	$ —	$ —
Impact of minimum funding requirement[3]	(3)	(3)	—	—
Retirement assets (note 9)	$ 52	$ 61	$ —	$ —
Retirement liabilities (note 11)	(83)	(78)	(19)	(19)
	$ (31)	(17)	$ (19)	$ (19)

1. Foreign currency translation relates to the foreign exchange impact of translating assets and liabilities of certain plans to U.S. dollars.
2. Plans in a surplus position are presented as assets and plans in a deficit position are presented as liabilities on our consolidated balance sheets.
3. Certain of our plans have a surplus that is not recognized on the basis that future economic benefits may not be available to us in the form of a reduction in future contributions or a cash refund.

	Defined benefit pension plans		Other retirement benefit plans	
	2025	2024	2025	2024
Expense				
Service cost	$ 33	$ 41	$ —	$ —
Administration fees	2	2	—	—
Settlement loss	—	1	—	—
Curtailment gain related to disposal of pulp mills	—	(2)	—	—
Finance expense, net	2	1	1	1
	$ 37	$ 43	$ 1	$ 1

Assumptions and sensitivities

At December 31, 2025, the weighted average duration of the defined benefit pension obligations is 17 years (December 31, 2024 - 18 years). At December 31, 2025, the projected future benefit payments for the defined benefit pension plans, to be made from plan assets, are as follows:

	2026	2027	2028 to 2030	Thereafter	Total
Defined benefit pension plans	$29	$31	$100	$1,716	$1,876

Key assumptions used in determining defined benefit pension and other retirement pension benefit obligations include assumed rates of increase for future employee compensation and discount rates. These estimates are determined with the assistance of independent actuarial specialists.

The significant actuarial assumptions used to determine our balance sheet date retirement assets and liabilities and our retirement benefit plan expenses are as follows:

	Defined benefit pension plans		Other retirement benefit plans	
	2025	2024	2025	2024
Benefit obligations:				
Discount rate	5.01%	4.83%	4.99%	4.78%
Future compensation rate increase	3.67%	3.66%	n/a	n/a
Benefit expense:				
Discount rate - beginning of year	4.83%	4.69%	4.78%	4.69%
Future compensation rate increase	3.66%	3.62%	n/a	n/a

Health-care benefit costs, shown under other retirement benefit plans, are funded on a pay-as-you-go basis.

The impact of a change in these assumptions on our retirement obligations as at December 31, 2025 is as follows:

	Increase	Decrease
Discount rate - 0.50% change	$ (58)	$ 70
Compensation rate - 0.50% change	$ 15	$ (11)

The sensitivities have been calculated on the basis that all other variables remain constant. When calculating the sensitivity of the defined benefit obligation, the same methodology is applied as was used to determine the retirement assets and liabilities.

Plan assets

The assets of the defined benefit pension plans are invested predominantly in a diversified range of equities, pooled funds and bonds. The weighted average asset allocations of the defined benefit plans at December 31, by asset category, are as follows:

	Target range	2025	2024
Canadian equities	2% - 15%	6 %	5 %
Global equities	10% - 44%	19 %	16 %
Fixed income investments	30% - 75%	46 %	49 %
Alternative investments	0% - 57%	25 %	25 %
Cash and cash equivalents	N/A	4 %	5 %
		100 %	100 %

Alternative investments include real estate, private equity, and other investments.

Risk management practices

We are exposed to various risks related to our defined benefit pension and other retirement benefit plans:

- Uncertainty in benefit payments: The value of the liability for retirement benefits will ultimately depend on the amount of benefits paid and this in turn will depend on the level of future compensation increase and life expectancy.
- Volatility in asset value: We are exposed to changes in the market value of pension plan investments which are required to fund future benefit payments.
- Uncertainty in cash funding: Movement in the value of the assets and obligations may result in increased levels of cash funding, although changes in the level of cash funding required can be spread over several years. We are also exposed to changes in pension regulation and legislation.

Our Retirement Committees manage these risks in accordance with a Statement of Investment Policies and Procedures for each pension plan or group of plans administered under master trust agreements. The following are some specific risk management practices employed:

- Retaining and monitoring professional advisors including an outsourced chief investment officer (“OCIO”).
- Monitoring our OCIO’s adherence to asset allocation guidelines and permitted categories of investments.
- Monitoring investment decisions and performance of the OCIO and asset performance against benchmarks.

Defined contribution plans

The total pension expense and funding contributions for the defined contribution pension plans for 2025 was $ 37 million (2024 - $35 million).

14. Share capital

Authorized

400,000,000 Common shares, without par value
20,000,000 Class B Common shares, without par value
10,000,000 Preferred shares, issuable in series, without par value

Issued and Outstanding

As at	December 31, 2025		December 31, 2024	
	Number	Amount	Number	Amount
Common	76,018,344	$ 2,496	77,706,788	$ 2,549
Class B Common	2,281,478	—	2,281,478	—
Total Common	78,299,822	$ 2,496	79,988,266	$ 2,549

For the year ended December 31, 2025, we issued 4,700 Common shares under our share option plans (year ended December 31, 2024 - 12,550 Common shares).

Rights and restrictions of Common shares

The Common shares and Class B Common shares are equal in all respects, including the right to dividends, rights upon dissolution or winding up and the right to vote, except that each Class B Common share may at any time be exchanged for one Common share. Our Common shares are listed for trading on the TSX and NYSE under the symbol WFG, while our Class B Common shares are not. Certain circumstances or corporate transactions may require the approval of the holders of our Common shares and Class B Common shares on a separate class by class basis.

Share repurchases

On February 27, 2025, we renewed our normal course issuer bid ("2025 NCIB") allowing us to acquire up to 3,868,177 Common shares for cancellation from March 3, 2025 until the expiry of the bid on March 2, 2026.

On February 27, 2024, we renewed our normal course issuer bid ("2024 NCIB") allowing us to acquire up to 3,971,380 Common shares for cancellation from March 1, 2024 until the expiry of the bid on February 28, 2025.

For the year ended December 31, 2025, we repurchased for cancellation 1,639,207 Common shares at an average price of $ 75.95 per share under our 2024 NCIB and 2025 NCIB programs. During the year ended December 31, 2025, we cancelled 53,937 Common shares that were held as treasury shares at December 31, 2024. For the years ended December 31, 2024, we repurchased for cancellation 1,799,217 Common shares at an average price of $80.26 per share under our 2023 NCIB and 2024 NCIB programs.

15. Equity-based compensation

We have share option, phantom share unit ("PSU") and directors' deferred share unit ("DSU") plans. The equity-based compensation recovery for the year ended December 31, 2025 was $14 million (2024 - expense of $ 14 million).

Accounting policies

We estimate the fair value of outstanding share options using the Black-Scholes option-pricing model and the fair value of our PSU plan and directors' DSU plan using an intrinsic valuation model at each balance sheet date. We record the resulting charge or recovery to earnings over the related vesting period.

If a share option holder elects to acquire Common shares, both the exercise price and the accrued liability are credited to shareholders' equity.

Supporting information

Share option plan

Under our share option plan, officers and employees may be granted options to purchase Common shares. At December 31, 2025 there were 680,970 options outstanding and 561,925 available for issuance for a total of 1,242,895 options that could be exercised for shares. In addition, there are 33,612 options outstanding under the assumed Norbord option plan.

The exercise price of a share option is determined in accordance with the plan and is generally the closing price of a Common share on the trading day immediately preceding the grant date. Our share option plans give the share option

holders the right to elect to receive a cash payment in lieu of exercising an option to purchase Common shares. Options vest at 20% per year from the grant date and expire after 10 years.

For the year ended December 31, 2025, we recorded a recovery of $ 13 million (2024 – expense of $6 million) related to the share option plan. The liability associated with the share option plan is tracked in Canadian dollars and is based on prices published by the TSX. A summary of the activity in the share option plans based on Canadian dollar prices is presented below:

	2025		2024	
	Number	Weighted average price (CAD$)	Number	Weighted average price (CAD$)
Outstanding - beginning of year	690,187	$ 95.42	849,670	$ 83.59
Granted	65,205	113.01	170,144	107.54
Exercised	(37,111)	65.01	(313,307)	69.42
Expired / Cancelled	(3,699)	111.41	(16,320)	105.12
Outstanding - end of year	714,582	$ 98.52	690,187	$ 95.42
Exercisable - end of year	426,863	$ 90.86	366,732	$ 85.47

The following table summarizes information about the share options outstanding and exercisable at December 31, 2025 in Canadian dollars:

Exercise price range (CAD$)	Number of outstanding options (number)	Weighted average remaining contractual life (years)	Weighted average exercise price (CAD$)	Number of exercisable options (number)	Weighted average exercise price (CAD$)
$40.97 - $56.00	52,967	2.1	$ 52.41	52,967	$ 52.41
$64.50 - $79.69	101,753	3.6	67.82	101,753	67.82
$81.42 - $92.79	110,429	4.4	90.89	93,528	90.55
$107.53 - $123.63	449,433	7.5	112.78	178,615	115.55
	714,582	6.1	$ 98.52	426,863	$ 90.86

The weighted average share price at the date of exercise for share options exercised during the year was CAD$ 111.47 per share (2024 - CAD$123.05 per share).

The accrued liability related to the share option plan was $ 7 million at December 31, 2025 (December 31, 2024 - $ 21 million). The weighted average fair value of the options used in the calculation was CAD$14.30 per option or USD$ 10.43 per option at December 31, 2025 (December 31, 2024 - CAD$43.23 per option or USD$ 30.04 per option).

The inputs to the Black-Scholes option-pricing model were as follows:

As at	December 31, 2025	December 31, 2024
Weighted-average share price on balance sheet date	CAD$83.67	CAD$123.56
Weighted average exercise price	CAD$98.52	CAD$95.42
Expected dividend	CAD$1.75	CAD$1.84
Expected volatility	32.00%	42.58%
Weighted average interest rate	2.69%	2.87%
Weighted average expected remaining life in years	4.03	4.35

The expected dividend on our shares was based on the annualized dividend rate at each period-end. Expected volatility was based on five years of historical data. The interest rate for the life of the options was based on the implied yield

available on government bonds with an equivalent remaining term at each period-end. Historical data was used to estimate the expected life of the options and forfeiture rates.

The intrinsic value of options issued under the share option plans at December 31, 2025 was CAD$ 3 million or USD$2 million (December 31, 2024 - CAD$14 million or USD$10 million). The intrinsic value is determined based on the difference between the weighted average share price on the last business day of the month and the exercise price, multiplied by the number of vested options.

Phantom share unit plan

Our PSU plan is intended to supplement, in whole or in part, or replace the granting of share options as long-term incentives for officers and employees. The plan provides for two types of units which vest on the third anniversary of the grant date. A restricted share unit pays out based on the volume weighted average price per Common share on the trading day immediately preceding its vesting date (the “vesting date value”). A performance share unit pays out at a value between 0% and 200% of its vesting date value contingent upon our performance relative to a peer group of companies over the three-year performance period. Officers and employees granted units under the plan are also entitled to additional units to reflect cash dividends paid on Common shares from the applicable grant date until payout.

For the year ended December 31, 2025, we recorded an expense of $ 1 million (2024 - expense of $ 7 million) related to the PSU plan. There were 193,290 performance share units outstanding as at December 31, 2025 (December 31, 2024 – 168,775) and 27,625 restricted share units outstanding as at December 31, 2025 (December 31, 2024 – nil).

Directors’ deferred share unit plans

We have DSU plans which provide a structure for directors, who are not our employees, to accumulate an equity-like holding in West Fraser. The DSU plans allow directors to participate in our growth by providing a deferred payment based on market pricing of our Common shares at the time of redemption. Each director receives deferred share units in payment of an annual equity retainer until a minimum equity holding is reached and may elect to receive units in payment of up to 100% of other fees earned. After a minimum equity holding is reached, directors may elect to receive the equity retainer in units or cash. The units are issued based on the market price of our Common shares at the time of issue. Additional units are issued to take into account the value of dividends paid on Common shares from the date of issue to the date of redemption. Units are redeemable only after a director retires, resigns or otherwise leaves the board. The redemption value is equal to the market price of our Common shares at the date of redemption. A holder of units may elect to redeem units in cash or receive Common shares having an equivalent value.

For the year ended December 31, 2025, we recorded a recovery of $ 2 million (2024 - expense of $ 2 million) related to the DSU plan. The number of units outstanding as at December 31, 2025 was 103,318 (December 31, 2024 - 91,450).

16. Restructuring and impairment charges

		2025	2024
Impairment related to U.S. lumber goodwill	$	409	$ —
Impairment related to Europe EWP goodwill		—	70
Restructuring and impairment losses related to Canadian and U.S. lumber operations		64	28
Restructuring and impairment related to High Level OSB mill		239	—
Impairment loss related to pulp mill sales		—	3
Other restructuring charges		—	2
		712	102

For the year ended December 31, 2025, we recorded restructuring and impairment charges of $ 712 million.

We recorded an impairment loss of $409 million in relation to U.S. lumber goodwill during the year ended December 31, 2025. The impairment loss was a result of the protracted downcycle that has caused management to recalibrate certain assumptions used in its annual goodwill impairment test (note 8).

We recorded restructuring and impairment losses of $303 million associated with the indefinite curtailment of our oriented strand board (OSB) mill in High Level, Alberta and the permanent closures of our Augusta, Georgia and 100 Mile House, British Columbia lumber mills during the year ended December 31, 2025. Of this total, $43 million was associated with the permanent closure of our Augusta, Georgia lumber mill and $21 million was associated with the permanent closure of our 100 Mile House, British Columbia lumber mill. We estimated the recoverable amount of the impaired assets based on their value in use. The recoverable amount of the property, plant and equipment subject to impairment was $7 million and relates primarily to land and mobile equipment destined to be transferred to other locations.

We identified an impairment indicator at one of our U.S. lumber mills due to discrete asset-specific performance factors as well as species-specific product pricing trends, lower demand and pricing for wood chip residuals, and the depth and duration of the current downcycle and its expected recovery. The impairment test performed on the lumber mill did not result in an impairment write-down as the recoverable amount of the mill exceeded its carrying value. The recoverable amount was determined using assumptions consistent with the U.S. lumber goodwill impairment assessment, adjusted for asset-specific factors where applicable.

In the year ended December 31, 2024, we recorded restructuring and impairment charges of $ 102 million.

We recorded an impairment loss of $70 million in relation to Europe EWP goodwill during the year ended December 31, 2024. The impairment loss was a result of an extension of the expected duration of the recovery to mid-cycle profitability and weaker macroeconomic conditions in the U.K. and Europe.

We recorded restructuring and impairment losses of $28 million associated with the permanent closures and indefinite curtailments of lumber mills during the year ended December 31, 2024.

We recorded an impairment loss of $3 million related to the sale of Hinton pulp mill on February 3, 2024 and the sale of Quesnel River Pulp mill and Slave Lake Pulp mill on April 20, 2024. The impairment loss related to remeasurement of working capital adjustments specified in the asset purchase agreement.

17. Finance income, net

		2025	2024
Interest expense	$	(19)	$ (26)
Interest income on cash and cash equivalents		19	44
Net interest income on export duty deposits		5	19
Finance expense on employee future benefits		(4)	(3)
	$	1	$ 34

18. Other income (expense)

		2025	2024
Foreign exchange gain (loss)	$	(5)	$ 7
Settlement loss on defined benefit pension plans		—	(1)
Gain resulting from the CPL agreement		—	1
Gain on sale of assets		6	—
Gain (loss) on electricity swaps		8	(9)
Loss on interest rate swap contracts		(2)	(4)
Other		9	4
	$	15	$ (2)

19. Tax recovery (provision)

Accounting policies

Tax recovery (provision) for the year is comprised of current and deferred tax. Tax recovery (provision) is recognized in earnings, except to the extent that it relates to items recognized in other comprehensive earnings in which case it is recognized in other comprehensive earnings.

Deferred taxes are provided for using the liability method. Under this method, deferred taxes are recognized for temporary differences between the tax and financial statement basis of assets, liabilities and certain carry-forward items.

Deferred tax assets are recognized only to the extent that it is probable that they will be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of substantive enactment.

International Tax Reform - Pillar Two Model Rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which we operate, although some countries may have varying responses or adjustments to the initial model rules. We do not have a material exposure to Pillar Two top-up taxes.

Supporting information

The major components of income tax included in comprehensive earnings are as follows:

		2025	2024
Earnings:			
Current tax recovery (provision)	$	15	$ (118)
Deferred tax recovery		218	74
Tax recovery (provision) on earnings	$	233	$ (43)
Other comprehensive earnings:			
Deferred tax provision on retirement benefit actuarial gain	$	(5)	$ (3)
Tax recovery (provision) on comprehensive earnings	$	228	$ (46)

The tax provision differs from the amount that would have resulted from applying the British Columbia statutory income tax rate to earnings before tax as follows:

		2025	2024
Income tax recovery (expense) at statutory rate of 27%	$	316	$ (10)
Rate differentials between jurisdictions and on specified activities		(12)	(7)
Non-taxable amounts including goodwill impairment		(75)	(20)
Impact of functional currency differences		3	(6)
Income tax credits		—	5
Valuation allowance on deferred tax attributes		7	(2)
Income tax settlement		(6)	—
Other		—	(3)
Tax recovery (provision)		233	(43)

In 2025, we entered into a settlement agreement with the Canada Revenue Agency in respect of prior tax periods. As a result, we recorded an additional tax provision of $6 million in 2025.

Deferred income tax liabilities (assets) are made up of the following components:

		2025	2024
Property, plant, equipment and intangibles	$	599	$ 681
Reforestation and decommissioning obligations		(34)	(27)
Employee benefits		(29)	(25)
Export duties		79	93
Tax loss carry-forwards[1]		(176)	(70)
Inventory		(19)	(16)
Other		(29)	(34)
		391	602
Represented by:			
Deferred income tax assets	$	(6)	$ (7)
Deferred income tax liabilities		397	609
	$	391	$ 602

1. We have $724 million of net operating loss carry-forwards in various jurisdictions (December 31, 2024 - $304 million), $349 million of U.S. state net operating loss carry-forwards (December 31, 2024 - $227 million), and $111 million of capital loss carry-forwards (December 31, 2024 - $95 million). A portion of these losses expire over various periods starting in 2026. The net operating losses that have not been recognized as of December 31, 2025 are $22 million in various jurisdictions (December 31, 2024 - $30 million) and $211 million for U.S. states (December 31, 2024 - $205 million). Capital losses that have not been recognized as of December 31, 2025 are $111 million (December 31, 2024 - $95 million).

20. Employee compensation

Our employee compensation expense includes salaries and wages, employee future benefits, bonuses and termination costs, but excludes restructuring charges. Total compensation expense for the year ended December 31, 2025 was $961 million (2024 - $984 million).

Key management includes directors and officers, and their compensation expense and balance sheet date payables are as follows:

		2025	2024
Expense (recovery)			
Salary and short-term employee benefits	$	7	$ 7
Retirement benefits		1	1
Equity-based compensation[1]		(9)	10
	$	—	$ 19

1. Amounts do not necessarily represent the actual value which will ultimately be paid.

		2025	2024
Payables and accrued liabilities			
Compensation	$	—	$ —
Equity-based compensation[1]		16	27
	$	16	$ 27

1. Amounts do not necessarily represent the actual value which will ultimately be paid.

21. Earnings (loss) per share

Basic earnings (loss) per share is calculated based on earnings (loss) available to Common shareholders, as set out below, using the weighted average number of Common shares and Class B Common shares outstanding.

Certain of our equity-based compensation plans may be settled in cash or Common shares at the holder's option and for the purposes of calculating diluted earnings (loss) per share, the more dilutive of the cash-settled and equity-settled method is used, regardless of how the plan is accounted for. Plans that are accounted for using the cash-settled method

will require adjustments to the numerator and denominator if the equity-settled method is determined to have a dilutive effect as compared to the cash-settled method.

The numerator under the equity-settled method is calculated based on earnings (loss) available to Common shareholders adjusted to remove the cash-settled equity-based compensation expense or recovery that has been charged or credited to earnings (loss) and deducting a notional charge using the equity-settled method, as set out below. Adjustments to earnings (loss) are tax-effected as applicable. The denominator under the equity-settled method is calculated using the treasury stock method. Share options under the equity-settled method are considered dilutive when the average market price of our Common shares for the period exceeds the exercise price of the share option.

The equity-settled method was more dilutive for the year ended December 31, 2025 and year ended December 31, 2024 and an adjustment was required for the numerator and denominator.

A reconciliation of the numerator and denominator used for the purposes of calculating diluted loss per share is as follows:

		2025		2024
Loss				
Numerator for basic EPS	$	(937)	$	(5)
Cash-settled expense (recovery) included in earnings		(14)		7
Equity-settled expense adjustment		(5)		(7)
Numerator for diluted EPS	$	(956)	$	(6)
Weighted average number of shares (thousands)				
Denominator for basic EPS		78,977		80,859
Effect of dilutive equity-based compensation		179		265
Denominator for diluted EPS		79,156		81,124
Loss per share (dollars)				
Basic	$	(11.87)	$	(0.06)
Diluted	$	(12.08)	$	(0.07)

22. Financial instruments

Accounting policies

All financial assets and liabilities, except for derivatives, are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Derivatives are measured at fair value through profit or loss ("FVTPL").

Supporting information

The following tables provide the carrying values and fair values of our financial instruments by category, as well as the associated fair value hierarchy levels as defined in note 2 under "Fair value measurements". The carrying value is a reasonable approximation of fair value for cash and cash equivalents, receivables, and payables and accrued liabilities

due to their short-term nature. The carrying values of long-term debt include any current portions and exclude deferred financing costs.

December 31, 2025	Level	Financial assets at amortized cost	Financial assets or financial liabilities at FVTPL	Financial liabilities at amortized cost	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	2	$ 202	$ —	$ —	$ 202	$ 202
Receivables	3	244	—	—	244	244
Interest rate swaps[2]	2	—	—	—	—	—
Electricity swaps[2]	3	—	24	—	24	24
		$ 445	$ 24	$ —	$ 469	$ 469
Financial liabilities						
Payables and accrued liabilities	3	$ —	$ —	$ 580	$ 580	$ 580
Long-term debt[1]	2	—	—	300	300	300
Interest rate swaps[2]	2	—	—	—	—	—
Electricity swaps[2]	3	—	10	—	10	10
		$ —	$ 10	$ 880	$ 890	$ 890

1. The fair value of long-term debt is based on rates available to us at December 31, 2025 for long-term debt with similar terms and remaining maturities.
2. The current portion of our electricity swap contracts are included in payables and accrued liabilities in our consolidated balance sheet at December 31, 2025. The value of our interest rate swap contracts and the non-current portions of our electricity swap contracts are included in other assets and other liabilities.

December 31, 2024	Level	Financial assets at amortized cost	Financial assets or financial liabilities at FVTPL	Financial liabilities at amortized cost	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	2	$ 641	—	$ —	$ 641	$ 641
Receivables	3	292	—	—	292	292
Interest rate swaps[2]	2	—	2	—	2	2
Electricity swaps[2]	3	—	13	—	13	13
		$ 933	$ 15	$ —	$ 948	$ 948
Financial liabilities						
Payables and accrued liabilities	3	$ —	$ —	$ 600	$ 600	$ 600
Long-term debt[1]	2	—	—	200	200	200
Electricity swaps[2]	3	—	12	—	12	12
		$ —	$ 12	$ 800	$ 812	$ 812

1. The fair value of long-term debt is based on rates available to us at December 31, 2024 for long-term debt with similar terms and remaining maturities.
2. The value of our interest rate swap contracts is included in receivables in our consolidated balance sheet at December 31, 2024. The current portions of our electricity swap contracts are included in receivables and payables and accrued liabilities. The non-current portions of our electricity swap contracts are included in other assets and other liabilities.

Financial risk management

Our activities result in exposure to a variety of financial risks, and the main objectives of our risk management process are to ensure risks are properly identified and analyzed and to establish appropriate risk limits and controls. Risk

management policies and systems are reviewed regularly to reflect changes in market conditions and our activities. We are exposed to credit risk, liquidity risk, and market risk. A description of these risks and policies for managing these risks are summarized below.

The sensitivities provided in this section give the effect of possible changes in the relevant prices and rates on earnings. The sensitivities are hypothetical and should not be considered to be predictive of future performance or earnings. Changes in fair values or cash flows based on fluctuations in market variables cannot be extrapolated since the relationship between the change in the market variable and the change in fair value or cash flows may not be linear.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk with respect to cash and cash equivalents and receivables. The carrying amounts of these accounts represent the maximum credit exposure. We manage credit risk by holding cash and cash equivalents with major banks of high creditworthiness. Credit risk for trade and other receivables is managed through established credit monitoring activities such as:

- Establishing and monitoring customer credit limits;
- Performing ongoing evaluations of the financial conditions of key customers; and
- In certain market areas, undertaking additional measures to reduce credit risk including credit insurance, letters of credit and prepayments. At December 31, 2025, approximately 34% of trade accounts receivable was covered by at least some of these additional measures (December 31, 2024 - 29%).

Given our credit monitoring activities, the percentage of overdue accounts and our history of minimal customer defaults, we consider the credit quality of our trade accounts receivable at December 31, 2025 to be high and have recorded nominal expected credit losses on our trade accounts receivable. The aging analysis of trade accounts receivable is presented below:

As at	**December 31, 2025**	**December 31, 2024**
Trade accounts receivable		
Current	129	175
Past due 1 to 30 days	48	62
Past due 31 to 60 days	6	2
Past due over 60 days	4	—
Trade accounts receivable	186	239
Sales taxes receivable	27	27
Other	31	28
Receivables	244	294

Liquidity risk

Liquidity risk is the risk we will encounter difficulty in meeting obligations associated with financial liabilities. We manage liquidity risk by maintaining adequate cash and cash equivalents balances and having lines of credit available. In addition, we regularly monitor forecasted and actual cash flows. Refinancing risks are managed by extending maturities through regular renewals and refinancing when market conditions are supportive.

The following table summarizes the maturity profile of our financial liabilities based on contractual undiscounted payments compared to its discounted or current carrying value:

As at December 31, 2025	Carrying value	Total	2026	2027	2028	2029	Thereafter
Long-term debt	$ 300	$ 300	$ —	—	300	—	—
Interest on long-term debt[1]	2	38	16	16	7	—	—
Lease obligations	33	44	10	7	5	5	17
Payables and accrued liabilities	569	569	569	—	—	—	—
Total	$ 904	$ 951	$ 595	$ 23	$ 312	$ 5	$ 17

1. Assumes debt remains at December 31, 2025 levels and includes the impact of interest rate swaps terminating May 30, 2028.

In addition, we have contractual commitments for the acquisition of property, plant and equipment in the amount of $ 51 million in 2026.

Market risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates, commodity, and energy prices. We aim to manage market risk within acceptable parameters and may, from time to time, use derivatives to manage market risk.

Interest rates

Interest rate risk relates mainly to floating interest rate debt. By maintaining interest rate swap contracts with floating rate debt, we reduce our exposure to interest rate changes.

As at December 31, 2025, we had the following floating rate financial instruments:

Financial instrument	Carrying value
Financial liability: Term loan	$ 300
Financial asset: Interest rate swap contracts	$ —

We maintain a $300 million term loan due May 2028 where the interest is payable at floating rates based on US Base Rate Advances or SOFR Advances at our option.

We have interest rate swap contracts to pay fixed interest rates and receive variable interest rates on $ 75 million notional principal amount of indebtedness. These swap agreements have the effect of fixing the interest rate on $75 million of the $300 million term loan discussed above, with the balance being subject to a floating rate.

In addition, interest on certain of our credit facilities is payable at floating rates including Prime Rate Advances, US Base Rate Advances, CORRA Advances, or SOFR Advances at our option.

At December 31, 2025, the impact of a 100-basis point change in interest rate affecting our floating rate debt would result in a $ 2 million change in annual interest expense (December 31, 2024 - no change).

Energy

We are party to arrangements with renewable power generators to purchase environmental attributes and receive settlements by reference to generation volumes and the spot price for electricity and pay settlements by reference to generation volumes and a fixed contractual price. These agreements act as a partial hedge against future electricity price increases in Alberta and will provide us with access to renewable energy credits that we may surrender to achieve a reduction in our greenhouse gas emissions. While these arrangements economically hedge the risk of changes in cash flows due to fluctuations in Alberta electricity prices, hedge accounting has not been applied to these instruments.

A contract to receive renewable energy credits and the associated floating-for-fixed electricity swap are distinct units of account. We have selected this method as we believe the receipt of the renewable energy credits is an executory contract and the electricity swap meets the definition of an embedded derivative.

The electricity swaps are valued based on a discounted cash flow model, with the related changes in fair value included in Other income (expense). The valuation requires management to make certain assumptions about the model inputs, including future electricity prices, discount rates, and expected generation volumes associated with the contracts.

For the year ended December 31, 2025, a gain of $ 8 million was recognized in relation to the electricity swaps (2024 - loss of $ 9 million). The fair value of the electricity swaps at December 31, 2025 was a $14 million asset (December 31, 2024 - a nominal asset). At December 31, 2025, the impact of a 10% increase (decrease) in future electricity prices would result in a gain (loss) of $ 18 million.

The following table summarizes the maturity profile of our net derivative asset based on contractual undiscounted payments:

As at December 31, 2025	Carrying value - asset (liability)	Total inflows (outflows)	2026	2027	2028	2029	Thereafter
Electricity swaps	$ 14	$ 23	$ (5)	$ (3)	$ (1)	$ 1	$ 30
Total	$ 14	$ 23	$ (5)	$ (3)	$ (1)	$ 1	$ 30

Currency risk

We are exposed to foreign currency risk because our Canadian operations incur a portion of their operating expenses in Canadian dollars. Therefore, an increase in the value of the CAD relative to the USD increases the value of expenses in USD terms incurred by our Canadian operations, which reduces operating margin and the cash flow available to fund operations.

In addition, foreign currency exposure arises from our net investment in our European operations, which have British pound sterling and Euro functional currencies, and from our Cochrane lumber mill and jointly-owned paper operation, which have Canadian dollar functional currency. The risk arises from the fluctuation in spot rates between these currencies and the U.S. dollar, which causes the amount of the net investment to vary with the resulting translation gains or losses being reported in other comprehensive earnings.

