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, 2023 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.
1900 Exeter Road, Suite 105
Germantown, TN 38138
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: **81,720,996 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, 2023 (our "2023 **AIF**")	99.1
Audited consolidated financial statements of the Company and notes thereto as at December 31, 2023 and 2022 and for the years ended December 31, 2023 and 2022, together with Management's Report on Internal Control over Financial Reporting and the report of the Independent Registered Public Accounting Firm (our "2023 Audited Annual Financial Statements")	99.2
Management's Discussion and Analysis of the Company for the year ended December 31, 2023 (our "2023 **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 2023 AIF and 2023 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 2023 Annual MD&A and in our 2023 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 2023 Audited Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards. Therefore, West Fraser's 2023 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 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.

Our management, under the supervision and with the participation of our President and Chief Executive Officer (" **CEO**") and the Senior Vice-President, Finance and Chief Financial Officer ("**CFO**"), has conducted an evaluation of our disclosure controls and procedures as of December 31, 2023. Based on this evaluation, management, under the supervision of our CEO and CFO, have concluded that our disclosure controls and procedures are effective as of December 31, 2023.

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 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, 2023 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, 2023. See "Management's Report on Internal Control over Financial Reporting", included in Exhibit 99.2 attached hereto which is incorporated by reference into this Annual Report.

We have excluded Spray Lake Sawmills (1980) Ltd. (" **Spray Lake**") from our assessment of internal control over financial reporting as at December 31, 2023 because it was acquired on November 17, 2023. Spray Lake's contribution to our consolidated financial statements for the year ended December 31, 2023 was $5 million of sales, representing approximately 0.1% of consolidated sales, and $ 1 million of loss, representing 0.7% of consolidated loss. Additionally, assets attributed to Spray Lake's assets were $134 million, representing approximately 1.4% of our total assets as at December 31, 2023.

Attestation Report of the Independent Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report which appears in Exhibit 99.2 to this Annual Report.

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, 2023, 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, Eric Butler, Reid Carter, Colleen M. McMorrow and Ellis Ketcham Johnson. 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]:

	2023	2022
Audit Fees	$ 2,776	$ 2,531
Audit-Related Fees	255	84
Tax Fees	22	43
All Other Fees	34	74
Total	**$ 3,087**	**$ 2,732**

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 as of December 31, 2023, 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, services associated with registration statements, prospectuses, and other documents filed with securities regulators, and due diligence assistance.

Tax Fees

Tax fees relate to tax compliance, tax advice, and tax planning services.

All Other Fees

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

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, 2023 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 2023 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, 2023. 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 the 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 14, 2024

WEST FRASER TIMBER CO. LTD.

By: */s/ Sean McLaren*

Sean 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, 2023
99.2	Audited consolidated financial statements of the Company and notes thereto as at December 31, 2023 and 2022 and for the years ended December 31, 2023 and 2022, together with Management's Report on Internal Control over Financial Reporting and the report of the Independent Registered Public Accounting Firm
99.3	Management's Discussion and Analysis for the year ended December 31, 2023
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, 2023 formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings and Comprehensive Earnings, (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 14, 2024

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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 14, 2024. Except as otherwise indicated, the information contained in it is as of December 31, 2023.

For definitions of various abbreviations and technical terms used in this AIF, please see the Glossary located on page 33 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, 2023 (our "2023 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 1500 - 1055 West Georgia Street, 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)
Blue Ridge Lumber Inc.	Alberta	100%
Norbord Inc.	Canada	100%
Norbord Sales Inc.	Ontario	100%
Sundre Forest Products Inc.	Alberta	100%
West Fraser Europe Ltd.	United Kingdom	100%
West Fraser Forest Products Inc.	Delaware	100%
West Fraser, Inc.	Delaware	100%
West Fraser Mills Ltd.	British Columbia	100%
West Fraser US EWP LLC	Delaware	100%
West Fraser Wood Products Inc.	Delaware	100%

West Fraser completed an internal reorganization and, effective December 31, 2023, the Norbord U.S. OSB mill legal entities merged into West Fraser US EWP LLC.

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, selling, marketing and distributing lumber, engineered wood products (OSB, LVL, MDF, plywood, particleboard), pulp, newsprint, wood chips and other residuals and renewable energy. West Fraser originated in 1955 when three brothers, Pete, Bill and Sam Ketcham, acquired a lumber planing mill located in Quesnel, B.C. ("Quesnel"). From 1955 through 2023 the business expanded through the acquisition of a number of sawmills and related timber harvesting rights, the acquisition or development of lumber, OSB, panels and pulp & paper businesses, including the acquisition of Norbord and its OSB, particleboard, MDF and related value added products businesses. As a result of the Norbord Acquisition, we are now a leading producer of OSB. Our business is comprised of 34 lumber mills, 15 OSB facilities, six renewable energy facilities, three plywood facilities, three MDF facilities, two treated wood facilities, one particleboard facility, one LVL facility, one veneer facility and five pulp and paper mills (as at December 31, 2023, three of our pulp mills are held for sale, one of which has since been sold).

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

Senior Leadership Changes

On December 7, 2021, we announced the following management changes: (i) Sean McLaren, formerly the Company's President, Solid Wood, has become the Company's Chief Operating Officer, (ii) Kevin Burke, formerly the Company's Vice-President, North American Engineered Wood Products and Renewable Energy, has become the Company's Senior Vice-President, Wood Products, (iii) Keith Carter, formerly the Company's Vice-President, Western Canada Operations, has become the Company's Senior Vice-President, Western Canada, and (iv) Alan McMeekin, formerly the Company's Vice-President, European Engineered Wood Products, has become the Company's Senior Vice-President, Europe.

On September 7, 2022, we approved the following management changes: (i) Christopher Virostek was appointed Senior Vice-President, Finance and Chief Financial Officer; and (ii) James Gorman was appointed Senior Vice-President, Corporate and Government Relations.

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. In addition, the following management changes were made effective January 1, 2024: (i) Kevin Burke has been appointed Executive Vice-President, North American Operations, (ii) Matt Tobin has been appointed Senior Vice-President, Sales and Marketing, and (iii) James Gorman has been appointed Senior Vice-President, Corporate Services.

Norbord Acquisition

On November 19, 2020, we announced that we had entered into an arrangement agreement with Norbord under which we had agreed to acquire Norbord to create a leading diversified global wood products company (the "Arrangement Agreement").

We completed the acquisition of Norbord on February 1, 2021 (the "Norbord Acquisition") and Norbord is now a wholly-owned subsidiary of West Fraser. We issued 54,484,188 Common shares to the shareholders of Norbord in connection with this acquisition and assumed Norbord's outstanding stock options.

In accordance with our obligations under the Arrangement Agreement, West Fraser's common shares ("Common shares") were listed on and began trading on the NYSE under the symbol WFG on February 1, 2021. Concurrent with this listing, we changed our stock symbol on the TSX to WFG. In accordance with the *U.S. Exchange Act*, the Common shares have been deemed to be registered under Section 12g-3 of the *U.S. Exchange Act* as West Fraser is a "successor issuer" to Norbord under the *U.S. Exchange Act*. Accordingly, West Fraser files continuous disclosure reports with the United States Securities and Exchange Commission (the "SEC") under the requirements of the *U.S. Exchange Act*.

As part of the Norbord Acquisition, we assumed Norbord's 2023 Notes, bearing interest at 6.25% and Norbord's 2027 Notes, bearing interest at 5.75%. On March 2, 2021, we made a mandatory change of control offer for the 2023 Notes and the 2027 Notes pursuant to which $1 million of the 2023 Notes and $1 million of the 2027 Notes were redeemed and were repaid in the second quarter of 2021. On April 6, 2021, we elected to redeem the remaining 2027 Notes on May 6, 2021. On May 6, 2021, we elected to redeem the remaining 2023 Notes on June 7, 2021. After the completion of the redemption of the Notes, the principal value of long-term debt was reduced by $665 million from the date of the Norbord Acquisition.

Changes to Long-Term Debt and Operating Facilities

On February 1, 2021, concurrent with the closing of the Norbord Acquisition, we completed various administrative amendments to our CAD$850 million committed revolving credit facility and our $200 million term loan to facilitate the Norbord Acquisition. We also replaced our CAD$150 million committed revolving credit facility with a $450 million committed revolving credit facility due 2024 on substantially the same terms. Norbord's accounts receivable securitization facility and secured revolving credit facilities were terminated at closing and the security related to all of Norbord's debt was discharged as of February 1, 2021.

On July 28, 2021, we completed an amendment to our revolving credit facilities with a syndicate of lenders and entered into our 2021 Credit Agreement, combining our CAD$850 million and $450 million revolving facilities into a single $1 billion committed revolving facility with a five-year term.

On July 25, 2023 we amended and restated our 2021 Credit Agreement to: (i) extend the maturity of our committed revolving facility to July 2028 and replace the LIBOR option with SOFR, and (ii) extend the maturity of our $200 million term loan to July 2025 and replace the LIBOR option with SOFR.

Share Repurchases

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

- 2021: 7,059,196 Common shares were purchased at a cost of $527 million.
- 2022: 10,475,115 Common shares were purchased at a cost of $859 million.
- 2023: 1,834,801 Common shares were purchased at a cost of $129 million.

On February 22, 2023, we renewed our 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. As of February 13, 2024, 1,878,648 shares have been repurchased under the bid, leaving 2,185,048 shares available to purchase at our discretion until the expiry of the 2023 NCIB.

In addition to the 2021 and 2022 NCIBs, we completed two substantial issuer bids as follows:

- August 20, 2021 - purchased for cancellation a total of 10,309,278 Common shares at a price of CAD$97.00 ($76.84) per share for an aggregate purchase price of CAD$1.0 billion ($792 million).
- June 7, 2022 - purchased for cancellation a total of 11,898,205 Common shares at a price of $95.00 per share for an aggregate purchase price of $1.13 billion.

Change in Functional and Reporting Currency

As a result of the completion of the Norbord Acquisition, the functional currency of our Canadian operations changed from the Canadian dollar to the U.S. dollar as of February 1, 2021. Concurrent with the change in functional currency, we also changed our presentation currency for the purposes of our financial statements from Canadian dollars to U.S. dollars. Accordingly, we commenced presenting our financial statements in U.S. dollars with our unaudited interim financial statements as at and for the three months ended March 31, 2021.

Dividend Currency Change

On October 27, 2021, we announced that as the majority of our shareholder base is now outside Canada, and as the majority of our cash flows are denominated in U.S. dollars, future dividends will be declared and payable in U.S. dollars.

Commitment to GHG Emissions Reductions

On February 15, 2022, we announced a commitment to set and we set science-based targets to achieve near-term greenhouse gas (“GHG”) reductions across all our operations located in the United States, Canada, United Kingdom and Europe. 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.

Dudley, Georgia Lumber Mill

Our new lumber manufacturing complex in Dudley became fully operational in the second quarter of 2021. As it ramps up over the next few years, it is expected to reach an annual production capacity of 270 million board feet, subject to market conditions.

Acquisition of Lufkin, Texas Lumber Mill

On December 1, 2021, we completed the acquisition of the Angelina Forest Products’ SYP lumber mill located in Lufkin, Texas for $303 million, net of cash acquired of $8 million and, subject to certain post-closing adjustments. The new turn-key facility began construction in 2018 and commenced operations in late 2019. The facility is expected to progress toward production capacity of approximately 305 million board feet over the next three to four years.

British Columbia Curtailments

On August 9, 2022, we announced the permanent curtailment of 170 million board feet of combined production at our Fraser Lake and Williams Lake lumber mills and approximately 85 million square feet of plywood production at our Quesnel Plywood mill, all in British Columbia. These capacity reductions were implemented to better align West Fraser's operating capacity with available timber and transport availability. The reduction in capacity impacted 77 positions at Fraser Lake lumber mill, 15 positions at Williams Lake lumber mill, and 55 positions at Quesnel plywood mill in the fourth quarter of 2022. We mitigated the impact on affected employees by providing work opportunities at other West Fraser locations.

Henderson, Texas Lumber Manufacturing Complex

On October 26, 2022, we announced the undertaking of a brownfield redevelopment of our Henderson, Texas facility. We are constructing the new mill next to the existing Henderson mill. Capital investment at the new mill is estimated at $255 million and construction began in the fourth quarter of 2022. Mill start-up is planned for the first half of 2025 , with an anticipated ramp-up curve of at least 18-24 months. Capacity at the new mill is anticipated to be 275 MMfbm, an approximate doubling of the existing mill's annual capacity.

Perry, Florida Lumber Mill

On January 10, 2023, we announced the indefinite curtailment of our Perry, Florida sawmill as a result of high fiber costs and softening lumber markets. The reduction in capacity impacted 126 employees and reduced annual U.S. lumber capacity by 100 million board feet. Effective December 31, 2023, the indefinite curtailment has subsequently been converted to a permanent closure.

Acquisition of Spray Lake Sawmills

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 biproducts in Cochrane, Alberta. It has an annual lumber capacity of 155 million board feet and holds two Forest Management Agreements granted by the Government of Alberta with a total Annual Allowable Cut of approximately 500,000 m^3. The transaction closed on November 17, 2023.

Maxville, Florida and Huttig, Arkansas Lumber Mills

On January 9, 2024, we announced the permanent closure of our lumber mill in Maxville, Florida and the indefinite curtailment of operations at our lumber mill in Huttig, Arkansas, due to high fibre costs at Maxville and soft lumber markets. The closure of Maxville lumber mill impacts approximately 80 employees, while the indefinite curtailment of Huttig impacts 140 employees. In aggregate this reduced our U.S. lumber capacity by approximately 270 million board feet. These closures have been completed.

Fraser Lake, British Columbia Lumber Mill

On January 22, 2024, we announced the permanent closure of our lumber mill in Fraser Lake, British Columbia following an orderly wind-down due to our inability to access economically viable fibre in the region. This will reduce our Canadian lumber capacity by approximately 160 million board feet. The closure will impact approximately 175 employees. We expect to mitigate the impact on affected employees by providing work opportunities at other West Fraser locations.

Chambord, Quebec OSB Mill

On March 29, 2021, we announced that our OSB mill in Chambord had restarted with panels being produced and shipped to customers. The Chambord mill is ramping up towards its stated annual production capacity of 550 million square feet (3/8-inch basis).

Acquisition of Allendale, South Carolina OSB Mill

On December 6, 2021, we completed the acquisition of an idled OSB mill located near Allendale, South Carolina for $280 million, of which $276 million was allocated to property, plant and equipment. The Allendale facility commenced production in 2007, had been idled since late 2019 and has an estimated stated annual production capacity of approximately 700 million square feet (3/8-inch basis). The mill restarted in the second quarter of 2023 with panels being produced and shipped to customers. Start-up of the Allendale mill is progressing and we continue to anticipate a ramp-up period for the mill of up to three years to meet targeted production levels.

Hinton Pulp Mill, Alberta

On April 5, 2022, we announced the permanent reduction in capacity at our Hinton, Alberta mill ("Hinton Pulp") by the end of 2022, the closure of one of Hinton Pulp's two production lines and the move to produce UKP rather than NBSK on the remaining line. The production line closure and conversion process eliminated 350 million tonnes of NBSK capacity and introduced 250 million tonnes of UKP capacity. The net capacity reduction involved staffing levels transitioning from 345 positions to 270.

On July 10, 2023, we announced an agreement to sell Hinton Pulp to Mondi Group plc. 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 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 Hinton Pulp 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 customary closing conditions, reducing our UKP capacity by 250 million tonnes.

Quesnel River, British Columbia and Slave Lake, Alberta Pulp Mills

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. Activities in respect of the closing conditions are proceeding and we anticipate closing the transaction in early 2024. Upon completion of the sale, our BCTMP capacity will be reduced by 690 million tonnes.