A $0.01 strengthening (weakening) of the USD against the CAD would increase (decrease) pre-tax earnings by approximately $ 19 million. A $0.01 strengthening (weakening) of the USD against the CAD, British pound and Euro would result in an approximate $7 million translation loss (gain) on operations with different functional currencies included in other comprehensive earnings. These sensitivities assume that all other variables remain constant and ignores any impact of forecast sales and purchases.

23. Capital disclosures

Our business is cyclical and is subject to significant changes in cash flow over the business cycle. In addition, financial performance can be materially influenced by changes in product prices and the relative values of the Canadian and U.S. dollars. Our objective in managing capital is to ensure adequate liquidity and financial flexibility at all times, particularly at the lower points in the business cycle.

Our main policy relating to capital management is to maintain a strong balance sheet and otherwise meet financial tests that rating agencies commonly apply for investment-grade issuers of public debt. We are currently rated as an investment grade issuer by two major rating agencies.

We monitor and assess our financial performance to ensure that debt levels are prudent, taking into account the anticipated direction of the business cycle. When financing acquisitions, we combine cash on hand, debt, and equity financing in a proportion that is intended to maintain an investment-grade rating for debt throughout the cycle. Debt repayments are arranged, where possible, on a staggered basis that takes into account the uneven nature of anticipated cash flows. We have established committed revolving lines of credit that provide liquidity and flexibility when capital

markets are restricted. In addition, as a normal part of our business, we have in the past and may from time to time seek to repurchase our outstanding securities through issuer bids or tender offers, open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual and legal restrictions and other factors.

A strong balance sheet and liquidity profile, along with our investment-grade issuer rating, are key elements of our goal to maintain a balanced capital allocation strategy. Priorities within this strategy include: reinvesting in our operations across all market cycles to strategically enhance productivity, product mix, and capacity; optimizing our portfolio of assets to reduce the variability of cash flows across market cycles; maintaining a leading cost position; maintaining financial flexibility to capitalize on growth opportunities, including the pursuit of acquisitions and larger-scale strategic growth initiatives; and returning capital to shareholders through dividends and share repurchases.

Two key measurements used to monitor our capital position are total debt to total capital and net debt to total capital, calculated as follows:

As at		December 31, 2025		December 31, 2024
Debt				
Operating loans	$	—	$	—
Current and non-current lease obligation		33		29
Current and non-current debt		300		200
Derivative liabilities[1]		—		—
Open letters of credit[1]		38		36
Total debt		371		265
Shareholders' equity		5,849		6,954
Total capital	$	6,220	$	7,219
Total debt to capital		6%		4%
Total debt	$	371	$	265
Cash and cash equivalents		(202)		(641)
Open letters of credit		(38)		(36)
Derivative liabilities		—		—
Cheques issued in excess of funds on deposit		—		—
Net debt		131		(412)
Shareholders' equity		5,849		6,954
Total capital	$	5,980	$	6,542
Net debt to capital		2%		(6%)

1. Letters of credit facilities and the fair value of derivative liabilities are part of our bank covenants' total debt calculation.

24. Segment and geographical information

The segmentation of manufacturing operations into lumber, NA EWP, pulp and paper and Europe EWP is based on a number of factors, including similarities in products, production processes and economic characteristics. The EWP segments have been separated due to differences in the operating region, customer base, profit margins and sales volumes. Transactions between segments are at market prices and on standard business terms. The segments follow the accounting policies described in these consolidated financial statement notes, where applicable.

Year ended December 31, 2025	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Sales						
To external customers	$ 2,523	$ 2,131	$ 315	$ 493	$ —	$ 5,462
To other segments	39	9	10	—	(58)	—
	$ 2,561	2,140	325	493	(58)	5,462
Cost of products sold	(1,977)	(1,581)	(270)	(414)	58	(4,184)
Freight and other distribution costs	(371)	(304)	(45)	(44)	—	(766)
Export duties, net, and tariffs	(175)	(1)	—	—	—	(177)
Amortization	(193)	(290)	(15)	(42)	(5)	(544)
Selling, general and administration	(137)	(101)	(11)	(30)	(1)	(280)
Equity-based compensation	—	—	—	—	14	14
Restructuring and impairment charges	(473)	(239)	—	—	—	(712)
Operating earnings (loss)	$ (766)	$ (376)	$ (16)	$ (37)	$ 9	$ (1,187)
Total assets	3,234	3,431	184	532	238	$ 7,620
Total liabilities	668	450	85	151	416	$ 1,771
Capital expenditures	210	163	14	20	4	$ 411

Year ended December 31, 2024	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Sales						
To external customers	$ 2,550	$ 2,794	$ 378	$ 453	$ —	$ 6,175
To other segments	42	9	11	—	(62)	—
	$ 2,592	$ 2,803	$ 389	$ 453	$ (63)	$ 6,174
Cost of products sold	(2,080)	(1,634)	(309)	(375)	64	(4,333)
Freight and other distribution costs	(382)	(326)	(65)	(42)	—	(815)
Export duties, net, and tariffs	(72)	—	—	—	—	(72)
Amortization	(192)	(284)	(14)	(48)	(11)	(549)
Selling, general and administration	(142)	(99)	(11)	(29)	(1)	(282)
Equity-based compensation	—	—	—	—	(14)	(14)
Restructuring and impairment charges	(28)	(1)	(3)	(70)	(1)	(102)
Operating earnings (loss)	$ (303)	$ 459	$ (13)	$ (110)	$ (26)	$ 7
Total assets	3,641	3,943	187	561	429	$ 8,760
Total liabilities	635	572	89	136	375	$ 1,807
Capital expenditures	312	140	15	19	1	$ 487

The geographic distribution of non-current assets and external sales based on the location of product delivery is as follows:

	Non-current assets		Sales by geographic area	
	2025	2024	2025	2024
United States	$ 2,317	$ 2,748	$ 3,568	$ 4,150
Canada	3,544	3,817	1,095	1,210
U.K and Europe	372	358	495	458
Asia	—	—	302	351
Other	—	—	1	5
	$ 6,233	$ 6,924	$ 5,462	$ 6,174

25. Export duties, net, and tariffs

The following table summarizes the impact of export duties, net, and tariffs in our earnings statement:

	Years Ended	
	December 31, 2025	December 31, 2024
Cash deposits[1]	(104)	(62)
Adjustments to West Fraser rates[2]	8	22
Export duties, net	(97)	(40)
Duty expense attributable to AR5[3]	—	(32)
Duty expense attributable to AR6[4]	(67)	—
Export duty expense	(164)	(72)
Tariffs	(13)	—
Export duties, net, and tariffs	(177)	(72)
Net interest income on export duty deposits	5	19

1. Represents combined CVD and ADD cash deposit rate of 9.25% from January 1, 2024 to August 18, 2024, 11.89% from August 19, 2024 to December 31, 2024, 11.89% from January 1, 2025 to July 28, 2025, 16.50% from July 29, 2025 to August 11, 2025, and 26.47% from August 12, 2025 to December 31, 2025.
2. Represents adjustments to the annualized West Fraser estimated ADD rates, as shown in the rate tables below, and other administrative adjustments.
3. $32 million represents the duty expense attributable to the finalization of AR5 duty rates for the 2022 POI. The final CVD rate was 6.85% and the final ADD rate was 5.04% for AR5.
4. $67 million represents the duty expense attributable to the finalization of AR6 duty rates for the 2023 POI. The final CVD rate was 16.82% and the final ADD rate was 9.65% for AR6.

Countervailing ("CVD") and antidumping ("ADD") duty dispute

On November 25, 2016, a coalition of U.S. lumber producers petitioned the U.S. Department of Commerce ("USDOC") and the U.S. International Trade Commission ("USITC") to investigate alleged subsidies to Canadian softwood lumber producers and levy CVD and ADD duties against Canadian softwood lumber imports. The USDOC chose and continues to choose us as a "mandatory respondent" to both the countervailing and antidumping investigations, and as a result, we have received unique company-specific rates.

Accounting policies

The CVD and ADD rates apply retroactively for each period of investigation ("POI"). We record CVD as export duty expense at the cash deposit rate until an Administrative Review ("AR") finalizes a new applicable rate for each POI. We record ADD as export duty expense by estimating the rate to be applied for each POI by using our actual results and a similar calculation methodology as the USDOC and adjust when an AR finalizes a new applicable rate for each POI. The difference between the cumulative cash deposits paid and cumulative export duty expense recognized for each POI is recorded on our balance sheet as export duty deposits receivable or payable.

The difference between the cash deposit amount and the amount that would have been due based on the final AR rate will incur interest based on the U.S. federally published interest rate. We record interest income on our duty deposits receivable, net of any interest expense on our duty deposits payable, based on this rate.

Developments in CVD and ADD rates

We began paying CVD and ADD duties in 2017 based on the determination of duties payable by the USDOC. The CVD and ADD cash deposit rates are updated upon the finalization of the USDOC's Administrative Review ("AR") process for each Period of Inquiry ("POI"), as summarized in the tables below.

On February 21, 2025, the USDOC initiated AR7 POI covering the 2024 calendar year. West Fraser was selected as a mandatory respondent, which will result in West Fraser continuing to be subject to a company-specific rate.

On July 29, 2025, the USDOC issued its final ADD rates and on August 12, 2025 the final CVD rates for the AR6 POI for January 1, 2023 to December 31, 2023. The final ADD rate of 9.65% and CVD rate of 16.82% resulted in the recognition of $67 million in incremental duty expense plus interest expense in earnings and an increase in export duty payable.

On November 24, 2025, the USDOC issued a tolling notice extending the deadlines for certain ADD and CVD proceedings, including softwood lumber, of up to 21 days in addition to the 47 day tolling notice issued on November 14, 2025 and the 119 day extension of the preliminary results issued on September 16, 2025. This extension affects the AR7 preliminary and final determination deadlines for both ADD and CVD cases. The preliminary determination decision for AR7 ADD and CVD were initially anticipated to be published October 3, 2025. The preliminary determination decision for AR7 ADD and CVD is now anticipated to be published April 8, 2026.

The respective Cash Deposit Rates, the AR POI Final Rate and the West Fraser Estimated ADD Rate for each period are as follows:

Effective dates for CVD	Cash Deposit Rate	AR POI Final Rate
AR1 POI[1,2]		
April 28, 2017 - August 24, 2017	24.12 %	6.76 %
August 25, 2017 - December 27, 2017	— %	— %
December 28, 2017 - December 31, 2017	17.99 %	6.76 %
January 1, 2018 - December 31, 2018	17.99 %	7.57 %
AR2 POI[3]		
January 1, 2019 - December 31, 2019	17.99 %	5.08 %
AR3 POI[4]		
January 1, 2020 - November 30, 2020	17.99 %	3.62 %
December 1, 2020 - December 31, 2020	7.57 %	3.62 %
AR4 POI[5]		
January 1, 2021 - December 1, 2021	7.57 %	2.19 %
December 2, 2021 - December 31, 2021	5.06 %	2.19 %
AR5 POI[6]		
January 1, 2022 – January 9, 2022	5.06 %	6.85 %
January 10, 2022 – August 8, 2022	5.08 %	6.85 %
August 9, 2022 - December 31, 2022	3.62 %	6.85 %
AR6 POI[7]		
January 1, 2023 - July 31, 2023	3.62 %	16.82 %
August 1, 2023 - December 31, 2023	2.19 %	16.82 %
AR7 POI[8]		
January 1, 2024 - August 18, 2024	2.19 %	n/a
August 19, 2024 - December 31, 2024	6.85 %	n/a
AR8 POI[9]		
January 1, 2025 - August 11, 2025	6.85 %	n/a
August 12, 2025 - December 31, 2025	16.82 %	n/a

1. On April 24, 2017, the USDOC issued its preliminary rate in the CVD investigation. The requirement that we make cash deposits for CVD was suspended on August 24, 2017, until the USDOC published the revised rate.
2. On November 24, 2020, the USDOC issued the final CVD rate for the AR1 POI.
3. On November 24, 2021, the USDOC issued the final CVD rate for the AR2 POI. On January 10, 2022, the USDOC amended the final CVD rate for the AR2 POI from 5.06% to 5.08% for ministerial errors. This table only reflects the final rate.
4. On August 4, 2022, the USDOC issued the final CVD rate for the AR3 POI.
5. On August 1, 2023, the USDOC issued the final CVD rate for the AR4 POI.
6. On August 19, 2024, the USDOC issued the final CVD rate for the AR5 POI.
7. On August 12, 2025, the USDOC issued the final CVD rate for the AR6 POI.

8. The CVD rate for the AR7 POI will be adjusted when AR7 is complete and the USDOC finalizes the rate, which is not expected until 2026.
9. The CVD rate for the AR8 POI will be adjusted when AR8 is complete and the USDOC finalizes the rate, which is not expected until 2027.

Effective dates for ADD	Cash Deposit Rate	AR POI Final Rate	West Fraser Estimated Rate
AR1 POI[1,2]			
June 30, 2017 - December 3, 2017	6.76 %	1.40 %	1.46 %
December 4, 2017 - December 31, 2017	5.57 %	1.40 %	1.46 %
January 1, 2018 - December 31, 2018	5.57 %	1.40 %	1.46 %
AR2 POI[3]			
January 1, 2019 - December 31, 2019	5.57 %	6.06 %	4.65 %
AR3 POI[4]			
January 1, 2020 - November 29, 2020	5.57 %	4.63 %	3.40 %
November 30, 2020 - December 31, 2020	1.40 %	4.63 %	3.40 %
AR4 POI[5]			
January 1, 2021 - December 1, 2021	1.40 %	7.06 %	6.80 %
December 2, 2021 - December 31, 2021	6.06 %	7.06 %	6.80 %
AR5 POI[6]			
January 1, 2022 - August 8, 2022	6.06 %	5.04%	4.52 %
August 9, 2022 - December 31, 2022	4.63 %	5.04%	4.52 %
AR6 POI[7]			
January 1, 2023 - July 31, 2023	4.63 %	9.65%	8.84 %
August 1, 2023 - December 31, 2023	7.06 %	9.65%	8.84 %
AR7 POI[8]			
January 1, 2024 - August 18, 2024	7.06 %	n/a	4.70 %
August 19, 2024 - December 31, 2024	5.04 %	n/a	4.70 %
AR8 POI[9]			
January 1, 2025 - July 28, 2025	5.04 %	n/a	4.00 %
July 29, 2025 - December 31, 2025	9.65 %	n/a	4.00 %

1. On June 26, 2017, the USDOC issued its preliminary rate in the ADD investigation effective June 30, 2017.
2. On November 24, 2020, the USDOC issued the final ADD rate for the AR1 POI.
3. On November 24, 2021, the USDOC issued the final ADD rate for the AR2 POI.
4. On August 4, 2022, the USDOC issued the final ADD rate for the AR3 POI
5. On July 31, 2023, the USDOC issued the final ADD rate for the AR4 POI. On September 7, 2023, the USDOC amended the final ADD rate for the AR4 POI for ministerial errors. This table only reflects the final rate.
6. On August 19, 2024, the USDOC issued the final ADD rate for the AR5 POI. An amended ADD rate was issued on September 24, 2024, and was retroactively applied to August 19, 2024. This table only reflects the final rate.
7. On July 29, 2025, the USDOC issued the final ADD rate for the AR6 POI.
8. The ADD rate for the AR7 POI will be adjusted when AR7 is complete and the USDOC finalizes the rate, which is not expected until 2026. In Q4-25, West Fraser updated the AR7 POI estimated rate from 2.58% to 4.70% to reflect a change in the USDOC's methodology for ADD rate calculations that came into effect during the current year and will be applied to the AR7 final rate.
9. The ADD rate for the AR8 POI will be adjusted when AR8 is complete and the USDOC finalizes the rate, which is not expected until 2027.

Impact on balance sheet

Each POI is subject to independent administrative review by the USDOC, and the results of each POI may not be offset but the results within a POI in respect of ADD and CVD may be offset.

Export duty deposits receivable is represented by:

Export duty deposits receivable		2025	2024
Beginning of year	$	408	$ 377
Export duties receivable on adjustments to West Fraser rates [1]		32	6
Interest income recognized on duty deposits receivable		34	25
End of year	$	474	$ 408

1. During the period, we recorded an adjustment to export duty deposits receivable and export duties payable to reflect our application of the technical interpretation of the relevant statutory provisions.

Export duties payable is represented by:

Export duties payable		2025	2024
Beginning of year		46	24
Export duties payable on adjustments to West Fraser rates [1]		92	15
Interest expense recognized on export duties payable		29	$ 6
End of year	$	166	$ 46

1. During the period, we recorded an adjustment to export duty deposits receivable and export duties payable to reflect our application of the technical interpretation of the relevant statutory provisions.

As of December 31, 2025, export duties paid and payable on deposit with the USDOC were $ 1,003 million (December 31, 2024 - $898 million).

Appeals

On May 22, 2020, the North American Free Trade Agreement (“NAFTA”) panel issued its final decision on “Injury”. The NAFTA panel rejected the Canadian parties’ arguments and upheld the USITC remand determination in its entirety.

On August 28, 2020, the World Trade Organization’s (“WTO”) dispute-resolution panel ruled unanimously that U.S. countervailing duties against Canadian softwood lumber are inconsistent with the WTO obligations of the United States. The decision confirmed that Canada does not subsidize its softwood lumber industry. On September 28, 2020, the U.S. announced that it would appeal the WTO panel’s decision.

Under U.S. trade law, the International Trade Commission (“ITC”) must review antidumping and countervailing orders every 5 years from the date of issuance. This process is referred to as a "Sunset Review". On November 30, 2023, the ITC voted to maintain the ADD and CVD orders on softwood lumber from Canada on the grounds that the revocation would likely lead to the continuation or recurrence of material injury to the U.S. domestic industry within a reasonably foreseeable time.

On August 27, 2025, the Government of Canada, in consultation with affected Canadian provinces, industry and other concerned parties, submitted a Notice of Joint Motion for Voluntary Dismissal pertaining to the CUSMA Chapter 10 challenge of the AR2 ADD order. On September 10, 2025, the AR2 ADD CUSMA panel granted the motion for voluntary dismissal.

On September 5, 2025, the Government of Canada, in consultation with affected Canadian provinces, industry and other concerned parties, submitted a Notice of Joint Motion for Voluntary Dismissal pertaining to the CUSMA Chapter 10 challenge of the AR1 ADD order. On September 17, 2025, the AR1 ADD CUSMA panel granted the motion for voluntary dismissal.

Through the withdrawal of the legal challenges, the rates for AR1 and AR2 ADD are finalized. In order for the entries to be liquidated by U.S. Customs and Border Protection, both CVD and ADD legal challenges must be concluded. AR1 and AR2 CVD legal challenges are currently ongoing.

The softwood lumber case will continue to be subject to NAFTA or the Canada-United States-Mexico Agreement (“CUSMA”), WTO dispute resolution processes, and litigation in the U.S. In the interim, duties remain subject to the USDOC AR process, which results in an annual adjustment of duty deposit rates.

Notwithstanding the deposit rates assigned under the investigations, our final liability for CVD and ADD will not be determined until each annual administrative review process is complete and related appeal processes are concluded.

Tariffs

Canadian softwood lumber exports to the U.S. have been the subject of trade disputes and managed trade arrangements for several decades. The current round of countervailing and antidumping duties have been in place since April 2017.

On March 4, 2025, the U.S. administration, under the International Emergency Economic Powers Act ("IEEPA"), implemented an additive 25% tariff on all goods imported into the U.S. Our wood products were subject to the IEEPA tariffs for a two-day period from March 4, 2025 to March 6, 2025. The legality of the IEEPA tariffs is currently under review by the Supreme Court of the United States as of February 10, 2026.

On September 29, 2025, the U.S. administration issued a proclamation that imposed a tariff of 10% under Section 232 of the *Trade Expansion Act of 1962* on imported softwood timber and lumber into the U.S., effective October 14, 2025. This tariff is in addition to the existing softwood lumber duties applied to U.S. imports of Canadian lumber. The tariffs implemented under Section 232 of the *Trade Expansion Act of 1962* are still in effect as of February 10, 2026.

26. Contingencies

We are subject to various investigations, claims and legal, regulatory and tax proceedings covering matters that arise in the ordinary course of business activities, including civil claims and lawsuits, regulatory examinations, investigations, audits and requests for information by governmental regulatory agencies and law enforcement authorities in various jurisdictions. Each of these matters is subject to uncertainties and it is possible that some of these matters may be resolved unfavourably. Certain conditions may exist as of the date the financial statements are issued, which may result in an additional loss. In the opinion of management none of these matters are expected to have a material effect on our results of operations or financial condition.

27. Subsequent events

A fire at our Blue Ridge, Alberta lumber mill in January 2026 has resulted in a temporary shutdown of production, and repairs are currently underway.



MANAGEMENT'S DISCUSSION & ANALYSIS

INTRODUCTION

This discussion and analysis by management ("MD&A") of West Fraser Timber Co. Ltd.'s ("West Fraser", the "Company", "we", "us", or "our") financial performance for the year and three months ended December 31, 2025 should be read in conjunction with our annual audited consolidated financial statements and accompanying notes for the year ended December 31, 2025 (the "Annual Financial Statements").

Our fiscal year is the calendar year ending December 31. Our fiscal quarters are the 13-week periods ending on the closest Friday to the end of March, June, and September with the fourth quarter ending on December 31. References to the three months ended December 31, 2025 and the fourth quarter of 2025 relate to the period between September 27, 2025 and December 31, 2025.

Unless otherwise indicated, the financial information contained in this MD&A is derived from our Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). This MD&A uses various Non-GAAP and other specified financial measures, including "Adjusted EBITDA", "Adjusted EBITDA by segment", "return on capital employed", "available liquidity", "total debt to capital ratio", "net debt to capital ratio", and "expected capital expenditures". An explanation with respect to the use of these Non-GAAP and other specified financial measures is set out in the section titled "Non-GAAP and Other Specified Financial Measures".

This MD&A includes statements and information that constitute "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of United States securities laws (collectively, "forward-looking statements"). Please refer to the cautionary note entitled "Forward-Looking Statements" below for a discussion of these forward-looking statements and the risks that impact these forward-looking statements.

Dollar amounts are expressed in the United States ("U.S.") currency unless otherwise indicated. This MD&A uses capitalized terms, abbreviations and acronyms that are defined under "Glossary of Key Terms". Figures have been rounded to millions of dollars to reflect the accuracy of the underlying balances and as a result certain tables may not add due to rounding impacts. The information in this MD&A is as at February 11, 2026 unless otherwise indicated.

OUR BUSINESS AND STRATEGY

West Fraser is a diversified wood products company with facilities in Canada, the U.S., the U.K. and Europe, manufacturing, marketing, selling, and distributing lumber, engineered wood products (OSB, LVL, MDF, plywood, particleboard), northern bleached softwood kraft pulp, paper, wood chips and other residuals. As at December 31, 2025, our business is comprised of 28 lumber mills, 15 OSB facilities, 3 plywood facilities, 3 MDF facilities, 1 particleboard facility, 1 LVL facility, 1 veneer facility, and 2 pulp and paper mills.

Our goal at West Fraser is to generate strong financial results through the business cycle, supported by robust product and geographic diversity, and relying on our committed workforce, the quality of our assets and our well-established people and culture. This culture emphasizes cost control in all aspects of the business and operating in a sustainable, financially conservative and prudent manner.

The North American wood products industry is cyclical and periodically faces difficult market conditions. Our earnings are sensitive to changes in world economic conditions, primarily those in North America, Asia and Europe and particularly to the U.S. housing market for new construction and repair and renovation spending. Most of our revenues are from sales of commodity products for which prices are sensitive to variations in supply and demand. As many of our costs are denominated in Canadian dollars, British pounds sterling and Euros, exchange rate fluctuations of the Canadian dollar, British pound sterling and Euro against the United States dollar can and are anticipated to be a significant source of earnings volatility for us.

We believe that maintaining a strong balance sheet and liquidity profile, along with our investment-grade issuer rating, enables us to execute a balanced capital allocation strategy. Our goal is to optimize our portfolio of assets as well as reinvest in our operations across all market cycles to strategically enhance productivity, product mix, and capacity and to maintain a leading cost position. We believe that a strong balance sheet also provides the financial flexibility to capitalize on growth opportunities, including the pursuit of opportunistic acquisitions and larger-scale strategic growth initiatives, and is a key tool in managing our business over the long term including returning capital to shareholders.

RECENT DEVELOPMENTS

Markets

In North America, new home construction activity in the U.S. is a significant driver of lumber and OSB demand. According to the U.S. Census Bureau, the seasonally adjusted annualized rate of U.S. housing starts averaged 1.25 million units in October 2025, with permits issued averaging 1.41 million units; on a 3-month trailing average basis, there were 1.28 million units started and permits issued for 1.39 million units. In comparison, U.S. housing starts were 1.37 million units in the full year 2024. The latest forecasts by the U.S. Congressional Budget Office suggest slowing population growth over the coming years, which may temper demand for new home construction more broadly. Based on the latest available U.S. government data, new housing construction levels have remained muted as consumers continue to manage an environment of relatively elevated mortgage rates and housing affordability challenges. Should the economy and employment slow meaningfully, interest rates remain higher for longer or housing prices not adjust sufficiently lower to offset relatively elevated mortgage rates, housing affordability could continue to be adversely impacted, reducing near-term demand for new home construction and thus near-term demand for our wood-based building products. On the positive side, the National Association of Realtors announced that existing home sales activity has shown relative strength in recent months. Supported in part by lower short-term borrowing rates, existing home sales rose to nearly a three-year high of 4.35 million units (seasonally adjusted annual rate) in December 2025, although this level of activity is below historic averages. Over the longer term, a large cohort of the population that is now approaching the typical home-buying age demographic is expected to support core demand for home construction and resale activity. Further, the U.S. central bank has cut its key lending rate a total of 175 bps since September 2024, which is directionally supportive for housing market demand, though actual bond yields have not moderated to the same degree. The U.S. administration has also announced a renewed focus on housing affordability that may ultimately help relieve constraints on consumers; time will tell if such plans are eventually implemented and successful.

In the fourth quarter, the demand we experienced for our products used in repair and remodelling applications remained subdued. While there is risk that historically low rates of existing home sales will continue to constrain a near-term recovery in repair and remodelling demand, trends of existing home sales activity have recently indicated seasonal improvement. Over the medium and longer term an aging housing stock and stabilization of inflation and interest rates are expected to stimulate renovation and repair spending that supports growth in lumber, plywood and OSB demand.

Continental lumber supply has trended lower in recent years due to mill capacity reductions across North America, with a significant number of these capacity reductions announced as permanent. These capacity reductions have been attributed to a number of factors, including uneconomic fibre supply, mill modernization levels, residuals markets and increased duties and tariffs. The lumber industry has more recently been experiencing a protracted period of oversupply, particularly in the U.S. South. Over the longer term, and when lumber demand recovers, our ability to add supply may face challenges from ongoing timber supply limitations in significant lumber production regions, the investment required for greenfield and brownfield project development, availability of cost-efficient labour, diminishing outlets for residuals (and the resulting economic impact of that diminished demand) and escalating capital costs that impair economic returns.

The North American OSB industry has recently entered a period of oversupply. Further, a number of OSB mill greenfield and re-start projects have been announced in recent years. While some of the announced greenfield projects are apt to be completed and begin production over the near to medium term, we continue to see meaningful constraints to significant new net OSB supply in the near term, owing to typical mill start-up curves and recently announced mill curtailments. However, should new OSB supply come online in excess of demand requirements, OSB markets that are currently in a supply surplus may experience a protracted period of oversupply.

According to industry data, from 2020 through 2024 approximately 25% of U.S. lumber consumption and 28% of U.S. OSB consumption was supplied by Canadian mills. However, increased duties and the tariffs on softwood lumber recently

imposed by the U.S. administration's Section 232 proclamation have created an environment of heightened financial uncertainty for Canadian-based manufacturers of lumber and wood-based building products. If Canadian exports to the U.S. are constrained because of these or any other factors, the supply of these products may fall short of U.S. demand levels over the near to medium term.

Lumber Capacity Reductions

On November 6, 2025, we announced the permanent closure of our lumber mills in Augusta, Georgia and 100 Mile House, British Columbia. We also announced that the 2024 indefinite curtailments of our Huttig, Arkansas and Lake Butler, Florida lumber mills are now permanent.

The closure of the Augusta lumber mill was the result of weak lumber demand and the loss of economically viable residual outlets. The closure reduced our U.S. lumber capacity by approximately 140 million board feet. The closure of the 100 Mile House lumber mill was the result of the mill no longer able to reliably access an adequate volume of economically viable timber. The closure reduced our Canadian lumber capacity by approximately 160 million board feet.

As of December 31, 2025, we have completed the dismantling and sale of our permanently closed lumber mill sites in Perry, Florida, Maxville, Florida, and Huttig, Arkansas.

OSB Capacity Reductions

On December 4, 2025, we announced the indefinite curtailment of our OSB mill in High Level, Alberta to take effect in the spring of 2026 following an orderly wind-down and consumption of the mill's existing log supply. We also confirmed the idling of one of the production lines at our Cordele, Georgia OSB facility since 2023 will continue indefinitely.

The indefinite curtailment of the High Level OSB mill was the result of a significant weakening of OSB demand and is expected to reduce our OSB capacity by 860 million square feet (3/8 inch). The idled production line at Cordele has a capacity of 440 million square feet (3/8-inch).

ANNUAL RESULTS

Summary Results ($ millions)	**2025**	**2024**	**2023**
Earnings			
Sales	$ 5,462	$ 6,174	$ 6,454
Cost of products sold	(4,184)	(4,333)	(4,685)
Freight and other distribution costs	(766)	(815)	(894)
Export duties, net, and tariffs	(177)	(72)	(8)
Amortization	(544)	(549)	(541)
Selling, general and administration	(280)	(282)	(307)
Equity-based compensation	14	(14)	(25)
Restructuring and impairment charges	(712)	(102)	(279)
Operating earnings (loss)	(1,187)	7	(284)
Finance income, net	1	34	51
Other income (expense)	15	(2)	5
Tax recovery (provision)	233	(43)	61
Loss	$ (937)	$ (5)	$ (167)
Adjusted EBITDA[1]	$ 56	$ 673	$ 561
Basic earnings per share ($)	(11.87)	(0.06)	(2.01)
Diluted earnings per share ($)	(12.08)	(0.07)	(2.01)
Cash dividends declared per share ($)	1.28	1.26	1.20
Total assets	7,620	8,760	9,415
Long-term debt, non-current	300	—	199
Long-term debt, total	300	200	499
Return on capital employed[2]	(17)%	— %	(4)%

1. This is a non-GAAP financial measure. Refer to the “Non-GAAP and Other Specified Financial Measures” section of this document for more information on this measure.
2. This is a non-GAAP ratio. Refer to the “Non-GAAP and Other Specified Financial Measures” section of this document for more information on this measure.

In 2025, our revenues were $5,462 million and we incurred a loss of $937 million, or $(12.08) of diluted loss per share. This compares with revenues of $6,174 million and loss of $5 million, or $(0.07) of diluted loss per share, in 2024, and revenues of $6,454 million and a loss of $167 million, or $(2.01) of diluted loss per share, in 2023. Our 2025 results were impacted primarily by lower OSB pricing, higher restructuring and impairment charges, higher export duties and tariffs expense, including the impact of retroactive export duty adjustments relating to prior periods, and higher inventory write-downs, offset in part by higher lumber pricing.

Discussion & Analysis of Annual Results by Product Segment

Lumber Segment

Lumber Segment Earnings ($ millions unless otherwise indicated)		**2025**		**2024**
Sales				
Lumber	$	2,273	$	2,280
Wood chips and other residuals		227		250
Logs and other		61		62
		2,561		2,592
Cost of products sold		(1,977)		(2,080)
Freight and other distribution costs		(371)		(382)
Export duties, net, and tariffs		(175)		(72)
Amortization		(193)		(192)
Selling, general and administration		(137)		(142)
Restructuring and impairment charges		(473)		(28)
Operating loss		(766)		(303)
Adjusted EBITDA[1]	$	(100)	$	(82)
Capital expenditures	$	210	$	312
SPF (MMfbm)				
Production		2,583		2,799
Shipments		2,664		2,835
SYP (MMfbm)				
Production		2,426		2,545
Shipments		2,448		2,582

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Sales and Shipments

Lumber sales were comparable to 2024 as lower shipment volumes were offset by higher product pricing.

The price variance resulted in an increase in operating earnings and Adjusted EBITDA of $127 million compared to 2024.

Shipment volumes decreased compared to 2024 due to lower production volumes, including the impact of the closure of our Fraser Lake, B.C. lumber mill and Lake Butler, Florida lumber mill, discussed further in the section below.

The volume variance resulted in an increase in operating earnings and Adjusted EBITDA of $4 million compared to 2024.

	2025		**2024**	
SPF Sales by Destination	**MMfbm**	**%**	**MMfbm**	**%**
U.S.	1,722	65%	1,703	60%
Canada	815	31%	1,025	36%
Other	127	4%	107	4%
	2,664		2,835	

We ship SPF to certain export markets, while our SYP sales are almost entirely within the U.S. The relative proportion of shipments of SPF by destination remained broadly comparable versus comparative periods.

Wood chips and other residual sales decreased compared to 2024 due primarily to lower chip pricing driven by pulp mill closures in the U.S. South and lower production volumes.

Costs and Production

SPF production volumes decreased from 2024 due primarily to the impact of the permanent closure of our Fraser Lake, B.C. lumber mill and incremental reductions in operating schedules due to log shortages at our B.C. lumber mills and to manage finished goods inventory levels.

SYP production volumes decreased compared to 2024 due to the permanent closure of our lumber mill in Lake Butler, Florida, the impact of capital projects including the start-up of our new Henderson, Texas lumber mill, and reductions in operating schedules.

Costs of products sold decreased compared to 2024 due primarily to lower shipment volumes, lower SYP log costs, and the impact of the weakening of the CAD against the USD, offset in part by higher unit manufacturing costs, higher SPF log costs, and an unfavourable $15 million variance relating to inventory valuation adjustments. This unfavourable impact was influenced by the magnitude of price changes at period end that resulted in inventory valuation reserves recorded in 2025, while 2024 had the benefit of the reversal of inventory valuation reserves.

Most of our SPF log requirements are harvested from crown lands owned by the provinces of B.C. or Alberta. B.C.'s stumpage system is tied to lumber prices, with a time lag, and publicly auctioned timber harvesting rights. Alberta's stumpage system is correlated to lumber prices with a shorter time lag.

SPF log costs increased compared to 2024 due primarily to higher purchased wood costs, higher logging and hauling costs, higher Alberta stumpage costs and higher estimated silviculture costs, offset in part by lower B.C. stumpage costs.

SPF unit manufacturing costs increased compared to 2024 due primarily to the impact of lower production and higher labour costs, offset in part by the weakening of the CAD against the USD and lower energy costs.

SYP log costs decreased compared to 2024 as demand for logs moderated due to lower operating rates in our log procurement regions.

SYP unit manufacturing costs increased compared to 2024 due to the impact of lower production, higher labour costs, and higher repairs and maintenance costs. This was offset in part by the favourable cost impact of mill closures and efficiency improvements across our operating platform.

Freight and other distribution costs decreased compared to 2024 due primarily to lower shipment volumes, offset in part by higher freight rates.

Export duties for 2025 increased compared to 2024 due primarily to a higher CVD and ADD cash deposit rate and the impact of retroactive export duty adjustments relating to prior periods, offset in part by a lower estimated ADD rate in 2025. Export duty expense in 2025 included an expense of $67 million related to the USDOC finalization of AR6 duty rates whereas export duties in 2024 included an expense of $32 million related to the USDOC finalization of AR5 duty rates.

We incurred tariff expense on lumber products that crossed the border from Canada to the U.S. between March 4, 2025 to March 6, 2025 at a rate of 25% and between October 14, 2025 to December 31, 2025 at a rate of 10%. No tariffs on lumber products exported from Canada to the U.S. were in effect during 2024.

The following table summarizes the impact of export duties, net, and tariffs on our Lumber segment:

Duty impact on earnings ($ millions)	**2025**	**2024**
Cash deposits[1]	$ (104)	$ (62)
Adjustments to West Fraser rates[2]	8	22
Export duties, net	(97)	(40)
Duty expense attributable to AR5[3]	—	(32)
Duty expense attributable to AR6[3]	(67)	—
Export duty expense	(164)	(72)
Tariffs	(12)	—
Export duties, net, and tariffs	(175)	(72)
Net interest income on export duty deposits	$ 5	$ 19

1. Represents combined CVD and ADD cash deposit rate of 9.25% from January 1, 2024 to August 18, 2024, 11.89% from August 19, 2024 to December 31, 2024, 11.89% from January 1, 2025 to July 28, 2025, 16.50% from July 29, 2025 to August 11, 2025, and 26.47% from August 12, 2025 to December 31, 2025.
2. Represents adjustments to the annualized West Fraser estimated ADD rates, as shown in the rate tables below, and other administrative adjustments.
3. $32 million represents the duty expense attributable to the finalization of AR5 duty rates for the 2022 POI. The final CVD rate was 6.85% and the final ADD rate was 5.04% for AR5.
4. $67 million represents the duty expense attributable to the finalization of AR6 duty rates for the 2023 POI. The final CVD rate was 16.82% and the final ADD rate was 9.65% for AR6.

Amortization expense was comparable to 2024 as the increase in amortization expense from the completion of certain capital investments in our U.S. operations was offset by the impact of our lumber mill closures.

Selling, general and administration costs decreased compared to 2024 due primarily to the impact of indefinite curtailments and closures and reductions in discretionary spending.

Restructuring and impairment charges of $473 million in 2025 related to the U.S. lumber goodwill impairment and the permanent closures of our Augusta, Georgia and 100 Mile House, British Columbia lumber mills. See note 8 to the Annual Financial Statements for additional details around the U.S. lumber goodwill impairment.

Restructuring and impairment charges of $28 million in 2024 related to the permanent closures and indefinite curtailments of lumber mills in the U.S. South and B.C.

Operating earnings for the Lumber Segment decreased by $464 million compared to 2024 for the reasons explained above.

Adjusted EBITDA for the Lumber Segment decreased by $17 million compared to 2024. The following table shows the Adjusted EBITDA variance for the period. The impact of changes in chip, log, and other revenues is included under Other.

Adjusted EBITDA ($ millions)	**2024 to 2025**
Adjusted EBITDA - comparative period	$ (82)
Price	127
Volume	4
Changes in export duties and tariffs	(111)
Changes in costs	(5)
Impact of inventory write-downs	(15)
Other	(18)
Adjusted EBITDA - current period	$ (100)

Softwood Lumber Dispute and Tariffs

On November 25, 2016, a coalition of U.S. lumber producers petitioned the USDOC and the USITC to investigate alleged subsidies to Canadian softwood lumber producers and levy CVD and ADD duties against Canadian softwood lumber

imports. The USDOC has and continues to choose us as a “mandatory respondent” to both the countervailing and antidumping investigations, and as a result, we have received unique company-specific rates.

Developments in CVD and ADD rates

We began paying CVD and ADD duties in 2017 based on the determination of duties payable by the USDOC. The CVD and ADD cash deposit rates are updated upon the finalization of the USDOC’s AR process for each POI, as summarized in the tables below.

On February 21, 2025, the USDOC initiated AR7 POI covering the 2024 calendar year. West Fraser was selected as a mandatory respondent, which will result in West Fraser continuing to be subject to a company-specific rate.

The respective Cash Deposit Rates, the AR POI Final Rat e and the West Fraser Estimated ADD Rate for each period are as follows:

Effective dates for CVD	Cash Deposit Rate	AR POI Final Rate
AR1 POI[1,2]		
April 28, 2017 - August 24, 2017	24.12 %	6.76 %
August 25, 2017 - December 27, 2017	— %	— %
December 28, 2017 - December 31, 2017	17.99 %	6.76 %
January 1, 2018 - December 31, 2018	17.99 %	7.57 %
AR2 POI[3]		
January 1, 2019 - December 31, 2019	17.99 %	5.08 %
AR3 POI[4]		
January 1, 2020 - November 30, 2020	17.99 %	3.62 %
December 1, 2020 - December 31, 2020	7.57 %	3.62 %
AR4 POI[5]		
January 1, 2021 - December 1, 2021	7.57 %	2.19 %
December 2, 2021 - December 31, 2021	5.06 %	2.19 %
AR5 POI[6]		
January 1, 2022 – January 9, 2022	5.06 %	6.85 %
January 10, 2022 – August 8, 2022	5.08 %	6.85 %
August 9, 2022 - December 31, 2022	3.62 %	6.85 %
AR6 POI[7]		
January 1, 2023 - July 31, 2023	3.62 %	16.82 %
August 1, 2023 - December 31, 2023	2.19 %	16.82 %
AR7 POI[8]		
January 1, 2024 - August 18, 2024	2.19 %	n/a
August 19, 2024 - December 31, 2024	6.85 %	n/a
AR8 POI[9]		
January 1, 2025 - August 11, 2025	6.85 %	n/a
August 12, 2025 - December 31, 2025	16.82 %	n/a

1. On April 24, 2017, the USDOC issued its preliminary rate in the CVD investigation. The requirement that we make cash deposits for CVD was suspended on August 24, 2017, until the USDOC published the revised rate.
2. On November 24, 2020, the USDOC issued the final CVD rate for the AR1 POI.
3. On November 24, 2021, the USDOC issued the final CVD rate for the AR2 POI. On January 10, 2022, the USDOC amended the final CVD rate for the AR2 POI from 5.06% to 5.08% for ministerial errors. This table only reflects the final rate.
4. On August 4, 2022, the USDOC issued the final CVD rate for the AR3 POI.
5. On August 1, 2023, the USDOC issued the final CVD rate for the AR4 POI.
6. On August 19, 2024, the USDOC issued the final CVD rate for the AR5 POI.

7. On August 12, 2025, the USDOC issued the final CVD rate for the AR6 POI.
8. The CVD rate for the AR7 POI will be adjusted when AR7 is complete and the USDOC finalizes the rate, which is not expected until 2026.
9. The CVD rate for the AR8 POI will be adjusted when AR8 is complete and the USDOC finalizes the rate, which is not expected until 2027.

Effective dates for ADD	Cash Deposit Rate	AR POI Final Rate	West Fraser Estimated Rate
AR1 POI[1,2]			
June 30, 2017 - December 3, 2017	6.76 %	1.40 %	1.46 %
December 4, 2017 - December 31, 2017	5.57 %	1.40 %	1.46 %
January 1, 2018 - December 31, 2018	5.57 %	1.40 %	1.46 %
AR2 POI[3]			
January 1, 2019 - December 31, 2019	5.57 %	6.06 %	4.65 %
AR3 POI[4]			
January 1, 2020 - November 29, 2020	5.57 %	4.63 %	3.40 %
November 30, 2020 - December 31, 2020	1.40 %	4.63 %	3.40 %
AR4 POI[5]			
January 1, 2021 - December 1, 2021	1.40 %	7.06 %	6.80 %
December 2, 2021 - December 31, 2021	6.06 %	7.06 %	6.80 %
AR5 POI[6]			
January 1, 2022 - August 8, 2022	6.06 %	5.04%	4.52 %
August 9, 2022 - December 31, 2022	4.63 %	5.04%	4.52 %
AR6 POI[7]			
January 1, 2023 - July 31, 2023	4.63 %	9.65%	8.84 %
August 1, 2023 - December 31, 2023	7.06 %	9.65%	8.84 %
AR7 POI[8]			
January 1, 2024 - August 18, 2024	7.06 %	n/a	4.70 %
August 19, 2024 - December 31, 2024	5.04 %	n/a	4.70 %
AR8 POI[9]			
January 1, 2025 - July 28, 2025	5.04 %	n/a	4.00 %
July 29, 2025 - December 31, 2025	9.65 %	n/a	4.00 %

1. On June 26, 2017, the USDOC issued its preliminary rate in the ADD investigation effective June 30, 2017.
2. On November 24, 2020, the USDOC issued the final ADD rate for the AR1 POI.
3. On November 24, 2021, the USDOC issued the final ADD rate for the AR2 POI.
4. On August 4, 2022, the USDOC issued the final ADD rate for the AR3 POI.
5. On July 31, 2023, the USDOC issued the final ADD rate for the AR4 POI. On September 7, 2023, the USDOC amended the final ADD rate for the AR4 POI for ministerial errors. This table only reflects the final rate.
6. On August 19, 2024, the USDOC issued the final ADD rate for the AR5 POI. An amended ADD rate was issued on September 24, 2024, and was retroactively applied to August 19, 2024. This table only reflects the final rate.
7. On July 29, 2025, the USDOC issued the final ADD rate for the AR6 POI.
8. The ADD rate for the AR7 POI will be adjusted when AR7 is complete and the USDOC finalizes the rate, which is not expected until 2026. In Q4-25, West Fraser updated the AR7 POI estimated rate from 2.58% to 4.70% to reflect a change in the USDOC's methodology for ADD rate calculations that came into effect during the current year and will be applied to the AR7 final rate.
9. The ADD rate for the AR8 POI will be adjusted when AR8 is complete and the USDOC finalizes the rate, which is not expected until 2027.

Accounting policies for duties

The CVD and ADD rates apply retroactively for each POI. We record CVD as export duty expense at the cash deposit rate until an AR finalizes a new applicable rate for each POI. We record ADD as export duty expense by estimating the rate to be applied for each POI by using our actual results and a similar calculation methodology as the USDOC and adjust when an AR finalizes a new applicable rate for each POI. The difference between the cumulative cash deposits paid and cumulative export duty expense recognized for each POI is recorded on our balance sheet as export duty deposits receivable or payable.

The difference between the cash deposit amount and the amount that would have been due based on the final AR rate will incur interest based on the U.S. federally published interest rate. We record interest income on our duty deposits receivable, net of any interest expense on our duty deposits payable, based on this rate.

Appeals

On May 22, 2020, the North American Free Trade Agreement (“NAFTA”) panel issued its final decision on “Injury”. The NAFTA panel rejected the Canadian parties’ arguments and upheld the USITC remand determination in its entirety.

On August 28, 2020, the World Trade Organization’s (“WTO”) dispute-resolution panel ruled unanimously that U.S. countervailing duties against Canadian softwood lumber are inconsistent with the WTO obligations of the United States. The decision confirmed that Canada does not subsidize its softwood lumber industry. On September 28, 2020, the U.S. announced that it would appeal the WTO panel’s decision.

Under U.S. trade law, the International Trade Commission (“ITC”) must review antidumping and countervailing orders every 5 years from the date of issuance. This process is referred to as a "Sunset Review". On November 30, 2023, the ITC voted to maintain the ADD and CVD orders on softwood lumber from Canada on the grounds that the revocation would likely lead to the continuation or recurrence of material injury to the U.S. domestic industry within a reasonably foreseeable time.

On August 27, 2025, the Government of Canada, in consultation with affected Canadian provinces, industry and other concerned parties, submitted a Notice of Joint Motion for Voluntary Dismissal pertaining to the CUSMA Chapter 10 challenge of the AR2 ADD order. On September 10, 2025, the AR2 ADD CUSMA panel granted the motion for voluntary dismissal.

On September 5, 2025, the Government of Canada, in consultation with affected Canadian provinces, industry and other concerned parties, submitted a Notice of Joint Motion for Voluntary Dismissal pertaining to the CUSMA Chapter 10 challenge of the AR1 ADD order. On September 17, 2025, the AR1 ADD CUSMA panel granted the motion for voluntary dismissal.

Through the withdrawal of the legal challenges, the rates for AR1 and AR2 ADD are finalized. In order for the entries to be liquidated by U.S. Customs and Border Protection, both CVD and ADD legal challenges must be concluded. AR1 and AR2 CVD legal challenges are currently ongoing.

The softwood lumber case will continue to be subject to NAFTA or the Canada-United States-Mexico Agreement (“CUSMA”), WTO dispute resolution processes, and litigation in the U.S. In the interim, duties remain subject to the USDOC AR process, which results in an annual adjustment of duty deposit rates.

Notwithstanding the deposit rates assigned under the investigations, our final liability for CVD and ADD will not be determined until each annual administrative review process is complete and related appeal processes are concluded.

Tariffs

Canadian softwood lumber exports to the U.S. have been the subject of trade disputes and managed trade arrangements for several decades. The current round of countervailing and antidumping duties have been in place since April 2017.

On March 4, 2025, the U.S. administration, under the International Emergency Economic Powers Act (“IEEPA”), implemented an additive 25% tariff on all goods imported into the U.S. Our wood products were subject to the IEEPA tariffs for a two-day period from March 4, 2025 to March 6, 2025. The legality of the IEEPA tariffs is currently under review by the Supreme Court of the United States as of February 10, 2026.

On September 29, 2025, the U.S. administration issued a proclamation that imposed a tariff of 10% under Section 232 of the *Trade Expansion Act of 1962* on imported softwood timber and lumber into the U.S., effective October 14, 2025. This tariff is in addition to the existing softwood lumber duties applied to U.S. imports of Canadian lumber. The tariffs implemented under Section 232 of the *Trade Expansion Act of 1962* are still in effect as of February 10, 2026.

For additional information, refer to the discussion in this 2025 Annual MD&A under *“Risks and Uncertainties – Trade Restrictions”* for a detailed discussion of the risks and uncertainties associated with the imposition of tariffs.

North America Engineered Wood Products Segment

NA EWP Segment Earnings ($ millions unless otherwise indicated)		**2025**		**2024**
Sales				
OSB	$	1,602	$	2,217
Plywood, LVL and MDF		502		551
Wood chips, logs and other		36		35
		2,140		2,803
Cost of products sold		(1,581)		(1,634)
Freight and other distribution costs		(304)		(326)
Export duties, net, and tariffs		(1)		—
Amortization		(290)		(284)
Selling, general and administration		(101)		(99)
Restructuring and impairment charges		(239)		(1)
Operating earnings (loss)		(376)		459
Adjusted EBITDA[1]	$	153	$	744
Capital expenditures	$	163	$	140
OSB (MMsf 3/8” basis)				
Production		6,351		6,661
Shipments		6,345		6,629
Plywood (MMsf 3/8” basis)				
Production		696		726
Shipments		687		735

1. This is a non-GAAP financial measure. Refer to the “Non-GAAP and Other Specified Financial Measures” section of this document for more information on this measure.

Our NA EWP segment includes our North American OSB, plywood, MDF, and LVL operations.

Sales and Shipments

Sales decreased compared to 2024 due primarily to lower OSB product pricing and, to a lesser extent, lower OSB shipment volumes.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $575 million compared to 2024.

OSB shipment volumes decreased from 2024 due to weaker demand. Plywood shipment volumes decreased from 2024 due to lower production levels, discussed further in the section below.

The volume variance resulted in a decrease in operating earnings and Adjusted EBITDA of $8 million compared to 2024.

	2025		**2024**	
NA OSB Sales by Destination	**MMsf 3/8”**	**%**	**MMsf 3/8”**	**%**
U.S.	5,618	89%	5,969	90%
Canada	635	10%	543	8%
Other	92	1%	117	2%
	6,345		6,629	

The above table shows the proportion of shipments of OSB from our North American OSB operations to the U.S., Canada and other export markets. For 2025 and 2024, substantially all plywood shipments were to Canada, while the majority of LVL and MDF shipments were to Canada.

Costs and Production

OSB production volumes decreased compared to 2024 due primarily to incremental reductions in operating schedules to manage inventory levels and higher downtime at our facilities relating to capital projects.

Plywood production volumes decreased compared to 2024 due to higher planned and unplanned downtime taken in the current year.

Cost of products sold decreased compared to 2024 due primarily to lower OSB shipments, lower resin costs and the weakening of the CAD against the USD. This was offset in part by a $36 million unfavourable impact related to inventory valuation adjustments and higher labour costs. The unfavourable inventory valuation adjustment was driven by the decline of OSB product pricing in 2025.

Freight and other distribution costs decreased compared to 2024 primarily due to lower shipment volumes.

Amortization expense and selling, general and administration costs were broadly comparable to 2024.

Restructuring and impairment charges of $239 million in 2025 related to the indefinite curtailment of our OSB mill in High Level, Alberta.

Operating earnings for the NA EWP Segment decreased $835 million compared to 2024 due to the reasons explained above.

Adjusted EBITDA for the NA EWP Segment decreased by $591 million from 2024. The following table shows the Adjusted EBITDA variance for the period.

Adjusted EBITDA ($ millions)		**2024 to 2025**
Adjusted EBITDA - comparative period	$	744
Price		(575)
Volume		(8)
Changes in costs		33
Impact of inventory write-downs		(36)
Other		(5)
Adjusted EBITDA - current period	$	153

Pulp & Paper Segment

Pulp & Paper Segment Earnings ($ millions unless otherwise indicated)	**2025**	**2024**
Sales	325	389
Cost of products sold	(270)	(309)
Freight and other distribution costs	(45)	(65)
Amortization	(15)	(14)
Selling, general and administration	(11)	(11)
Restructuring and impairment charges	—	(3)
Operating loss	(16)	(13)
Adjusted EBITDA[1]	$ (2)	$ 4
Capital expenditures	$ 14	$ 15
NBSK (Mtonnes)		
Production	309	237
Shipments	303	226

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Following our attaining sole control of CPL in Q1-24 and completion of the pulp mill disposals, the Pulp & Paper segment is comprised of our 100% interest in CPL and our 50%-owned joint operation, Alberta Newsprint Company. In light of the composition of the segment on a go-forward basis, the production and shipment volumes for all periods disclosed in the above table relate to those of NBSK pulp produced and shipped from CPL only and exclude BCTMP and UKP pulp amounts related to the disposed pulp mills.

The comparison versus comparative periods is impacted by the sale of Hinton pulp mill on February 3, 2024, the sale of Quesnel River Pulp mill and Slave Lake Pulp mill on April 20, 2024, and our attaining sole control of CPL in Q1-24.

Sales and Shipments

Sales decreased compared to 2024 due primarily to the pulp mill disposals and lower NBSK product pricing, offset in part by higher NBSK shipment volumes.

Costs and Production

NBSK production volumes increased from 2024 due to our attaining sole control of CPL in Q1-24 and less downtime taken in the current period.

Cost of products sold decreased versus 2024 due primarily to the impact of the pulp mill disposals, the weakening of the CAD against the USD, lower repairs and maintenance costs, the impact of higher production, and lower fibre costs. This was offset in part by higher NBSK shipment volumes and a $7 million unfavourable impact related to inventory valuation adjustments as product pricing declined during 2025.

Freight and other distribution costs decreased due to the pulp mill disposals, offset in part by higher NBSK shipment volumes.

Amortization expense and selling, general and administrative costs were broadly comparable with 2024.

We recorded an impairment loss of $3 million in 2024 upon completion of the pulp mill disposals.

Operating earnings for the Pulp & Paper Segment decreased by $3 million compared to 2024 due to the reasons explained above.

Adjusted EBITDA for the Pulp & Paper Segment decreased by $5 million compared to 2024 due to the reasons explained above.

Europe Engineered Wood Products Segment

Europe EWP Segment Earnings ($ millions unless otherwise indicated)	**2025**	**2024**
Sales	493	453
Cost of products sold	(414)	(375)
Freight and other distribution costs	(44)	(42)
Amortization	(42)	(48)
Selling, general and administration	(30)	(29)
Restructuring and impairment charges	—	(70)
Operating loss	(37)	(110)
Adjusted EBITDA[1]	$ 5	$ 8
Capital expenditures	20	19
OSB (MMsf 3/8" basis)		
Production	1,142	1,125
Shipments	1,129	1,100
GBP - USD exchange rate		
Closing rate	1.34	1.25
Average rate	1.32	1.28

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Our Europe EWP segment includes our U.K. and Belgium OSB, MDF, and particleboard operations. Revenues and expenses of our European operations, which have British pound sterling and Euro functional currencies, are translated at the average rate of exchange prevailing during the period.

Sales and Shipments

Sales increased compared to 2024 due to higher OSB product pricing in local currency terms and the strengthening of the GBP against the USD, offset in part by lower particleboard and MDF product pricing.

The price variance resulted in an increase in operating earnings and Adjusted EBITDA of $5 million compared to 2024. The price variance represents the impact of changes in product pricing in local currency terms.

OSB shipment volumes were broadly comparable to 2024. MDF shipment volumes increased versus 2024 due to higher production volumes, discussed further in the section below. Particleboard shipment volumes were comparable to 2024. The volume variance resulted in an increase of $1 million compared to 2024.

Costs and Production

OSB production volumes were broadly comparable to 2024. MDF production volumes increased compared to 2024 due to higher operating rates in the current year. Particleboard production decreased from 2024 due to the impact of a fire at our Cowie production facility during Q3-25.

Cost of products sold increased compared to 2024 due primarily to higher shipment volumes, higher fibre, labour, energy, and repairs and maintenance costs as well as the strengthening of the GBP against the USD. The recognition of tax credits was a partial offsetting factor.

Freight and other distribution costs were comparable to 2024.

Amortization expense decreased compared to 2024 as certain assets reached the end of their estimated useful lives.

Selling, general and administration costs were comparable to 2024.

We recorded an impairment loss of $70 million in relation to Europe EWP goodwill during the year ended December 31, 2024. The impairment loss was driven primarily by an extension of the expected duration of the recovery to mid-cycle profitability and weaker macroeconomic conditions in the U.K. and Europe.

Operating earnings for the Europe EWP Segment increased by $74 million compared to 2024 due to the reasons explained above.

Adjusted EBITDA for the Europe EWP Segment decreased by $3 million from 2024.

Discussion & Analysis of Specific Items

Selling, general and administration

Selling, general and administration costs for 2025 were $280 million (2024 - $282 million).

Selling, general and administration costs decreased by $2 million compared to 2024 due primarily to the impact of the pulp mill disposals and other facility closures and curtailments, and the strengthening of the USD against the CAD. This was offset in part by the impact of variable compensation expense recorded in Q1-25 and our attaining sole control of CPL in Q1-24.

Selling, general and administration expense related to our operating segments are also discussed under “Discussion & Analysis of Annual Results by Product Segment”.

Equity-based compensation

Our equity-based compensation includes our share purchase option, phantom share unit, and deferred share unit plans (collectively, the “Plans”). Our Plans are fair valued at each period-end, and the resulting expense or recovery is recorded in equity-based compensation over the vesting period.

Our valuation models consider various factors, with the most significant being the change in the market value of our shares from the beginning to the end of the relevant period. The expense or recovery does not necessarily represent the value that the holders of options and units will ultimately receive.

We recorded a recovery of $14 million during 2025 (2024 - expense of $14 million). The recovery for 2025 reflects a decrease in the price of our Common shares traded on the TSX and changes in the expected payout multiple on our performance share units, offset in part by the vesting of units granted. The expense for 2024 reflects an increase in the price of our Common shares traded on the TSX, changes in the expected payout multiple on our performance share units, and vesting of options and units granted.

Finance income, net

Finance income, net includes interest earned on short-term deposits and interest recognized on our duty deposits.

We recorded finance income, net of $1 million in 2025 (2024 - finance income, net of $34 million).

Finance income, net decreased compared to 2024 due primarily to decreased interest income earned on lower cash and cash equivalents balances and the impact of incremental interest expense recorded in relation to the finalization of AR6, offset in part by lower interest expense related to debt.

Other income (expense)

Other income of $15 million was recorded in 2025 (2024 - other expense of $2 million). Other income in 2025 relates primarily to gains on our electricity swaps driven by increases in forward electricity prices over the remaining term of the contracts, gains on asset disposals including the sale of our permanently closed lumber mill sites in Perry, Florida, Maxville, Florida, and Huttig, Arkansas, offset in part by foreign exchange losses recorded on our CAD-denominated monetary assets and liabilities as the USD weakened against the CAD.

Other expense in 2024 relates primarily to losses on our electricity swaps, driven by decreases in forward electricity prices over the remaining term of the contracts, offset by foreign exchange gains recorded on our CAD-denominated monetary assets and liabilities as the USD strengthened against the CAD.

Tax recovery (provision)

We recorded an income tax recovery in 2025 of $233 million compared to an income tax expense of $43 million in 2024. The effective tax rate was 20% in 2025 compared to 113% in 2024. The effective tax rate in 2025 was impacted primarily by non-taxable amounts including the U.S. lumber goodwill impairment, differences in our jurisdictional tax rates, income tax settlements, and impacts of functional currency differences. The effective tax rate in 2024 was impacted primarily by

non-taxable amounts including the Europe EWP goodwill impairment, differences in our jurisdictional tax rates, and impacts of functional currency differences, offset in part by income tax credits. The effective tax rate can be sensitive to non-taxable permanent differences and differences in our jurisdictional tax rates in periods of lower pre-tax earnings.