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 responsible, 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 pound sterling and Euros, exchange rate fluctuations of the Canadian dollar, British pound sterling and Euro against the United States dollar are anticipated to be a significant source of earnings volatility for us.

West Fraser strives to make sustainability a central principle upon which our people operate, and we believe the Company's sustainable, renewable building materials that sequester carbon are a truly natural solution in the fight against climate change. There are numerous government initiatives and proposals globally to address climate-related issues. Within the jurisdictions of West Fraser's operations, some of these initiatives would regulate, and do regulate, and/or tax the production of carbon dioxide and other greenhouse gasses to facilitate the reduction of carbon emissions, providing incentives to produce and use cleaner energy. In the first quarter of 2022, we joined the Science Based Targets Initiative ("SBTi") demonstrating the Company's commitment to sustainability leadership and contribution to global climate action, including setting specific science-based targets to achieve near-term greenhouse gas reductions across all our operations located in Canada, the U.S., the U.K. and Europe. In April 2023, the STBi completed its validation of the science-based targets we set. This validation further supports West Fraser's plan to achieve near-term greenhouse gas ("GHG") reductions across all of our operations located in the United States, Canada, U.K. and Europe. We have adopted the Sustainability Accounting Standards Board ("SASB") and Global Reporting Initiative reporting standards to provide annual disclosures about sustainability-related risks and opportunities material to our business while promoting transparency of our sustainability performance.

We believe that maintaining a strong balance sheet and liquidity profile, along with our investment grade debt rating, enables us to execute a balanced capital allocation strategy. Our goal is to 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)

	2023	2022	2021
Lumber	2,722	4,381	4,804
NA EWP	2,602	3,780	4,264
Pulp & Paper	612	802	727
Europe EWP	517	738	723
	6,454	9,701	10,518

The above amounts include sales of Norbord since the acquisition date of February 1, 2021, sales of Angelina since the acquisition date of December 1, 2021, and sales of Spray Lake lumber mill 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 producing lumber, OSB, LVL, MDF, plywood, particleboard, pulp, newsprint, wood chips, other residuals and renewable energy with facilities across Canada, in the United States, in the United Kingdom and in Europe. 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, tissue and box material. Our products are primarily sold to major retail chains, contractor supply yards and wholesalers, as well as industrial customers for further processing or as components for other products. 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, balsam fir (known as SPF) and other species, including Douglas fir and hemlock, as well as wood chips and other residuals. The vast majority of our Canadian lumber production is SPF lumber. In 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 Alberta, Ontario, Quebec, 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 and, 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 any timberlands; 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 plywood, LVL, pulp & paper manufacturing facilities and North American lumber, OSB and MDF operations that are 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 20 years and are replaceable or have a shorter term but are not replaceable. 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 reestablishment 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 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 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.

Also in B.C., the provincial and federal governments have entered into a conservation agreement for all Southern Mountain Caribou ranges in the Province that includes a partnership agreement with Indigenous communities and identify specific zones and harvest deferral areas to manage caribou recovery, which will impact our access to timber supply (although the full extent is yet to be determined). In 2020, the Government of Alberta signed an agreement with the Government of Canada consistent with Section 11 of the *Species at Risk Act* that commits the Government of Alberta to prepare and implement caribou recovery plans for at risk populations and has established a Regional Task Force to build plans and identify socio-economic impacts. 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 become evident when 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 more than 15 years ago 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 five years as the province transitions AACs by incrementally reducing mountain pine beetle uplifts, reapportioning volume to Indigenous Nations and deferring harvest in defined old growth areas.

In Alberta, the Minister continues to implement an aggressive mountain pine beetle detection and single tree control program. In some portions of the province, the forest industry continues to focus timber harvest operations in healthy pine dominated sites which are susceptible to mountain pine beetle and to salvage stands of timber which were killed in the recent outbreak. Cold winter weather in the past couple of years, in combination with the government's control program, has resulted in a significant reduction in mountain pine beetle populations. However, the pest is now established across the province and could spread significantly under the right conditions.

Over the past five years wildfires in B.C. burned over three and a half million hectares of forest land. West Fraser operating areas in B.C. were not as significantly impacted in 2023, as the fires this calendar year were largely outside our operating areas. However, 2023 did see extensive fire activity across Alberta, with well over 1 million hectares of forest management area burned over across the province. Salvage of fire damaged trees remains an on-going priority, and non-recoverable timber losses are significant in these burned forests due to a combination of burn intensity and relatively quick onset of subsequent decay resulting in timber being unusable for primary wood products.

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, substantially all our requirements for wood chips, 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 B.C. pulp & energy operations and MDF plant. Changing government policies in B.C. are having an impact on the primary industry and the subsequent production of residual fibre for B.C. pulp & energy operations. Although still too early to say what the impacts on our operations will be, there is stress on the residual fibre supply across the interior of B.C. The Alberta MDF plant obtains its fibre from the adjacent Blue Ridge lumber mill and other lumber mills in the area. As at December 31, 2023, the Hinton Pulp mill obtained its fibre from the adjacent Hinton lumber mill and other lumber mills in the area owned by us. At times we produce whole log chips to supplement the supply of residual chips from our various lumber mills. The fibre requirements of our 50%-owned newsprint mill are obtained from local lumber mills, including our lumber mill in Blue Ridge, and the Slave Lake veneer operation, through chip purchase agreements and log for chip trades using logs harvested from the newsprint mill's tenures. The Slave Lake deciduous FMA provides most of the fibre requirements of the Slave Lake Pulp mill, with the balance being obtained from logs purchased from local suppliers.

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 11.5 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, would consume approximately 5 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, would consume approximately 20.5 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 from timber real estate investment trusts, timberland investment management organizations, and private landowners.

Our U.K. and European operations, which produce OSB, particleboard, MDF and related value-added products, if operating at the capacities described herein, would consume approximately 2.7 million m^3 of fibre per year, consisting of softwood and hardwood logs, lumber mill 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 or flooding 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 Phase 2 Committed Progressive Aboriginal Relations (PAR) through the Canadian Council of Aboriginal Business (CCAB), 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 of 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 United Nations Declaration for the Rights of Indigenous Peoples. 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. These, and related duties of government to consult Indigenous groups in respect of statutory decision-making 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 licenses.

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, Diversity, Equity & Inclusion and Safety

As of December 31, 2023, we employed approximately 10,800 individuals, including our proportionate share of those in 50%-owned operations. Of these, approximately 5,525 are employed in our lumber segment, 3,050 in our NA EWP segment, 750 in our Europe EWP segment, 800 in our pulp & paper segment and 675 in our corporate & other segment. Approximately 30% of our employees are covered by collective agreements. There were six expired collective agreements as at December 31, 2023 under which the bargaining process is ongoing, covering approximately 29% of our unionized workforce. Collective agreements representing 13% and 43% of our unionized employees expire in 2024 and 2025, 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 2023, approximately 15% of our workforce were women and a further approximately 27% were under-represented minorities.

The safety of our employees is a core value and business priority and our safety goal is to eliminate serious incidents and injuries. We have achieved a 45% reduction in our total recordable incident rate since 2016. We provide ongoing safety training for our employees to minimize potential risks inherent in forestry-related manufacturing industries. See Governance and Oversight section.

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. In 2023, we enhanced our overarching Environmental Policy by articulating our commitments related to the integration of environmental considerations into our day-to-day decisions, as well as climate action and the reduction of greenhouse gas emissions, which West Fraser verifies. We also reinforced how we value biodiversity and engagement with stakeholders and Rights-holders. We continued 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.

Regulatory Requirements

Our manufacturing operations are subject to environmental protection laws and regulations. We have developed and apply internal environmental management programs and policies 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 have prepared for emerging sustainability-related regulatory requirements by aligning to internationally-recognized standards such as GRI and SASB, as well as the Taskforce for

Climate-Related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). This included 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 and to mitigate climate change effects: as a store of carbon, as an alternative to fossil fuel-based materials, and for generating carbon-neutral energy.

West Fraser is in the process of updating its calculation of Forest Carbon Inventory, which includes a new methodology as described in the evolving GHG protocol's Land Sector and Removals guidance for calculating harvested wood product carbon storage.

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 Life Cycle Assessments (LCA)'s, environmental product declarations ("EPD") and EPD transparency briefs that support its increased use in lower carbon, environmentally-conscious 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 (USGBC).

Our high-efficiency primary manufacturing recovers raw materials for a range of valuable secondary products. We have reduced the waste and material sent to landfill through innovations to our production process to use more of wood residuals, recovering them for value-added products and renewable energy generation. Approximately ninety-nine percent of a log will be utilized: (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; and (iii) heat, steam, gasses and biomass liquids (such as black liquor) that develop during our manufacturing processes are captured to generate bioenergy in our mills or used to create innovative bioproducts; and (iv) bark is used as fuel in our energy systems. Half of the weight of sustainably sourced wood products is stored as carbon for the life of the product, making it a valuable building and construction material relative to conventional products such as 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 and water emissions, 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 over half of our operations' energy needs. We use manufacturing by-products such as wood waste and pulp mill effluent to generate bioenergy and invest capital to improve manufacturing processes' energy efficiency.

In the fall of 2016, the Paris Agreement (Agreement) resulting from the United Nations Framework Convention on Climate Change entered into force. At present, Canada, the European Union and the U.K. have all ratified the agreement. The Canadian federal government and the four provinces in which West Fraser currently operates have enacted regulations to meet GHG reduction obligations through carbon taxes or cap-and-trade initiatives.

All of West Fraser's U.K. operations entered into Kyoto climate change energy efficiency agreements in 2001, which have resulted in significant tax and energy efficiency cost savings. A cap-and-trade carbon trading program has been in place in the U.K. and Europe since 2005. Biomass heat energy generating units have enabled our U.K. and

European mills to comply with energy efficiency targets and have resulted in a surplus of carbon credits and renewable heat incentives (RHI) across our businesses.

4.12 Community and Stakeholder Engagement

We value our relationship and engagement with stakeholders and Rights holders and recognize the interdependency between our operations and investments with healthy societal, community and environmental ecosystems. Stakeholder engagement and effective consultation is a crucial part of our business success and is broadly embedded in our forest management planning process through our sustainable forest management and fibre sourcing certifications as well as our approach with local and Indigenous communities. Furthermore, we comply with the legal framework in Canada that establishes standards and provincial regulations governing the permitting and approval of harvesting and forest management planning on public lands.

4.13 Governance and Oversight

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

Our 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.

4.14 Research and Development

Our research and development center in Ville Saint Laurent, Quebec operates a central research and development laboratory where it carries out research, customer driven product development and technology transfer. This work is aimed at identifying new processes to reduce manufacturing costs, enhance product attributes and develop products that are new to our industry while minimizing the environmental impact of our operations.

We also support industry research and development organizations (e.g. Forest Product Innovations, Alberta Innovates), partner with local universities and conduct research and development at certain operations to improve processes, maximize resource utilization and develop new products and environmental applications. In addition, in the previous five years we have focused on bioenergy generation projects, green raw materials, and bioproducts.

4.15 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)

	2023		2022	2021	
Lumber	253		184	146	
NA EWP	156		235	424	2
Pulp & Paper	32		29	35	
EU EWP	30		20	28	
Corporate & Other	7		9	2	
Total capital expenditures	477		477	635	
Cash Acquisitions	100	5	—	303	3
Share Acquisitions	—		—	3,482	4

1. Includes capital expenditures of Norbord since the acquisition date of February 1, 2021 and capital expenditures of Angelina since the acquisition date of December 1, 2021.
2. North America EWP capital expenditures for the year ended December 31, 2021 included $276 million relating to the acquisition of the idled OSB mill near Allendale, South Carolina.
3. Represents the Angelina Acquisition, net of cash acquired.

4. Represents the Norbord Acquisition share exchange.
5. Represents the Spray Lake Lumber Mill Acquisition, net of cash acquired.

4.16 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 2023, 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 26 to the 2023 annual audited consolidated financial statements and under “Discussions & Analysis of Annual Results by Product Segment - Lumber Segment - Softwood Lumber Dispute” in the 2023 Management’s Discussion & Analysis.

Operations

As at December 31, 2023, we have 34 lumber mills and two wood treating facilities at our Sundre and Cochrane, Alberta lumber mills. Our Canadian lumber mills, of which six 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 21 U.S. lumber mills produce SYP lumber of various grades and dimensions.

Capacity and Production
(MMfbm)

	2023	2022	2021
Capacity (year-end)			
B.C.[2]	1,460	1,460	1,700
Alberta[1]	1,810	1,655	1,700
U.S. South[2]	3,550	3,650	3,600
	6,820	6,765	5,302
Production			
B.C.	1,260	1,244	1,566
Alberta	1,427	1,390	1,616
U.S. South	2,860	3,018	2,675
	5,548	5,652	5,857

1. The 2023 figure includes an increase of 155 MMfbm relating to the acquisition of Spray Lake lumber mill in November 2023.
2. The capacity figures for year-end 2023 give effect to the permanent closure of Perry lumber mill, 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. The capacity figures for year-end 2022 give effect to permanent shift reductions at our B.C. lumber mills.

Lumber production capacity is generally based on the current operating configuration of our lumber mills for the period indicated.

4.17 North America Engineered Wood Products

Sales

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

In 2023 most of our North American OSB was sold to customers in the U.S., with the remaining production sold to Canadian customers and exported to Japan and China. Most of our plywood was sold to customers in Canada and our MDF and LVL was sold to customers in both the U.S. and Canada. Shipments from our Canadian mills are made primarily by rail and from our U.S. OSB mills primarily by truck. Products are primarily sold to major retail chains and contractor supply yards. Some mill products are sold to industrial customers, remanufacturers and treating businesses for further processing or as components for other products.

Our OSB products are used primarily for sheathing, flooring and roofing in the construction of new homes, the renovation and repair of existing structures and for use in industrial applications. 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).

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, an LVL mill, and a veneer mill that produces veneer for use in our Edmonton plywood mill.

The capacity figures below for year-end 2023 give effect to the permanent curtailment of one shift at our Quesnel Plywood mill.

Capacity and Production

	2023	2022	2021[1]
OSB (MMsf 3/8" basis)			
Capacity (year-end)[2]	8,060	7,360	7,360
Production	6,389	6,109	5,654
Plywood (MMsf 3/8" basis)			
Capacity (year-end)	760	760	860
Production	727	716	763
MDF (MMsf 3/4" basis)			
Capacity (year-end)	240	240	250
Production	197	204	227
LVL (Mcf)			
Capacity (year-end)	2,700	2,700	3,000
Production	2,117	2,439	2,439

1. Represents production from the date of the Norbord Acquisition of February 1, 2021 to December 31, 2021.
2. Reflects start up of Allendale mill in Q2-23.

4.18 Pulp & Paper

Sales

Pulp is marketed out of our sales office in Vancouver, B.C. Most of our sales for NBSK and BCTMP in 2023 were to customers in Asia (predominantly China) 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

BCTMP is produced at our Slave Lake Pulp mill, primarily from hardwood aspen, and is also produced at our Quesnel River Pulp mill, primarily from softwood species. Each of our Slave Lake Pulp and Quesnel River Pulp mills are held for sale as of December 31, 2023. These pulps are used by paper manufacturers to produce paperboard products, printing and writing papers and a variety of other paper grades. NBSK is produced at our Cariboo pulp mill and is used by paper manufacturers to produce a variety of paper products, including tissues and printing and writing papers. In 2022, we announced the transition of the Hinton Pulp mill from a double-line NBSK producer to a single-line UKP producer. Our Hinton Pulp mill was held for sale as of December 31, 2023 and sold as of February 3, 2024.