In 2025, we entered into a settlement agreement with the CRA in respect of prior tax periods. As a result, we recorded an additional tax provision of $6 million in 2025 and received income tax refunds of $36 million related to this matter.

Note 19 to the Annual Financial Statements provides a reconciliation of income taxes calculated at the statutory rate to the income tax expense.

Other comprehensive earnings – translation of operations with different functional currencies

Our European operations have British pound sterling and Euro functional currencies. Our Cochrane lumber mill and jointly-owned paper operation have Canadian dollar functional currency. Assets and liabilities of these entities are translated at the rate of exchange prevailing at the reporting date, and revenues and expenses at average rates during the period. Gains or losses on translation are included as a component of shareholders' equity in Accumulated other comprehensive loss.

We recorded a translation gain of $44 million during 2025 (2024 - translation loss of $24 million).

In general, a strengthening (weakening) of the USD against the Canadian dollar, British pound sterling or Euro results in a translation loss (gain). The translation gain in 2025 reflects a weakening of the USD against the aforementioned currencies. The translation loss in 2024 reflects a strengthening of the USD against the aforementioned currencies.

Other comprehensive earnings – actuarial gains/losses on retirement benefits

The funded position of our defined benefit pension plans and other retirement benefit plans is estimated at the end of each period. The funded position, as shown in note 13 to the Annual Financial Statements, is determined by subtracting the value of the plan assets from the plan obligations.

We recorded an after-tax actuarial gain of $16 million during 2025 (2024 - after-tax actuarial gain of $8 million).

The actuarial gain in 2025 reflects an increase in the discount rate used to calculate plan liabilities, offset in part by lower asset returns.

The actuarial gain in 2024 reflects an increase in the discount rate used to calculate plan liabilities and higher asset returns, offset in part by adjustments to actuarial assumptions.

FOURTH QUARTER RESULTS

Summary Results ($ millions)	Q4-25	Q3-25	Q4-24
Sales	$ 1,165	$ 1,307	$ 1,405
Cost of products sold	(950)	(1,104)	(1,011)
Freight and other distribution costs	(177)	(194)	(179)
Export duties, net, and tariffs	(45)	(87)	(7)
Amortization	(144)	(133)	(138)
Selling, general and administration	(72)	(66)	(68)
Equity-based compensation	4	2	1
Restructuring and impairment charges	(712)	—	(68)
Operating loss	(931)	(275)	(65)
Finance income (expense), net	3	(12)	12
Other income	10	11	11
Tax recovery (provision)	167	73	(20)
Loss	$ (751)	$ (204)	$ (62)
Adjusted EBITDA[1]	$ (79)	$ (144)	$ 140

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Selected Quarterly Amounts ($ millions, unless otherwise indicated)	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
Sales	$ 1,165	$ 1,307	$ 1,532	$ 1,459	$ 1,405	$ 1,437	$ 1,705	$ 1,627
Earnings (loss)	$ (751)	$ (204)	$ (24)	$ 42	$ (62)	$ (83)	$ 105	$ 35
Basic EPS (dollars)	(9.59)	(2.59)	(0.30)	0.53	(0.77)	(1.03)	1.29	0.42
Diluted EPS (dollars)	(9.63)	(2.63)	(0.38)	0.46	(0.80)	(1.03)	1.20	0.42

Sales and earnings improved in Q2-24 due primarily to improvements in OSB pricing and lower impairment charges, partially offset by lower lumber pricing. Sales and earnings decreased in Q3-24 due primarily to lower OSB and lumber pricing. Earnings improved in Q4-24 as product pricing improved across all product segments, offset in part by lower OSB shipment volumes, higher costs, major maintenance downtime in the pulp & paper segment, and impairment charges related to goodwill in our Europe EWP segment. Sales and earnings improved in Q1-25 due primarily to higher lumber pricing, lower costs, and the non-recurrence of major maintenance in the pulp & paper segment and impairment charges in the Europe EWP segment. Sales increased from Q1-25 to Q2-25 primarily due to higher shipments in our lumber and NA EWP segments, offset in part by lower lumber and OSB pricing. Earnings decreased from Q1-25 to Q2-25 due primarily to the impact of lower product pricing, inventory write-downs, and higher fibre costs, offset in part by lower tax expense. Sales in Q3-25 were impacted by further decreases in product pricing in our lumber and NA OSB product lines. Earnings decreased from Q2-25 to Q3-25 due primarily to lower product pricing and higher export duties expense on finalization of AR6, offset in part by higher tax recovery. Sales decreased in Q4-25 due to lower OSB and SPF lumber pricing and lower shipment volumes. Earnings decreased from Q3-25 to Q4-25 due primarily to higher restructuring and impairment charges, offset in part by lower export duties expense and other costs, including inventory write-downs.

Discussion & Analysis by Product Segment

Lumber Segment

Lumber Segment Earnings ($ millions unless otherwise indicated)		**Q4-25**	**Q3-25**	**Q4-24**
Sales				
Lumber	$	486	$ 551	$ 546
Wood chips and other residuals		51	57	54
Logs and other		16	14	17
		552	622	617
Cost of products sold		(442)	(532)	(471)
Freight and other distribution costs		(88)	(93)	(86)
Export duties, net, and tariffs		(45)	(87)	(7)
Amortization		(56)	(46)	(47)
Selling, general and administration		(35)	(33)	(33)
Restructuring and impairment reversal (charges)		(473)	—	1
Operating loss	$	(586)	$ (169)	$ (25)
Adjusted EBITDA[1]	$	(57)	$ (123)	$ 21
SPF (MMfbm)				
Production		626	650	680
Shipments		613	684	642
SYP (MMfbm)				
Production		559	598	571
Shipments		579	618	588

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Sales and Shipments

Lumber sales decreased compared to Q3-25 due to lower shipment volumes and lower SPF pricing. Lumber sales decreased compared to Q4-24 due to lower product pricing and lower shipment volumes.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $21 million compared to Q3-25 and a decrease by $46 million compared to Q4-24.

SPF and SYP shipment volumes decreased versus comparative periods due primarily to lower production volumes, discussed further in the section below.

The volume variance resulted in an increase in operating earnings and Adjusted EBITDA of $5 million compared to Q3-25 and an increase of $2 million compared to Q4-24.

	Q4-25		**Q3-25**		**Q4-24**	
SPF Sales by Destination	**MMfbm**	**%**	**MMfbm**	**%**	**MMfbm**	**%**
U.S.	424	69%	434	63%	410	64%
Canada	158	26%	217	32%	213	33%
Other	31	5%	33	5%	19	3%
	613		684		642	

We ship SPF to certain export markets, while our SYP sales are almost entirely within the U.S. The relative proportion of shipments of SPF by destination remained broadly comparable versus comparative periods.

Wood chips and other residuals decreased versus comparative periods due to lower chip pricing and lower production volumes, discussed further in the section below. Logs and other sales were comparable to all comparative periods.

Costs and Production

SPF production volumes decreased versus all comparative periods due to continued impacts from log shortages at our B.C. lumber mills and reductions in operating schedules to manage finished goods inventory levels.

SYP production volumes decreased versus comparative periods due to the impact of capital projects including the start-up of our new Henderson, Texas lumber mill, the orderly wind-down of our permanently closed Augusta, Georgia lumber mill in Q4-25, and reductions in operating schedules across our platform to manage finished goods inventory levels.

Cost of products sold decreased from Q3-25 due primarily to lower shipment volumes, a favourable $20 million variance relating to inventory valuation adjustments, lower SYP unit manufacturing costs, and lower SPF log costs. The favourable impact relating to inventory valuation adjustments resulted from having recorded significant inventory valuation reserves in Q3-25 as product pricing decreased, while the required inventory valuation reserves in Q4-25 decreased.

Cost of products sold decreased compared to Q4-24 due primarily to lower shipment volumes and lower SYP unit manufacturing costs.

SPF log costs decreased from Q3-25 due to lower purchased log costs and lower stumpage costs, offset in part by higher logging and hauling costs.

SPF log costs were comparable to Q4-24 as lower B.C. stumpage costs and estimated silviculture costs were offset by higher purchased log costs and hauling costs.

SPF unit manufacturing costs were comparable versus Q3-25. SPF unit manufacturing costs decreased compared to Q4-24 due primarily to $4 million of incremental costs recognized during Q4-24 relating to retroactive pension plan benefit changes as well as lower repairs and maintenance costs. This was offset in part by higher labour and energy costs. The impact of the closure of our 100 Mile House, B.C. lumber mill was not significant in Q4-25 as the cessation of operating activities took place at the end of the quarter.

SYP log costs were comparable with Q3-25. SYP log costs decreased versus Q4-24 as demand for logs moderated due to lower operating rates in our log procurement regions.

SYP unit manufacturing costs decreased versus Q3-25 due primarily to lower repairs and maintenance costs, lower labour costs, offset in part by the impact of lower production. SYP unit manufacturing costs decreased compared to Q4-24 due to lower repairs and maintenance costs, lower labour costs, and the favourable impact of closing higher cost facilities, offset in part by the impact of lower production.

Freight and other distribution costs decreased compared to Q3-25 due to lower shipment volumes. Freight and other distribution costs were comparable versus Q4-24 as lower shipment volumes were offset by higher freight rates.

Export duty expense decreased compared to Q3-25 due primarily to the impact of AR6 finalization in Q3-25 and lower pricing and shipment volumes to the U.S. in Q4-25, offset in part by a higher average cash deposit rate and an increase to the AR7 estimated ADD rate in Q4-25. We recorded an expense of $67 million related to the USDOC finalization of the AR6 duty rates in Q3-25. The expense primarily represents the difference between the final CVD rate of 16.82% and the CVD cash deposit rates paid on shipments of SPF lumber to the U.S. during AR6, which ranged from 2.19% to 3.62%.

Export duty expense increased compared to Q4-24 due primarily to higher cash deposit rates in effect throughout Q4-25 and an increase to the AR7 estimated ADD rate in Q4-25.

We incurred tariff expense in Q4-25 on lumber products that crossed the border from Canada to the U.S. between October 14, 2025 and December 31, 2025. No tariffs on lumber exported from Canada to the U.S. were in effect during Q3-25 or Q4-24.

The following table summarizes the impact of export duties, net, and tariffs on our Lumber segment:

Duty impact on earnings ($ millions)	**Q4-25**	**Q3-25**	**Q4-24**
Cash deposits[1]	$ (34)	$ (30)	$ (18)
Adjustments to West Fraser rates[2]	(2)	10	12
Export duties, net	(35)	(20)	(7)
Duty expense attributable to AR6[3]	—	(67)	—
Export duty expense	(35)	(87)	(7)
Tariffs	(10)	—	—
Export duties, net, and tariffs	(45)	(87)	(7)
Net interest income (expense) on export duty deposits	$ 5	$ (10)	$ 6

1. Represents combined CVD and ADD cash deposit rate of 11.89% from August 19, 2024 to December 31, 2024, 11.89% from January 1, 2025 to July 28, 2025, 16.50% from July 29, 2025 to August 11, 2025, and 26.47% from August 12, 2025 to December 31, 2025.
2. Represents adjustments to West Fraser estimated ADD rates, as shown in the rate tables above, and other administrative adjustments.
3. $67 million represents the duty expense attributable to the finalization of AR6 duty rates for the 2023 POI. The final CVD rate was 16.82% and the final ADD rate was 9.65% for AR6.

Amortization expense increased versus comparative periods due primarily to the start-up of our new Henderson, Texas lumber mill.

Selling, general and administration costs were broadly consistent versus comparative periods.

Restructuring and impairment charges of $473 million in Q4-25 related to the U.S. lumber goodwill impairment and the permanent closures of our Augusta, Georgia and 100 Mile House, British Columbia lumber mills. See note 8 to the Annual Financial Statements for additional details around the U.S. lumber goodwill impairment.

Operating earnings for the Lumber Segment decreased by $417 million compared to Q3-25 and decreased by $562 million compared to Q4-24 for the reasons explained above.

Adjusted EBITDA for the Lumber Segment increased by $66 million compared to Q3-25 and decreased by $78 million compared to Q4-24. The following table shows the Adjusted EBITDA variance for the period. Foreign exchange impacts from the strengthening or weakening of the CAD against USD on sales of wood chips, other residuals and logs are presented under Other.

Adjusted EBITDA ($ millions)	**Q3-25 to Q4-25**	**Q4-24 to Q4-25**
Adjusted EBITDA - comparative period	$ (123)	$ 21
Price	(21)	(46)
Volume	5	2
Changes in export duties and tariffs	37	(40)
Changes in costs	26	1
Impact of inventory write-downs	20	1
Other	(2)	3
Adjusted EBITDA - current period	$ (57)	$ (57)

North America Engineered Wood Products Segment

NA EWP Segment Earnings ($ millions unless otherwise indicated)		**Q4-25**	**Q3-25**	**Q4-24**
Sales				
OSB	$	311	$ 355	$ 490
Plywood, LVL and MDF		117	128	138
Wood chips, logs and other		11	8	8
		439	491	635
Cost of products sold		(367)	(406)	(407)
Freight and other distribution costs		(70)	(77)	(76)
Amortization		(73)	(72)	(71)
Selling, general and administration		(26)	(23)	(26)
Restructuring and impairment charges		(239)	—	—
Operating earnings (loss)	$	(335)	$ (88)	$ 56
Adjusted EBITDA[1]		(24)	(15)	127
OSB (MMsf 3/8" basis)				
Production		1,505	1,585	1,598
Shipments		1,512	1,619	1,604
Plywood (MMsf 3/8" basis)				
Production		182	172	176
Shipments		170	177	178

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Our NA EWP segment includes our North American OSB, plywood, MDF, and LVL operations.

Sales and Shipments

Sales decreased versus Q3-25 due primarily to lower OSB and MDF shipment volumes and lower OSB product pricing. Sales decreased versus Q4-24 due primarily to lower OSB product pricing and to a lesser extent, lower OSB and MDF shipment volumes.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $22 million compared to Q3-25 and a decrease of $161 million compared to Q4-24.

OSB and MDF shipment volumes decreased versus comparative periods due primarily to lower production volumes, discussed further in the section below. Plywood shipment volumes were broadly consistent versus comparative periods.

The volume variance resulted in a nominal increase in operating earnings and Adjusted EBITDA compared to Q3-25 and an increase of $2 million compared to Q4-24.

	Q4-25		**Q3-25**		**Q4-24**	
NA OSB Sales by Destination	**MMsf 3/8"**	**%**	**MMsf 3/8"**	**%**	**MMsf 3/8"**	**%**
U.S.	1,241	82%	1,461	90%	1,438	90%
Canada	252	17%	135	8%	137	9%
Other	19	1%	24	2%	28	1%
	1,512		1,619		1,604	

The above table shows the proportion of shipments of OSB from our North American OSB operations to the U.S., Canada, and other export markets. For Q4-25 and comparative periods, substantially all plywood shipments were to Canada, while

the majority of LVL shipments were to Canada. Approximately half of MDF shipments were to Canada in Q4-25, broadly consistent with comparative periods.

Costs and Production

OSB production volumes decreased compared to Q3-25 due primarily to incremental reductions in operating schedules to manage inventory levels and an increase in planned maintenance downtime. OSB production volumes decreased compared to Q4-24 due to incremental reductions in operating schedules to manage inventory levels, offset in part by less maintenance downtime.

Plywood production volumes increased compared to Q3-25 due to less planned downtime taken in the current period. Plywood production volumes increased compared to Q4-24 due to improved productivity.

MDF production volumes decreased versus comparative periods due to incremental reductions in operating schedules to manage inventory levels and increased downtime for capital upgrades.

Cost of products sold decreased compared to Q3-25 due to lower shipment volumes and a $9 million favourable impact related to inventory valuation adjustments, the recognition of tax credits, and lower labour costs. This was offset in part by higher repairs and maintenance costs, higher fibre costs, and higher energy costs. The favourable impact relating to inventory valuation adjustments resulted from having recorded a significant inventory valuation reserve in Q3-25 as product pricing decreased, while inventory valuation reserves in Q4-25 increased by a smaller amount.

Cost of products sold decreased from Q4-24 due primarily to lower shipment volumes, the recognition of tax credits, lower resin costs, and lower repairs and maintenance costs, offset by higher fibre costs, higher energy costs, and a $8 million unfavourable impact related to inventory valuation adjustments as OSB product pricing decreased.

Freight and other distribution costs decreased versus both comparative periods due to lower shipment volumes.

Amortization expense and selling, general and administration costs were broadly consistent versus both comparative periods.

Restructuring and impairment charges of $239 million in Q4-25 related to the indefinite curtailment of our OSB mill in High Level, Alberta.

Operating earnings for the NA EWP Segment decreased by $248 million compared to Q3-25 and decreased by $391 million compared to Q4-24 due to the reasons explained above.

Adjusted EBITDA for the NA EWP Segment decreased by $9 million compared to Q3-25 and decreased by $151 million compared to Q4-24. The following table shows the Adjusted EBITDA variance for the period. The impact of incremental tariff costs incurred for the NA EWP Segment is presented under changes in costs.

Adjusted EBITDA ($ millions)	**Q3-25 to Q4-25**	**Q4-24 to Q4-25**
Adjusted EBITDA - comparative period	$ (15)	$ 127
Price	(22)	(161)
Volume	—	2
Changes in costs	7	17
Impact of inventory write-downs	9	(8)
Other	(3)	(1)
Adjusted EBITDA - current period	$ (24)	$ (24)

Pulp & Paper Segment

Pulp & Paper Segment Earnings ($ millions unless otherwise indicated)	**Q4-25**	**Q3-25**	**Q4-24**
Sales	67	82	56
Cost of products sold	(57)	(73)	(56)
Freight and other distribution costs	(9)	(12)	(8)
Amortization	(3)	(3)	(4)
Selling, general and administration	(3)	(3)	(3)
Operating loss	(5)	(10)	(14)
Adjusted EBITDA[1]	(1)	(6)	(10)
NBSK (Mtonnes)			
Production	82	65	42
Shipments	62	80	38

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Sales and Shipments

Sales decreased compared to Q3-25 due to lower NBSK shipment volumes and lower NBSK product pricing. Sales increased compared to Q4-24 as lower NBSK product pricing was offset by higher NBSK shipment volumes, as the comparative period production was impacted by a major maintenance shutdown at CPL.

Costs and Production

NBSK production increased versus Q3-25 and Q4-24 as both comparative periods were impacted by major maintenance shutdowns.

Cost of products sold decreased compared to Q3-25 due primarily to lower NBSK shipment volumes and lower repairs and maintenance costs, offset in part by a $9 million unfavourable impact related to inventory valuation adjustments as product pricing decreased.

Cost of products sold increased compared to Q4-24 due to higher NBSK shipment volumes and a $5 million unfavourable impact related to inventory valuation adjustments, offset in part by lower repairs and maintenance costs and fibre costs.

Freight and other distribution costs decreased from Q3-25 due primarily to lower NBSK shipment volumes. Freight and other distribution costs increased compared to Q4-24 due primarily to higher NBSK shipment volumes, offset by lower freight rates and change in customer geographic mix.

Amortization expense and selling, general and administration costs were broadly consistent versus all comparative periods.

Operating earnings for the Pulp & Paper Segment increased by $5 million compared to Q3-25 and increased $9 million compared to Q4-24 due to the reasons explained above.

Adjusted EBITDA for the Pulp & Paper Segment increased by $5 million compared to Q3-25 and increased by $9 million compared to Q4-24 due to the reasons explained above.

Europe Engineered Wood Products Segment

Europe EWP Segment Earnings ($ millions unless otherwise indicated)		**Q4-25**		**Q3-25**		**Q4-24**
Sales	$	118	$	128	$	112
Cost of products sold		(96)		(109)		(92)
Freight and other distribution costs		(10)		(11)		(10)
Amortization		(11)		(10)		(12)
Selling, general and administration		(8)		(7)		(7)
Restructuring and impairment charges		—		—		(70)
Operating loss	$	(7)	$	(10)	$	(80)
Adjusted EBITDA[1]	$	4	$	1	$	2
OSB (MMsf 3/8" basis)						
Production		292		284		275
Shipments		253		283		262
GBP - USD exchange rate						
Closing rate		1.34		1.34		1.25
Average rate		1.33		1.35		1.29

1. This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

Our Europe EWP segment includes our U.K. and Belgium OSB, MDF, and particleboard operations. Revenues and expenses of our European operations, which have British pound sterling and Euro functional currencies, are translated at the average rate of exchange prevailing during the period.

Sales and Shipments

Sales decreased from Q3-25 due primarily to seasonally lower shipment volumes, offset in part by higher OSB and particleboard product pricing. Sales increased compared to Q4-24 due to higher OSB product pricing and the strengthening of the GBP against the USD, offset in part by lower shipment volumes and lower MDF product pricing.

The price variance resulted in an increase in operating earnings and Adjusted EBITDA of $6 million compared to Q3-25 and an increase of $8 million compared to Q4-24. The price variance represents the impact of changes in product pricing in local currency terms.

The volume variance resulted in a decrease in operating earnings and Adjusted EBITDA of $2 million compared to Q3-25 and a decrease of $3 million compared to Q4-24.

Costs and Production

OSB production volumes were comparable to Q3-25. OSB production volumes increased compared to Q4-24 due to higher operating rates in the current period. Particleboard production volumes increased compared to Q3-25 due to the impact of a fire at our Cowie production facility during Q3-25, while particleboard production decreased compared to Q4-24 due to more production curtailments taken in the current quarter. MDF production volumes decreased versus both comparative periods due to more production curtailments taken in the current quarter.

Cost of products sold decreased versus Q3-25 due primarily to lower shipment volumes and the recognition of tax credits. Cost of products sold increased compared to Q4-24 due to higher fibre, repairs and maintenance, and labour costs and the strengthening of the GBP against the USD, offset in part by lower shipment volumes and the recognition of tax credits.

Freight and other distribution costs, amortization expense, and selling, general and administration costs were broadly consistent versus comparative periods.

We recorded an impairment loss of $70 million in relation to Europe EWP goodwill during Q4-24. The impairment loss was driven primarily by an extension of the expected duration of the recovery to mid-cycle profitability and weaker macroeconomic conditions in the U.K. and Europe.

Operating earnings for the Europe EWP Segment increased by $3 million compared to Q3-25 and increased by $73 million compared to Q4-24 due to the reasons explained above.

Adjusted EBITDA for the Europe EWP Segment increased by $3 million compared to Q3-25 and increased by $2 million compared to Q4-24.

Discussion & Analysis of Specific Items

Selling, general and administration

Selling, general and administration costs for Q4-25 were $72 million (Q3-25 - $66 million; Q4-24 - $68 million).

Selling, general and administration costs increased compared to Q3-25 due primarily to higher professional services costs and other individually insignificant changes. Selling, general and administration costs increased versus Q4-24 due primarily to higher professional services costs and other individually insignificant changes, offset in part by the impact of various organizational efficiency initiatives.

Selling, general and administration costs related to our operating segments are also discussed under “Discussion & Analysis of Quarterly Results by Product Segment”.

Equity-based compensation

We recorded a recovery of $4 million during Q4-25 (Q3-25 - recovery of $2 million; Q4-24 - recovery of $1 million). The recovery in all periods resulted from decreases in the price of our Common shares traded on the TSX and changes in the expected payout multiple on our performance share units, offset in part by the vesting of options and units granted.

Finance income (expense), net

We recorded finance income, net of $3 million in Q4-25 (Q3-25 - finance expense, net of $12 million; Q4-24 - finance income, net of $12 million).

Finance income increased compared to Q3-25 due primarily to the impact of incremental interest expense recorded in Q3-25 in relation to the finalization of duty rates for AR6, offset in part by lower interest income on our cash and cash equivalents.

Finance income decreased compared to Q4-24 due primarily to lower interest income earned on our cash and cash equivalents and higher interest expense related to debt.

Other income

Other income of $10 million was recorded in Q4-25 (Q3-25 - other income of $11 million; Q4-24 - other income of $11 million).

Other income in Q4-25 relates primarily to gains on asset disposals, gains on our electricity swaps driven by increases in forward electricity prices over the remaining term of the contracts, offset by foreign exchange losses recorded on our CAD-denominated monetary assets and liabilities as the USD weakened against the CAD.

Tax recovery (provision)

Q4-25 results include an income tax recovery of $167 million, compared to income tax recovery of $73 million in Q3-25 and income tax expense of $20 million in Q4-24, resulting in an effective tax rate of 18% in the current quarter compared to 26% in Q3-25 and (47)% in Q4-24. The effective tax rate in Q4-25 was impacted primarily by non-taxable amounts including the U.S. lumber goodwill impairment, differences in our jurisdictional tax rates, and impacts of functional currency differences. The effective tax rate can be sensitive to non-taxable permanent differences and differences in our jurisdictional tax rates in periods of lower pre-tax earnings.

Other comprehensive earnings – translation of operations with different functional currencies

We recorded a translation gain of $5 million during Q4-25 (Q3-25 - translation loss of $11 million; Q4-24 - translation loss of $44 million).

In general, a strengthening (weakening) of the USD against the Canadian dollar, British pound sterling or Euro results in a translation loss (gain). The translation gain in the current quarter reflects a weakening of the USD against the aforementioned currencies.

Other comprehensive earnings – actuarial gains/losses on retirement benefits

We recorded an after-tax actuarial gain of $6 million during Q4-25 (Q3-25 - after-tax actuarial gain of $6 million; Q4-24 - after-tax actuarial loss of $5 million). The most significant driver of the actuarial gain in Q4-25 was an increase in the discount rate used to calculate plan liabilities, offset in part by lower asset returns.

OUTLOOK AND OPERATIONS

Business Outlook

Markets

Several key trends that have served as positive drivers in recent years are expected to continue to support medium and longer-term demand for new home construction in North America.

The most significant uses for our North American lumber, OSB and engineered wood panel products are residential construction, repair and remodelling and industrial applications. Over the medium term, improved housing affordability from the stabilization of inflation and interest rates, a large cohort of the population approaching the typical home buying stage, and an aging U.S. housing stock are expected to drive new home construction and repair and renovation spending that supports lumber, plywood and OSB demand. Over the longer term, growing market penetration of mass timber in industrial and commercial applications is also expected to become a more significant source of demand growth for wood building products in North America.

The seasonally adjusted annualized rate of U.S. housing starts was 1.25 million units in October 2025, with permits issued for 1.41 million units, according to the U.S. Census Bureau. On a 3-month trailing average basis, there were 1.28 million units started and permits issued for 1.39 million units. While there are near-term uncertainties for new home construction, owing in large part to the level and rate of change of mortgage rates and the resulting impact on housing affordability, unemployment remains relatively low in the U.S. Further, the U.S. central bank has cut its key lending rate a total of 175 bps since September 2024 and Federal funds futures indicate prospects for at least one additional rate cut in 2026. Though these rate trends are directionally positive for the broader housing industry, there appear to be competing forces on future rates as U.S. employment growth has shown recent signs of slowing while there is risk that tariff and other government policies will be inflationary, creating a measure of uncertainty for the near-term path of interest rates. Given these developments, demand for new home construction and our wood building products may continue to be challenged and even decline over the near term should the broader economy and employment slow or the trend in interest and mortgage rates negatively impact consumer sentiment and housing affordability.

In Europe and the U.K., we expect industry demand to improve but remain challenging over the near term. In the longer term, we continue to expect demand for our European products to grow as use of OSB as an alternative to plywood grows. An aging housing stock is also expected to support long-term repair and renovation spending and additional demand for our wood building products. In the current environment, inflation appears to have stabilized and interest rates have continued to ease, which is directionally positive for housing demand. That said, ongoing geopolitical developments, including the potential inflationary effect of U.S. tariffs on the U.K. and Europe, may adversely impact near-term demand for our panel products in the region. Despite these risk factors, we are confident that we will be able to navigate demand markets and capitalize on the long-term growth opportunities ahead.

Softwood lumber dispute

Canadian softwood lumber exports to the U.S. have been the subject of trade disputes and managed trade arrangements for several decades. The current round of countervailing and antidumping duties have been in place since April 2017, and we are required to make deposits in respect of these duties. Whether and to what extent we can realize a selling price to recover the impact of duties payable will largely depend on the strength of demand for softwood lumber.

The USDOC commenced Administrative Review 7 (“AR7”) in February 2025, with final rates expected in 2026. Additional details can be found under the section “Discussion & Analysis of Annual Results by Product Segment - Lumber Segment - Softwood Lumber Dispute".

Operations

Anticipated shipment levels assume no significant change from current market demand conditions, typical seasonal demand patterns, sufficient availability of logs within our economic return criteria, no further indefinite or permanent curtailments and current tariffs on softwood lumber. Our operations and results could be negatively affected by increasing or elevated interest rates, duties and tariffs, softening demand, the availability of transportation, the availability of labour, disruption to the global economy resulting from conflicts in Ukraine, the Middle East or elsewhere, inflationary pressures, including increases in energy prices, adverse weather conditions in our operating areas, intense competition for logs, elevated stumpage fees, and production disruptions due to other uncontrollable factors.

The Lumber segment is expected to experience another year of modest demand in 2026, as unknowns persist related to the potential demand impacts from new tariffs imposed by the U.S. administration late in 2025 as well as persistent housing affordability challenges. Based on the current environment, the sawmill closures we announced in 2025, plus offsets from ongoing reliability and capital improvement gains across our lumber mill portfolio and the ramp up of our modernized Henderson mill, we are reiterating each of our SPF and SYP shipments targets to be 2.4 to 2.7 billion board feet in 2026. On January 1, 2026, stumpage rates changed marginally in B.C. from the market-based adjustments related to lumber prices, although inflationary pressures on development, logging and delivery costs continue to provide upward bias to total fibre costs. Given the recent commodity price environment, B.C. stumpage rates are not expected to change materially through Q1-26. In Alberta, Q1-26 stumpage rates are also expected to be relatively stable as compared to Q4-25 levels as these rates are closely linked to the price of lumber but with a quicker response to changing lumber prices. The pace of U.S. South log cost reductions largely stabilized in recent quarters as lumber prices reached historic inflation-adjusted lows, though we expect average 2026 log costs across the U.S. South to be modestly lower than those costs we experienced in 2025. Pulp mill curtailments and closures are expected to continue to cause downward pressure on the net prices received for sawmill residuals. Region-specific log costs and prices for residuals are likely to vary depending on the unique conditions in each procurement zone.