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

Capacity and Production
(Mtonnes)

	2023	2022	2021
BCTMP[1]			
Capacity (year-end)	690	690	690
Production	613	581	623
NBSK			
Capacity (year-end)[2]	170	170	520
Production[3]	134	359	428
Newsprint			
Capacity (year-end)	135	135	135
Production[3]	89	106	113
UKP			
Capacity (year-end)[2]	250	250	—
Production[4]	166	42	—

1. All BCTMP capacity held for sale as of December 31, 2023.
2. Reflects the impact of the closure of one of Hinton Pulp mill's two production lines and the move to produce UKP rather than NBSK on the remaining line. All UKP capacity held for sale as of December 31, 2023 and sold as of February 3, 2024.
3. Reflects West Fraser's 50% ownership.
4. Reflects West Fraser's production beginning in October 2022.

4.19 Europe Engineered Wood Products

Sales

Our Europe EWP segment includes OSB, particleboard, MDF and related value-added products that are marketed from our sales office in Cowie, Scotland. Our OSB is sold primarily to customers in the U.K., Germany, BeNeLux, France and Scandinavia while our particleboard, MDF and related value-added 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 while our products sold to Scandinavia are shipped 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 our EWP mills in Scotland and Belgium utilize continuous press technology.

Capacity and Production

	2023	2022	2021[1]
OSB (MMsf 3/8" basis)			
Capacity (year-end)	1,515	1,515	1,505
Production	1,016	954	1,035
MDF (MMsf 3/8" basis)			
Capacity (year-end)	380	380	380
Production	224	269	299
Particleboard (MMsf 3/8" basis)			
Capacity (year-end)[2]	405	565	565
Production	310	447	494

1. Represents production from the date of the Norbord Acquisition of February 1, 2021 to December 31, 2021.
2. Reflects permanent closure of our South Molton mill in 2023.

4.20 Risks and Uncertainties

A detailed discussion of risk factors is included under the heading "Risks and Uncertainties" in Management's Discussion & Analysis for the year ended December 31, 2023, which is incorporated herein by reference. Our Management's Discussion & Analysis 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 & 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, 2023, the issued share capital consisted of 79,439,518 Common shares and 2,281,478 Class B Common shares for a total of 81,720,996 shares (December 31, 2022 - 83,555,414 shares). On February 1, 2021, West Fraser's Common shares were listed on the NYSE and began trading under the symbol WFG. At the same time, the symbol on the TSX was also changed to WFG.

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 and for share repurchases completed by the Company in 2021 and 2022 pursuant to the substantial issuer bids.

Description of Debt Securities

In October 2014, we issued $300 million of fixed-rate senior unsecured notes. The notes bear interest at the rate of 4.35% per annum and mature in October 2024. The notes are redeemable, in whole or in part, at our option at any time.

Credit Ratings

As shown in the table below, West Fraser is rated by three rating agencies. West Fraser pays annual fees to maintain certain of its debt and corporate ratings. The ratings are assigned both on a corporate level and specifically to our

$300 million notes maturing October 2024. 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
DBRS[1]	BBB	Stable
Moody's[2]	Baa3	Stable
Standard & Poor's[3]	BBB-	Stable

1. DBRS credit ratings for long-term obligations range from AAA to D. A rating of BBB is described by DBRS as "adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events". Additional information on the rating is available on DBRS's website. On December 15, 2021, DBRS upgraded our rating from BBB(low) to BBB.
2. 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. On February 1, 2021, Moody's revised our outlook from negative to stable.
3. 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 NYSE for each month of 2023.

TSX Trading Data (CAD)

2023 Month	High ($)	Low ($)	Close ($)	Volume (000's)
January	117.95	95.40	115.69	4,540,264
February	121.66	98.70	102.50	4,572,846
March	108.45	92.99	96.40	4,641,710
April	104.34	93.06	98.00	3,743,054
May	104.27	91.50	91.61	4,319,872
June	114.23	91.06	113.81	4,729,660
July	119.16	108.42	111.10	3,794,341
August	111.17	100.90	102.14	3,971,872
September	103.08	94.76	98.61	4,400,109
October	98.90	88.61	93.59	4,873,370
November	107.92	93.01	98.42	4,186,130
December	115.73	98.55	113.36	4,052,153
Total				51,825,381

Source: TMX

NYSE Trading Data (USD)

2023 Month	High ($)	Low ($)	Close ($)	Volume (000's)
January	88.39	70.70	87.12	2,884,045
February	91.44	72.56	75.06	2,995,235
March	78.65	67.45	71.24	3,222,059
April	77.91	69.22	72.37	2,612,056
May	77.97	67.41	67.42	2,229,302
June	86.26	67.47	85.98	2,631,400
July	90.17	81.17	84.29	2,609,355
August	83.67	74.13	75.60	2,864,334
September	76.41	70.11	72.54	2,459,787
October	72.51	64.11	67.44	4,029,950
November	78.85	66.94	72.56	3,461,552
December	87.99	72.56	85.58	3,043,075
Total				35,042,150

Source: NYSE

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. In June 2022, our Board of Directors increased the quarterly dividend from US$0.25 to US$0.30 per share. Dividends of US$1.20 were declared in 2023, dividends of US$1.15 were declared in 2022 and dividends of CAD$0.70 and US$0.20 were declared in the first three quarters and fourth quarter respectively in 2021. 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.

During the year ended December 31, 2023, we issued options to purchase an aggregate of 137,115 common shares at a weighted average price of CAD$109.42 per share. For the year ended December 31, 2023, we issued 383 Common shares under our share option plans. See Note 15 to our audited consolidated financial statements for the year ended December 31, 2023.

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 Canada and the United States) between 9:00 am and 6:00 pm Eastern Time or 514-982-7555 (international direct dial).
- Fax: 1-888-453-0330 (toll free North America- Int'l 416-263-9524)
- **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 14, 2024 in respect of the Company's consolidated financial statements as at December 31, 2023 and 2022, and for the years ended December 31, 2023 and 2022 and on the effectiveness of the Company's internal control over financial reporting as at December 31, 2023. PwC has advised that they are independent with respect to us, within the meaning of the Chartered Professional Accountants of British Columbia 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 14, 2024, 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 Beneby[1 & 3] West Palm Beach, Florida	Corporate Director	April 18, 2023
Eric L. Butler[1 & 2] Omaha, Nebraska	Corporate Director	May 15, 2023
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[1 & 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. Prior to November 2018 he was a Corporate Director since May 2016.

Eric Butler was Executive Vice President, Chief Administrative Officer and Corporate Secretary of Union Pacific Corporation from 2017 until his retirement in February 2018.

Reid Carter who before December 31, 2018 was President, Brookfield Timberlands Management LP;

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

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 and before February 1, 2021 was our Vice-President, U.S. Lumber, a position held since 2010; and

Marian Lawson who before 2018 was Executive Vice-President, Global Head, Financial Institutions and Transaction Banking, Scotiabank.

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 2024 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 14, 2024 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.	Senior Vice-President, Finance 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
James W. Gorman Saanichton, B.C.	Senior Vice-President, Corporate Services
Robin A. Lampard Toronto, Ontario	Senior Vice-President, Finance
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 and before February 1, 2021 was our Vice-President, U.S. Lumber, a position he held since 2010;

Christopher Virostek, who 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, before July 23, 2021 was our Vice-President, North American Engineered Wood Products and before February 1, 2021, was the Senior Vice-President, North American Operations of Norbord;

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;

James Gorman, who before January 1, 2024 was Senior Vice-President, Corporate and Government Relations and before September 7, 2022 was Vice-President, Corporate and Government Relations;

Robin Lampard, who before February 1, 2021 was the Senior Vice-President and Chief Financial Officer of Norbord;

Alan McMeekin, who before December 7, 2021 was Vice-President, European Engineered Wood Products, before February 1, 2021 was the Senior Vice-President, Europe of Norbord and before February 5, 2018 was the Vice-President, Finance and Operations Europe of Norbord; and

Matthew Tobin, who before January 1, 2024 was Vice-President, Sales and Marketing, before April 1, 2022 was Vice-President, Lumber Sales and before January 1, 2021 was General Manager, Canadian 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, 2023
Common shares	1,434,043
% of total Common shares	1.81%
Class B Common shares	78,728
% of total Class B Common shares	3.45%
% of all shares outstanding	1.85%

8.4 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Christopher Virostek, our Senior Vice-President, Finance 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, 2023, 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 – Softwood Lumber Dispute” in our 2023 annual Management’s Discussion & Analysis; and (ii) Note 26 to our audited consolidated financial statements for the year ended December 31, 2023.

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 2023, 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 section 4.13 "Governance and Oversight" located at page 14 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 issued in 2023.

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 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.

Eric L. Butler

Mr. Butler was appointed a member of our Audit Committee on September 11, 2023. He is the President and CEO of Aswani-Butler Investment Associates, a private equity firm. After a 32 year career with Union Pacific Corporation, a transportation company, he retired as the Executive Vice President and Chief Administrative Officer in 2018. During his career at Union Pacific, he held leadership roles in finance, accounting, marketing and sales, purchasing and supply chain, financial planning and analysis, operations, strategic planning and human resources. Mr. Butler is a member of the audit committee of NiSource Inc. and Eastman Chemical Company, which are both listed on the NYSE. Mr. Butler was appointed to the Federal Reserve Bank of Kansas City's Omaha Branch Board in 2015 and, in 2018, was elected chair. His term on the Federal Reserve board ended in December 2020. He holds a Bachelor of Science in Mechanical Engineering and a Master of Science in Industrial Administration from Carnegie Mellon University.

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.

Ellis K. Johnson

Ms. Johnson was appointed a member of our Audit Committee on April 20, 2022. Ms. Johnson is currently the President of a private philanthropic foundation. She completed her undergraduate degree at Lewis and Clark College, received a graduate degree from Yale University and recently completed a Directorship Program with an emphasis on Board Governance.

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 committees of Exco Technologies Limited and 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 is 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)

		2023	2022
Audit Fees	$	2,776	2,531
Audit-Related Fees		255	84
Tax Fees		22	43
All Other Fees		34	74

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 as of December 31, 2023, 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, services associated with registration statements, prospectuses, and other documents filed with securities regulators, and due diligence assistance.

Tax Fees

Tax fees relate to tax compliance, tax advice, and tax planning services.

All Other Fees

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

ITEM 9 - MATERIAL CONTRACTS

1. Senior Unsecured Notes (Due October 2024): On October 15, 2014, we issued $300 million of fixed rate senior unsecured notes due October 15, 2024 pursuant to a private placement in the U.S. and concurrently entered into a Trust Indenture dated October 15, 2014 and First Supplemental Indenture dated October 15, 2014 with The Bank of New York Mellon in relation to these notes. The notes bear interest of 4.35% with semi-annual payments commencing on April 15, 2015 and are redeemable, in whole or in part, at our option at any time. In the event of a change in control in respect of the Company which is followed within 60 days by ratings downgrades to below investment grade in certain circumstances, unless we have exercised the right to redeem all of the notes, each holder will have the right to require us to repurchase all or any part of such holder's notes at a purchase price in cash equal to 101% of the principal amount of the notes plus any accrued and unpaid interest.

2. 2021 Credit Agreement: We entered into the 2021 Credit Agreement dated July 28, 2021 with the Toronto -Dominion Bank, as Administrative Agent, Toronto Dominion (TEXAS) LLC, as U.S. 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 2021

Credit Agreement. The 2021 Credit Agreement combined our revolving facilities into a $1 billion committed revolving facility with a five-year term (the "Revolver Facility") and governs our $200 million non-revolving term loan (the "Term Facility"). The Term Facility remains outstanding.

On July 25, 2023 we amended and restated our 2021 Credit Agreement to extend the maturity date on the Revolver Facility to July 2028 and replaced the LIBOR option with SOFR and to extend the maturity date on the Term Facility to July 2025 and replace the LIBOR option with SOFR.

Under the 2021 Credit Agreement, as amended, (i) interest under the Revolver Facility is payable at floating rates based on prime rate advances, base rate advances, bankers' acceptances or SOFR advances, at our option; and
(ii) interest under the Term Facility is payable at floating rates based on base rate advances or SOFR advances, at our option. The Term Facility 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. We have interest rate swap contracts that have the effect of fixing the interest rate on the Term Facility. See Note 13 to our audited consolidated financial statements for the year ended December 31, 2023 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.

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 24, 2024. Additional financial information is provided in our annual consolidated financial statements and Management's Discussion & Analysis for the year ended December 31, 2023.

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, 2023 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 contains 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, 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 and our science based targets, our expected annual production capacity at Dudley lumber mill and Lufkin lumber mill and related timing, the ramp-up in production from the Allendale OSB mill, capital investment, planned mill start up, full run rate production, anticipated capacity at Henderson lumber manufacturing complex, annual capacity at Spray Lake lumber mill, the ramp-up in annual production capacity at Chambord OSB mill and satisfaction of the conditions to closing of the sale of Quesnel River Pulp mill and Slave Lake Pulp mill and the timing of closing of the transaction
Corporate Strategy	our corporate strategy and objectives to generate strong financial results through the business cycle, maintain a strong balance sheet and liquidity profile, to maintain a leading cost position and to return capital to shareholders, and to reinvest in our operations across all market cycles; our ability to achieve science-based commitment and targets and near-term greenhouse gas reductions
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 amendment to British Columbia forest legislation and government policies (iv) the impacts on residual fibre supply and (v) 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
Responsible Resource Efficiency	our goals to have a sustainable and resilient business, to manage our emissions and develop sustainable energy solutions
Capital Expenditures and Acquisitions	our plans relating to capital expenditures and acquisitions
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

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 impact of the conflicts in Ukraine and the Middle East;
- continued increases in interest rates and inflation and sustained higher interest rates and rates of inflation could impact housing affordability and repair and remodelling demand, which could reduce demand for our products;
- 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 by government respecting Indigenous rights, title and/or reconciliation efforts on these approvals and authorizations;
- 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;
- transportation constraints may continue to 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 wildfires, cyber security incidents, any state of emergency and/or evacuation orders issued by governments, and ongoing relations with employees;
- risks inherent to customer dependence;
- impact of future cross border trade rulings or agreements;
- implementation of important strategic initiatives and identification, completion and integration of acquisitions;
- impact of changes to, or non-compliance with, environmental or other regulations;
- the impact of the COVID-19 pandemic on our operations and on customer demand, supply and distribution and other factors;
- 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;
- impact of any product 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 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;
- 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;
- our ability to continue to maintain effective internal control over financial reporting;
- satisfaction of the conditions to closing of our sales of Quesnel River Pulp mill and Slave Lake Pulp mill and related timing of the closing of these transactions, including impacts to proceeds from the sale if the working capital at closing is below target;
- continued access to timber supply in the traditional territories of Indigenous Nations;
- our ability to continue to maintain effective internal control over financial reporting;
- finalization of certain post-close working capital adjustments and purchase price allocation relating to the purchase of Spray Lake Sawmills (1980) Ltd.;
- the risks and uncertainties described in the 2023 Annual MD&A; 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 2023 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 Notes
Norbord's 6.25% senior notes due April 2023

2027 Notes
Norbord's 5.75% senior notes due July 2027

AAC Annual Allowable Cut: The volume of timber that may be harvested annually from a specific timber tenure

ADD
Antidumping duties

AR
Administrative Review by the USDOC

BCTMP
Bleached Chemithermomechanical Pulp

CAD
Canadian Dollars

2021 Credit Agreement
Our 2021 credit agreement dated for reference July 28, 2021, as amended and restated on July 25, 2023, as described above under "Item 9 - Material Contracts - 2021 Credit Agreement."

CVD
Countervailing duties

Dimension Lumber
Standard commodity lumber ranging in sizes from 1 x 3's to 4 x 12's, in various lengths

EU
Europe

EU EWP
Europe Engineered Wood Products

EWP
Engineered wood products

LIBOR
London Interbank Offered Rate

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

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)

MMBTU
Million British Thermal Units

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

MMsf
One million square feet

Mtonne
Means one thousand tonnes

NA
North America

NA EWP
North America Engineered Wood Products

NBSK
Northern Bleached Softwood Kraft Pulp

NCIB
Normal course issuer bid

Norbord
Norbord Inc.

Norbord Acquisition
Acquisition of Norbord completed February 1, 2021

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

SOFR
Secured Overnight Financing Rate

SPF
Lumber produced from spruce/pine/balsam fir species

SYP
Lumber produced from southern yellow pine species

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
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 April 20, 2021.

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 Accounting Standards");

  (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 accounting standards;

  (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 accounting standards 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 accounting standards, 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 accounting standards).

- 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-GAAP 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 cyber security, 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 ending December 31, 2023, 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 Board 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, 2023 and 2022

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 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 2023. 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.

In accordance with the provisions of NI 52-109, our management has limited the scope of its design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Spray Lake Sawmills (1980) Ltd. ("Spray Lake"), which was acquired on November 17, 2023.

Spray Lake's contribution to our consolidated financial statements for the year ended December 31, 2023 was $ 5 million of sales, representing approximately 0.1% of consolidated sales, and $1 million of loss, representing 0.7% of consolidated loss. Additionally, assets attributed to Spray Lake's assets were $134 million, representing approximately 1.4% of our total assets as at December 31, 2023.

Under our supervision, management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 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, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 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
Senior Vice-President, Finance and Chief Financial Officer

February 14, 2024

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 (together, the Company) as of December 31, 2023 and 2022, and the related consolidated statements of earnings (loss) and comprehensive earnings (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, 2023, 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, 2023 and 2022, 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, 2023, 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.

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.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Spray Lake Sawmills (1980) Ltd. from its assessment of internal control over financial reporting as of December 31, 2023 because it was acquired by the Company in a purchase business combination during the year ended December 31, 2023. We have also excluded Spray Lake Sawmills (1980) Ltd. from our audit of internal control over financial reporting. Spray Lake Sawmills (1980) Ltd. is a wholly owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent $134 million and $5 million, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2023.

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 9 to the consolidated financial statements, the Company's goodwill balance was $1,949 million as of December 31, 2023. Management conducts an impairment assessment as of December 31 of each year, 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 CGU group 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 of a CGU or CGU group. Management has determined the recoverable amount of each applicable CGU group based on their fair value less cost of disposal through discounted cash flow models. The key assumptions used in the discounted cash flow models include production volume, product pricing, raw material input cost, production cost, terminal multiple and discount rate. The estimated recoverable amount of each applicable CGU group exceeded its

respective carrying amount in management's goodwill impairment assessments, and as such, no impairment losses were 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 applicable CGU group, 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, raw material input cost, production cost, terminal multiple and discount rate; and (iii) the audit effort involved 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 applicable CGU group. These procedures also included, among others, testing management's process for determining the recoverable amount of each applicable CGU group, 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 the production volume, product pricing, raw material input cost and production cost involved considering the current and past performance of each applicable CGU group, 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 the terminal multiple and the discount rate.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
February 14, 2024

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	As at December 31, 2023	As at December 31, 2022
Assets			
Current assets			
Cash and cash equivalents	4	$ 900	$ 1,162
Receivables	23	311	350
Income taxes receivable		93	145
Inventories	5	851	1,032
Prepaid expenses		40	60
Assets held for sale	6	182	—
		2,377	2,749
Property, plant and equipment	7	3,835	3,982
Timber licences	8	376	351
Goodwill and other intangible assets	9	2,307	2,358
Export duty deposits	26	377	354
Other assets	10	137	175
Deferred income tax assets	20	6	4
		$ 9,415	$ 9,973
Liabilities			
Current liabilities			
Payables and accrued liabilities	11	$ 620	$ 722
Current portion of long-term debt	13	300	—
Current portion of reforestation and decommissioning obligations	12	60	58
Income taxes payable		7	12
Liabilities associated with assets held for sale	6	63	—
		1,050	792
Long-term debt	13	199	499
Other liabilities	12	260	268
Deferred income tax liabilities	20	683	795
		2,193	2,354
Shareholders' Equity			
Share capital	15	2,607	2,667
Retained earnings		4,913	5,284
Accumulated other comprehensive loss		(297)	(332)
		7,223	7,619
		$ 9,415	$ 9,973

The number of Common shares and Class B Common shares outstanding at February 13, 2024 was 81,709,092.

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 Earnings (Loss) and Comprehensive Earnings (Loss)
(in millions of United States dollars, except where indicated)

		Years Ended	
		December 31, 2023	December 31, 2022
Sales		$ 6,454	$ 9,701
Costs and expenses			
Cost of products sold		4,685	5,142
Freight and other distribution costs		894	963
Export duties, net	26	8	18
Amortization		541	589
Selling, general and administration		307	365
Equity-based compensation	16	25	5
Restructuring and impairment charges	17	279	60
		6,738	7,142
Operating earnings (loss)		(284)	2,559
Finance income (expense), net	18	51	(3)
Other income	19	5	37
Earnings (loss) before tax		(228)	2,593
Tax recovery (provision)	20	61	(618)
Earnings (loss)		$ (167)	$ 1,975
Earnings (loss) per share (dollars)			
Basic	22	$ (2.01)	$ 21.06
Diluted	22	$ (2.01)	$ 20.86
Comprehensive earnings (loss)			
Earnings (loss)		$ (167)	$ 1,975
Other comprehensive earnings (loss)			
Items that may be reclassified to earnings			
Translation gain (loss) on operations with different functional currencies		34	(83)
Items that will not be reclassified to earnings			
Actuarial gain (loss) on retirement benefits, net of tax	14	(35)	164
		—	81
Comprehensive earnings (loss)		$ (167)	$ 2,056

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	Amount			
Balance at December 31, 2021		105,928,734	$ 3,402	$ 4,503	$ (249)	$ 7,656
Earnings for the year		—	—	1,975	—	1,975
Other comprehensive earnings (loss):						
Translation loss on operations with different functional currencies		—	—	—	(83)	(83)
Actuarial gain on retirement benefits, net of tax		—	—	164	—	164
Repurchase of Common shares for cancellation	15	(22,373,320)	(735)	(1,255)	—	(1,990)
Dividends declared[1]		—	—	(103)	—	(103)
Balance at December 31, 2022		83,555,414	$ 2,667	$ 5,284	$ (332)	$ 7,619
Loss for the year		—	—	(167)	—	(167)
Other comprehensive earnings (loss):						
Translation gain on operations with different functional currencies		—	—	—	34	34
Actuarial loss on retirement benefits, net of tax		—	—	(35)	—	(35)
Issuance of Common shares	15	383	—	—	—	—
Repurchase of Common shares for cancellation	15	(1,834,801)	(60)	(69)	—	(129)
Dividends declared[1]		—	—	(100)	—	(100)
Balance at December 31, 2023		81,720,996	$ 2,607	$ 4,913	$ (297)	$ 7,223

1. Cash dividends declared during the year ended December 31, 2022 were $1.15 per share. Cash dividends declared during the year ended December 31, 2023 were $1.20 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, 2023	Years Ended December 31, 2022
Cash provided by operating activities			
Earnings (loss)		$ (167)	$ 1,975
Adjustments			
Amortization		541	589
Restructuring and impairment charges	17	279	60
Finance (income) expense, net	18	(51)	3
Foreign exchange loss (gain)		7	(28)
Export duty	26	(45)	(99)
Retirement benefit expense	14	77	103
Net contributions to retirement benefit plans	14	(37)	(76)
Tax (recovery) provision	20	(61)	618
Income taxes paid		(24)	(982)
Other		(4)	(11)
Changes in non-cash working capital			
Receivables		6	140
Inventories		132	20
Prepaid expenses		4	(6)
Payables and accrued liabilities		(131)	(99)
		525	2,207
Cash used for financing activities			
Repayment of lease obligations		(15)	(14)
Finance expense paid		(24)	(23)
Repurchase of Common shares for cancellation	15	(129)	(1,990)
Dividends paid		(100)	(99)
		(268)	(2,126)
Cash used for investing activities			
Spray Lake Acquisition, net of cash acquired	3	(100)	—
Additions to capital assets		(477)	(477)
Interest received		47	17
Other		—	1
		(530)	(459)
Change in cash and cash equivalents		(273)	(378)
Foreign exchange effect on cash and cash equivalents		10	(28)
Cash and cash equivalents - beginning of year		1,162	1,568
Cash and cash equivalents - end of year		$ 900	$ 1,162

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 60 facilities in Canada, the United States ("U.S."), the United Kingdom ("U.K."), and Europe. From responsibly sourced and sustainably managed forest resources, the Company produces lumber, engineered wood products (OSB, LVL, MDF, plywood, and particleboard), pulp, newsprint, wood chips, other residuals and renewable energy. West Fraser's products are used in home construction, repair and remodelling, industrial applications, papers, tissue, and box materials. 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 14, 2024.

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.

Assets and liabilities subject to transfer as a result of the pending sales of the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill have been presented as part of assets held for sale and liabilities held for sale respectively (see note 6) and are not included in the other December 31, 2023 balance sheet amounts presented throughout.

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 operations, Alberta Newsprint Company and Cariboo Pulp & Paper Company, are accounted for by recognizing our share of the assets, liabilities, revenues, and expenses related to these joint operations.

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 the significant 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 3 – Fair value of PPE and intangible assets acquired in business combinations
- Note 5 – Valuation of inventories
- Note 6 – Fair value less costs to sell of disposal group held for sale
- Note 7-9, 17 – Recoverability of PPE, timber licences, and other intangible assets

- Note 7 – Estimated useful lives of PPE
- Note 9 – Recoverability of goodwill
- Note 12 – Reforestation and decommissioning obligations
- Note 14 – Defined benefit pension plans
- Note 20 – Income taxes
- Note 26 – 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 Spray Lake lumber mill (note 3) and jointly-owned newsprint 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 definite-lived 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.

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 ascertaining 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 measuring 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.

Application of new and revised accounting standards

We have adopted the amendments to IAS 1 *Presentation of Financial Statements* regarding the disclosure of material accounting policies, amendments to IAS 8 *Changes in Accounting Estimates and Errors* regarding the definition of accounting estimates, and amendments to IAS 12 *Income Taxes* regarding deferred tax related to assets and liabilities arising from a single transaction, which were effective for annual periods beginning on or after January 1, 2023. In addition, we have adopted the amendments to IAS 12 *Income Taxes* regarding relief from deferred tax accounting for top-up tax under Pillar Two, which was effective from May 23, 2023 onwards. These amendments did not have a material impact on our consolidated financial statements.

Accounting standards issued but not yet applied

Amendments to IAS 1, Presentation of Financial Statements

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* . The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. The amendments also clarify the definition of a settlement and provide situations that would be considered as a settlement of a liability. In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)* . These further amendments clarify how to address the effects on classification and disclosure of covenants that an entity is required to comply with on or before the reporting date and covenants that an entity must comply with only after the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a material impact on our consolidated financial statements.

There are no other standards or amendments or interpretations to existing standards issued but not yet effective that are expected to have a material impact on our consolidated financial statements.

3. Business acquisition

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. The determination of the fair value of the assets acquired and liabilities assumed requires management to use estimates that contain uncertainty and critical judgments. Transaction costs in connection with business combinations are expensed as incurred.

Valuation techniques utilized

We engaged a valuations expert to assist with the determination of estimated fair value for acquired working capital, property, plant and equipment, and timber licenses.

We applied the market comparison approach and cost approach in determining the fair value of acquired property, plant, and equipment. We considered market prices for similar assets when they were available, and depreciated replacement cost in other circumstances. Depreciated replacement cost reflects adjustments for physical deterioration as well as

functional and economic obsolescence. The key assumptions used in the estimation of depreciated replacement cost are the asset's estimated replacement cost at the time of acquisition and estimated useful life.

The fair value of timber licenses acquired was determined by using a market comparison technique based on precedent transactions in Western Canada.

Supporting information

On November 17, 2023, we acquired 100 percent of the shares in Spray Lake Sawmills (1980) Ltd., which operates a lumber mill located in Cochrane, Alberta, and the associated timber licenses ("Spray Lake Acquisition") for preliminary cash consideration of $102 million (CAD$140 million). This acquisition has been accounted for as an acquisition of a business in accordance with IFRS 3 *Business Combinations.* We have allocated the purchase price based on our preliminary estimated fair value of the assets acquired and the liabilities assumed as follows:

West Fraser purchase consideration:		
Cash consideration[1]	$	102
Fair value of net assets acquired:		
Cash	$	1
Accounts receivable		3
Inventories		24
Prepaid expenses		1
Income taxes receivable		1
Property, plant and equipment		58
Timber licenses		42
Payables and accrued liabilities		(8)
Other liabilities		(3)
Deferred income tax liabilities		(18)
	$	102

1. A net outflow comprising the cash consideration of $102 million net of cash acquired of $1 million is presented in the consolidated statements of cash flows.

Purchase consideration is preliminary as at December 31, 2023 and is subject to finalization of certain post-close working capital adjustments. Our valuation of property, plant and equipment and intangible assets remains preliminary as at December 31, 2023.

We have incorporated the mill into our Lumber segment. Acquisition costs were nominal and have been expensed in selling, general, and administration.

The following table represents the actual results of Spray Lake included in our consolidated statements of earnings (loss) from the date of acquisition to December 31, 2023.

($ millions)		
Sales	$	5
Operating loss[1]	$	(2)
Loss[1]	$	(1)

1. Operating loss and loss include a one-time charge of $2 million related to inventory purchase price accounting.

The following table represents the proforma results of operations for the year ended December 31, 2023 assuming the Spray Lake Acquisition occurred on January 1, 2023 and that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on January 1, 2023.

Proforma 2023 Results ($ millions)	West Fraser Actual Results[2] 2023	Spray Lake Proforma Results[1] Jan-23 to Nov-23	West Fraser Proforma Results[1,2] 2023
Sales	6,454	75	$ 6,529
Operating earnings (loss)	(284)	8	$ (276)
Earnings (loss)	(167)	9	$ (158)

1. These proforma results have been provided as required per IFRS 3 *Business Combinations*. West Fraser proforma 2023 results presents West Fraser's results as if the Spray Lake Acquisition were completed on January 1, 2023.
2. Operating earnings (loss) and earnings (loss) include a one-time charge of $2 million related to inventory purchase price accounting.

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, 2023	December 31, 2022
Cash	$ 513	$ 706
Cash equivalents	387	456
	$ 900	$ 1,162

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.

Supporting information

As at	December 31, 2023	December 31, 2022
Manufactured products	$ 363	$ 428
Logs and other raw materials	257	376
Materials and supplies	231	228
	$ 851	$ 1,032

Inventories at December 31, 2023 were subject to a valuation reserve of $ 31 million (December 31, 2022 - $61 million) to reflect net realizable value being lower than cost.

The carrying amount of inventory recorded at net realizable value was $ 118 million at December 31, 2023 (December 31, 2022 - $ 232 million), with the remaining inventory recorded at cost.

6. Disposal groups held for sale

Accounting policies

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any excess of carrying value over fair value less costs to sell is recognized as impairment loss. Impairment loss on a disposal group is allocated first to goodwill, if any, and then to the remaining non-current assets within the scope of the measurement requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* on a pro-rata basis. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in earnings.

Once classified as held-for-sale, property, plant and equipment and timber licenses are no longer depreciated.