In our NA EWP segment, we expect somewhat softer demand for our OSB products in 2026. Similar to the Lumber segment, we acknowledge risks to our demand forecasts given the near-term uncertainty from potential trade tariffs and housing affordability challenges. In light of these factors as well as the planned OSB mill curtailment we announced in late 2025, we are reiterating 2026 North American OSB target shipments of 5.9 to 6.3 billion square feet (3/8-inch basis). Input costs for the NA EWP business are expected to be relatively stable in 2026 and we expect some downward pressure on fibre costs as recent pulp mill closures in the U.S. South have created areas of regional excess supply of pulpwood logs that are the primary fibre source for OSB production.

In our Europe EWP segment, we expect 2026 demand for our MDF, particleboard and OSB panel products to be similar or improve slightly from 2025 levels, recognizing there are ongoing macroeconomic uncertainties in the region. As such, we are reiterating 2026 OSB shipments targeted in the range of 1.0 to 1.25 billion square feet (3/8-inch basis). Input costs for the Europe EWP business in 2026, including energy and resin costs, are expected to be similar to 2025 costs.

The global pulp market continues to experience disruption with the economic impact of U.S. tariffs creating considerable demand uncertainty in Chinese markets. However, given recent trends, we anticipate NBSK pricing will be relatively stable to slightly higher over the near to medium term.

As per our previously announced 2026 operational guidance, we expect relatively stable input costs across our supply chain this year, including chemicals and waxes, while contract labour availability and capital equipment lead times are expected to continue to improve.

We will continue to regularly evaluate the factors above as well as evolving market conditions in making production decisions across the business.

Cash Flows

We anticipate levels of operating cash flows and available liquidity will support our capital spending plans in 2026 and we will continue to operationalize the significant capital we have invested in recent years. Based on our current outlook, assuming no deterioration from current market demand conditions and no additional lengthening of lead times for projects underway or planned, expected capital expenditures remain in the range of $300 million to $350 million in 2026[1]. Our total capital budget consists of various improvement projects and maintenance expenditures, and projects focused on optimization and automation of the manufacturing process. The recently constructed Henderson sawmill is

now in its ramp-up phase, which we anticipate will take 18 to 24 months. We do not expect to realize meaningful incremental run-rate production from the mill until late 2026.

1. This is a supplementary financial measure. Refer to the "Non-GAAP and Other Specified Financial Measures" section of this document for more information on this measure.

We expect to maintain our investment grade issuer rating and intend to preserve sufficient liquidity to be able to take advantage of strategic growth opportunities that may arise.

On February 27, 2025, we renewed our normal course issuer bid ("2025 NCIB") allowing us to acquire up to 3,868,177 Common shares for cancellation from March 3, 2025 until the expiry of the bid on March 2, 2026. As of February 10, 2026, 1,286,185 Common shares have been repurchased for cancellation, leaving 2,581,992 available to purchase at our discretion until the expiry of the 2025 NCIB.

Under our 2024 NCIB that expired February 28, 2025, we purchased 2,079,530 Common shares of the Company.

As of February 10, 2026, we have repurchased for cancellation 45,015,019 of the Company's Common shares since the closing of the Norbord Acquisition on February 1, 2021 through the completion of the 2021 SIB, the 2022 SIB, and normal course issuer bids, equalling 83% of the shares issued in respect of the Norbord Acquisition.

We have paid a dividend in every quarter since we became a public company in 1986 and expect to continue this practice. At the latest declared quarterly dividend rate of $0.32 per share, the total anticipated cash payment of dividends in 2026 is $100 million based on the number of Common and Class B Common shares outstanding on December 31, 2025.

We will continue to consider share repurchases with excess cash, subject to regulatory approvals, if we are satisfied that this will enhance shareholder value and not compromise our financial flexibility.

Estimated Earnings Sensitivity to Key Variables
(based on 2025 shipment volumes - $ millions)

Factor	Variation	Change in pre-tax earnings [1]	
Lumber price	$10 (per Mfbm)	$	51
NA OSB price	$10 (per Msf)	$	54
Europe OSB price	£10 (per Msf)	$	15
Canadian - U.S. $ exchange rate[2]	$0.01 (per CAD)	$	19

1. Each sensitivity has been calculated on the basis that all other variables remain constant and is based on changes in our realized sales prices.
2. Represents the USD impact of the initial $0.01 change on CAD-denominated revenues, expenses, and balance sheet items. Additional changes are substantially, but not exactly, linear.

LIQUIDITY AND CAPITAL RESOURCES

Capital Management Framework

Our business is cyclical and is subject to significant changes in cash flow over the business cycle. In addition, financial performance can be materially influenced by changes in product prices and the relative values of the Canadian and U.S. dollars. Our objective in managing capital is to ensure adequate liquidity and financial flexibility at all times, particularly at the lower points in the business cycle.

Our main policy relating to capital management is to maintain a strong balance sheet and otherwise meet financial tests that rating agencies commonly apply for investment-grade issuers of public debt. We are currently rated as an investment grade issuer by two major rating agencies.

We monitor and assess our financial performance to ensure that debt levels are prudent, taking into account the anticipated direction of the business cycle. When financing acquisitions, we combine cash on hand, debt, and equity financing in a proportion that is intended to maintain an investment-grade rating for debt throughout the cycle. Debt repayments are arranged, where possible, on a staggered basis that takes into account the uneven nature of anticipated cash flows. We have established committed revolving lines of credit that provide liquidity and flexibility when capital

markets are restricted. In addition, as a normal part of our business, we have in the past and may from time to time seek to repurchase our outstanding securities through issuer bids or tender offers, open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual and legal restrictions and other factors.

A strong balance sheet and liquidity profile, along with our investment-grade issuer rating, are key elements of our goal to maintain a balanced capital allocation strategy. Priorities within this strategy include: reinvesting in our operations across all market cycles to strategically enhance productivity, product mix, and capacity; optimizing our portfolio of assets to reduce the variability of cash flows across market cycles; maintaining a leading cost position; maintaining financial flexibility to capitalize on growth opportunities, including the pursuit of acquisitions and larger-scale strategic growth initiatives; and returning capital to shareholders through dividends and share repurchases.

Liquidity and Capital Resource Measures

Our capital structure consists of Common share equity and long-term debt, and our liquidity includes our operating facilities.

Summary of Available Liquidity and Debt Ratios ($ millions, except as otherwise indicated)		**December 31, 2025**		**December 31, 2024**
Available liquidity				
Cash and cash equivalents	$	202	$	641
Operating lines available (excluding newsprint operation) [1]		1,020		1,044
Available liquidity	$	1,222	$	1,685
Total debt to total capital [2]		6%		4%
Net debt to total capital [2]		2%		(6%)

1. Excludes demand line of credit dedicated to our jointly-owned paper operation as West Fraser cannot draw on it.
2. This is a capital management measure. Refer to the “Non-GAAP and Other Specified Financial Measures” section of this document for more information on this measure.

Available liquidity as at December 31, 2025 was $1,222 million (December 31, 2024 - $1,685 million). Available liquidity includes cash and cash equivalents, cheques issued in excess of funds on deposit, and amounts available on our operating loans, excluding the demand line of credit dedicated to our 50% jointly-owned paper operation.

We are exposed to commodity price changes. To manage our liquidity risk, we maintain adequate cash and cash equivalents balances and appropriate lines of credit. In addition, we regularly monitor and review both actual and forecasted cash flows. Refinancing risks are managed by extending maturities through regular renewals and refinancing when market conditions are supportive.

Please refer to the “Cash Flow” section for analysis of the changes in cash and cash equivalents. Total debt to total capital and net debt to total capital increased compared to 2024 due primarily to lower cash and cash equivalents on hand. We remain well positioned with a strong balance sheet and liquidity profile.

Credit Facilities

As at December 31, 2025, our credit facilities consisted of a $1 billion committed revolving credit facility which matures May 2030, a $20 million (£15 million) credit facility dedicated to our European operations, and a $11 million (CAD$15 million) demand line of credit dedicated to our jointly-owned paper operation.

In May 2025, we amended and restated our syndicated credit agreement providing for the renewal of our $1 billion revolving credit facility and extension of the facility's maturity from July 2028 to May 2030. The renewed credit facility was made available on substantially the same terms and conditions as our existing credit facility.

As at December 31, 2025, our revolving credit facilities were undrawn (December 31, 2024 - undrawn) and the associated deferred financing costs of $2 million (December 31, 2024 - $2 million) were recorded in other assets. Interest on the

facilities is payable at floating rates based on Prime Rate Advances, US Base Rate Advances, Canadian Overnight Repo Rate Average ("CORRA") Advances, or Secured Overnight Financing Rate ("SOFR") Advances at our option.

In addition, we have credit facilities totalling $130 million (December 31, 2024 - $130 million) dedicated to letters of credit. Letters of credit in the amount of $38 million (December 31, 2024 - $36 million) were supported by these facilities.

All debt is unsecured except the $11 million (CAD$15 million) jointly-owned paper operation demand line of credit, which is secured by that joint operation's current assets.

As at December 31, 2025, we were in compliance with the requirements of our credit facilities.

Long-Term Debt

In May 2025, in addition to the renewal of our $1 billion revolving credit facility, we also increased and extended our existing $200 million term loan facility maturing July 2025. The modified term loan facility is for $300 million and matures May 2028. Interest on the term loan facility is payable at floating rates based on US Base Rate Advances or SOFR Advances at our option. This loan is repayable at any time, in whole or in part, at our option and without penalty but cannot be redrawn after payment.

We have interest rate swap contracts to pay fixed interest rates and receivable variable interest rates on $75 million notional principal amount of indebtedness. These swap agreements have the effect of fixing the interest rate on $75 million of the $300 million term loan discussed above, with the balance being subject to a floating rate. The weighted average fixed interest payable under these swap agreements is 3.27%.

Issuer Ratings

We are considered investment grade by two leading rating agencies. The ratings in the table below are as at February 10, 2026.

Agency	Rating	Outlook
Moody's	Baa2	Stable
Standard & Poor's	BBB-	Stable

These ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agencies.

Shareholder's Equity

Our outstanding Common share equity consists of 76,018,344 Common shares and 2,281,478 Class B Common shares for a total of 78,299,822 Common shares issued and outstanding as at February 10, 2026.

The Common shares and Class B Common shares are equal in all respects, including the right to dividends, rights upon dissolution or winding up and the right to vote, except that each Class B Common share may at any time be exchanged for one Common share. Our Common shares are listed for trading on the TSX and NYSE under the symbol WFG, while our Class B Common shares are not. Certain circumstances or corporate transactions may require the approval of the holders of our Common shares and Class B Common shares on a separate class by class basis.

Share Repurchases

On February 27, 2025, we renewed our normal course issuer bid ("2025 NCIB") allowing us to acquire up to 3,868,177 Common shares for cancellation from March 3, 2025 until the expiry of the bid on March 2, 2026. As of February 10, 2026, we have repurchased 1,286,185 Common shares under our 2025 NCIB program.

On February 27, 2024, we renewed our normal course issuer bid ("2024 NCIB") allowing us to acquire up to 3,971,380 Common shares for cancellation from March 1, 2024 until the expiry of the bid on February 28, 2025. Under this program, we repurchased 2,079,530 Common shares for cancellation.

The following table shows our purchases under our NCIB programs in 2024 and 2025:

Share repurchases (number of Common shares and price per share)		**Common Shares**	**Average Price in USD**
NCIB:	January 1, 2024 to December 31, 2024	1,799,217	$ 80.26
NCIB:	January 1, 2025 to December 31, 2025	1,639,207	$ 75.95

Share Options

As at February 10, 2026, there were 714,582 share options outstanding with exercise prices ranging from CAD$40.97 to CAD$123.63 per Common share.

Cash Flow

Our cash is deployed primarily for operating purposes, interest payments, repayment of debt, investments in property, plant and equipment, acquisitions, share repurchases, and dividends. In normal business cycles and in years without a major acquisition or debt repayment, cash on hand and cash provided by operations have typically been sufficient to meet these uses.

($ millions - cash provided by (used for))	Years ended December 31, 2025	December 31, 2024
Cash provided by operating activities		
Loss	$ (937)	$ (5)
Adjustments		
Amortization	544	549
Restructuring and impairment charges	712	102
Finance income, net	(1)	(34)
Foreign exchange loss (gain)	5	(7)
Export duty	59	10
Retirement benefit expense	70	77
Net contributions to retirement benefit plans	(40)	(55)
Tax provision (recovery)	(233)	43
Income taxes received (paid)	(46)	3
Unrealized loss (gain) on electricity swaps	(18)	8
Other	(18)	(15)
Changes in non-cash working capital		
Receivables	59	5
Inventories	(1)	11
Prepaid expenses	1	4
Payables and accrued liabilities	(61)	(35)
	96	661
Cash used for financing activities		
Repayment of long-term debt	—	(300)
Proceeds from amendment of long-term debt	100	—
Repayment of lease obligations	(15)	(15)
Finance expense paid	(21)	(27)
Repurchase of Common shares for cancellation	(129)	(140)
Issuance of Common shares	—	1
Dividends paid	(101)	(101)
	(167)	(582)
Cash used for investing activities		
Proceeds from sale of pulp mills	—	124
Additions to capital assets	(411)	(487)
Interest received	24	43
Other	7	2
	(380)	(318)
Change in cash and cash equivalents	(451)	(238)

Operating Activities

The table above shows the main components of cash flows provided by operating activities for each year. The significant factor contributing to the decrease compared to 2024 was lower earnings driven by lower OSB pricing, higher duties and tariffs paid, and changes in income tax payments, offset in part by higher lumber pricing and lower use of cash relating to working capital.

Income tax payments for 2025 included top-up payments for the prior year and were net of $36 million of refunds on account of a settlement agreement reached with the CRA.

Working capital represented a use of cash in 2025 due primarily to a decrease in payables and accrued liabilities, offset in part by a decrease in trade receivables.

Accounts payable and accrued liabilities decreased due primarily to decreases in accrued equity-based compensation and timing of payments. Receivables decreased due primarily to lower NA OSB pricing and lower shipment activity.

Financing Activities

Cash used in financing activities decreased as we repaid $300 million of senior notes in 2024 while we increased and extended our $200 million term loan to a $300 million term loan in 2025. Lower share repurchases and lower finance expense paid were also contributing factors.

We returned $129 million and $140 million during 2025 and 2024 respectively to our shareholders through Common shares repurchased under our NCIB programs.

We also returned a total of $101 million during 2025 to our shareholders through dividend payments (2024 - $101 million).

Investing Activities

We received $124 million of proceeds during 2024 in relation to the sale of Hinton pulp mill on February 3, 2024 and the sale of Quesnel River Pulp mill and Slave Lake Pulp mill on April 20, 2024.

Capital expenditures of $411 million in 2025 (2024 - $487 million) reflect our philosophy of continued reinvestment in our mills.

Capital Expenditures by Segment ($ millions)	Profit Improvement	Maintenance of Business	Safety	Total
Lumber	116	81	13	210
North America EWP	55	75	34	163
Pulp & Paper	—	12	2	14
Europe EWP	9	11	—	20
Corporate	—	4	—	4
Total	179	183	49	411

1. Maintenance of business includes expenditures for roads, bridges, mobile equipment and major maintenance shutdowns.

Interest received decreased compared to 2024 due to lower interest income earned on our lower cash and cash equivalent balances.

Contractual Obligations

The estimated cash payments due in respect of contractual and legal obligations as at December 31, 2025, including debt and interest payments and major capital improvements, are summarized as follows. Contractual obligations do not include energy purchases under various agreements, defined contribution pension plans, equity-based compensation, or contingent amounts payable.

Contractual Obligations (at December 31, 2025, in $ millions)	**Total**	**2026**	**2027**	**2028**	**2029**	**Thereafter**
Long-term debt	$ 300	$ —	$ —	$ 300	$ —	$ —
Interest on long-term debt[1]	38	16	16	7	—	—
Lease obligations	44	10	7	5	5	17
Contributions to defined benefit pension plans[2]	76	22	26	28	—	—
Payables and accrued liabilities	569	569	—	—	—	—
Purchase commitments	51	51	—	—	—	—
Reforestation and decommissioning obligations	159	55	16	13	15	61
Electricity swaps	(23)	5	3	1	(1)	(30)
Total	$ 1,215	$ 728	$ 69	$ 354	$ 19	$ 47

1. Assumes debt remains at December 31, 2025 levels and includes the impact of interest rate swaps terminating May 2028.
2. Contributions to the defined benefit pension plans are based on the most recent actuarial valuation. Future contributions will be determined at the next actuarial valuation date.

Financial Instruments

Our financial instruments, their accounting classification, and associated risks are described in Note 22 to the Annual Financial Statements.

ACCOUNTING MATTERS

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates, assumptions, and judgments that affect the amounts reported. Our material accounting policies are disclosed in our Annual Financial Statements.

In determining our critical accounting estimates, we consider trends, commitments, events or uncertainties that we reasonably expect to materially affect our methodology or assumptions. Our statements in this MD&A regarding such considerations are made subject to the “Forward-Looking Statements” section.

We have outlined below information about judgments, assumptions, and other sources of estimation uncertainty as at December 31, 2025 that have the most significant impact on the amounts recognized in our financial statements. The discussion of each critical accounting estimate does not differ between our reportable segments unless explicitly noted.

Recoverability of Goodwill

Goodwill is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination from which it arose. Goodwill exists in relation to our Lumber, North America EWP, and Europe EWP reportable segments.

Goodwill is tested annually for impairment, or more frequently if an indicator of impairment is identified.

Recoverability of goodwill is assessed by comparing the carrying value of the CGU or group of CGUs associated with the goodwill balance to its estimated recoverable amount, which is the higher of its estimated fair value less costs of disposal and its value in use.

The recoverable amount of CGU groups were determined based on their estimated fair value less costs of disposal using discounted cash flow models. Key assumptions include production volumes, product pricing, operating costs, terminal multiple, and discount rate. Key assumptions were derived using external sources and historical data from internal sources.

An impairment loss is recorded if the carrying value exceeds the estimated recoverable amount. We recorded an impairment loss of $409 million in relation to U.S. lumber goodwill during the year ended December 31, 2025. The impairment loss was a result of the protracted downcycle that has caused management to recalibrate certain

assumptions used in our annual goodwill impairment test. Adjustments to these assumptions included, but are not limited to, species-specific product pricing trends, lower demand and pricing for wood chip residuals, and the depth and duration of the current downcycle and its expected recovery. The impairment represented the entire amount of goodwill associated with our U.S. lumber operations. Following the impairment loss recognized in the U.S. lumber CGU group, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment to property, plant and equipment in the CGU group. See note 8 to the Annual Financial Statements for additional details about the US lumber CGU group.

We recorded an impairment loss of $70 million in relation to Europe EWP goodwill during the year ended December 31, 2024. The impairment loss was driven primarily by an extension of the expected duration of the recovery to mid-cycle profitability and weaker macroeconomic conditions in the U.K. and Europe.

The estimates and assumptions regarding expected cash flows and the appropriate discount rates require considerable judgment and are based upon historical experience, approved financial forecasts and industry trends and conditions.

There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGU groups, given the necessity of making key economic and operating assumptions about the future. If the future were to differ adversely from our best estimate and associated cash flows were to materially decrease, we could potentially experience future impairment charges in respect of our goodwill balances.

Recoverability of Capital Assets

We assess property, plant and equipment, timber licences, and other definite-lived intangible assets for indicators of impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We conduct a review of external and internal sources of information to assess for any impairment indicators. Examples of such triggering events related to our capital assets include, but are not limited to: a significant adverse change in the extent or manner in which the asset is being used or in its physical condition; a change in management's intention or strategy for the asset, including a plan to dispose of the asset or idle the asset for a significant period of time; a significant adverse change in our long-term price assumption or in the price or availability of inputs required for manufacturing; a significant adverse change in legal factors or in the business climate that could affect the asset's value; and a current period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the asset's use.

When a triggering event is identified, recoverability of capital assets is assessed by comparing the carrying value of an asset or cash-generating unit to its estimated recoverable amount, which is the higher of its estimated fair value less costs of disposal and its value in use.

An impairment loss is recorded if the carrying value exceeds the estimated recoverable amount.

In the year ended December 31, 2025, we recorded restructuring and impairment losses of $303 million associated with the indefinite curtailment of our oriented strand board (OSB) mill in High Level, Alberta and the permanent closures of our Augusta, Georgia and 100 Mile House, British Columbia lumber mills.

We identified an impairment indicator at one of our U.S. lumber mills due to discrete asset-specific performance factors as well as species-specific product pricing trends, lower demand and pricing for wood chip residuals, and the depth and duration of the current downcycle and its expected recovery. The impairment test performed on the lumber mill did not result in an impairment write-down as the recoverable amount of the mill exceeded its carrying value. The recoverable amount was determined using assumptions consistent with the U.S. lumber goodwill impairment assessment, adjusted for asset-specific factors where applicable.

In the year ended December 31, 2024, we recorded restructuring and impairment losses of $28 million associated with the permanent closures and indefinite curtailments of lumber mills to better align our capacity with expected future demand. In addition, we recorded an impairment loss of $3 million in relation to the pulp mill disposals and restructuring charges of $2 million related to the restructuring of certain functions at our regional corporate offices.

The assessment of impairment indicators requires the exercise of judgment given the necessity of making key economic and operating assumptions about the future. If the future were to differ adversely from our best estimate and associated cash flows were to materially decrease, we could potentially experience future impairment charges in respect of our capital assets.

Defined Benefit Pension Plan Assumptions

We maintain defined benefit pension plans for many of our employees. We use independent actuarial specialists to perform actuarial valuations of our defined benefit pension plans.

Key assumptions used in determining defined benefit pension expense and accrued benefit obligations include the assumed rates of increase for employee compensation and the discount rate. Note 13 to the Annual Financial Statements provides the sensitivity of our accrued benefit obligations to changes in these key assumptions.

If future conditions differ adversely from the assumptions used to estimate our accrued benefit obligations, we may incur higher defined benefit pension expense, increased financing costs, and additional charges to other comprehensive earnings.

CVD and ADD Duty Rates

On November 25, 2016, a coalition of U.S. lumber producers petitioned the USDOC and the USITC to investigate alleged subsidies to Canadian softwood lumber producers and levy CVD and ADD against Canadian softwood lumber imports. The USDOC has and continues to choose us as a “mandatory respondent” to both the countervailing and antidumping investigations, and as a result, we have received unique company-specific rates. Details can be found under the section “Discussion & Analysis of Annual Results by Product Segment - Lumber Segment - Softwood Lumber Dispute.”

The CVD and ADD rates are subject to adjustment by the USDOC through an AR of POI. The CVD and ADD rates apply retroactively for each POI. We record CVD as export duty expense at the cash deposit rate until an AR finalizes a new applicable rate for each POI. We record ADD as export duty expense by estimating the rate to be applied for each POI by using our actual results and a similar calculation methodology as the USDOC and adjust when an AR finalizes a new applicable rate for each POI. The difference between the cumulative cash deposits paid and cumulative export duty expense recognized for each POI is recorded on our balance sheet as export duty deposits receivable or payable.

The difference between the cash deposit amount and the amount that would have been due based on the final AR rate will incur interest based on the U.S. federally published interest rate. We record interest income on our duty deposits receivable, net of any interest expense on our duty deposits payable, based on this rate.

The softwood lumber case will continue to be subject to dispute resolution processes under NAFTA, CUSMA and WTO as well as ongoing litigation in the U.S.

In the interim, duties remain subject to the USDOC AR process, which results in an annual adjustment of duty deposit rates. Notwithstanding the deposit rates assigned under the investigations, our final liability for CVD and ADD will not be determined until each annual administrative review process is complete and related appeal processes are concluded.

If the future were to adversely differ from our best estimate of the duty deposit rate, we could experience material adjustments to duty expense and such adjustments could result in an increase of cash outflows.

Reforestation and Decommissioning Obligations

We recognize provisions for various statutory, contractual or legal obligations. In Canada, regulations in most provinces require timber quota holders to carry out reforestation to ensure re-establishment of the forest after harvesting. Reforested areas must be tended for a period sufficient to ensure that they are well established. The time needed to meet regulatory requirements depends on a variety of factors.

In our operating areas, the time to meet reforestation standards usually spans 12 to 15 years from the time of harvest. We record a liability for the estimated cost of the future reforestation activities when the harvesting takes place, discounted at an appropriate rate. The liability is accreted over time through charges to finance expense and reduced by silviculture expenditures. Changes to estimates are credited or charged to earnings.

We record the best estimate of the expenditure to be incurred to settle decommissioning obligations, such as landfill closures. This liability is determined using estimated closure and/or remediation costs discounted using an appropriate discount rate. On initial recognition, the carrying value of the liability is added to the carrying amount of the associated asset and amortized over its useful life, or expensed when there is no related asset. The liability is accreted over time through charges to finance expense and reduced by actual costs of settlement. Changes to estimates result in an adjustment to the carrying amount of the associated asset or, where there is no asset, they are credited or charged to earnings.

Key assumptions underlying the reforestation and decommissioning obligations included the timing and the amount of forecasted expenditures and the discount rate.

Material changes in financial position may arise if the actual costs incurred when carrying out silviculture activities or decommissioning differ from the estimates used to determine the related liability. If our provisions for the reforestation and decommissioning obligations were to be inadequate, we could incur higher expenses in future periods. Any shortfall in these provisions would also result in increased cash outflows when the obligations are ultimately settled.

Accounting Policy Developments

Note 2 to the Annual Financial Statements contains a description of current and future changes in accounting policies, including: (1) initial application of standards, interpretations and amendments to standards and interpretations in the reporting period and (2) standards, interpretations and amendments to standards and interpretations issued but not yet effective.

RISKS AND UNCERTAINTIES

Our business is subject to a number of risks and uncertainties that can significantly affect our financial condition, results of operations, cash flow and future performance. We have a comprehensive process to identify, manage, and mitigate risk, wherever possible. The risks and uncertainties described below are not necessarily the only risks we face. Additional risks and uncertainties that are presently unknown to us or deemed immaterial by us may adversely affect our business.

Product Demand and Price Fluctuations

Our revenues and financial results are primarily dependent on the demand for, and selling prices of, our products which are subject to significant fluctuations. The demand and prices for lumber, plywood, OSB, particleboard, MDF, LVL, pulp, newsprint, wood chips and other wood products are highly volatile and are affected by factors such as:

- global economic conditions including the strength of the U.S., Canadian, Chinese, Japanese, European and other international economies, particularly U.S. and Canadian housing markets (including their mix of single and multifamily construction), repair, renovation and remodelling spending and industrial application;
- tariffs and other trade measures levied on wood products that we ship from Canada for sale in the U.S. and the consequential impact of these tariffs on pricing, competitiveness and demand for these products in the U.S.;
- future increases in interest rates and/or inflation or continued sustained higher interest rates and/or inflation, and the consequential impacts of these interest rates on mortgage rates and housing affordability, including reductions in near-term demand for new construction;
- competition from substitute or alternative building products to our lumber or panel products, including alternative products benefiting from tariffs imposed on Canadian manufactured wood products;
- construction and home building disruptor technologies that may reduce the use of lumber or panel products;
- changes in industry production capacity, global inventory levels and increased competition from other consumers of logs and producers of lumber or panel products;
- regulatory regimes imposing a price on carbon or other measures that increase the price of energy or fuels used in manufacturing of our products;
- geo-political developments that disrupt global economic conditions, including conflicts in Ukraine, the Middle East or elsewhere;

- inflationary pressures, including increases in energy prices, and reductions in potential economic growth in Canada and the U.S., and uncertainties as a result of changing in government policies, including trade and tariff actions; and
- other factors beyond our control.

In addition, unemployment levels, interest rates, the availability of mortgage credit and the rate of mortgage foreclosures have a significant effect on housing affordability, residential construction and renovation activity, which in turn influences the demand for, and price of, building materials such as lumber and panel products. Declines in demand, and corresponding reductions in prices, for our products may adversely affect our financial condition, results of operations and cash flow.

Our business is highly exposed to fluctuations in demand for and pricing of our wood products. Our sensitivity to commodity product pricing may result in a high degree of sales and earnings volatility. In the past, we have been negatively affected by declines in product pricing and have taken production downtime or indefinite curtailments to manage working capital and minimize cash losses. Severe and prolonged weakness in the markets for our wood products could seriously harm our financial position, operating results and cash flow.

Our ability to accurately forecast the demand and pricing for our products or to effectively execute on our commercial strategies are subject to risks and uncertainty. We are exposed to execution risks within our commercial strategy, including constraints on the design and accuracy of sales plans and forecasts, the alignment of production with demand, and the effectiveness of our sales systems and processes. Constraints related to systems, storage or shipping capacity may limit our ability to pivot efficiently among channels which could increase logistics costs and working capital requirements, result in missed margin opportunities, and impacts on our relationships with customers. While we continue to take steps to enhance commercial planning, execution and data quality, these efforts may not achieve the intended objectives or be completed on anticipated timelines. As a result, weaknesses in forecasting or commercial execution could result in our inability to respond appropriately to demand and price volatility with the result that our revenues, financial condition, results of operations and cash flow may be adversely impacted.

We cannot predict with any reasonable accuracy future market conditions, demand or pricing for any of our products due to factors outside our control, including uncertainties surrounding new U.S. administration tariffs and other policies. Prolonged or severe weakness in the market for any of our principal products would adversely affect our financial condition, results of operations and cash flow. Future demand could also be impacted by the perceived sustainability of our wood products in contrast with competing alternatives.

Trade Restrictions

A substantial portion of our products that are manufactured in Canada are exported for sale. Our financial results are dependent on continued access to export markets. Tariffs, duties, quotas and other trade barriers that restrict or prevent access to these markets represent a significant and ongoing risk to our business.

Canadian softwood lumber exports to the U.S. have been subject to trade disputes and managed trade arrangements for several decades. Following the expiry of the Softwood Lumber Agreement in October 2015 and the end of a one-year moratorium on trade sanctions by the U.S., U.S. lumber producers petitioned the USDOC and the USITC to impose trade sanctions on Canadian softwood lumber imported into the U.S. As a result, antidumping and countervailing duties have been imposed on Canadian softwood lumber imported into the U.S. since 2017. While the final duty rates have been issued for certain prior periods (See note 25 of the Annual Financial Statements, as such may be updated from time to time in our quarterly repots filed on SEDAR+ and EDGAR), the duty rates for the most recent periods of investigation have not yet been finalized, and there is no assurance that the final rates for antidumping duty and countervailing duty will not differ materially from the current cash deposit rates.

Recent U.S. trade and industrial policy actions have increased uncertainty for imports of wood products into the U.S . These actions have included the imposition or proposed imposition of tariffs under various statutory authorities, including emergency and national security frameworks, investigations under Section 232 of the *Trade Expansion Act of 1962*, and broader tariff initiatives applicable to multiple countries. Certain tariffs remain in effect, others have been temporarily suspended or are subject to legal challenge, and there is no assurance that exemptions or carve-outs, including for goods compliant with the CUSMA, will continue to apply.

The imposition or expansion of tariffs on wood products, additional import restrictions such as quotas or other controls, or incentives designed to increase U.S. domestic production could adversely affect U.S. and global economic conditions, U.S. and Canadian housing markets, housing starts, repair and remodelling activity, and industrial demand for wood products. Tariffs and trade restrictions may also contribute to inflationary pressures, alter pricing dynamics and substitution patterns, affect industry supply and production levels, increase competition for logs and fibre, and contribute to elevated interest rates, including higher mortgage rates and reduced housing affordability. These factors, individually or collectively, could adversely affect demand for and pricing of our wood products and negatively impact our financial condition, results of operations and cash flow.

The actual impact of existing and potential future tariffs and trade measures is subject to significant uncertainty. Factors contributing to this uncertainty include the timing, scope, magnitude, duration, geographic application of such measures, the outcome of trade investigations and litigation, retaliatory or countervailing measures by Canada or other countries, and the availability or effectiveness of any mitigating actions. While the long-term effects of these measures cannot be predicted, they could be material and may adversely affect the profitability of our Canadian operations and our overall financial condition, results of operations and cash flow. Ongoing changes in trade policy and unanticipated impacts from recent changes in trade policy may also result in further revisions to our operational or financial guidance.

To the extent our North American operations rely on supply chains sourced from outside the United States, tariffs and other trade actions could disrupt supply availability, increase costs, and adversely affect the profitability of our North American business.

To the extent that duties and tariffs cannot be passed through to consumers, these measures increase our costs and reduce the profitability of Canadian-manufactured lumber, OSB, and other wood products sold into U.S. markets, and in certain circumstances could render some Canadian production uneconomic. The ability to pass through such costs depends on market conditions, including demand for our wood products, U.S. residential construction activity, and the availability of substitutable products. Even where cost recovery is possible, pass-through pricing may not benefit Canadian producers and may increase end-market prices, potentially reducing demand. The full effects of tariffs may be delayed and difficult to assess, including due to the time required for U.S. producers or alternative suppliers to increase capacity.

Existing duties and tariffs are likely to remain in place unless modified through trade negotiations, including under CUSMA, or until final determinations are reached through litigation. CUSMA is subject to a scheduled review in 2026, and its future remains uncertain. Potential outcomes range from extension with limited changes to significant renegotiation, withdrawal by one or more parties, or continued annual reviews until expiry. Any of these outcomes could increase trade barriers or prolong uncertainty, adversely affecting integrated supply chains, access to export markets, and our business.

The application of U.S. and other international trade laws may also create additional administrative and compliance burdens, including our participation as a mandatory respondent in trade investigations. In addition, global trade disputes or diplomatic tensions involving the U.S., Canada, China, the European Union, or other markets in which we operate may result in tariffs or other trade barriers that restrict access to key markets or reduce demand for our products. Certain competing exporters may not be subject to the same duties or tariffs as Canadian producers when selling into the U.S. market, or may benefit from more favourable trade arrangements. Increased imports from such regions could negatively affect the competitiveness of Canadian exports, result in lower prices or reduced demand for our products. Any such developments could have a material adverse effect on our financial condition, results of operations and cash flow.

Competition

Our industry is highly competitive and our competitors may have greater financial resources and lower production costs than we do. Currency devaluations can have the effect of reducing our competitors' costs and making our products less competitive in certain markets. In addition, European lumber producers and South American panel producers may enter the North American market during periods of peak prices. Markets for our products are highly competitive. Our ability to maintain or improve the cost of producing and delivering products to those markets is crucial. Factors such as cost and availability of raw materials, energy and labour, the ability to maintain high operating rates and low per unit manufacturing costs, sufficient markets for residual by-products, and the quality of our final products and our customer service all affect our earnings. Some of our products are also particularly sensitive to other factors including innovation, quality and service, with varying emphasis on these factors depending on the product. To the extent that one or more of our competitors become more successful with respect to any key competitive factor, our ability to attract and retain

customers could be adversely affected. If we are unable to compete effectively, such failure could have an adverse effect on our financial condition, results of operations and cash flow.

Our products may compete with non-fibre based alternatives or with alternative products in certain market segments. For example, steel, engineered wood products, plastic, wood/plastic or composite materials may be used by builders as alternatives to the products produced by our wood products businesses such as lumber, plywood, OSB, LVL, particleboard and MDF products. Changes in prices for oil, chemicals and wood-based fibre can change the competitive position of our products relative to available alternatives and could increase substitution of those products for our products. In addition, our customers or potential customers may factor in environmental and sustainability factors in assessing whether to purchase our wood products. As the use of these alternatives grows, demand for our products may further decline.

Because commodity products have few distinguishing properties from producer to producer, competition for these products is based primarily on price which is determined by supply relative to demand and competition from substitute products and geographic location of our customers. Prices for our products are affected by many factors outside of our control, and we have no influence over the timing and extent of price changes, which often are volatile. Accordingly, our revenues may be negatively affected by pricing decisions made by our competitors and by decisions of our customers to purchase products from our competitors.

In addition, continued consolidation in the retail and construction industries could expose us to increased concentration of customer dependence and increase customers' ability to exert pricing pressure on us and our products. In addition, concentration of our business with fewer customers as a result of consolidation could expose us to risks associated with the loss of key customers or heightened credit risk. For example, the loss of a significant customer, any significant customer order cancellations or bad debts could negatively affect our sales and earnings.

Availability of Fibre

Canada

A significant majority of our Canadian log requirements are harvested from lands owned by a provincial government. Provincial governments control the volumes that may be harvested under provincially-granted tenures and regulate the availability of Crown timber for harvest. As a result, our access to the Crown timber is subject to decisions and processes involving provincial and federal governments, and Indigenous governments. The policy landscape continues to shift in ways that are dynamic and difficult to predict, potentially affecting both our short-term access to fibre, our operating costs, and long-term AAC confidence.

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) has been endorsed by Government of Canada and the Province of B.C. B.C. has also enacted the *Declaration of the Rights of Indigenous Peoples Act* (DRIPA) to advance implementation of these commitments through ongoing modernization of provincial legislation and decision-making frameworks. Amendments to the forestry legislation, including the *Forest Act*, have introduced enhanced Indigenous participation and shared decision making in certain forest governance processes. These evolving frameworks may involve multiple authorities and extended timelines and may result in increased complexity and uncertainty in forest tenure administration, permitting and access to timber supply and unclear and more complicated outcomes compared to prior well understood, aligned, and straight forward processes.

Provincial governments may make determinations or impose restrictions affecting forest tenure administration and timber supply, including decisions or restrictions relating to harvest volumes, the issuance, renewal, suspension or amendments of operating permits, areas available for harvesting, tenure transfers or acquisitions, the reallocation of harvesting rights to Indigenous Nations or communities, processing requirements, contractor regulation, land use planning, reconciliation initiatives, and stumpage methodologies. Such determinations may reduce the availability of log or residual fibre supply, increase log acquisition and harvesting costs, affect product recovery and grade, or require reductions in operating rates at our facilities

These determinations may be made in furtherance of environmental protection objectives, species at risk management, critical habitat protection and land and species conservation plans, wildlife mitigation, pest management (including mountain pine beetle response), land use planning or Indigenous rights and reconciliation initiatives. As a result, government actions may reduce AAC or otherwise constrain timber supply which could adversely affect our access to fibre and increase operating costs at our Canadian operations. In Alberta, for example, accelerated AAC levels implemented following the mountain pine beetle infestation are expected to normalize post mountain pine beetle over time, which may reduce available timber supply. Constraints on secure, economical and sustainable fibre supply have resulted in permanent curtailments at certain of our Canadian operations and may result in additional curtailments in the future.

In Alberta, forest management decisions are influenced by provincial forest management planning requirements, wildlife and species-at-risk recovery strategies (including caribou range planning), cumulative effects management frameworks, wildfire risk considerations, and post-infestation forest recovery strategies. Accelerated AAC levels implemented in response to the mountain pine beetle infestation are expected to normalize over time, which may reduce available timber supply. Changes to forest management plans, operating ground rules, or regulatory requirements may also affect harvest timing, volumes, or costs.

Ongoing forest policy reviews and legislative changes in British Columbia have introduced additional uncertainty with respect to timber supply, permitting processes, and the timing and volume of harvesting approvals. During periods of policy transition, volumes offered through B.C. Timber Sales (“BCTS”) have been below historical levels. As many of our mills rely on BCTS as a source of log supply, reduced availability of BCTS volumes may increase our reliance on other supply sources, which could increase operating costs. Amendments to permitting processes may also result in delays or reduced volumes available under our tenures. The development and implementation of updated forest policy remains ongoing, and the full impact on timber supply and allowable annual cut levels may not be fully understood for some time.

We have entered into joint development agreements with Indigenous Nations in B.C. to support continued fibre supply for certain of our mills however, there can be no assurance that these arrangements will secure the long-term supply of fibre. In both B.C. and Alberta, increased Indigenous participation in forest governance, consultation processes, and land-use planning may influence tenure administration, permitting, and harvesting outcomes.

We also rely on third party contractors to harvest timber under our tenures and increases in contractor rates, limited contractor availability or regulatory changes affecting requirements may increase harvesting costs.

In addition, we purchase logs through open-market purchases and private supply and log exchange agreements, and increased competition for logs, or log shortages, may result in higher log purchase costs.

Weather conditions, including unusually warm or cold temperatures, may also affect our ability to conduct logging activities, accumulate log inventories, constrain our ability to manufacture and ship SPF lumber or necessitate reduced operating schedules. For example, unusually warm winter conditions in prior periods have constrained logging at certain of our operations. Any combination of these factors could adversely affect our fibre supply, operating costs, shipment guidance, and as a result our financial condition, results of operation and cash flow.

United States

We rely on log supply agreements in the U.S. which are subject to log availability and based on market prices. The majority of the aggregate log requirements for our U.S. mills is purchased on the open market. Open market purchases come from timber real estate investment trusts, timberland investment management organizations and private land owners. Changes in the log markets in which we operate may reduce the supply of logs available to us and may increase the costs of log purchases, each of which could adversely affect our results. In addition, changes in the market for residuals may reduce the demand and selling price for the residuals produced by our operations and increase the disposal costs, which could adversely affect our results. We may experience higher competition for sustainable log supply sourcing as supply is limited by alternative demand for forests in carbon sequestration and through the increase in conversion to forest plantations or non-forest use where there is significant regional forest area decline.

While the U.S. South remains a critical area of lumber supply growth and a key region for West Fraser's growth strategy, it is important to note that this region's economic fibre supply, cost profile and access to end-use markets for sawmill residuals are not homogenous, and that all of these factors could limit our growth opportunities. Our ability to source log supply and log costs may be impacted by regulatory changes impacting our business and the counterparts we do business with, including as a result of regulatory changes like the *European Union Deforestation Regulation*.

U.K. and Europe

Wood fibre for our U.K. and Belgium OSB, particleboard and MDF operations is purchased from government and private landowners. Changes in the log markets in which we operate and regulatory changes, like the *European Union Deforestation Regulation*, may reduce the supply of logs available to us and may increase the costs of log purchases, each of which could adversely affect our results.

Residuals

We rely on fibre off-take agreements for certain of our Canadian solid wood operations under which we supply to third parties wood chips and other residuals generated from our lumber operations. While certain of these fibre supply agreements are long-term take-or-pay arrangements, we face counterparty risk in the event that the purchasers of our wood chips and other residuals default on their obligations. Default by our counterparties could result in us having no market for our wood chips or other residuals or force us to sell our wood chips and other residuals at then prevailing market prices which may be less than the prices under our fibre supply agreements.

We rely on third party consumers of wood chips, including pulp mills and paper mills, to purchase wood chips and other residuals generated at our U.S. lumber mills. Recent pulp and paper mill closures in the U.S. South have reduced market demand for wood chips and other residuals in the areas where we operate. In addition, wood chip and residuals supply has increased as a result in regional increases in lumber production. These demand and supply factors can both decrease the price that we can obtain for our residuals in the U.S. market and require us to seek alternate means of sale or disposal of residuals, each of which could decrease revenues and/or increase the overall costs of our U.S. operations. Alternative markets for wood chips and other residuals are currently limited in scope, scale, and geographic availability, and may not be able to absorb significant volumes on commercially acceptable terms. While we are focused on renegotiating expiring long-term residual fibre agreements and partnering with new and emerging markets to consume residuals, there is no certainty that we will be successful in such negotiations or partnership opportunities and this may adversely impact our financial condition, results of operations and cash flow.

If our residuals do not meet the specifications required by consumers or the specifications for such consumers change, including as a result of regulatory changes like the *European Union Deforestation Regulation*, we may be subject to increased costs to our operations or adverse contractual risks, including termination rights which may result in us needing to find new purchasers for our wood chips or other residuals, financial penalties and other unknown consequences, including potential lost opportunities.

Additional Risks to Availability of Fibre

When timber, wood chips, other residual fibre and wood recycled materials are purchased on the open market, we are in competition with other uses of such resources, where prices and the availability of supply are influenced by factors beyond our control. Fibre supply can also be influenced by natural events, such as forest fires, severe weather conditions, insect epidemics and other natural disasters, which may increase wood fibre costs, restrict access to wood fibre or force production curtailments.

Transportation Requirements

Our business depends on our ability to transport a high volume of products and raw materials to and from our production facilities and onto both domestic and international markets at cost effective rates. We rely primarily on third-party transportation providers for both the delivery of raw materials to our production facilities and the transportation of our products to market. These third-party transportation providers include truckers, bulk and container shippers and railways. Our ability to obtain transportation services from these transportation service providers is subject to risks which include, without limitation, availability of equipment and operators, disruptions due to weather, natural disasters and labour disputes. To the extent that climate change results in more frequent severe weather occurrences, we may experience increased frequency of transportation disruptions in future years which may again result in a disruption of our ability to ship lumber and other products that we manufacture, including significant transportation disruptions from severe flooding, hurricanes, and other natural disasters. In addition, the potential of increased frequency of severe weather events may ultimately result in increased transportation costs as transportation providers, including railways, undertake capital expenditures to improve the ability of the transportation infrastructure to withstand severe weather events or to repair damage from severe weather events in order to maintain services.

Transportation services may also be impacted by seasonal factors, which could impact the timely delivery of raw materials and distribution of products to customers. As a result of rail and truck capacity constraints, access to adequate transportation capacity has at times been strained and could affect our ability to transport our products to markets and could result in increased product inventories. Any failure of third-party transportation providers to deliver finished goods or raw materials in a timely manner, including failure caused by adverse weather conditions or work stoppages, could harm our reputation, negatively affect customer relationships or disrupt production at our mills. We may also experience labour disruptions and other additional costs in connection with the export of our product, including disruptions at the various ports and terminals from which we ship. Transportation costs are also subject to risks that include, without limitation, increased rates due to competition, increased fuel costs and increased capital expenditures related to repair, maintenance and upgrading of transportation infrastructure. Increases in transportation costs will increase our operating costs and adversely impact our profitability. If we are unable to obtain transportation services or if our transportation costs increase, our revenues may decrease due to our inability to deliver products to market and our operating expenses may increase, each of which would adversely affect our financial condition, results of operations and cash flow.

Costs and Availability of Materials and Energy

We rely heavily on certain raw materials, including logs, wood chips and other fibre sources, chemicals, and energy sources, including natural gas and electricity, in our manufacturing processes. Competition from our industry and other industries, as well as supply disruptions may result in increased demand and costs for these raw materials and energy sources. We have experienced significant cost inflation across a number of our inputs including supplies and materials and energy. Increases in the costs of these raw materials and energy sources will increase our operating costs and will reduce our operating margins. There is no assurance that we will be able to fully offset the effects of higher raw material or energy costs through hedging arrangements, price increases, productivity improvements or cost-reduction programs.

From time to time, we enter into arrangements with renewable power generators to purchase environmental attributes and receive settlements by reference to generation volumes and the spot price for electricity and pay settlements by reference to generation volumes and a fixed contractual price. These agreements act as a partial hedge against future

electricity price increases. Fair values of our electricity swaps may be volatile and sensitive to fluctuations in forward electricity prices and counterparty credit risk.

Our operations depend on an uninterrupted supply of resins and chemicals, production inputs, and other supplies and resources such as skilled personnel. Supply may be interrupted due to a shortage or the scarce nature of inputs, especially with regard to chemicals. Supply might also be interrupted due to transportation and logistics associated with the remote location of some of our operations, and government restrictions or regulations which delay importation of necessary items. Our business is sensitive to global supply chain events, which impact our ability to source supplies required for our operations and could result in the increase in costs of those supplies. Any interruptions to the procurement and supply of resins, chemicals, production inputs and other supplies, or the availability of skilled personnel, as well as continued increased rates of inflation, could have an adverse impact on our financial condition, results of operations and cash flow.

Operational Curtailments

From time to time, we suspend or curtail operations at one or more of our facilities in response to market conditions, environmental risks, or other operational issues, including, but not limited to scheduled and unscheduled maintenance, temporary periods of high electricity prices, power failures, equipment breakdowns, adverse weather conditions, labour disruptions, transportation disruptions, unavailability of staff, fire hazards, and the availability or cost of raw materials including logs, wood chips, resins and chemicals. In addition, the potential increased frequency of extreme weather events associated with climate change may result in operational curtailments becoming more frequent than we have experienced historically.

In addition, our ability to operate at full capacity may be affected by ongoing capital projects. As a result, our facilities may from time to time operate at less than full capacity. These operational suspensions could have a material adverse effect on our financial condition, results of operations and cash flow as a result of decreased revenues and lower operating margins.

In Canada, a portion of the wood chip requirements of our Canadian pulp and paper operations are provided by our Canadian sawmills and plywood plants. We also need to source from third parties wood chips. If wood chip availability is reduced because of production curtailments, improved manufacturing efficiencies, inability to source from third parties, profitably or at all, or any other reason, our pulp and paper operations may incur additional costs to acquire or produce additional wood chips or be forced to reduce production. Conversely, pulp and paper mill production curtailments may require our sawmills and panel mills to find other ways to dispose of residual wood fibre and may result in curtailment or suspension of lumber, plywood or LVL production and increased costs.

In Canada, a substantial portion of the sawdust requirements of our Canadian MDF operations are provided by our Canadian sawmills and plywood and LVL plants. If sawdust is reduced because of production curtailments, improved manufacturing efficiencies or any other reason, our MDF operations may incur additional costs to acquire or produce additional sawdust or be forced to reduce production. Conversely, MDF mill production curtailments may require our sawmills and panel mills to find other ways to dispose of residual wood fibre and may result in curtailment or suspension of lumber, plywood or LVL production and increased costs.

People Resources

Our operations depend on the availability, retention and effective succession of experienced local and regional management, and skilled and unskilled employees and as third party service providers, including logging and transportation and capital project contractors. Many of our facilities are located away from major urban centers, which can limit the available labour pool and intensify competition for qualified personnel from our industry and others, including oil and gas, mining and manufacturing.

A significant portion of our workforce and management team has specialized technical expertise and operational experience that is developed over many years. We face ongoing challenges related to an aging workforce, including anticipated retirements, the loss of institutional knowledge, and the need to identify, develop, and retain successors for key leadership, technical, and operational roles. Our ability to execute effective succession planning may be constrained by labour availability, internal development timelines, and competition for experienced talent. If we are unable to successfully manage workforce transitions or replace retiring personnel on a timely basis, our operational continuity, efficiency, safety performance, and strategic execution could be adversely affected.

We also experience labour market pressures that may contribute to increased employee turnover, particularly in skilled trades, technical roles, and remote operating locations. Elevated turnover can result in higher recruitment, training, and onboarding costs, reduced productivity, and greater reliance on less-experienced personnel or third-party contractors. High turnover may also disrupt operational performance, inhibit the transfer of institutional knowledge, and place additional demands on remaining employees and management resources.

Labour availability challenges, including shortages of qualified personnel, succession gaps, and turnover, may increase our operating and capital costs through higher wages, benefits, incentives, overtime, and contractor expenses. These challenges could impair our ability to maintain production levels, execute maintenance activities, or complete capital projects on schedule and within budget, and may adversely impact our financial results.

Approximately 29% of our employees are covered by collective agreements. There was one expired collective agreement covering 2% of our employees as at December 31, 2025 under which the bargaining process is ongoing. Collective agreements representing 8% and 12% of our unionized employees expire in 2026 and 2027, respectively. All of our U.K. and Belgian union contracts are evergreen.

If we are unable to renew the expired collective agreement in the near term or successfully negotiate renewals of collective agreements upon their expiry, we could experience strikes, work stoppages or other labour disruptions at the impacted facilities. Such disruptions could result in lost production and sales, increased operating costs, supply constraints and delays to maintenance or capital projects, any of which could adversely affect our business and financial results.

More broadly, we are subject to risks associated with collective bargaining, labour negotiations, and labour relations. Collective bargaining negotiations may be prolonged, may not result in agreements on commercially acceptable terms, or may give rise to labour actions, including strikes, lockouts, or coordinated industry-wide labour disruptions. Labour relations challenges, including changes to work rules, compensation, benefit arrangements, or pension obligations, may increase labour and operating costs, reduce operational flexibility or productivity, and require significant management attention

In addition, we rely on third-party service providers that employ unionized and non-unionized workforces to deliver critical services. Labour shortages, workforce turnover, labour disputes, or financial difficulties experienced by these third parties could disrupt service availability, limit alternative sourcing options, and adversely affect the timing, cost, and execution of our operations and capital projects.

Acquisitions

We may evaluate and complete potential acquisitions from time to time and have in the past grown through acquisitions. However, there is no assurance that we in the future will be able to successfully identify potential acquisitions or efficiently and cost-effectively integrate any assets or business that we acquire without disrupting existing operations. Our inability to identify accretive acquisition targets and complete acquisitions may negatively impact our ability to grow our business operations and deploy our capital.

Acquisitions are subject to a range of inherent risks, including the assumption of incremental regulatory/compliance, pricing, labour relations, litigation, environmental, tax and other risks. There is no assurance that the due diligence that we undertake, including accounting, tax, regulatory and business due diligence, will be sufficient to identify all risks associated with any prospective acquisition that we undertake. Further, we may not be able to successfully integrate or achieve anticipated synergies from those acquisitions which we do complete and/or such acquisitions may be dilutive in the short to medium term. Specifically, there is no assurance that we will achieve the anticipated growth opportunities, synergies, efficiencies and costs savings from the combined business in respect of any acquisition that we undertake. Any of these adverse outcomes could result in us not achieving the financial benefits of prospective acquisitions and have a material adverse effect on our profitability.

Safety

We are subject to risks relating to the health and safety of our employees, contractors and third parties at our operating sites. While we strive to maintain health and safety policies, training programs, hazard identification processes,

inspections and preventative maintenance practices, there can be no assurance that these measures will be effective in preventing incidents. Due to the nature of our operations, our employees, contractors and business invitees may be exposed to a range of hazards, including, fires (including forest fires), wood dust, heavy machinery, chemicals, explosions, blow-outs, power outages, extreme weather conditions, natural disasters, equipment failures, manufacturing and engineering defects, pollution and other environmental risks, and operational risks, any of which could result in serious personal injury, illness or death.

Health and safety incidents may result in significant regulatory scrutiny, investigations, enforcement actions, fines, penalties, stop-work orders, or civil and, in certain circumstances, criminal liability. Such incidents could also lead to increased insurance premiums, coverage limitations, unplanned capital expenditures, and extended business interruptions.

Our reliance on contractors and third-party service providers exposes us to additional health and safety risks, as we do not have direct control over their safety practices, training, or compliance with applicable laws. Safety incidents involving contractors may nevertheless materially impact our operations, reputation, and financial results.

In addition, changing climate conditions, including the increasing frequency and severity of extreme weather events such as forest fires, flooding, and heat events, may heighten safety risks to personnel, disrupt operations, and impair access to worksites or critical infrastructure. Labour availability challenges, workforce turnover, fatigue, and the need to onboard and train new or less-experienced personnel may further increase the likelihood of safety incidents.

A significant health and safety failure could adversely affect employee morale, result in labour disruptions or shortages, damage relationships with regulators, customers, and communities, harm our reputation, and have a material adverse effect on our financial condition, results of operations and cash flow.

Environment

We are subject to regulation by federal, provincial, state, municipal and local environmental authorities, including, among other matters, environmental regulations relating to air emissions and pollutants, wastewater (effluent) discharges, solid and hazardous waste, landfill operations, forestry practices, permitting obligations, site remediation and the protection of threatened or endangered species and critical habitat. Concerns over climate change, carbon emissions, water and land-use practices and the protection of threatened or endangered species and critical habitat could also lead governments to enact additional or more stringent environmental laws and regulations that may require us to incur significant capital expenditures, pay higher taxes or fees, including carbon related taxes or otherwise could adversely affect our financial condition, results of operations and cash flow, including significantly impairing our ability to access and operate within regions of threatened or endangered species and critical habitat.

We have incurred, and will continue to incur, capital expenditures and operating costs to comply with environmental laws and regulations, including the U.S. Environmental Protection Agency's Boiler MACT (maximum achievable control technology) regulations and subject to successful court challenges, the National Ambient Air Quality Standards for Particulate Matter (PM) for PM2.5. These regulations include environmental laws and regulations relating to air emissions, wastewater discharges, solid and hazardous waste management, plant and wildlife protection and site remediation, as well as workplace safety. These laws, regulations and restrictions may be expanded to require us to take measures to protect or enhance the environment in which we operate, including measures to protect biodiversity, conserve habitats and reduce risk of invasive transportation of species to new ecosystems. In addition, changes in the regulatory environment respecting climate change have and may lead governments and regulatory bodies to enact additional or more stringent laws and regulations and impose operational restrictions or incremental levies and taxes applicable to our Company which could require us to incur increased capital expenditures, including further Best Available Control Technology or result in increased operating expenses or limit or constrain our ability to obtain permits and authorizations to advance our business and capital/modernization plans. In addition, we may incur additional capital expenditures in connection with capital projects that we plan to undertake in order to achieve our targeted greenhouse gas emission objectives. These capital expenditures may be greater than initially projected, and changes in environmental laws could impose more stringent requirements than our targeted objectives and result in increased capital expenditures or acceleration of the time for completion of the capital projects or delays in our ability to obtain permitting or execute on our new capital and modernization plans.

No assurance can be given that changes in these laws and regulations or their application will not have a material adverse effect on our financial condition, results of operations and cash flow. Similarly, no assurance can be given that capital

expenditures necessary for future compliance with existing and new environmental laws and regulations could be financed from our available cash flow. Failure to comply with applicable laws and regulations could result in fines, penalties or other enforcement actions that could impact our production capacity or increase our production costs or negatively impair our ability to access and operate within regions of threatened or endangered species and critical habitat. In addition, laws and regulations could become more stringent or subject to different interpretation in the future.

We may discover currently unknown environmental problems, contamination, or conditions relating to our past or present operations. This or any failure to comply with environmental laws and regulations may require site or other remediation costs or result in governmental or private claims for damage to person, property, natural resources or the environmental or governmental sanctions, including fines or the curtailment or suspension of our operations, which could have a material adverse effect on our financial condition, results of operations and cash flow.

We are currently involved in investigation and remediation activities and maintain accruals for certain environmental matters or obligations, as set out in the notes to the Annual Financial Statements. Changing weather patterns and climatic conditions due to natural and man-made causes, including temperature shifts and changes to seasonal norms for winter and summer, can adversely impact our ability to meet our reforestation obligations and the expected cost to settle these liabilities. There can be no assurance that any costs associated with such obligations or other environmental matters will not exceed our accruals.

Our Canadian woodland operations, and the harvesting operations of our many key U.S. log and European wood fibre suppliers, in addition to being subject to various environmental protection laws, are subject to third-party certification as to compliance with internationally recognized, sustainable forest management standards. Demand for our products may be reduced if we are unable to achieve compliance or are perceived by the public as failing to comply, with these applicable environmental protection laws and sustainable forest management standards, or if our customers require compliance with alternate forest management standards for which our operations are not certified. In addition, changes in sustainable forest management standards or our determination to seek certification for compliance with alternate sustainable forest management standards may increase our costs of wood fibre and operations.

Climate Change, Environmental and Social

We face direct risks associated with climate change and the environment, as well as indirect risks arising from global focus on climate change, environmental and social matters and environmental, social and governance (“ESG”) performance. Specifically, there has been a scrutiny of the timing and ability of organizations to transition to a lower-carbon economy and to demonstrate credible commitment to ESG objectives. Governments, financial institutions, insurers, environmental and governance organizations, institutional investors, non-governmental organizations, social and environmental activists, and other stakeholders are pursuing regulatory developments, policy initiatives and investment practices that, individually or collectively, may have financial or operational implications for us and our stakeholders, including our customers, suppliers, shareholders.

Physical climate and environment risks

Our operations are subject to physical risks associated with climate change and environmental conditions, including:

- reduced access to fibre for our operations due to increased tree mortality or damage, including as a result of wildfire, extreme weather events, drought and insect infestation;
- transportation disruption due to extreme weather events, including flooding and forest fires;
- reduced availability of timber supply as a result of forest fires, and reduced forest access;
- unplanned mill curtailments or production interruptions due to extreme weather events or fire damage or power disruption.

Transition and regulatory risks

We also face transition risks attributable to climate change including those arising from regulatory developments, policy changes and market responses associated with the transition to a lower-carbon economy. These risks include:

- increased energy costs;
- changes in land-use and forest conservation practices;

- increased capital expenditures required to improve energy efficiency and meeting decarbonization or emissions-reduction objectives;
- increased operating expenses associated with carbon pricing and emissions regulation;
- our inability to successfully transition to low-carbon technologies and operations.