Supporting information

Sale of Hinton pulp mill

On July 10, 2023, we announced an agreement to sell our unbleached softwood kraft pulp mill in Hinton, Alberta to Mondi Group plc ("Mondi"). The transaction closed on February 3, 2024 following the completion of regulatory reviews and satisfaction of customary closing conditions. The facility is presented as a disposal group held for sale at December 31, 2023.

Under the terms of the agreement, Mondi purchased 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. Pursuant to the transaction, we will continue to supply fibre to the Hinton pulp mill under long-term contract, via residuals from our Alberta lumber mills.

An impairment loss of $121 million in relation to the sale of the Hinton pulp mill has been included in Restructuring and impairment charges in the year ended December 31, 2023 (see note 17). The impairment loss includes remeasurements of estimated working capital adjustments specified in the asset purchase agreement.

Sale of Quesnel River Pulp mill and Slave Lake Pulp mill

On September 22, 2023, we announced an agreement to sell our two bleached chemithermomechanical pulp ("BCTMP") mills, Quesnel River Pulp mill in Quesnel, B.C. and Slave Lake Pulp mill in Slave Lake, Alberta to an affiliate of Atlas Holdings ("Atlas"). The transaction is anticipated to close following successful completion of customary regulatory reviews and customary closing conditions. Activities in respect of the closing conditions are proceeding and we anticipate closing the transaction in early 2024. The facilities are presented as a disposal group held for sale at December 31, 2023.

Under the terms of the agreement, Atlas will purchase specified assets, including property, plant and equipment, working capital, certain timber licenses in Alberta, and assume certain liabilities related to the mills and timber licenses in exchange for a base purchase price of $120 million prior to working capital adjustments specified in the asset purchase agreement. Pursuant to the transaction, we will continue to supply fibre to the Quesnel River Pulp mill under long-term contract.

An impairment loss of $20 million in relation to the sale of the Quesnel River Pulp mill and Slave Lake Pulp mill has been included in Restructuring and impairment charges in the year ended December 31, 2023 (see note 17).

Carrying values of disposal groups

As at December 31, 2023, the disposal group comprised the following assets and liabilities:

Receivables	$	49
Inventories		72
Prepaid expenses		2
Property, plant and equipment		54
Timber licenses		3
Retirement assets		3
Assets held for sale	$	182

Payables and accrued liabilities	$	58
Reforestation and decommissioning obligations		2
Retirement liabilities		3
Liabilities associated with assets held for sale	$	63

7. 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. Borrowing costs are capitalized when the asset construction period exceeds 12 months and the borrowing costs are directly attributable to the asset. 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, 2021	$ 3,751	$ 252	$ 41	$ 56	$ 4,100
Additions	117	343	16	6	482
Amortization[1]	(494)	—	(13)	—	(507)
Impairment (note 17)	(43)	(3)	—	(2)	(48)
Foreign exchange	(37)	(2)	—	(1)	(40)
Disposals	(3)	(2)	—	—	(5)
Transfers	229	(229)	—	—	—
As at December 31, 2022	$ 3,520	$ 359	$ 44	$ 59	$ 3,982
As at December 31, 2022					
Cost	$ 6,702	$ 359	$ 157	$ 65	$ 7,283
Accumulated amortization	(3,182)	—	(113)	(6)	(3,301)
Net	$ 3,520	$ 359	$ 44	$ 59	$ 3,982
As at December 31, 2022	$ 3,520	$ 359	$ 44	$ 59	$ 3,982
Acquisition (note 3)	23	—	—	36	58
Additions	257	244	13	1	516
Amortization[1]	(451)	—	(11)	(1)	(462)
Impairment (note 17)	(202)	(7)	—	—	(209)
Transfer to disposal groups held for sale (note 6)	(50)	—	(3)	(1)	(54)
Foreign exchange	17	1	—	2	19
Disposals	(8)	—	—	(1)	(9)
Transfers	217	(222)	2	(1)	(4)
As at December 31, 2023	$ 3,319	$ 376	$ 46	$ 94	$ 3,835
As at December 31, 2023					
Cost	$ 6,524	$ 376	$ 156	$ 95	$ 7,151
Accumulated amortization	(3,205)	—	(110)	(1)	(3,316)
Net	$ 3,319	$ 376	$ 46	$ 94	$ 3,835

1. Amortization of $451 million relates to cost of products sold and $11 million relates to selling, general and administration expense (2022 - $499 million and $8 million, respectively).

8. 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, 2021	$	368
Amortization[1]		(17)
As at December 31, 2022	$	351
As at December 31, 2022		
Cost	$	641
Accumulated amortization		(290)
Net	$	351
As at December 31, 2022	$	351
Acquisition (note 3)		42
Additions		—
Amortization[1]		(16)
Transfer to disposal groups held for sale (note 6)		(3)
Foreign exchange		2
As at December 31, 2023	$	376
As at December 31, 2023		
Cost	$	673
Accumulated amortization		(297)
Net	$	376

1. Amortization relates to cost of products sold.

9. 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 at December 31, or more frequently if an indicator of impairment is identified.

The customer relationship intangible assets relate to the Norbord and Angelina Forest Products acquisitions 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, 2021	$ 1,975	$ 426	$ 39	$ 2,440
Amortization[1]	—	(54)	(11)	(65)
Foreign exchange	(11)	(3)	(1)	(15)
Finalization of purchase price allocation on Angelina acquisition	(20)	21	—	1
Other	—	—	(3)	(3)
As at December 31, 2022	$ 1,944	$ 390	$ 24	$ 2,358
As at December 31, 2022				
Cost	$ 1,944	$ 486	$ 74	$ 2,504
Accumulated amortization	—	(96)	(50)	(146)
Net	$ 1,944	$ 390	$ 24	$ 2,358
As at December 31, 2022	$ 1,944	$ 390	$ 24	$ 2,358
Additions	—	—	3	3
Amortization[1]	—	(53)	(9)	(62)
Foreign exchange	5	2	—	6
Transfers	—	—	4	4
Other	—	—	(2)	(2)
As at December 31, 2023	$ 1,949	$ 339	$ 20	$ 2,307
As at December 31, 2023				
Cost	$ 1,949	$ 489	$ 80	$ 2,518
Accumulated amortization	—	(150)	(60)	(211)
Net	$ 1,949	$ 339	$ 20	$ 2,307

1. Amortization of $62 million (2022 - $65 million) relates to selling, general and administration expense.

Goodwill

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

As at	December 31, 2023	December 31, 2022
Canadian lumber	$ 171	$ 171
US lumber	409	409
North America EWP	1,280	1,280
Europe EWP	89	84
Total	$ 1,949	$ 1,944

The recoverable amounts of the above CGU groups as at December 31, 2023 were determined based on their fair value less costs of disposal using discounted cash flow models. Cash flow forecasts were based on internal estimates for 2024 and 2025 and estimated mid-cycle earnings for subsequent years. Key assumptions include production volume, product pricing, raw material input cost, production cost, terminal multiple, and discount rate. Key assumptions were determined using external sources and historical data from internal sources. Specifically, product pricing has been estimated by reference to average historical prices as well as third-party analyst projections of long-term product pricing. The post-tax discount rate used was 10.2%.

As it relates to the North America EWP and Europe EWP CGU groups, a prolonged downturn in product pricing with an extended recovery could cause their carrying amounts to exceed their recoverable amounts. For North America EWP, an OSB pricing assumption of $289 to $320 per Msf 7/16" was used in determining the recoverable amount and a decrease of 4% in the pricing assumption, assuming all other variables remain constant, could cause the carrying amount to exceed the recoverable amount. For Europe EWP, a decrease of 1% in the pricing assumptions used, assuming all other variables remain constant, could cause the carrying amount to exceed the recoverable amount.

The estimated recoverable amounts of all CGU groups exceeded their respective carrying amounts and as such, no impairment losses were recognized for the year ended December 31, 2023 (2022 - nil).

10. Other assets

As at	Note	December 31, 2023	December 31, 2022
Retirement assets	14	$ 83	$ 132
Interest rate swap contracts	13	—	12
Electricity swaps	23	18	—
Other		36	31
		$ 137	$ 175

11. Payables and accrued liabilities

As at	Note	December 31, 2023	December 31, 2022
Trade accounts		$ 417	$ 430
Accrued equity-based compensation	16	53	45
Compensation		66	152
Accrued export duties	26	5	4
Accrued dividends		25	25
Accrued interest		5	5
Current portion of lease obligations		13	11
Restructuring provision		3	10
Other		33	40
		$ 620	$ 722

12. Other liabilities

As at	Note	December 31, 2023	December 31, 2022
Retirement liabilities	14	$ 106	$ 77
Long-term portion of reforestation obligations		53	55
Long-term portion of decommissioning obligations		16	15
Long-term portion of lease obligations		26	26
Export duties	26	24	73
Electricity swaps	23	12	4
Other		22	18
		$ 260	$ 268

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

		Reforestation		Decommissioning	
	Note	2023	2022	2023	2022
Beginning of year		$ 93	$ 97	$ 35	$ 33
Acquisition	3	3	—	1	—
Transfer to disposal groups held for sale	6	—	—	(2)	—
Liabilities recognized		46	51	3	5
Liabilities settled		(52)	(49)	(1)	(1)
Foreign exchange		2	(6)	1	(2)
End of year		92	93	37	35
Less: current portion		(39)	(38)	(21)	(20)
		$ 53	$ 55	$ 16	$ 15

The total undiscounted amount of the estimated cash flows required to satisfy these obligations is $ 137 million (December 31, 2022 - $ 159 million). The cash flows have been discounted using risk-free rates ranging from 2.50% to 3.88% (2022 - 3.27% to 5.51%).

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.

13. 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

Operating loans

As at December 31, 2023, our credit facilities consisted of a $ 1 billion committed revolving credit facility which matures July 2028, $ 35 million of uncommitted revolving credit facilities available to our U.S. subsidiaries, a $19 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 newsprint operation.

As at December 31, 2023, our revolving credit facilities were undrawn (December 31, 2022 - undrawn) and the associated deferred financing costs of $2 million (December 31, 2022 - $1 million) were recorded in other assets. Interest on the facilities is payable at floating rates based on Prime Rate Advances, Base Rate Advances, Bankers' Acceptances, or Secured Overnight Financing Rate ("SOFR") Advances at our option. On July 25, 2023, we amended and restated the revolving credit facilities agreement to extend its maturity to July 2028 and replaced the previous London Inter-Bank Offered Rate ("LIBOR") floating rate option with SOFR.

In addition, we have credit facilities totalling $ 133 million (December 31, 2022 - $131 million) dedicated to letters of credit. Letters of credit in the amount of $43 million (December 31, 2022 - $61 million) were supported by these facilities.

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

As at December 31, 2023, we were in compliance with the requirements of our credit facilities.

Long-term debt

As at	December 31, 2023	December 31, 2022
Senior notes due October 2024; interest at 4.35%	$ 300	$ 300
Term loan due July 2025; floating interest rate	200	200
	500	500
Less: deferred financing costs	(1)	(1)
Less: current portion	(300)	—
	$ 199	$ 499

On July 25, 2023, we amended and restated the term loan agreement to extend its maturity to July 2025 and replaced the LIBOR floating rate option with SOFR.

Required principal repayments are disclosed in note 23.

Interest rate swap contracts

We have interest rate swap contracts that have the effect of fixing the interest rate on the $ 200 million term loan disclosed in the long-term debt table above. In June 2023, these interest rate swaps were amended to reference 3-month

SOFR (previously 3-month LIBOR) effective August 2023. The weighted average fixed interest rate payable under the contracts was 0.91% following the amendment (previously 1.14%).

In January 2024, these interest rate swaps were further amended to extend their maturity from August 2024 to July 2025. Following this amendment, the weighted average fixed interest rate payable under the contract is 2.61%.

The interest rate swap contracts are accounted for as a derivative, with the related changes in the fair value included in Other income in our consolidated statements of earnings (loss). For the year ended December 31, 2023, a loss of $6 million (year ended December 31, 2022 - a gain of $13 million) was recognized in relation to the interest rate swap contracts. The fair value of the interest rate swap contracts at December 31, 2023 was an asset of $6 million (December 31, 2022 - asset of $ 12 million).

14. 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, the U.S., and Europe 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 (expense), net in our consolidated statements of earnings (loss).

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 2023 was a gain of $ 78 million (2022 - loss of $138 million). The total pension expense for the defined benefit pension plans was $32 million (2022 - $71 million). In 2023, we made nominal net contributions to our defined benefit pension plans (2022 - $39 million). We expect to make cash contributions of approximately $ 19 million to our defined benefit pension plans during 2024 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 2023 (2022 - $1 million).

In 2023, we entered into buy-out annuity purchase agreements to settle $ 120 million of our defined benefit obligations by purchasing annuities using our plan assets. The agreements transfer 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 gain of $6 million in Other income (see note 19).

In 2022, we entered into buy-out annuity purchase agreements to settle $ 82 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 cost of $5 million in Other income.

In 2022, as part of the process related to the annuitization of our U.K. defined benefit pension plan, we entered into a $ 15 million (£13 million) investment contract with an insurer. Future cash inflows from the investment contract will match the cash flows of the outgoing benefit payments made by the pension plan, substantially mitigating the exposure to future volatility in the related pension obligations. The completion of the buy-out of the defined benefit obligations is expected upon completion of certain normal-course administrative processes.

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	
	2023	2022	2023	2022
Accrued benefit obligations				
Benefit obligations - opening	$ 838	$ 1,355	$ 18	$ 23
Transfer to disposal groups held for sale (note 6)	(77)	—	(2)	—
Service cost	37	59	—	—
Finance cost on obligation	42	41	1	1
Benefits paid	(42)	(56)	(1)	(1)
Actuarial (gain) loss due to change in financial assumptions	63	(408)	1	(4)
Actuarial loss due to demography/experience	31	3	—	—
Settlement	(120)	(82)	—	—
Foreign exchange[1]	17	(74)	—	(1)
Benefit obligations - ending	$ 791	$ 838	$ 17	$ 18
Plan assets				
Plan assets - opening	$ 927	$ 1,239	$ —	$ —
Transfer to disposal groups held for sale (note 6)	(79)	—	—	—
Finance income on plan assets	46	36	—	—
Actual return on plan assets, net of finance income	32	(174)	—	—
Employer contributions	14	39	1	1
Benefits paid	(42)	(56)	(1)	(1)
Settlement	(115)	(87)	—	—
Other	(2)	(2)	—	—
Refund of excess contributions	(15)	—	—	—
Foreign exchange[1]	20	(68)	—	—
Plan assets - ending	$ 786	$ 927	$ —	$ —
Funded status[2]				
Retirement assets	$ 84	$ 148	$ —	$ —
Impact of minimum funding requirement[3]	(1)	(16)	—	—
Retirement assets (note 10)	83	132	—	—
Retirement liabilities (note 12)	(89)	(59)	(17)	(18)
	$ (6)	$ 73	$ (17)	$ (18)

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	
	2023	2022	2023	2022
Expense				
Service cost	$ 37	$ 59	$ —	$ —
Administration fees	4	3	—	—
Settlement loss (gain)	(6)	5	—	—
Finance expense (income), net	(3)	4	1	1
	$ 32	$ 71	$ 1	$ 1

Assumptions and sensitivities

At December 31, 2023, the weighted average duration of the defined benefit pension obligations is 18 years (December 31, 2022 - 17 years). The projected future benefit payments for the defined benefit pension plans at December 31, 2023 are as follows:

	2024	2025	2026 to 2028	Thereafter	Total
Defined benefit pension plans	$28	$28	$101	$1,830	$1,987

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	
	2023	2022	2023	2022
Benefit obligations:				
Discount rate	4.69%	5.17%	4.69%	5.10%
Future compensation rate increase	3.62%	3.53%	n/a	n/a
Benefit expense:				
Discount rate - beginning of year	5.17%	3.03%	5.10%	3.08%
Future compensation rate increase	3.53%	3.60%	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, 2023 is as follows:

	Increase	Decrease
Discount rate - 0.50% change	$ (64)	$ 75
Compensation rate - 0.50% change	$ 14	$ (13)

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	2023	2022
Canadian equities	2% - 30%	28 %	26 %
Foreign equities	15% - 57%	17 %	30 %
Fixed income investments	20% - 55%	42 %	30 %
Other investments	0% - 34%	13 %	14 %
		100 %	100 %

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 2023 was $ 35 million (2022 - $36 million).

15. 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

	December 31, 2023		December 31, 2022	
As at	Number	Amount	Number	Amount
Common	79,439,518	$ 2,607	81,273,936	$ 2,667
Class B Common	2,281,478	—	2,281,478	—
Total Common	81,720,996	$ 2,607	83,555,414	$ 2,667

For the year ended December 31, 2023, we issued 383 Common shares under our share option plans (2022 - no Common shares) and no Common shares under our employee share purchase plan (2022 - no 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

Normal Course Issuer Bids

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 until the expiry of the bid on February 26, 2024. For the year ended December 31, 2023, we repurchased for cancellation 1,834,801 Common shares at an average price of $70.24 per share under our normal course issuer bids.

For the year ended December 31, 2022, we repurchased for cancellation 10,475,115 Common shares at an average price of $ 82.01 per share under our normal course issuer bids.

2022 Substantial Issuer Bid

During the year ended December 31, 2022, we repurchased for cancellation a total of 11,898,205 Common shares at a price of $ 95.00 per share for an aggregate purchase price of $1.13 billion under the 2022 Substantial Issuer Bid ("2022 SIB"). The Common shares repurchased represented approximately 11.7% of the total number of our issued and outstanding Common shares and Class B Common shares at the time the 2022 SIB was announced in April 2022.

16. Equity-based compensation

We have share option, phantom share unit ("PSU") and directors' deferred share unit ("DSU") plans. The equity-based compensation expense for the year ended December 31, 2023 was $25 million (2022 - expense of $ 5 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 up to 8,295,940 Common shares, of which 777,255 remain available for issuance.

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.

In 2023, we have recorded an expense of $ 11 million (2022 – recovery of $ 4 million) related to the share option plans. 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:

	2023		2022	
	Number	Weighted average price (CAD$)	Number	Weighted average price (CAD$)
Outstanding - beginning of year	841,305	$ 76.19	1,077,840	$ 66.64
Granted	137,115	109.42	124,566	123.63
Exercised	(123,781)	59.81	(351,448)	62.83
Expired / Cancelled	(4,969)	85.54	(9,653)	108.40
Outstanding - end of year	849,670	$ 83.59	841,305	$ 76.19
Exercisable - end of year	568,481	$ 75.63	408,115	$ 62.71

The following table summarizes information about the share options outstanding and exercisable at December 31, 2023 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	167,737	4.4	$ 49.15	152,212	$ 48.45
$64.50 - $73.99	241,690	6.0	67.87	198,029	68.20
$85.40 - $92.79	185,836	7.3	90.75	127,636	89.82
$109.42 - $123.63	254,407	9.1	116.02	90,604	117.56
	849,670	6.3	$ 83.59	568,481	$ 75.63

The weighted average share price at the date of exercise for share options exercised during the year was CAD$ 107.45 per share (2022 - CAD$120.95 per share).

The accrued liability related to the share option plan was $ 30 million at December 31, 2023 (December 31, 2022 - $ 23 million). The weighted average fair value of the options used in the calculation was CAD$46.17 per option or USD$ 34.21 per option at December 31, 2023 (December 31, 2022 - CAD$35.59 per option or USD$ 27.34 per option).

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

As at	December 31, 2023	December 31, 2022
Weighted-average share price on balance sheet date	CAD$113.45	CAD$98.20
Weighted average exercise price	CAD$83.59	CAD$76.19
Expected dividend	CAD$1.59	CAD$1.63
Expected volatility	42.22 %	45.15 %
Weighted average interest rate	3.57 %	3.77 %
Weighted average expected remaining life in years	4.07	4.14

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, 2023 was CAD$ 22 million or USD$16 million (December 31, 2022 - CAD$14 million or USD$11 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.

We have recorded an expense of $12 million (2022 - expense of $10 million) related to the PSU plan. The number of units outstanding as at December 31, 2023 was 179,757 (December 31, 2022 – 184,207), including performance share units totalling 179,757 (December 31, 2022 – 167,156).

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.

We have recorded an expense of $2 million (2022 - recovery of $1 million) related to the DSU plan. The number of units outstanding as at December 31, 2023 was 78,895 (December 31, 2022 - 97,884).

17. Restructuring and impairment charges

		2023		2022
Impairment related to Hinton pulp mill	$	121	$	13
Impairment related to Quesnel River Pulp mill and Slave Lake Pulp mill		20		—
Restructuring and impairment related to Canadian lumber operations		81		—
Impairment related to US lumber operations		47		29
Impairment related to South Molton mill		—		9
Impairment related to equity accounted investment		7		—
Other restructuring charges		3		9
	$	279	$	60

In the year ended December 31, 2023, we recorded restructuring and impairment charges of $ 279 million.

We recorded an impairment loss of $121 million in relation to the sale of the Hinton pulp mill (see note 6). In addition, we recorded an impairment loss of $20 million in relation to the sale of the Quesnel River Pulp mill and Slave Lake Pulp mill (see note 6).

We recorded restructuring and impairment charges of $81 million related to facility closures and curtailments due to availability of economic fibre sources in B.C.

We recorded restructuring and impairment charges of $47 million associated with the announcement of the permanent closure of our lumber mill in Maxville, Florida and the indefinite curtailment of operations at our lumber mill in Huttig, Arkansas.

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, other than the disposal group discussed above, was $36 million.

An impairment loss of $7 million was recorded in the year ended December 31, 2023 in relation to an equity accounted investment in our lumber segment that produces and distributes wood pellets. Restructuring charges of $3 million were recorded in the year ended December 31, 2023 relating to the closure of a regional corporate office in our lumber segment and the closure of a distribution centre in our pulp & paper segment.

18. Finance income (expense), net

		2023	2022
Interest expense	$	(24)	$ (24)
Interest income on cash and cash equivalents		47	18
Net interest income on export duty deposits (note 26)		27	9
Finance income (expense) on employee future benefits		1	(6)
	$	51	$ (3)

19. Other income

		2023	2022
Foreign exchange gain (loss)	$	(7)	$ 28
Settlement gain (loss) on defined benefit pension plan annuity purchases		6	(5)
Gain on electricity swaps		17	—
Gain (loss) on interest rate swap contracts		(6)	13
Other		(5)	1
	$	5	$ 37

20. 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 are in the process of evaluating the potential impact that these changes will have on our long-term financial position.

Supporting information

Certain 2022 figures within this note have been reclassified to conform with the current year's presentation, including as it relates to amendments to IAS 12 *Income Taxes* regarding deferred tax related to assets and liabilities arising from a single transaction, which were effective for annual periods beginning on or after January 1, 2023.

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

		2023		2022
Earnings:				
Current tax	$	(61)	$	(581)
Deferred tax recovery (provision)		122		(37)
Tax recovery (provision) on earnings	$	61	$	(618)
Other comprehensive earnings:				
Deferred tax recovery (provision) on retirement benefit actuarial loss (gain)	$	12	$	(56)
Tax recovery (provision) on comprehensive earnings	$	73	$	(674)

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:

		2023		2022
Income tax recovery (expense) at statutory rate of 27%	$	62	$	(700)
Non-taxable amounts		—		10
Rate differentials between jurisdictions and on specified activities		(3)		81
Other		2		(9)
Tax recovery (provision)	**$**	**61**	**$**	**(618)**

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

		2023		2022
Property, plant, equipment and intangibles	$	737	$	796
Reforestation and decommissioning obligations		(30)		(30)
Employee benefits		(22)		(12)
Export duties		90		72
Tax loss carry-forwards[1]		(47)		(11)
Inventory		(12)		(4)
Other		(39)		(20)
	$	677	$	791
Represented by:				
Deferred income tax assets	$	(6)	$	(4)
Deferred income tax liabilities		683		795
	$	677	$	791

1. We have $241 million of net operating loss carry-forwards in various jurisdictions (December 31, 2022 - $61 million), $306 million of U.S. state net operating loss carry-forwards (December 31, 2022 - $345 million), and $83 million of capital loss carry-forwards (December 31, 2022 - $56 million). A portion of these losses expire over various periods starting in 2024. The net operating losses that have not been recognized as of December 31, 2023 are $32 million in various jurisdictions (December 31, 2022 - $35 million) and $270 million for U.S. states (December 31, 2022 - $272 million). Capital losses that have not been recognized as of December 31, 2023 are $83 million (December 31, 2022 - $56 million).

21. 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, 2023 was $989 million (2022 - $1,133 million).

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

		2023		2022
Expense				
Salary and short-term employee benefits	$	8	$	13
Retirement benefits		2		2
Equity-based compensation[1]		19		4
	$	29	$	19

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

		2023		2022
Payables and accrued liabilities				
Compensation	$	—	$	6
Equity-based compensation[1]		39		35
	$	39	$	41

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

22. 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 cash-settled method was more dilutive for the year ended December 31, 2023. The equity-settled method was more dilutive for the year ended December 31, 2022 and an adjustment was required for both the numerator and denominator.

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

		2023		2022
Earnings (loss)				
Numerator for basic EPS	$	(167)	$	1,975
Cash-settled (recovery) expense included in earnings		—		(5)
Equity-settled expense adjustment		—		(5)
Numerator for diluted EPS	$	(167)	$	1,965
Weighted average number of shares (thousands)				
Denominator for basic EPS		83,199		93,760
Effect of dilutive equity-based compensation		—		413
Denominator for diluted EPS		83,199		94,173
Earnings (loss) per share (dollars)				
Basic	$	(2.01)	$	21.06
Diluted	$	(2.01)	$	20.86

23. 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, 2023	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	$ 900	$ —	$ —	$ 900	$ 900
Receivables	3	302	—	—	302	302
Interest rate swaps[2]	2	—	6	—	6	6
Electricity swaps[2]	3	—	22	—	22	22
		$ 1,202	$ 28	$ —	$ 1,230	$ 1,230
Financial liabilities						
Payables and accrued liabilities	3	$ —	$ —	$ 620	$ 620	$ 620
Long-term debt[1]	2	—	—	500	500	494
Electricity swaps	3	—	12	—	12	12
		$ —	$ 12	$ 1,120	$ 1,132	$ 1,126

1. The fair value of long-term debt is based on rates available to us at December 31, 2023 for long-term debt with similar terms and remaining maturities.
2. The value of our interest rate swap contracts and the current portion of our electricity swap contracts are included in receivables in our consolidated balance sheet at December 31, 2023. The value of the non-current portion of our electricity swap contracts are included in other assets in our consolidated balance sheet at December 31, 2023.

December 31, 2022	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	$ 1,162	$ —	$ —	$ 1,162	$ 1,162
Receivables	3	350	—	—	350	350
Interest rate swaps[2]	2	—	12	—	12	12
		$ 1,512	$ 12	$ —	$ 1,524	$ 1,524
Financial liabilities						
Payables and accrued liabilities	3	$ —	$ —	$ 722	$ 722	$ 722
Long-term debt[1]	2	—	—	500	500	491
Electricity swaps	2	—	4	—	4	4
		$ —	$ 4	$ 1,222	$ 1,226	$ 1,217

1. The fair value of long-term debt is based on rates available to us at December 31, 2022 for long-term debt with similar terms and remaining maturities.
2. The value of our interest rate swap contracts are included in other assets in our consolidated balance sheet at December 31, 2022.

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, 2023, approximately 26% of trade accounts receivable was covered by at least some of these additional measures (December 31, 2022 - 45%).

Given our credit monitoring activities, the low percentage of overdue accounts and our history of minimal customer defaults, we consider the credit quality of our trade accounts receivable at December 31, 2023 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, 2023		December 31, 2022
Trade accounts receivable				
Current	$	215	$	256
Past due 1 to 30 days		28		19
Past due 31 to 60 days		4		9
Past due over 60 days		3		2
Trade accounts receivable		250		286
Insurance receivable		—		3
Sales taxes receivable		26		22
Other		35		39
Receivables	$	311	$	350

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:

December 31, 2023	Carrying value	Total	2024	2025	2026	2027	Thereafter
Long-term debt	$ 499	$ 500	$ 300	$ 200	$ —	$ —	$ —
Interest on long-term debt[1]	—	25	18	7	—	—	—
Lease obligations	39	45	13	8	5	3	16
Payables and accrued liabilities	620	620	620	—	—	—	—
Total	$ 1,158	$ 1,190	$ 951	$ 215	$ 5	$ 3	$ 16

1. Assumes debt remains at December 31, 2023 levels and includes the impact of interest rate swaps terminating August 2024.

In addition, we have contractual commitments for the acquisition of property, plant and equipment in the amount of $ 265 million in 2024.

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 a mix of fixed and floating rate debt along with interest rate swap contracts, we mitigate the exposure to interest rate changes.

As at December 31, 2023, we had the following floating rate financial instruments:

Financial instrument	Carrying value
Financial liability: Term loan	$ 200
Financial asset: Interest rate swap contracts	$ 6

We maintain a $200 million term loan due July 2025 where the interest is payable at floating rates based on Prime, Base Rate Advances, Bankers' Acceptances or SOFR Advances at our option.

We have interest rate swap agreements to pay fixed interest rates and receive variable interest rates equal to 3-month SOFR on $ 200 million notional principal amount of indebtedness. These agreements have the effect of fixing the interest rate on the $200 million term loan floating rate debt. In January 2024, these interest rate swaps were amended to extend their maturity from August 2024 to July 2025.

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

At December 31, 2023, the impact of a 100-basis point change in interest rate affecting our floating rate debt would not result in a change in annual interest expense (December 31, 2022 - 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 on our consolidated statements of earnings (loss). 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, 2023, a gain of $ 17 million was recognized in relation to the electricity swaps (2022 - nominal gain). The fair value of the electricity swaps at December 31, 2023 was an asset of $10 million (December 31, 2022 - a liability of $ 4 million). At December 31, 2023, the impact of a 10% increase (decrease) in future electricity prices would result in a gain (loss) of $20 million.

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

December 31, 2023	Carrying value - asset (liability)	Total	2024	2025	2026	2027	Thereafter
Electricity swaps	$ 10	$ 14	$ 3	$ —	$ —	$ 1	$ 10
Total	$ 10	$ 14	$ 3	$ —	$ —	$ 1	$ 10

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 Spray Lake lumber mill (note 3) and jointly-owned newsprint 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) earnings by approximately $ 2 million. A $0.01 strengthening (weakening) of the USD against the CAD, British pound and Euro would result in an approximate $8 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.

24. 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. Our debt is currently rated as investment grade by three 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 debt 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; 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, 2023		December 31, 2022
Debt				
Operating loans	$	—	$	—
Current and long-term lease obligation		39		37
Current and long-term debt		500		500
Derivative liabilities[1]		—		—
Open letters of credit[1]		43		61
Total debt		582		598
Shareholders' equity		7,223		7,619
Total capital	$	7,805	$	8,217
Total debt to capital		7%		7%
Total debt	$	582	$	598
Cash and cash equivalents		(900)		(1,162)
Open letters of credit		(43)		(61)
Derivative liabilities		—		—
Cheques issued in excess of funds on deposit		—		—
Net debt		(361)		(625)
Shareholders' equity		7,223		7,619
Total capital	$	6,862	$	6,994
Net debt to capital		(5%)		(9%)

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

25. 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.