Climate-related regulatory and transition risks may also amplify other risks identified in this Risk and Uncertainties section of this MD&A, including those related to asset impairment, operating costs, capital allocation and liquidity.

Financial, strategic and reputational impacts

Overall, we continue to assess the degree to which climate change related regulatory, climatic conditions, and climate-related transition risks could impact our financial and operating results. Our financial condition, results of operations, cash flow, reputation, access to capital, access to insurance, cost of borrowing, access to liquidity, ability to fund dividend payments and/or business plans may, in particular, without limitation, be adversely impacted as a result of climate change and its associated impacts. We have initiated a climate change scenario analysis, informed by the Task Force on Climate-related Disclosures (TCFD) recommendations, to evaluate potential climate-related risks and opportunities using different scenarios. This analysis is intended to support our strategic planning, supply planning, risk management and resiliency efforts.

ESG, legal and disclosure risks

We also face potential strategic, reputational, business, legal and regulatory risks related to our actual or perceived actions, or inaction, on climate change and other environmental and social matters, our progress against stated ESG commitments, and our related disclosures. Investors and other stakeholders may assess and compare companies based on ESG performance and a perception that our ESG initiatives, including the forestry industry's sustainability initiatives, are insufficient, could adversely affect our reputation and our ability to attract investors and capital. In addition, we may be exposed to legal and regulatory risks, including potential "greenwashing" claims under amendments to the *Competition Act* (Canada) related to statements we make relating to the environmental benefits of our products, operations or strategies.

Emissions reduction targets and commitments

In 2022, we joined the Science-Based Targets Initiative, which included setting specific science-based targets to achieve GHG emissions reduction across all our operations by 2030. There is a risk that we may not meet our GHG emissions reduction targets, that some or all of the expected benefits and opportunities of achieving our various GHG and sustainability targets may fail to materialize, and that achieving the targets may cost more to achieve than projected or may not occur within anticipated time periods. Our failure to achieve our GHG or our sustainability targets, or a perception by key stakeholders, including our customers and our investors, that our GHG targets or other ESG initiatives are insufficient, could adversely affect our reputation and our ability to attract investors, capital and insurance availability and financing terms. Further, actions taken by us to meet our GHG targets and achieve our sustainability objectives may ultimately increase our projected capital expenditures and our costs of operations. In addition, our ability to access capital or the costs of available capital may be adversely affected in the event that financial institutions, investors, rating agencies and/or lenders adopt more restrictive sustainability policies than we have committed to.

Indigenous Groups

Issues relating to Indigenous groups, including Indigenous Nations, Métis and others, have the potential to materially impact resource companies operating in Canada including West Fraser. Our operations depend on access on timber harvesting rights granted by governments, and such access may be delayed, constrained or adversely affected by governmental decisions relating to the grant, renewal, transfer, or authorization of Canadian Crown timber harvesting rights. These decisions may be influenced by the Crown's duty to consult and, where appropriate, accommodate Indigenous groups in respect of asserted or established Aboriginal rights or treaty rights.

Government actions may also be affected by agreements entered into with Indigenous groups, evolving consultation and accommodation practices, steps governments may take in favour of Indigenous interests even where not strictly required by law, and the terms and conditions imposed on harvesting authorizations. In addition, recent Canadian jurisprudence (presently subject to appeal) has raised the prospect that Aboriginal rights, including claims to Aboriginal title, may

continue to exist on lands subject to Crown grants and other tenures. Finding or assertions of Aboriginal title over lands on which we operate could result in additional consultation, accommodation or consent requirements, delays, restrictions or changes to harvesting rights and operational plans.

British Columbia has enacted DRIPA and the federal government has enacted and endorsed legislation aligning with UNDRIP. These frameworks contemplate enhanced Indigenous participation in decision-making and, in certain circumstances, joint decision-making or consent-based agreements. In the forestry context, this includes potential Indigenous joint decision-making and consent arrangements relating to land use planning, forest management, permitting, and tenure administration. The imposition of these arrangements could result in additional consultation, accommodation or consent requirements, delays, restrictions or changes to harvesting rights and operational plans.

We participate, as requested by governments, in consultation processes intended to support fulfillment of the Crown's duty to consult and accommodate. We also seek to develop and maintain constructive relationships and, where possible, agreements with Indigenous groups that may be affected by our activities. However, as jurisprudence and government policy and legislative frameworks respecting Indigenous rights and title continue to evolve, as treaty and non-treaty negotiations continue to advance, and as governments continue to implement or expand Indigenous-focused policy and legislative initiatives, we cannot assure that Indigenous claims or evolving governance frameworks will not have a material adverse effect on our ability to obtain, exercise, amend or renew timber harvesting rights or secure additional fibre supply on acceptable terms.

Evolving forest policy, coupled together with increased Indigenous consultation, involvement and participation in land use planning and forest governance processes is expected to reduce the availability of, increase the timelines for, and add uncertainty to the issuance of cutting permits and may restrict volume available for harvest. These developments may increase costs, reduce operational flexibility, and impair long-term confidence in AAC determinations, and could have a material adverse effect on our financial condition, results of operations and cash flow.

Indigenous groups raise concerns regarding the cumulative environmental, cultural, and socio-economic effects of forestry operations and other land uses within their asserted or established traditional territories. These concerns may extend beyond the impacts of individual harvesting authorizations and focus on the aggregate effects of historical, existing, and reasonably foreseeable forestry activities and other industrial development on lands, resources, and Indigenous rights and interests.

Consideration of cumulative effects may influence government decision-making relating to forest management, land use planning, timber harvesting approvals, and allowable annual cut determinations. Governments may respond to these concerns by imposing additional conditions on authorizations, reducing harvest levels, delaying or suspending the issuance of permits, requiring enhanced planning processes, or prioritizing broader landscape-level or regional assessments. Indigenous groups may also seek expanded consultation, accommodation, or consent-based arrangements based on cumulative effects considerations, which could add complexity, time, and uncertainty to regulatory processes.

As cumulative effects assessment methodologies and expectations continue to evolve, including through policy development, legislative reform, and judicial interpretation, there remains uncertainty regarding the standards that may be applied to forestry operations and tenure holders. Increased scrutiny or restrictive approaches to cumulative effects could adversely affect our ability to obtain or maintain timber harvesting rights, increase compliance and planning costs, reduce operational flexibility, and constrain fibre availability.

The impacts of the issues described above, whether arising from government action, Indigenous engagement processes, or legal challenges, could have a material adverse effect on our financial condition, results of operations, and cash flow.

Recoverability of Capital Assets and Goodwill

Our capital assets and goodwill could become impaired, which could have a material non-cash adverse effect on our results of operations. We review our operations for events and circumstances that could indicate that the carrying value of our long-lived assets and goodwill may not be recoverable. If indicators of impairment are determined to exist, we review the recoverability of the carrying value of long-lived assets by estimating the recoverable amount of the asset, which is the higher of its estimated fair value less costs of disposal and its value in use. We also review our goodwill for impairment annually and when events or changes in circumstances indicate that the carrying value of the CGU or group of CGUs associated with the goodwill balance is not recoverable. We determine the recoverable amount of assets and

cash-generating units using discounted cash flow models applied to forecasted financial and operating results. We make multiple assumptions in estimating future cash flows. Key assumptions include production volumes, product pricing, operating costs, terminal multiple, and discount rate. Key assumptions were derived using external sources and historical data from internal sources and are outlined in note 8 to the Annual Financial Statements. There are numerous uncertainties and sensitivities inherent in making these forecasts and estimates, including many factors beyond our control, that could cause actual results to differ materially from forecasted financial and operating results. If management's estimates of forecasted results deteriorate, we may be required to recognize material non-cash charges relating to impairments of capital assets and/or goodwill. If a goodwill impairment charge is incurred, such charges are not reversible at a later date even if the events and circumstances that caused the impairment loss are favourably resolved. As a result of these uncertainties and the significant amount of goodwill ($1,471 million at December 31, 2025), our operating results may be significantly impacted from both the impairment and the underlying trends in the business that triggered the impairment, and actual results may be less favourable than estimated returns and initial financial outlook. We recorded an impairment loss of $409 million in relation to U.S. lumber goodwill during the year ended December 31, 2025 as a result of the protracted downcycle that has caused management to recalibrate certain assumptions used in our annual goodwill impairment test. Adjustments to these assumptions included, but are not limited to, species-specific product pricing trends, lower demand and pricing for wood chip residuals, and the depth and duration of the current downcycle and its expected recovery. Following the impairment loss recognized in the U.S. lumber CGU group, the recoverable amount was equal to the carrying amount. The estimated recoverable amount of the CGU group is sensitive to minor changes in key assumptions, in particular, product pricing, production volumes and operating costs. Therefore, any adverse movement in a key assumption would lead to further impairment to property, plant and equipment in the CGU group. As it relates to the Europe EWP CGU group, a reasonably possible change in certain key assumptions could cause the carrying amount to exceed the recoverable amount. The estimated recoverable amount of the Europe EWP CGU group exceeded its carrying amount by approximately $73 million. A 2% change in product pricing, an 11% change in production volumes, or a 3% change in operating costs would result in the recoverable amount equaling the carrying amount. For additional information regarding goodwill, see note 8 to the Annual Financial Statements.

Regulatory

Our operations are subject to extensive general and industry-specific federal, provincial, state, municipal and other local laws and regulations and other requirements, including those governing forestry, exports, taxes (including, but not limited to, income, sales and carbon taxes), employees, labour standards, occupational health and safety, waste disposal, environmental protection and remediation, protection of endangered and protected species and land use and expropriation. We are required to obtain approvals, permits and licences for our operations, which may require advance consultation with potentially affected stakeholders including Indigenous groups and impose conditions that must be complied with. If we are unable to obtain, maintain, extend or renew, or are delayed in extending or renewing, a material approval, permit or license, our financial condition, results of operations and cash flow could be adversely affected. There is no assurance that these laws, regulations or government requirements, or the administrative interpretation or enforcement of existing laws and regulations, will not change in the future in a manner that may require us to incur significant capital expenditures, pay higher taxes or otherwise could adversely affect our financial condition, results of operations and cash flow. Failure to comply with applicable laws or regulations, including approvals, permits and licences, could result in fines, penalties or enforcement actions, including orders suspending or curtailing our operations or requiring corrective measures or remedial actions.

Natural and Man-Made Disasters and Climate Change Adaptation

Our operations are subject to adverse natural or man-made events such as forest fires, flooding, drought, hurricanes and other severe weather conditions, climate change, timber diseases and insect infestations including those that may be associated with warmer climate conditions, and earthquake activity. Over the past several years, changing weather patterns and climatic conditions due to natural and man-made causes, including temperature shifts and changes to seasonal norms for winter and summer, have added to the unpredictability and frequency of natural events such as severe weather, hurricanes, flooding, hailstorms, wildfires, mudslides, road washouts, snow, ice storms, and the spread of disease and insect infestations. These conditions have hampered, and may hamper in the future, our ability to conduct logging activities, constrain our ability to manufacture and ship our products or necessitate reduced operating schedules. Trends towards heavier precipitation patterns, changes to water quality and water storage on the land base can result in the overall degradation of water quality and reduced water supply levels. These events could damage or destroy or adversely affect the operations at our physical facilities or the cost, availability, and quality of our timber supply, and similar events could also affect the facilities of our suppliers or customers. Any such damage or destruction could

adversely affect our financial results as a result of the reduced availability of timber, decreased production output, increased operating costs or the reduced availability of transportation. We have limited insurance arrangements in place to cover such incidents related to damage or destruction, there can be no assurance that these arrangements will be sufficient to protect us against such losses, if at all. As is common in the industry, we do not insure loss of standing timber for any cause.

In addition, government action to address climate change, carbon emissions, water and land use and the protection of threatened or endangered species and critical habitat may result in the enactment of additional or more stringent laws and regulations that may require us to incur significant capital expenditures, pay higher taxes or fees, including carbon related taxes, or otherwise could adversely affect our financial condition, results of operations and cash flow.

Information Technology

We are reliant on our information and operations technology systems to operate our manufacturing facilities, access fibre, communicate internally and with suppliers and customers, to sell our products and to process payments and payroll as well as for other corporate purposes and financial reporting. An interruption or failure or unsuccessful implementation and integration of our information and operations technology systems could result in a material adverse effect on our financial condition, results of operations and cash flow.

In order to optimize performance, we regularly implement business process improvement initiatives and invest capital to upgrade our information technology infrastructure. These initiatives may involve risks to the operations and we may experience difficulties during the transition to these new or upgraded systems and processes. Difficulties in implementing new or upgraded information systems or significant system failures could disrupt operations and have a material adverse effect on the business.

In addition, the history of our operations has resulted in multiple information technology platforms and applications across our business operations which complicates our business controls and processes, including our internal controls over financial reporting. Our strategy is to integrate and unify these information technology systems in order to gain efficiencies in our operations and to optimize our finance, sales, inventory management, maintenance and business intelligence functions. Our inability to integrate these systems, or delay in completing this integration, could result in impediments to our growth and profitability and increase our costs of operations and regulatory compliance.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, proprietary business and confidential financial information and identifiable personal information of our employees and customers. We rely on industry accepted security measures and technology to protect our information systems and confidential and proprietary information. If our security measures and technology are not effective in ensuring unauthorized access to personally identifiable information, we may be subject to fines and/or penalties under privacy laws and regulations and our reputation with our customers, suppliers and employees may be adversely impacted.

Cyber Security

Our information and operations technology systems, including process control systems, are subject to heightened cyber security risks and are vulnerable to natural disasters, fires, power outages, vandalism, attacks by hackers or others or breaches due to employee error or other disruptions. While we have information and cyber security programs in place, the measures, controls and technology on which West Fraser relies may not be adequate due to the increasing volumes, sophistication and rapidly evolving nature of cyber threats. We have had in the past, and may in the future, experience cyber security incidents. Any such incident, attack on or breach of our systems including through exposure to potential computer viruses or malware could compromise our systems and stored information may be accessed, publicly disclosed, lost or compromised, which could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions to our operations, decreased performance and production, increased costs, and damage to our reputation, which could have a material adverse effect on our financial condition, results of operations and cash flow. As cyber security threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. Our exposure to these risks cannot be fully mitigated due to the nature of these threats. Our inability to adequately address risks from cyber security attacks could result in significant disruption to our information technology infrastructure and business applications, stoppage to our major operating, sales and financial processes and harm to our reputation and relationships with our customers and suppliers. Further, disruptions resulting from cyber security breaches could expose us to potential liability or other proceedings by affected individuals, business partners and/or

regulators. As a result, we could face increased costs as a result of cyber security incidents for which we do not have insurance coverage.

In order to mitigate against the impact of potential cyber security breaches, we will be reliant on our disaster recovery and business continuity plans in order to continue our business operations with minimal disruption in the event of a cyber security breach. The success of these disaster recovery and business continuity plans will be contingent upon our ability to design and maintain effective plans that are resilient and will enable us to protect our information technology systems and data without disruption to our business. Our inability to design and maintain effective recovery systems may adversely impact our ability to manage a cyber security breach without disruption to our operations with the result that our reputation may be harmed, we may be subject to regulatory reporting risk, our relationships with our customers and suppliers may be harmed and our result of operations may be adversely impacted.

In addition to risks we face from cyber security incidents directed at our systems, we also face risks from cyber security incidents impacting third parties, including but not limited to contractors, customers, consultants and suppliers, directly or indirectly involved in our business and operations. We are vulnerable to damage and interruptions from incidents involving these third parties, and may be exposed to consequences that could have a material adverse effect on our financial condition, results of operations and cash flow.

Artificial Intelligence (AI) Adoption, Utilization and Governance

Artificial intelligence technologies are rapidly transforming business operations, competitive dynamics, and customer expectations. Our ability to effectively adopt, integrate, and govern AI systems presents both significant opportunities and risks, including strategic, operational, compliance, security, financial, and reputational. Failure to leverage AI appropriately, or to do so responsibly, could adversely affect our performance, efficiency, competitiveness, and compliance posture.

Failure to adopt AI at a pace consistent with industry developments, deploy AI effectively relative to competitors, or align AI initiatives with business objectives could adversely affect our competitiveness, efficiency, and ability to realize expected benefits.

AI adoption requires specialized skills and capabilities in areas such as data analytics, cyber security, and AI governance. Our current workforce may not have all of the skills required to support effective AI deployment, which may require additional training, hiring, or changes to how work is organized. Resistance to change or limited digital literacy may slow adoption or reduce the effectiveness of AI-enabled processes. Competition for specialized AI talent may also increase costs or limit our ability to implement AI initiatives as planned.

Effective AI deployment depends on robust data infrastructure, process integration, and appropriate management of data throughout its lifecycle. Deficiencies in data quality, lawful sourcing, accuracy, completeness, privacy controls, provenance, or retention may impair model performance and result in inaccurate or biased outputs, which could adversely affect decision-making and outcomes.

The use of AI is subject to evolving legal, regulatory, and industry standards relating to privacy, automated decision-making, transparency, intellectual property, consumer protection, and cross-border data transfers. Inconsistent or changing requirements across jurisdictions may increase compliance costs, restrict or condition the use of AI, or require modifications to systems, processes, or offerings. Non-compliance, or misuse or unauthorized use of AI by employees or contractors, may result in privacy breaches, disclosure of confidential information, regulatory enforcement, litigation, contractual risks, or reputational harm. In addition, AI-generated or AI-assisted outputs may give rise to third-party claims or additional contractual obligations.

AI systems also introduce cyber security, operational resilience, and third-party dependency risks, including the potential for model or data manipulation, theft of models or datasets, and unintended disclosure of confidential information. Reliance on third-party AI models, tools, and cloud service providers may increase exposure to service disruptions, changes in commercial terms, higher costs, or vendor lock-in. Constraints on computing infrastructure or access to hardware or cloud capacity may further increase costs or limit deployment. If AI is used in business-critical processes without appropriate controls and human oversight, errors or system failures could disrupt operations, reduce service quality, or create legal, regulatory, or contractual exposure.

Individually or collectively, these risks may limit the benefits we expect from AI and could result in increased costs, delays in implementation, operational disruptions, loss of customers or partners, regulatory action, reputational harm, or litigation, any of which could materially and adversely affect our financial condition, results of operations, cash flow and long-term strategy.

Legal Proceedings

The Company is subject to various investigations, claims and legal, regulatory and tax proceedings covering a wide range of matters, including civil claims and lawsuits, regulatory examinations, investigations, audits and requests for information by various governmental regulatory agencies and law enforcement authorities in various jurisdictions. Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably. We establish provisions for matters that are probable and can be reasonably estimated in accordance with our accounting policies, however there is no assurance that our estimates will be accurate. We also carry liability insurance coverage, however such insurance does not cover all risks to which we might be exposed and in other cases, may only partially cover losses incurred by us. In addition, we may be involved in disputes with other parties in the future that may result in litigation, which may result in a material adverse effect on our financial position, cash flow and results of operations.

We produce a variety of wood-based panels that are used in new home construction, repair and remodelling of existing homes, furniture and fixtures, and industrial applications. In the normal course of business, the end users of our products have made, and could in the future make, claims with respect to the fitness for use of its products or claims related to product quality or performance issues.

In addition, we have been and may in the future be, involved in legal proceedings related to antitrust, negligence, personal injury, property damage, environmental matters, and labour and other claims against us or our predecessors.

Tax Exposures

In the normal course of business, we take various positions in the filing of our tax returns, and there can be no assurance that tax authorities will not challenge such filing positions. In addition, we are subject to further uncertainties concerning the interpretation and application of tax laws in various operating jurisdictions. We provide for known estimated tax exposures in all jurisdictions. These exposures are settled primarily through the closure of audits with the jurisdictional taxing authorities. However, future settlements could differ materially from our estimated liabilities.

Capital Intensity

Our business and the production of wood-based products is capital intensive. There can be no assurance that key manufacturing facilities and pieces of equipment will not need to be updated, modernized, repaired or replaced, or that operation of our manufacturing facilities could not otherwise be disrupted unexpectedly, for example by adverse weather, labour disputes, information technology disruptions, power outages, fire, explosion or other hazards including combustible wood dust. In certain circumstances, the costs of repairing or replacing equipment, and the associated downtime of the affected production line, may not be insurable.

Potential Future Changes in Tax Laws, including Tax Rates

Our corporate structure is based on prevailing taxation law, regulations and practice in the local jurisdictions in which we operate. We are aware that new taxation rules could be enacted or that existing rules could be applied in a manner that subjects our profits to additional taxation or otherwise has a material adverse effect on our financial condition, results of operations, cash flow, deferred tax assets and liabilities, or the trading price of our securities, including without limitation the Pillar Two model rules and other tax reforms. Our management is continually monitoring changes in tax policy, tax legislation (including in relation to taxation rates), and the interpretation of tax policy or legislation or practice that could have such an effect. At any given time, we may face tax exposures arising out of changes in tax or transfer pricing laws, tax reassessments or otherwise. Governments around the world are increasingly seeking to regulate multinational companies and their use of differential tax rates between jurisdictions. This effort includes a greater emphasis by various nations to coordinate and share information regarding companies and the taxes they pay. Changes in governmental taxation policies and practices could adversely affect us or result in negative media coverage and, depending on the nature of such policies and practices, could have a greater impact on the Company than on other companies.

Foreign Currency Exchange Rates

Our Canadian operations sell the majority of their products at prices denominated in U.S. dollars or based on prevailing U.S. dollar prices while a significant portion of their operational costs and expenses are incurred in Canadian dollars. Our U.K. operations sell a portion of their products at prices denominated in Euros while the majority of their costs are incurred in British pounds sterling.

Accordingly, exchange rate fluctuations will result in exchange gains or losses recorded in earnings and other comprehensive earnings. This results in significant earnings sensitivity to changes in the relative value of the United States dollar in comparison to the value of the Canadian dollar, British pound sterling and Euro. These exchange rates are affected by a broad range of factors which makes future rates difficult to accurately predict. Significant fluctuations in relative currency values may also negatively affect the cost competitiveness of our facilities, the value of our foreign investments, our financial condition, results of our operations and cash flow.

Financial

Capital Plans

Our capital plans will include, from time to time, expansion, productivity improvement, technology upgrades, operating efficiency optimization and maintenance, repair or replacement of our existing facilities and equipment. In addition, we will from time to time undertake the acquisition of facilities or the rebuilding or modernization of existing facilities, including the rebuilding and modernization of existing and newly acquired facilities and the incorporation of new technologies in our production facilities to improve operating efficiencies and reduce costs. We may also in the future be required to undertake capital projects to (i) address or mitigate the impacts of climate change and extreme weather events at our facilities, (ii) comply with new government regulation directed at reducing the impacts of climate change; (iii) reduce the carbon intensity or footprint of our existing operations by reducing or eliminating fossil fuel usage, or (iv) comply with new government regulation directed at improving environmental protection. If the capital expenditures associated with these capital projects are greater than we have projected or if construction timelines are longer than anticipated, or if we fail to achieve the intended efficiencies, our financial condition, results of operations and cash flow may be adversely affected. In addition, our ability to expand production and improve operational efficiencies will be contingent on our ability to execute on our capital plans. Our capital plans, our ability to execute on such plans and our ability to deliver on the expected returns of our investment may be adversely affected by availability of, and competition for, qualified workers and contractors, machinery and equipment lead times, changes in government regulations, market volatility, incorrect assumptions, unexpected delays and increases in costs of completing capital projects including due to increased materials, machinery and equipment costs resulting from trade disputes and increased tariffs and duties.

In addition, our ability to achieve our capital plans on budget and within the projected time frames will be contingent on our ability to build accurate business plans, budget and forecasts based on sound business assumptions. Our inability to develop accurate business plans, budgets and forecasts could result in increased costs of completion and our inability to realize the planned economic benefits of our capital plans. Our inability to modernize and incorporate new technologies into our existing production facilities could result in increased or high operating expenses or less than optimum operational capacities which may result in our facilities not being competitive with the production facilities of our competitors.

Capital Resources

We believe our capital resources will be adequate to meet our current projected operating needs, capital expenditures and other cash requirements. Factors that could adversely affect our capital resources include prolonged and sustained declines in the demand and prices for our products, unanticipated significant increases in our operating expenses and unanticipated capital expenditures. If for any reason we are unable to provide for our operating needs, capital expenditures and other cash requirements on commercially reasonable terms, we could experience a material adverse effect to our financial condition, results of operations and cash flow.

Availability of Credit

We rely on long-term borrowings and access to revolving credit in order to finance our ongoing operations. Our ability to refinance or renew such facilities and to access additional sources of funding will be dependent upon our financial condition, results of operations, cash flow and credit ratings, covenant compliance and prevailing bank and financial market conditions. Any change in availability of credit in the market, as could happen during an economic downturn, could affect our ability to access credit markets on commercially reasonable terms. In the future we may need to access public or private debt markets to issue new debt. Deteriorations or volatility in the credit markets could also adversely affect:

- our ability to secure financing to proceed with capital expenditures for the repair, replacement or expansion of our existing facilities and equipment;
- our ability to comply with covenants under our existing credit or debt agreements;
- the ability of our customers to purchase our products; and
- our ability to take advantage of growth, expansion or acquisition opportunities.

In addition, deteriorations or volatility in the credit market could result in increases in the interest rates that we pay on our outstanding non-fixed rate debt, which would increase our costs of borrowing and adversely affect our results.

We have a Term Facility maturing in May 2030. There is no assurance that financing will be available to us when required or available to us on commercially favourable or otherwise satisfactory terms in the future to re-finance this borrowing when it becomes due.

Credit Ratings

Credit rating agencies assess our issuer credit rating based on a range of factors, including our financial condition, results of operations, liquidity, capital structure, management actions, their view of the general outlook for our industry and the broader economy.
Although as at December 31, 2025, we do not have publicly issued debt securities outstanding, rating agencies may take actions with respect to our issuer credit rating, including maintaining, upgrading or downgrading the current rating or placing us on a watch list for possible future downgrading.

A downgrading of our issuer credit rating or placement of us on a watch list for possible future downgrading could adversely affect our access to existing or future sources of financing, increase borrowing costs, reduce financial flexibility and have an adverse effect on our financial condition, results of operation and cash flow.

Such outcomes may be influenced by factors described elsewhere in this MD&A, including earnings volatility, capital allocation decisions, market conditions, and other business and financial risks.

Wood Dust

Our operations generate wood dust which has been recognized for many years as a potential health and safety hazard and operational issue. The potential risks associated with wood dust have been increased in those of our B.C. and Alberta facilities that have been processing mountain pine beetle-killed logs and fire damaged logs as the wood dust generated from these logs tends to be drier, lighter and finer than wood dust typically generated. We have adopted a variety of measures to reduce or eliminate the risks and operational challenges posed by the presence of wood dust in our facilities and we continue to work with industry and regulators to develop and adopt best mitigation practices. Any explosion, fire or similar event at any of our facilities or any third-party facility could result in significant loss, increases in expenses and disruption of operations, increases in insurance costs, exposure to litigation, regulatory fines and/or penalties and damage to our reputation as an employer, each of which would have a material adverse effect on our business.

International Sales

A portion of our products are exported to customers in China, Japan and in developing markets. International sales present a number of risks and challenges, including but not limited to the effective marketing of our products in foreign countries, collectability of accounts receivable, tariffs and other barriers to trade and recessionary environments in foreign economies.

Strategic Initiatives

Our future success may in part be dependent on the performance of strategic initiatives, which could include growth in certain segments or markets and acquisitions. There can be no assurance that we will be able to successfully implement important strategic initiatives in accordance with our expectations, which may adversely affect our business, financial results and future growth prospects.

Return of Capital to Shareholders

We have returned capital to our shareholders in 2025 through a combination of dividends and share repurchases, both through our normal course issuer bid and in 2021 and 2022 through substantial issuer bids. There is no assurance that we will continue to return capital to shareholders in future years, or as to the amount of capital that will be returned. Further, decisions to return capital to shareholders remain at the discretion of our board of directors and shareholders may not agree with the manner and the amounts of capital that are returned to shareholders. The declaration and payment of cash dividends remains within the discretion of our board of directors. Historically, cash dividends have been declared on a quarterly basis payable after the end of each quarter. There is no assurance that our board of directors will continue to maintain our dividend at the current rate. Our board of directors has the power to declare dividends at its discretion and in any manner and at any time as it may deem necessary or appropriate in the future. For these reasons, as well as others, there can be no assurance that dividends that we pay in the future will be equal or similar to the dividends historically paid by West Fraser or that our board of directors will not decide to suspend or discontinue the payment of cash dividends in the future.

Risks Associated with the NYSE Listing and Litigation

The West Fraser Common shares are listed on the NYSE. Our continued listing on the NYSE may expose us to additional regulatory proceedings, litigation (including class actions), mediation, and/or arbitration from time to time, which could adversely affect our financial condition, results of operations and cash flow. Monitoring and defending against legal actions, with or without merit, can be time-consuming, may divert management's attention and resources and can cause us to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we may, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While we have insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact our financial condition, results of operations and cash flow. Litigation, and any decision resulting therefrom, may also create a negative perception of West Fraser.

Pension Plan Funding

We are the sponsor of several defined benefit pension plans which exposes us to market risks related to plan assets and liabilities. Funding requirements for these plans are based on regulatory requirements, actuarial assumptions concerning expected return on plan assets, future salary increases, life expectancy and interest rates. If any of these assumptions differs from actual outcomes such that a funding deficiency occurs or increases, we would be required to increase cash funding contributions which would in turn reduce the availability of capital for other purposes. We are also subject to regulatory changes regarding these plans which may increase the funding requirements which would in turn reduce the availability of capital for other purposes. We also have a number of supplemental executive pension plans that have no funding requirement and as such are largely unfunded.

Risk Associated with Internal Controls

We are required to maintain and evaluate the effectiveness of our internal control over financial reporting under National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* in Canada and under the *Securities Exchange Act of 1934* in the United States. Effective internal controls are required for us to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with IFRS Accounting Standards. Management assesses the effectiveness of our internal control over financial reporting based on the criteria set forth in the *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. We also engage an independent registered public accounting firm to audit and provide an independent opinion on the effectiveness of our internal control over financial reporting.

There is no assurance that we will be able to achieve and maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and we may not be able to ensure that we can conclude on an ongoing basis that our internal control over financial reporting are effective. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. No evaluation can provide complete assurance that our internal control over financial reporting will prevent or detect misstatements on a timely basis, or detect or uncover all failures of persons employed by us to disclose material information otherwise required to be reported. The effectiveness of our controls and procedures could also be limited by simple errors or faulty judgments. In addition, as we continue to expand, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that we continue to improve our internal control over financial reporting.