During the first quarter of 2023, the Company changed its measure of profit or loss for each reportable segment from earnings before tax to operating earnings, as this is now the measure most used by the chief operating decision maker when evaluating segment operating performance. Prior year comparatives have been updated to conform to current year presentation.

Year ended December 31, 2023	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Sales						
To external customers	$ 2,722	$ 2,602	$ 612	$ 517	$ —	$ 6,454
To other segments	72	6	11	—	(89)	—
	$ 2,794	2,608	623	517	(89)	6,454
Cost of products sold	(2,215)	(1,594)	(555)	(409)	89	(4,685)
Freight and other distribution costs	(405)	(329)	(120)	(40)	—	(894)
Export duties, net	(8)	—	—	—	—	(8)
Amortization	(185)	(273)	(24)	(49)	(10)	(541)
Selling, general and administration	(164)	(96)	(25)	(21)	—	(307)
Equity-based compensation	—	—	—	—	(25)	(25)
Restructuring and impairment charges	(137)	—	(142)	—	—	(279)
Operating earnings (loss)	$ (319)	$ 316	$ (242)	$ (3)	$ (35)	$ (284)
Total assets	3,606	4,338	333	691	446	$ 9,415
Total liabilities	507	551	125	149	861	$ 2,193
Capital expenditures	253	156	32	30	7	$ 477

Year ended December 31, 2022	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Sales						
To external customers	$ 4,381	$ 3,780	$ 802	$ 738	$ —	$ 9,701
To other segments	84	9	5	—	(98)	—
	$ 4,465	$ 3,789	$ 807	$ 738	$ (98)	$ 9,701
Cost of products sold	(2,489)	(1,677)	(596)	(479)	98	(5,142)
Freight and other distribution costs	(435)	(329)	(153)	(46)	—	(963)
Export duties, net	(18)	—	—	—	—	(18)
Amortization	(186)	(306)	(35)	(53)	(9)	(589)
Selling, general and administration	(194)	(106)	(32)	(28)	(5)	(365)
Equity-based compensation	—	—	—	—	(5)	(5)
Restructuring and impairment charges	(31)	—	(13)	(15)	—	(60)
Operating earnings (loss)	$ 1,111	$ 1,371	$ (22)	$ 117	$ (18)	$ 2,559
Total assets	3,685	4,637	456	730	465	$ 9,973
Total liabilities	553	622	90	170	919	$ 2,354
Capital expenditures	184	235	29	20	9	$ 477

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	
	2023	2022	2023	2022
United States	$ 2,689	$ 2,625	$ 4,251	$ 6,659
Canada	3,883	4,139	1,118	1,531
U.K and Europe	466	460	524	733
Asia	—	—	557	767
Other	—	—	4	11
	$ 7,038	$ 7,224	$ 6,454	$ 9,701

26. 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 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 March 14, 2023, the USDOC initiated AR5 POI covering the 2022 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 September 7, 2023, the USDOC finalized the duty rate for AR4, resulting in the recognition of an export duty recovery of $ 62 million plus interest income in earnings and a decrease in export duty deposits payable.

On February 1, 2024, the USDOC released the preliminary results from AR5 POI covering the 2022 calendar year, which indicated a rate of 6.74% for CVD and 5.33% for ADD for West Fraser. The duty rates are subject to an appeal process, and we will record an adjustment once the rates are finalized. If the AR5 rates were to be confirmed, it would result in an expense of $35 million before the impact of interest for the POI covered by AR5. This adjustment would be in addition to the amounts already recorded on our balance sheet. If these rates were finalized, our combined cash deposit rate would be 12.07%.

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 %	n/a
January 10, 2022 – August 8, 2022	5.08 %	n/a
August 9, 2022 - December 31, 2022	3.62 %	n/a
AR6 POI[7]		
January 1, 2023 - July 31, 2023	3.62 %	n/a
August 1, 2023 - December 31, 2023	2.19 %	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. The CVD rate for the AR5 POI will be adjusted when AR5 is complete and the USDOC finalizes the rate, which is not expected until 2024.
7. The CVD rate for the AR6 POI will be adjusted when AR6 is complete and the USDOC finalizes the rate, which is not expected until 2025.

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 %	n/a	4.52 %
August 9, 2022 - December 31, 2022	4.63 %	n/a	4.52 %
AR6 POI[7]			
January 1, 2023 - July 31, 2023	4.63 %	n/a	8.84 %
August 1, 2023 - December 31, 2023	7.06 %	n/a	8.84 %

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 from 6.96% to 7.06% for ministerial errors. This table only reflects the final rate.
6. The ADD rate for the AR5 POI will be adjusted when AR5 is complete and the USDOC finalizes the rate, which is not expected until 2024.
7. The ADD rate for the AR6 POI will be adjusted when AR6 is complete and the USDOC finalizes the rate, which is not expected until 2025.

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Impact on results

The following table reconciles our cash deposits paid during the year to the amount recorded in our statements of earnings:

($ millions)	**2023**	**2022**
Cash deposits[1]	(53)	(117)
Adjust to West Fraser Estimated ADD rate[2]	(17)	18
Export duties, net	(70)	(99)
Duty recovery attributable to AR3[3]	—	81
Duty recovery attributable to AR4[4]	62	—
Export duty (expense) recovery	(8)	(18)
Net interest income on export duty deposits	27	9

1. Represents combined CVD and ADD cash deposit rate of 11.12% from January 1, 2022 to January 9, 2022, 11.14% from January 10, 2022 to August 8, 2022, 8.25% from August 9, 2022 to July 31, 2023 and 9.25% from August 1, 2023 to December 31, 2023.
2. Represents adjustment to West Fraser Estimated ADD rate of 8.84% for 2023 and 4.52% for 2022.
3. $81 million represents the duty recovery attributable to the finalization of the AR3 duty rates for the 2020 POI. The final CVD rate was 3.62% and the final ADD rate was 4.63% for AR3.
4. $62 million represents the duty recovery attributable to the finalization of AR4 duty rates for the 2021 POI.The final CVD rate was 2.19% and the final ADD rate was 7.06% for AR4.

As of December 31, 2023, export duties paid and payable on deposit with the USDOC were $ 836 million (December 31, 2022 - $784 million).

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		**2023**	**2022**
Beginning of year	$	354	$ 242
Export duties recognized as duty deposits receivable		—	97
Interest income recognized on duty deposits receivable		23	15
End of year	$	377	$ 354

Export duties payable is represented by:

Export duties payable		**2023**	**2022**
Beginning of year	$	73	$ 69
Export duties recognized as long-term payable		(45)	(2)
Interest expense (income) recognized on export duties payable		(4)	6
End of year	$	24	$ 73

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.

The softwood lumber case will continue to be subject to NAFTA or the new Canada-United States-Mexico Agreement (“CUSMA”), WTO dispute resolution processes, and litigation in the U.S. In the past, long periods of litigation have led to negotiated settlements and duty deposit refunds. 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.

27. 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.

28. Subsequent events

On February 3, 2024, the sale of our unbleached softwood kraft pulp mill in Hinton, Alberta to Mondi closed following the successful completion of regulatory reviews and satisfaction of customary closing conditions.

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, 2023 should be read in conjunction with our annual audited consolidated financial statements and accompanying notes for the year ended December 31, 2023 (the "Annual Financial Statements").

The Company's fiscal year is the calendar year ending December 31. Effective January 1, 2023, the Company's fiscal quarters are the 13-week periods ending on the last Friday of March, June, and September with the fourth quarter ending on December 31. References to the three months ended December 31, 2023 and the fourth quarter of 2023 relate to the period between September 30, 2023 and December 31, 2023.

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", "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 14, 2024 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, selling, marketing and distributing lumber, engineered wood products (OSB, LVL, MDF, plywood, particleboard), pulp, newsprint, wood chips and other residuals and renewable energy. As at December 31, 2023, our business is comprised of 34 lumber mills, 15 OSB facilities, 6 renewable energy facilities, 3 plywood facilities, 3 MDF facilities, 2 treated wood facilities, 1 particleboard facility, 1 LVL facility, 1 veneer facility, and 5 pulp and paper mills (as at December 31, 2023, three of our pulp mills are held for sale, one of which has since been sold).

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 responsible, 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.

West Fraser strives to make sustainability a central principle upon which we and our people operate, and we believe the Company's renewable building materials that sequester carbon are a truly natural solution in the fight against climate change. There are numerous government initiatives and proposals globally to address climate-related issues. Within the jurisdictions of West Fraser's operations, some of these initiatives would regulate, and do regulate and/or tax the production of carbon dioxide and other greenhouse gases to facilitate the reduction of carbon emissions, providing incentives to produce and use cleaner energy. 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. This validation further supports West Fraser's plan to achieve near-term greenhouse gas ("GHG") reductions across all our operations located in the United States, Canada, U.K. and Europe.

We believe that maintaining a strong balance sheet and liquidity profile, along with our investment-grade debt rating, enables us to execute a balanced capital allocation strategy. Our goal is to 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, changes in new home construction activity in the U.S. are 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 1.46 million units in December 2023, with permits issued averaging 1.50 million units. U.S. housing starts were 1.41 million units for full year 2023, down 9% from 1.55 million units in 2022. The level of new housing construction began to rebound somewhat in the final months of the year as central bankers paused rate increases and inflation and mortgage rates moderated. Coupled with ongoing evidence of easing inflationary risks, the latest rate hiking cycle appears to be nearing its end. Low supply of existing homes for sale and a large cohort of the population entering the typical home buying age demographic are expected to support longer-term core demand for home construction activity. Notwithstanding these factors, should the economy and employment slow more broadly, interest rates begin to track meaningfully higher or housing prices not adjust sufficiently lower to offset a potential rise in mortgage rates, housing affordability may be adversely impacted, which could reduce near-term demand for new home construction and thus near-term demand for our wood-based building products.

In the fourth quarter, demand for our products used in repair and remodelling applications was relatively stable but remained below the elevated demand levels seen in recent years. There is a risk that historically low rates of existing home sales and a slowing economy will put further downward pressure on short-term repair and remodelling demand, consistent with near-term industry forecasts for repair and remodelling spending. However, 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.

Regarding lumber supply fundamentals, significant new capacity announcements in the U.S. South have not translated into a meaningful increase in overall domestic supply. Capacity contraction within other key lumber producing regions of North America have contributed to this trend, as have meaningful reductions in production from less competitive mills in the U.S. South, a region that is generally lower-cost but is also heterogeneous in terms of mill costs associated with fibre supply, modernization levels and labour reliability. Lower demand from offshore markets for North American lumber is also a continuing factor, resulting in more domestically produced lumber remaining in the continent. Imports of lumber from Europe, which had been elevated earlier in 2023, have slowed in recent months. However, should this import trend reverse and head higher again, the rebalancing of supply and demand for lumber products in North America could experience an extended time to recovery, particularly for SPF products that compete more directly with European lumber imports. In the very near term, unusually warm weather in Western Canada has hampered logging activities so far this winter, which has limited the accumulation of log inventories at some of our mills and has the potential to constrain our ability to manufacture and ship SPF lumber.

A number of OSB mill greenfield and re-start projects have been announced in recent years, although actual new supply has been slow to come to market. We believe this is largely a function of extended vendor equipment backlogs and limited contractor availability, coupled with the 18-24 month start-up curves typical of OSB mills. While some of the announced mill projects are apt to be completed over the near-to-medium term, we continue to see meaningful constraints to significant new OSB supply in the near term. However, should new OSB supply come to market sooner, and production ramp more quickly than is typical for mill start-ups, OSB markets may experience a period of imbalance between supply and demand.

Completion of the Spray Lake Acquisition

On November 17, 2023, we completed the acquisition of the Spray Lake lumber mill located in Cochrane, Alberta and associated timber tenures for $102 million (CAD$140 million), net of cash acquired of $1 million. This acquisition has been accounted for as an acquisition of a business in accordance with IFRS 3, *Business Combinations.* Note 3 to our Annual Financial Statements provides details on the preliminary purchase price allocation as at December 31, 2023.

Facility Closures and Curtailments

On January 9, 2024, we announced the permanent closure of our lumber mill in Maxville, Florida and the indefinite curtailment of operations at our lumber mill in Huttig, Arkansas. High fibre costs at Maxville and the current low-price commodity environment have impaired the ability of both mills to profitably operate. In aggregate, this will reduce our U.S. lumber capacity by approximately 270 million board feet. The closure of Maxville and the indefinite curtailment of our Huttig lumber mill better aligns our U.S. lumber capacity with demand. We recorded restructuring and impairment charges of $47 million in the fourth quarter of 2023 associated with this announcement.

On January 22, 2024, we announced the permanent closure of our lumber mill in Fraser Lake, B.C., following an orderly wind-down. The decision is the result of our inability to access economically viable fibre in the region and will reduce our Canadian lumber capacity by approximately 160 million board feet. We recorded restructuring and impairment charges of $81 million in the fourth quarter of 2023 related to facility closures and curtailments due to availability of economic fibre sources in B.C.

Completion of sale of Hinton pulp mill

On July 10, 2023, we announced an agreement to sell our unbleached softwood kraft pulp mill in Hinton, Alberta to Mondi Group plc (“Mondi”). The transaction closed on February 3, 2024 following the completion of regulatory reviews and satisfaction of customary closing conditions.

CVD and ADD Duty Rates

On February 1, 2024, the USDOC released the preliminary results from AR5 POI covering the 2022 calendar year, which indicated a rate of 6.74% for CVD and 5.33% for ADD for West Fraser. The duty rates are subject to an appeal process, and we will record an adjustment once the rates are finalized. If the AR5 rates were to be confirmed, it would result in an expense of $35 million before the impact of interest for the POI covered by AR5. This adjustment would be in addition to the amounts already recorded on our balance sheet. If these rates were finalized, our combined cash deposit rate would be 12.07%.

Senior Leadership Transition

Effective January 1, 2024, Sean McLaren succeeded Ray Ferris as President and Chief Executive Officer and joined the Board of Directors.

ANNUAL RESULTS

Summary Annual Results ($ millions, except as otherwise indicated)	**2023**	**2022**	**2021**
Earnings			
Sales	$ 6,454	$ 9,701	$ 10,518
Cost of products sold	(4,685)	(5,142)	(4,645)
Freight and other distribution costs	(894)	(963)	(846)
Export duties, net	(8)	(18)	(146)
Amortization	(541)	(589)	(584)
Selling, general and administration	(307)	(365)	(312)
Equity-based compensation	(25)	(5)	(40)
Restructuring and impairment charges	(279)	(60)	—
Operating earnings (loss)	(284)	2,559	3,945
Finance income (expense), net	51	(3)	(45)
Other income (expense)	5	37	(2)
Tax recovery (provision)	61	(618)	(951)
Earnings (loss)	$ (167)	$ 1,975	$ 2,947
Adjusted EBITDA[1]	$ 561	$ 3,212	$ 4,569
Basic earnings (loss) per share ($)	(2.01)	21.06	27.03
Diluted earnings (loss) per share ($)	(2.01)	20.86	27.03
Cash dividends declared per share[2] ($)	1.20	1.15	0.76
Total assets	9,415	9,973	10,433
Long-term debt, non-current	199	499	499
Long-term debt, total	499	499	499

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. Cash dividends declared during the year ended December 31, 2021 were comprised of CAD$0.70 per share in aggregate for the first three quarters and USD$0.20 per share for the fourth quarter. The CAD amounts have been translated to USD for presentation purposes using the average exchange rate during the quarter that the dividends were declared.

In 2023, our revenues were $6,454 million and we incurred a loss of $167 million, or $2.01 of diluted loss per share. This compares with revenues of $9,701 million and earnings of $1,975 million, or $20.86 of diluted earnings per share, in 2022, and revenues of $10,518 million and earnings of $2,947 million, or $27.03 of diluted earnings per share, in 2021. Our 2023 results were impacted primarily by decreases in lumber and OSB pricing, offset in part by lower input costs. We recorded higher restructuring and impairment charges in 2023 related to the sale of certain of our pulp mills as well as announced facility closures and curtailments in our lumber segment.