Our failure to satisfy these requirements on a timely basis could result in the loss of investor confidence in the accuracy and reliability of our financial statements, which in turn could harm our business, expose us to legal or regulatory actions and negatively impact the trading price of our Common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. There can be no assurance that we will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance, and there can be no assurance that we will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies. Future acquisitions of companies may provide us with challenges in implementing the required processes, procedures and controls in our acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to us.

Contagious Disease

Pandemics, epidemics and other outbreaks of contagious diseases could cause interruptions to our business and operations and otherwise have an adverse effect on our financial condition, results of operations and cash flow, including as a result of the effects on: (i) global economic activity, (ii) the financial condition, results of operations and solvency of our customers caused by operating shutdowns or disruptions or financial or liquidity issues, (iii) the demand for and price of our products, (iv) the health of our employees and the impact on their ability to work or travel, (v) our ability to operate our manufacturing facilities, (vi) our supply chain and the ability of third party suppliers, service providers and/or transportation carriers to supply goods or services on which we rely on to transport our products to market, and (vii) our revenues, cash flow, liquidity and ability to maintain compliance with the covenants in our credit agreements. In addition, our future business may be impacted by the local, regional, national or international outbreak or escalation of other contagious diseases, viruses or other illnesses.

Our Common Shares May be Subject to Trading Volatility

Our Common shares will be subject to material fluctuations in trading prices and volumes which may increase or decrease in response to a number of events and factors, which will include:

- changes in the market price of the commodities that we sell and purchase;
- current events affecting the economic situation in North America, Europe and the international markets in which our products are sold;
- the impact of tariffs or the perceived impact of tariffs on the wood products that we export to the U.S.;
- trends in the lumber and OSB industries and other industries in which we operate;
- regulatory and/or government actions;
- changes in financial estimates and recommendations by securities analysts;
- future acquisitions and financings;
- the economics of current and future projects undertaken by us;
- variations in our financial condition, results of operations and cash flow or dividend policies;
- the operating and share price performance of other companies, including those that investors may deem comparable to West Fraser;
- the issuance of additional equity securities by us; and
- the occurrence of any of the risks and uncertainties described above.

In addition to factors directly affecting West Fraser, our Common shares may also experience volatility that is attributable to the overall state of the stock markets in which wide price swings may occur as a result of a variety of financial, economic and market perception factors. This overall market volatility may adversely affect the price of our Common shares, regardless of our own relative operating performance.

CONTROLS AND PROCEDURES

West Fraser is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting, each as defined in NI 52-109 in Canada and under the *Securities Exchange Act of 1934*, as amended, in the United States.

Disclosure Controls and Procedures

We have designed our disclosure controls and procedures to provide reasonable assurance that information that is required to be disclosed by us in our annual filings, interim filings and other reports that we file or submit under securities legislation is recorded, processed, summarized, and reported within the time periods specified in the securities legislation. These include controls and procedures designed to ensure that information that we are required to disclose under securities legislation is accumulated and communicated to our management, including our President and Chief Executive Officer ("CEO") and the Executive Vice-President and Chief Financial Officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

Our management, under the supervision and with the participation of our CEO and CFO, has conducted an evaluation of our disclosure controls and procedures as of December 31, 2025. Based on this evaluation, management, under the supervision of our CEO and CFO, has concluded that our disclosure controls and procedures were effective as of December 31, 2025.

Management's Report on Internal Control Over Financial Reporting

Management, under the supervision of the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under NI 52-109 in Canada and the *Securities Exchange Act of 1934*, as amended, in the United States, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with IFRS Accounting Standards.

There has been no change in our internal control over financial reporting during the year ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management, under the supervision of the CEO and CFO, has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025 based on the criteria set forth in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report included with our annual audited consolidated financial statements and accompanying notes for the year ended December 31, 2025.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Additionally, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

DEFINITIONS, RECONCILIATIONS, AND OTHER INFORMATION

Transactions Between Related Parties

The Company has executive compensation plans with key management personnel, consisting of our directors and officers. These individuals have the authority and responsibility for overseeing, planning, directing, and controlling our activities. Total compensation expense for key management personnel, excluding the impact of equity-based compensation, was $9 million in 2025, compared to $8 million in 2024. We recognized an equity-based compensation recovery of $9 million in 2025 versus an expense of $10 million in 2024. The recovery for 2025 reflects a decrease in the price of our Common shares traded on the TSX and changes in the expected payout multiple on our performance share units, offset in part by the vesting of options and units granted. We paid $4 million to key management personnel in relation to our phantom share unit plan and share option plans in 2025. In addition, we issued 4,700 Common shares to key management personnel under our share option plans in 2025. See note 20 to the Annual Financial Statements for additional details.

Non-GAAP and Other Specified Financial Measures

Throughout this MD&A, we make reference to (i) certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDA by segment (our "Non-GAAP Financial Measures"), (ii) certain non-GAAP ratios, including return on capital employed (our "Non-GAAP Ratios"), (iii) certain capital management measures, including available liquidity, total debt to capital ratio, and net debt to capital ratio (our "Capital Management Measures"), (iv) certain supplementary financial measures, including our expected capital expenditures (our "Supplementary Financial Measures"). We believe that these Non-GAAP Financial Measures, Non-GAAP Ratios, Capital Management Measures, and Supplementary Financial Measures (collectively, our "Non-GAAP and other specified financial measures") are useful performance indicators for investors to understand our operating and financial performance and our financial condition. These Non-GAAP and other specified financial measures are not generally accepted financial measures under IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS Accounting Standards. Investors are cautioned that none of our Non-GAAP Financial Measures should be considered as an alternative to earnings or cash flow, as determined in accordance with IFRS Accounting Standards. As there is no standardized method of calculating any of these Non-GAAP and other specified financial measures, our method of calculating each of them may differ from the methods used by other entities and, accordingly, our use of any of these Non-GAAP and other specified financial measures may not be directly comparable to similarly titled measures used by other entities. Accordingly, these Non-GAAP and other specified financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. The reconciliation of the Non-GAAP measures used and presented by the Company to the most directly comparable measures under IFRS Accounting Standards is provided in the tables set forth below.

Adjusted EBITDA and Adjusted EBITDA by Segment

Adjusted EBITDA is defined as earnings determined in accordance with IFRS Accounting Standards adding back the following line items from the consolidated statements of earnings and comprehensive earnings: finance income or expense, tax provision or recovery, amortization, equity-based compensation, restructuring and impairment charges, and other income or expense.

Adjusted EBITDA by segment is defined as operating earnings determined for each reportable segment in accordance with IFRS Accounting Standards adding back the following line items from the consolidated statements of earnings and comprehensive earnings for that reportable segment: amortization, equity-based compensation, and restructuring and impairment charges.

EBITDA is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance, ability to incur and service debt, and as a valuation metric. We calculate Adjusted EBITDA and Adjusted EBITDA by segment to exclude items that do not reflect our ongoing operations and that should not, in our opinion, be considered in a long-term valuation metric or included in an assessment of our ability to service or incur debt.

We believe that disclosing these measures assists readers in measuring performance relative to other entities that operate in similar industries and understanding the ongoing cash generating potential of our business to provide liquidity to fund working capital needs, service outstanding debt, fund future capital expenditures and investment opportunities,

and pay dividends. Adjusted EBITDA is used as an additional measure to evaluate the operating and financial performance of our reportable segments.

The following tables reconcile Adjusted EBITDA to the most directly comparable IFRS Accounting Standards measure, earnings.

See note 18 to the Annual Financial Statements for a breakdown of the items making up Other. Other is comprised primarily of foreign exchange revaluations, gains/losses on our electricity swaps and interest rate swaps, and gains/losses on asset disposals.

Annual Adjusted EBITDA

($ millions)	2025	2024	2023
Loss	$ (937)	$ (5)	$ (167)
Finance income, net	(1)	(34)	(51)
Tax (recovery) provision	(233)	43	(61)
Amortization	544	549	541
Equity-based compensation	(14)	14	25
Restructuring and impairment charges	712	102	279
Other expense (income)	(15)	2	(5)
Adjusted EBITDA	$ 56	$ 673	$ 561

Quarterly Adjusted EBITDA

($ millions)	Q4-25	Q3-25	Q4-24
Loss	$ (751)	$ (204)	$ (62)
Finance income, net	(3)	12	(12)
Tax (recovery) provision	(167)	(73)	20
Amortization	144	133	138
Equity-based compensation	(4)	(2)	(1)
Restructuring and impairment charges	712	—	68
Other income	(10)	(11)	(11)
Adjusted EBITDA	$ (79)	$ (144)	$ 140

The following tables reconcile Adjusted EBITDA by segment to the most directly comparable IFRS Accounting Standards measures for each of our reportable segments. We consider operating earnings to be the most directly comparable IFRS Accounting Standards measure for Adjusted EBITDA by segment as operating earnings is the IFRS Accounting measure most used by the chief operating decision maker when evaluating segment operating performance.

Annual Adjusted EBITDA by Segment ($ millions)

2025	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corp & Other	Total
Operating earnings (loss)	$ (766)	$ (376)	$ (16)	$ (37)	$ 9	$ (1,187)
Amortization	193	290	15	42	5	544
Equity-based compensation	—	—	—	—	(14)	(14)
Restructuring and impairment charges	473	239	—	—	—	712
Adjusted EBITDA by segment	$ (100)	$ 153	$ (2)	$ 5	$ —	$ 56

2024	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corp & Other	Total
Operating earnings (loss)	$ (303)	$ 459	$ (13)	$ (110)	$ (26)	$ 7
Amortization	192	284	14	48	11	549
Equity-based compensation	—	—	—	—	14	14
Restructuring and impairment charges	28	1	3	70	1	102
Adjusted EBITDA by segment	$ (82)	$ 744	$ 4	$ 8	$ —	$ 673

Quarterly Adjusted EBITDA by Segment ($ millions)

Q4-25	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corp & Other	Total
Operating earnings (loss)	$ (586)	$ (335)	$ (5)	$ (7)	$ 3	$ (931)
Amortization	56	73	3	11	1	144
Equity-based compensation	—	—	—	—	(4)	(4)
Restructuring and impairment charges	473	239	—	—	—	712
Adjusted EBITDA by segment	$ (57)	$ (24)	$ (1)	$ 4	$ —	$ (79)

Q3-25	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corp & Other	Total
Operating earnings (loss)	$ (169)	$ (88)	$ (10)	$ (10)	$ 1	$ (275)
Amortization	46	72	3	10	1	133
Equity-based compensation	—	—	—	—	(2)	(2)
Adjusted EBITDA by segment	$ (123)	$ (15)	$ (6)	$ 1	$ —	$ (144)

Q4-24	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corp & Other	Total
Operating earnings (loss)	$ (25)	$ 56	$ (14)	$ (80)	$ (2)	$ (65)
Amortization	47	71	4	12	3	138
Equity-based compensation	—	—	—	—	(1)	(1)
Restructuring and impairment charges (reversal)	(1)	—	—	70	—	68
Adjusted EBITDA by segment	$ 21	$ 127	$ (10)	$ 2	$ —	$ 140

Return on capital employed

Return on capital employed (ROCE) is earnings before interest and taxes divided by average capital employed, expressed as a percentage. Earnings before interest and taxes is calculated as earnings determined in accordance with IFRS Accounting Standards adding back the following line items from the consolidated statements of earnings and comprehensive earnings: finance income or expense and tax provision or recovery. Average capital employed is calculated as the average of opening and closing capital employed. Capital employed is calculated as total assets, excluding cash, less current liabilities, excluding the current portion of long-term debt.

We believe disclosing this measure assists readers in understanding the efficiency with which we deploy capital to generate earnings. In addition, ROCE is referenced in certain of our equity-based compensation and variable compensation plans.

Return on Capital Employed (ROCE) ($ millions)	**2025**	**2024**	**2023**
Loss	(937)	(5)	(167)
Finance income, net	(1)	(34)	(51)
Tax (recovery) provision	(233)	43	(61)
Earnings before interest and taxes	(1,172)	5	(279)
Average capital employed	7,076	7,576	7,892
Return on capital employed	(17)%	—%	(4)%

Available liquidity

Available liquidity is the sum of our cash and cash equivalents and funds available under our committed and uncommitted bank credit facilities. We believe disclosing this measure assists readers in understanding our ability to meet uses of cash resulting from contractual obligations and other commitments at a point in time.

Available Liquidity ($ millions, except as otherwise indicated)	**December 31, 2025**	**December 31, 2024**
Cash and cash equivalents	$ 202	$ 641
Operating lines available (excluding paper operation)[1]	1,020	1,044
	1,222	1,685
Cheques issued in excess of funds on deposit	—	—
Borrowings on operating lines	—	—
Available liquidity	$ 1,222	$ 1,685

1. Excludes demand line of credit dedicated to our jointly-owned paper operation as West Fraser cannot draw on it.

Total debt to total capital ratio

Total debt to total capital ratio is total debt divided by total capital, expressed as a percentage. Total capital is defined as the sum of total debt plus total equity. This calculation is defined in certain of our bank covenant agreements. We believe disclosing this measure assists readers in understanding our capital structure, financial solvency, and degree of leverage at a point in time.

The following table outlines the composition of the measure.

Total Debt to Capital ($ millions)	**December 31, 2025**	**December 31, 2024**
Debt		
Operating loans	$ —	$ —
Current and non-current lease obligation	33	29
Current and non-current debt	300	200
Derivative liabilities[1]	—	—
Open letters of credit[1]	38	36
Total debt	371	265
Shareholders' equity	5,849	6,954
Total capital	$ 6,220	$ 7,219
Total debt to capital	6%	4%

1. Letters of credit facilities and the fair value of derivative liabilities are part of our bank covenants' total debt calculation.

Net debt to capital ratio

Net debt to capital ratio is net debt divided by total capital, expressed as a percentage. Net debt is calculated as total debt less cash and cash equivalents, open letters of credit, and the fair value of any derivative liabilities. Total capital is

defined as the sum of net debt plus total equity. We believe disclosing this measure assists readers in understanding our capital structure, financial solvency, and degree of leverage at a point in time. We believe that using net debt in the calculation is helpful because net debt represents the amount of debt obligations that are not covered by available cash and cash equivalents.

The following table outlines the composition of the measure.

Net Debt to Capital ($ millions)	**December 31, 2025**	**December 31, 2024**
Debt		
Operating loans	$ —	$ —
Current and long-term lease obligation	33	29
Current and long-term debt	300	200
Derivative liabilities[1]	—	—
Open letters of credit[1]	38	36
Total debt	371	265
Cash and cash equivalents	(202)	(641)
Open letters of credit	(38)	(36)
Derivative liabilities	—	—
Cheques issued in excess of funds on deposit	—	—
Net debt	131	(412)
Shareholders' equity	5,849	6,954
Total capital	$ 5,980	$ 6,542
Net debt to capital	2%	(6%)

1. Letters of credit facilities and the fair value of derivative liabilities are part of our bank covenants' total debt calculation.

Expected capital expenditures

This measure represents our best estimate of the amount of cash outflows relating to additions to capital assets for the current year based on our current outlook. This amount is comprised primarily of various improvement projects and maintenance-of-business expenditures, and projects focused on optimization and automation of the manufacturing process. This measure assumes no deterioration in market conditions during the year and that we are able to proceed with our plans on time and on budget. This estimate is subject to the risks and uncertainties identified in this MD&A.

Glossary of Key Terms

We use the following terms in this MD&A:

Term	**Description**
AAC	Annual allowable cut
ADD	Antidumping duty
AR	Administrative Review by the USDOC
B.C.	British Columbia
BCTMP	Bleached chemithermomechanical pulp
BCTS	B.C. Timber Sales
CAD or CAD$	Canadian dollars
CEO	President and Chief Executive Officer
CFO	Executive Vice-President and Chief Financial Officer
CGU	Cash generating unit
CPL	Cariboo Pulp mill, now operated by Cariboo Pulp Ltd.
CRA	Canada Revenue Agency
Crown timber	Timber harvested from lands owned by a provincial government

CUSMA	Canada-United States-Mexico Agreement
CVD	Countervailing duty
DC&P	Disclosure Controls and Procedures
EDGAR	Electronic Data Gathering, Analysis and Retrieval System
ESG	Environmental, Social and Governance
EWP	Engineered wood products
GBP	British pound sterling
GHG	Greenhouse gas
ICFR	Internal Control over Financial Reporting
IFRS Accounting Standards	International Financial Reporting Standards as issued by the International Accounting Standards Board
LVL	Laminated veneer lumber
MDF	Medium-density fibreboard
NA	North America
NA EWP	North America Engineered Wood Products
NBSK	Northern bleached softwood kraft pulp
NCIB	Normal course issuer bid
2023 NCIB	Normal course issuer bid - February 27, 2023 to February 26, 2024
2024 NCIB	Normal course issuer bid - March 1, 2024 to February 28, 2025
2025 NCIB	Normal course issuer bid - March 3, 2025 to March 2, 2026
NI 52-109	National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*
Norbord	Norbord Inc.
Norbord Acquisition	Acquisition of Norbord completed February 1, 2021
NYSE	New York Stock Exchange
OSB	Oriented strand board
POI	Period of Investigation in respect of an USDOC administrative review
PPE	Property, plant, and equipment
Q1-25 or Q1-24	three months ended March 28, 2025 or March 29, 2024 and for balance sheet amounts as at March 28, 2025 or March 29, 2024
Q2-25 or Q2-24	three months ended June 27, 2025 or June 28, 2024 and for balance sheet amounts as at June 27, 2025 or June 28, 2024
Q3-25 or Q3-24	three months ended September 26, 2025 or September 27, 2024 and for balance sheet amounts as at September 26, 2025 or September 27, 2024
Q4-25 or Q4-24	three months ended December 31, 2025 or 2024 and for balance sheet amounts as at December 31, 2025 or 2024
Section 232	Section 232 of the *Trade Expansion Act of 1962*
SEDAR+	System for Electronic Document Analysis and Retrieval +
SIB	Substantial Issuer Bid
SOFR	Secured Overnight Financing Rate
SOX	Section 404 of the Sarbanes-Oxley Act
SPF	Spruce/pine/balsam fir lumber
SYP	Southern yellow pine lumber
TSX	Toronto Stock Exchange
U.K.	United Kingdom
U.S.	United States
USD or $ or US$	United States Dollars
USDOC	United States Department of Commerce
USITC	United States International Trade Commission
YTD-25 or YTD-24	years ended December 31, 2025 or December 31, 2024

Forward-Looking Statements

This MD&A includes statements and information that constitutes “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of United States securities laws (collectively, “forward-looking statements”). Forward-looking statements include statements that are forward-looking or predictive in nature and are dependent upon or refer to future events or conditions. We use words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts,” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would,” and “could,” to identify these forward-looking statements. These forward-looking statements generally include statements which reflect management’s expectations regarding the operations, business, financial condition, results of operations expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of West Fraser and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods.

Forward-looking statements included in this MD&A include references to:

Discussion	Forward-Looking Statements
Our Business and Strategy	our corporate strategy and objectives to generate strong financial results through the business cycle, supported by robust product and geographic diversity, to rely on our committed workforce, the quality of our assets and our well-established people and culture, to execute a balanced capital allocation strategy by maintaining a strong balance sheet and liquidity profile along with an investment-grade issuer rating, to maintain a leading cost position, to maintain financial flexibility through a strong balance sheet and to return capital to shareholders, reinvest in operations across all market cycles to enhance productivity, product mix and capacity, and pursuit of opportunistic acquisitions and larger-scale growth initiatives
Recent Developments – Markets	impact of new home construction activity, existing home sales, interest rates, mortgage rates, housing supply and demand, housing affordability, housing starts, housing prices, unemployment rates, repair and remodelling demand, inflationary pressures, changes in population growth and demographics on demand for our lumber and OSB products; expectations regarding near, medium and longer-term core demand, future interest rates, government policies on affordability and inflation; contraction in the North American lumber mill capacity and continuation of a period of oversupply in the North American lumber industry, particularly in the U.S. South; constraints on new lumber capacity when lumber demand recovers due to various factors, including ongoing timber supply limitations in significant lumber regions; continuation of a period of oversupply in the North American OSB industry; impact of new or reduced lumber and OSB production capacity on market supply and pricing; constraints on Canadian exports due to Section 232 tariffs or other factors resulting in a potential shortfall in the supply of lumber and OSB products required to meet U.S. market demand levels
Recent Developments - OSB Capacity Reductions	continuation of our OSB capacity reductions, including indefinite curtailment of our High Level, Alberta OSB mill and the idled production line at our Cordele, Georgia OSB mill
Discussion & Analysis of Quarterly Results by Product Segment - Lumber Segment - Softwood Lumber Dispute	administrative review commencement, adjustment of export duty rates, proceedings related to duty rates, and timing of finalization of AR7 and AR8 duty rates
Business Outlook – Markets	the impact of market conditions, housing affordability, interest rates, mortgage rates, U.S. housing starts and inflationary pressures on demand for our wood products over the near, medium and longer term; the potential growing market penetration of mass timber; our ability to capitalize on long-term growth opportunities; our expectations as to future interest rates due to the impact of competing forces on interest rates, including the impact of broader economy, the slowing of employment, growth and the potential price inflation impact of U.S. tariffs and other government policies
Business Outlook – Softwood lumber dispute	the timing and finalization of the AR7 and AR8 duty rates and their impact on our financial position

Business Outlook – Operations	the assumptions underlying our anticipated shipment levels, including the continued availability of timber supply, our projected SPF and SYP lumber shipments, and related modest demand expectations due to the impact of tariffs and housing affordability challenges on SPF and SYP lumber demand and consequential impact on shipments of SPF lumber into the U.S. from Canada, expectations of stable B.C. and Alberta stumpage rates, U.S. South log costs stabilizing at rates modestly lower than 2025 costs, with region-specific log costs varying; our projected OSB shipments and related softening of OSB demand forecasts due to tariff and policy uncertainty, and housing affordability challenges; the anticipated stability of OSB input costs continuing in the near term, with the projected downward pressure on fibre costs in the U.S. South due to a regional excess supply of pulp logs as a result of recent sawmill curtailments, expectations as to continued stabilization of input costs across our supply chain in 2026, with expectations as to improved labour availability and capital equipment lead times
Business Outlook – Cash Flows	projected cash flows from operations and available liquidity, the sufficiency of operations and available liquidity to support projected capital expenditures, and the amount of these capital expenditures, our plan to continue to operationalize capital invested in recent years, total estimated capital costs, completion dates and ramp-up periods (including with respect to the ramp-up of the modernized Henderson, Texas lumber manufacturing facility), expected results of capital expenditures, including improvements, maintenance, optimization and automation projects and maintenance of our investment grade issuer rating, strategic growth opportunities, expected continuity of dividends and share repurchases
Liquidity and Capital Resources	available liquidity, the availability of our revolving credit facility, our policy on capital management, maintenance of investment grade issuer rating, our policy on interest rate swaps and our goal to maintain a balanced capital allocation strategy

By their nature, these forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts, and other forward-looking statements will not occur. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to:

- assumptions in connection with the economic and financial conditions in the U.S., Canada, U.K., Europe and globally and consequential demand for our products, including the ability to meet our shipment guidance, and variability of operating schedules and the impact of the conflicts in Ukraine and the Middle East or elsewhere;
- future increases in interest rates and inflation or continued sustained higher interest rates and rates of inflation could impact housing affordability and repair and remodelling demand, which could reduce demand for our products;
- near and long-term impacts and uncertainties of U.S. administration tariffs and other government policies on the demand and prices of our wood products in the U.S. and the consequential impact on the profitability of our Canadian business, financial condition, results of operations and cash flow and ability to meet our shipment guidance;
- risks associated with international trade and trade restrictions, including impact of tariff actions and possible further actions from the Section 232 investigation such as potential tariffs, export controls, including quotas, or incentives to increase domestic production, future cross border trade rulings, agreements and duty rates, including the renegotiation of CUSMA and/or the failure to renew or replace CUSMA as well as the impact of other government policies;
- global supply chain issues may result in increases to our costs and may contribute to a reduction in near-term demand for our products;
- continued governmental approvals and authorizations to access timber supply, and the impact of forest fires, infestations, environmental protection measures and actions taken and legislation adopted by government respecting Indigenous rights, title and/or reconciliation efforts on these approvals and authorizations, and evolving jurisprudence in Canada on aboriginal rights and title;
- risks inherent in our product concentration and cyclicality;
- effects of competition for logs, availability of fibre and fibre resources and product pricing pressures, including continued access to log supply and fibre resources at competitive prices and the impact of third-party certification standards; including reliance on fibre off-take agreements and third party consumers of wood chips;
- effects of variations in the price and availability of manufacturing inputs, including energy, employee wages, resin and other input costs, and the impact of inflationary pressures on the costs of these manufacturing costs, including increases in stumpage fees and log costs;

- availability and costs of transportation services, including truck and rail services, and port facilities, and impacts on transportation services of wildfires and severe weather events, and the impact of increased energy prices on the costs of transportation services;
- the recoverability of property, plant and equipment ($3,593 million), goodwill and intangibles ($1,726 million), both as at December 31, 2025, is based on numerous key assumptions which are inherently uncertain, including production volume, product pricing, operating costs, terminal multiple, and discount rate. Adverse changes in these assumptions could lead to a change in financial outlook which may result in carrying amounts exceeding their recoverable amounts and as a consequence an impairment, which could have a material non-cash adverse effect on our results of operations;
- transportation constraints, including the impact of labour disruptions, may negatively impact our ability to meet projected shipment volumes;
- the timing of our planned capital investments may be delayed, the ultimate costs of these investments may be increased as a result of inflation, and the projected rates of return may not be achieved;
- various events that could disrupt operations, including natural, man-made or catastrophic events including drought, wildfires, fires, explosions, mechanical failures, cyber security incidents, any state of emergency and/or evacuation orders issued by governments, and ongoing relations with employees;
- risks inherent to customer dependence;
- implementation of important strategic initiatives and identification, completion and integration of acquisitions;
- impact of changes to, or non-compliance with, environmental or other regulations;
- government restrictions, standards or regulations intended to reduce greenhouse gas emissions and our inability to achieve our SBTi commitment for the reduction of greenhouse gases as planned;
- the costs and timeline to achieve our greenhouse gas emissions objectives may be greater and take longer than anticipated;
- changes in government policy and regulation, including actions taken by the Government of British Columbia pursuant to recent amendments to forestry legislation and initiatives to defer logging of forests deemed “old growth” and the impact of these actions on our timber supply;
- impact of weather and climate change on our operations or the operations or demand of our suppliers and customers;
- ability to implement new or upgraded information technology infrastructure;
- impact of information technology service disruptions or failures or cyber-security breaches or attacks;
- impact of any product, property or general liability claims in excess of insurance coverage;
- risks inherent to a capital intensive industry;
- impact of future outcomes of tax exposures;
- potential future changes in tax laws, including tax rates;
- risks associated with investigations, claims and legal, regulatory and tax proceedings covering matters which if resolved unfavourably may result in a loss to and/or reputational issues for the Company;
- effects of currency exposures and exchange rate fluctuations;
- fair values of our electricity swaps may be volatile and sensitive to fluctuations in forward electricity prices and changes in government policy and regulation;
- future operating costs;
- availability of financing, bank lines, securitization programs and/or other means of liquidity;
- continued access to timber supply in the traditional territories of Indigenous Nations and our ability to work with Indigenous Nations in B.C. to secure continued fibre supply for our lumber mills through various commercial agreements and joint ventures;
- our ability to continue to maintain effective internal control over financial reporting;
- the risks and uncertainties described in this document; and
- other risks detailed from time to time in our annual information forms, annual reports, MD&A, quarterly reports and material change reports filed with and furnished to securities regulators.

In addition, actual outcomes and results of these statements will depend on a number of factors including those matters described under “Risks and Uncertainties” in this MD&A and may differ materially from those anticipated or projected. This list of important factors affecting forward-looking statements is not exhaustive and reference should be made to the other factors discussed in public filings with securities regulatory authorities. Accordingly, readers should exercise caution in relying upon forward-looking statements and we undertake no obligation to publicly update or revise any forward-looking statements, whether written or oral, to reflect subsequent events or circumstances except as required by applicable securities laws.

Additional Information

Additional information on West Fraser, including our Annual Information Form and other publicly filed documents, is available on the Company's website at www.westfraser.com, on SEDAR+ at www.sedarplus.ca and on the EDGAR section of the SEC website at www.sec.gov/edgar.

Where this MD&A includes information from third parties, we believe that such information (including information from industry and general publications and surveys) is generally reliable. However, we have not independently verified any such third-party information and cannot assure you of its accuracy or completeness.

Exhibit 99.4

CERTIFICATION

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sean P. McLaren, certify that:

(1) I have reviewed this annual report on Form 40-F of West Fraser Timber Co. Ltd.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 11, 2026

By: */s/ Sean P. McLaren*

Name: Sean P. McLaren

Title: President and Chief Executive Officer

Exhibit 99.5

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher A. Virostek, certify that:

(1) I have reviewed this annual report on Form 40-F of West Fraser Timber Co. Ltd.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 11, 2026

By: */s/ Christopher A. Virostek*

Name: Christopher A. Virostek

Title: Executive Vice-President and Chief Financial Officer

Exhibit 99.6

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 40-F of West Fraser Timber Co. Ltd. (the " **Company**") for the period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Sean P. McLaren, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 11, 2026

By: */s/ Sean P. McLaren*
Sean P. McLaren
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.7

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 40-F of West Fraser Timber Co. Ltd. (the " **Company**") for the period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Christopher A. Virostek, Executive Vice-President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 11, 2026

By: */s/ Christopher A. Virostek*
Christopher A. Virostek
Executive Vice-President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 99.8

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended December 31, 2025 of West Fraser Timber Co. Ltd. of our report dated February 11, 2026, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in Exhibit 99.2 incorporated by reference in this Annual Report on Form 40-F.

We also consent to the incorporation by reference in the Registration Statements on Form S-8 (no. 333-252631 and 333-257254) of West Fraser Timber Co. Ltd. of our report dated February 11, 2026 referred to above. We also consent to the reference to us under the heading “Interests of Experts” in the Annual Information Form, filed as Exhibit 99.1 to this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
February 11, 2026