Discussion & Analysis of Annual Results by Product Segment

Lumber Segment

Lumber Segment Earnings ($ millions unless otherwise indicated)		**2023**		**2022**
Sales				
Lumber	$	2,436	$	4,077
Wood chips and other residuals		287		309
Logs and other		71		79
		2,794		4,465
Cost of products sold		(2,215)		(2,489)
Freight and other distribution costs		(405)		(435)
Export duties, net		(8)		(18)
Amortization		(185)		(186)
Selling, general and administration		(164)		(194)
Restructuring and impairment charges		(137)		(31)
Operating earnings (loss)		(319)		1,111
Adjusted EBITDA[1]	$	2	$	1,328
Capital expenditures	$	253	$	184
SPF (MMfbm)				
Production		2,687		2,635
Shipments		2,711		2,705
SYP (MMfbm)				
Production		2,860		3,018
Shipments		2,882		3,036

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. 2023 Adjusted EBITDA was impacted by a one-time charge of $2 million related to inventory purchase price accounting related to the Spray Lake lumber mill acquisition.

Sales and Shipments

Lumber sales decreased compared to 2022 due primarily to lower product pricing and, to a lesser extent, lower shipments. The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $1,588 million compared to 2022.

SPF shipment volumes were comparable versus 2022. SPF shipment volumes in Q1-23 increased year-over-year as Q1-22 was impacted by disruptions to rail and truck services resulting from severe weather and flooding in B.C. carried over from Q4-21. This increase was substantially offset by lower shipment volumes resulting from weaker demand during the balance of the year.

SYP shipment volumes decreased compared to 2022 due primarily to reductions in production volumes, discussed further in the section below.

The volume variance resulted in an increase in operating earnings and Adjusted EBITDA of $4 million compared to 2022.

	2023		2022	
SPF Sales by Destination	**MMfbm**	**%**	**MMfbm**	**%**
U.S.	1,760	65%	1,755	65%
Canada	878	32%	837	31%
Other	73	3%	113	4%
	2,711		2,705	

We ship SPF to several export markets, while our SYP sales are almost entirely within the U.S. The relative proportion of shipments of SPF by destination was comparable versus prior year. Exports of SPF outside North America have declined in recent years due to reduced exports of low-grade lumber to China.

Wood chip and other residual sales decreased compared to 2022 due primarily to decreases in the pricing of chips and lower lumber production in the U.S. South. Logs and other sales were broadly comparable to prior year.

Costs and Production

SPF production volumes were comparable versus 2022 due primarily to fewer reductions in operating schedules taken in the current year, offset in part by the impact of the previously announced permanent curtailment of one shift at our Fraser Lake and Williams Lake lumber mills and reduced production at certain of our lumber mills in Alberta in the summer due to wildfire evacuation impacts.

SYP production volumes decreased compared to 2022 due primarily to the curtailment of operations at our lumber mill in Perry, Florida and incremental production curtailments to manage inventory.

Cost inflation across a number of our inputs including supplies and materials, energy, labour costs, and transportation has moderated.

Costs of products sold decreased compared to 2022 due primarily to lower log and manufacturing costs in our Canadian operations, lower SYP shipment volumes, and a favourable $77 million variance relating to inventory write-downs. We recorded significant inventory valuation reserves in Q4-22 due to low product pricing at period-end. Required inventory valuation reserves were lower in 2023 due to decreases in inventory costs, primarily from lower log costs, and lower overall inventory levels. Log harvesting in Western Canada in Q4-23 has been slowed by warm weather.

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 reported lumber prices, with a time lag, and publicly auctioned timber harvesting rights. Alberta's stumpage system is correlated to published lumber prices with a shorter time lag.

SPF log costs decreased compared to 2022 due primarily to lower stumpage rates in Alberta and B.C. and lower purchased log costs.

SPF unit manufacturing costs decreased compared to 2022 due primarily to lower energy, supplies and materials, and labour costs. The weakening of the CAD against the USD was also a contributing factor.

SYP log costs decreased compared to 2022 as availability of logs improved. SYP unit manufacturing costs increased compared to 2022 due to higher maintenance and labour costs, offset by lower energy costs.

Freight and other distribution costs decreased compared to 2022 due primarily to lower trucking rates, favourable changes in customer geography mix, and lower shipment volumes.

Export duty expense decreased compared to 2022. As disclosed in the table below, prior to consideration of the impact of duty recoveries attributable to finalization of POIs, export duties for 2023 decreased compared to 2022 due primarily to lower pricing, and a lower CVD cash deposit rate, offset in part by a higher estimated ADD rate. Export duties in 2023

included a recovery of $62 million related to the USDOC finalization of AR4 duty rates whereas export duties in 2022 included a recovery of $81 million related to the USDOC finalization of AR3 duty rates.

The following table reconciles our cash deposits paid during the year to the amount recorded in our statements of earnings:

Duty impact on earnings ($ millions)	**2023**	**2022**
Cash deposits paid[1]	$ (53)	$ (117)
Adjust to West Fraser Estimated ADD rate[2]	(17)	18
Export duties, net	(70)	(99)
Duty recovery attributable to AR3[3]	—	81
Duty recovery attributable to AR4[4]	62	—
Net duty recovery (expense)	(8)	(18)
Net interest income on duty deposits receivable	$ 27	$ 9

1. Represents combined CVD and ADD cash deposit rate of 11.12% for January 1 to January 9, 2022, 11.14% for January 10 to August 8, 2022, and 8.25% from August 9, 2022 to July 31, 2023, and 9.25% from August 1 to December 31, 2023.
2. Represents adjustment to West Fraser Estimated ADD rate of 8.84% for 2023 and 4.52% for 2022.
3. $81 million represents the duty recovery attributable to the finalization of AR3 duty rates for the 2020 POI. The final CVD rate was 3.62% and the final ADD rate was 4.63% for AR3.
4. $62 million represents the duty recovery attributable to the finalization of AR4 duty rates for the 2021 POI. The final CVD rate was 2.19% and the final ADD rate was 7.06% for AR4.

Amortization expense was comparable versus 2022.

Selling, general and administration costs decreased compared to 2022 due primarily to lower variable compensation costs, offset in part by annual salary increases.

Restructuring and impairment charges of $137 million were recorded in 2023. Of this amount, $128 million related to facility closures and curtailments due to availability of economic fibre sources in the U.S. South and B.C. The remaining balance relates to impairment losses relating to an equity accounted investment that produces and distributes wood pellets and the closure of a regional corporate office.

Restructuring and impairment charges of $31 million were recorded in 2022 relating to the curtailment of operations at our lumber mill in Perry, Florida.

Operating earnings for the Lumber Segment decreased by $1,430 million compared to 2022 for the reasons explained above.

Adjusted EBITDA for the Lumber Segment decreased by $1,326 million compared to 2022. The following table shows the Adjusted EBITDA variance for the period. The impact of the contribution from our Spray Lake lumber mill from November 17, 2023, the date of acquisition, to December 31, 2023 is nominal and included under Other. This impact includes a one time charge of $2 million related to inventory purchase price accounting. The impact of changes in pricing, cost and volume for wood chip and other residuals is also included under Other. Energy revenues were also lower compared to the prior year.

Adjusted EBITDA ($ millions)	**2022 to 2023**
Adjusted EBITDA - comparative period	$ 1,328
Price	(1,588)
Volume	4
Changes in export duties	11
Changes in costs	206
Impact of inventory write-downs	77
Other	(36)
Adjusted EBITDA - current period	$ 2

Softwood Lumber Dispute

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 March 14, 2023, the USDOC initiated AR5 POI covering the 2022 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 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 %	n/a
January 10, 2022 – August 8, 2022	5.08 %	n/a
August 9, 2022 - December 31, 2022	3.62 %	n/a
AR6 POI[7]		
January 1, 2023 - July 31, 2023	3.62 %	n/a
August 1, 2023 - December 31, 2023	2.19 %	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. The CVD rate for the AR5 POI will be adjusted when AR5 is complete and the USDOC finalizes the rate, which is not expected until 2024.
7. The CVD rate for the AR6 POI will be adjusted when AR6 is complete and the USDOC finalizes the rate, which is not expected until 2025.

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 %	n/a	4.52 %
August 9, 2022 - December 31, 2022	4.63 %	n/a	4.52 %
AR6 POI[7]			
January 1, 2023 - July 31, 2023	4.63 %	n/a	8.84 %
August 1, 2023 - December 31, 2023	7.06 %	n/a	8.84 %

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 from 6.96% to 7.06% for ministerial errors. This table only reflects the final rate.
6. The ADD rate for the AR5 POI will be adjusted when AR5 is complete and the USDOC finalizes the rate, which is not expected until 2024.
7. The ADD rate for the AR6 POI will be adjusted when AR6 is complete and the USDOC finalizes the rate, which is not expected until 2025.

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’s 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.

The softwood lumber case will continue to be subject to NAFTA or the new Canada-United States-Mexico Agreement ("CUSMA"), WTO dispute resolution processes, and litigation in the U.S. In the past, long periods of litigation have led to negotiated settlements and duty deposit refunds. 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.

North America Engineered Wood Products Segment

NA EWP Segment Earnings ($ millions unless otherwise indicated)		**2023**		**2022**
Sales				
OSB	$	1,998	$	3,004
Plywood, LVL and MDF		587		759
Wood chips, logs and other		23		26
		2,608		3,789
Cost of products sold		(1,594)		(1,677)
Freight and other distribution costs		(329)		(329)
Amortization		(273)		(306)
Selling, general and administration		(96)		(106)
Operating earnings		316		1,371
Adjusted EBITDA[1]	$	589	$	1,677
Capital expenditures	$	156	$	235
OSB (MMsf 3/8" basis)				
Production		6,389		6,109
Shipments		6,380		6,006
Plywood (MMsf 3/8" basis)				
Production		727		716
Shipments		731		707

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 2022 due primarily to lower product pricing, in particular OSB, offset in part by higher OSB shipment volumes.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $1,254 million compared to 2022.

OSB shipment volumes increased compared to 2022 as shipments in the first half of 2022 were constrained due to limited availability of railcars to service our Western Canada and Ontario manufacturing facilities. Higher production volumes, discussed further in the section below, was also a contributing factor. Plywood shipment volumes were slightly higher compared to 2022.

The volume variance resulted in an increase in operating earnings and Adjusted EBITDA of $22 million compared to 2022.

Costs and Production

OSB production volumes increased compared to 2022. OSB production volumes in 2022 were impacted by reduced operating schedules in the first half of the year to manage inventory levels as a result of transportation disruptions. Improved productivity at a number of our facilities and the ramp-up of our Allendale, South Carolina mill were also contributing factors to the increase year over year.

Plywood production volumes increased slightly compared to 2022 as improved recovery and reliability offset the impacts of the previously announced permanent curtailment of one shift at our plywood mill located in Quesnel, B.C. that was effective Q4-22.

Costs of products sold decreased compared to 2022 due to lower input prices, lower energy and fibre costs, lower labour costs, improved productivity, and the weakening of the CAD against the USD. These factors were offset in part by higher costs due to Allendale ramp-up.

Costs of products sold include the impact of incremental Allendale startup costs incurred in the current year. The 2023 NA EWP segment results include $13 million incurred through the second quarter in connection with the preparation of the Allendale, South Carolina mill for startup.

Freight and other distribution costs were comparable to 2022 as the impact of higher OSB shipment volumes was offset by lower trucking rates.

Amortization expense decreased compared to 2022 as certain assets reached the end of their estimated useful lives.

Selling, general and administration costs were lower than 2022 due primarily to lower variable compensation costs, offset in part by annual salary increases.

Operating earnings for the NA EWP Segment decreased $1,055 million compared to 2022 due to the reasons explained above.

Adjusted EBITDA for the NA EWP Segment decreased by $1,088 million from 2022. The following table shows the Adjusted EBITDA variance for the period.

Adjusted EBITDA ($ millions)		**2022 to 2023**
Adjusted EBITDA - comparative period	$	1,677
Price		(1,254)
Volume		22
Changes in costs		156
Impact of inventory write-downs		7
Other		(19)
Adjusted EBITDA - current period	$	589

Pulp & Paper Segment

Pulp & Paper Segment Earnings ($ millions unless otherwise indicated)		**2023**		**2022**
Sales	$	623	$	807
Cost of products sold		(555)		(596)
Freight and other distribution costs		(120)		(153)
Amortization		(24)		(35)
Selling, general and administration		(25)		(32)
Restructuring and impairment charges		(142)		(13)
Operating loss		(242)		(22)
Adjusted EBITDA[1]	$	(77)	$	26
Capital expenditures	$	32	$	29
Pulp (Mtonnes)				
Production		913		940
Shipments		913		968

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 Pulp & Paper segment results include the results of the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill held for sale as the transactions had not completed as at December 31, 2023.

Sales and Shipments

Sales decreased compared to 2022 due primarily to lower pulp pricing and the volume impact of the transition of our Hinton pulp mill to UKP. The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $144 million compared to 2022.

Pulp shipments decreased compared to 2022 due primarily to reduction in production volumes, discussed further in the section below. The volume variance resulted in an increase in operating earnings and Adjusted EBITDA of $6 million compared to 2022.

Costs and Production

Pulp production decreased compared to 2022 due primarily to the impact of transitioning our Hinton pulp mill, offset in part by a recovery of volumes lost in the prior year due to reductions in operating schedules taken as a result of transportation disruptions, in particular for our BCTMP mills, and lower production curtailments related to power prices in Alberta.

Costs of products sold decreased compared to 2022 due primarily to lower shipment volumes, lower fibre costs driven by lower pulp pricing, lower spend on chemicals and energy as a result of the Hinton pulp mill transition to UKP, and lower power prices. This was partially offset by a $12 million unfavourable impact relating to inventory write-downs and higher maintenance expenditures in the current year.

Freight and other distribution costs decreased compared to 2022 due to lower shipment volumes and lower ocean freight costs.

Amortization expense decreased compared to 2022. The decrease in amortization expense relates to the write-down and transfer of property, plant and equipment associated with the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill to a disposal group held for sale. No further amortization expense was taken on the assets upon transfer to the disposal group held for sale.

Selling, general, and administration costs decreased compared to 2022 due primarily to lower variable compensation costs, offset in part by annual salary increases.

In 2023, we recorded impairment losses of $142 million relating to the sale of the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill, including remeasurement of estimated working capital adjustments specified in the asset purchase agreements. In 2022, we recorded impairment losses of $13 million related to equipment that was decommissioned as part of the transition of the Hinton pulp mill to UKP.

Operating loss for the Pulp & Paper Segment increased by $220 million compared to 2022 due to the reasons explained above.

Adjusted EBITDA for the Pulp & Paper Segment decreased by $103 million compared to 2022. The following table shows the Adjusted EBITDA variance for the period.

Adjusted EBITDA ($ millions)		**2022 to 2023**
Adjusted EBITDA - comparative period	$	26
Price		(144)
Volume		6
Changes in costs		44
Impact of inventory write-downs		(12)
Other		3
Adjusted EBITDA - current period	$	(77)

The Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill held for sale comprise a significant portion of the Pulp & Paper segment's sales and operating earnings.

($ millions)	**2023**	**2022**
Sales relating to pulp mills held for sale	433	585
Operating earnings (losses) relating to pulp mills held for sale [1]	(250)	(39)

1. Operating earnings (losses) include impairment losses of $141 million for 2023 and $13 million for 2022.

Europe Engineered Wood Products Segment

Europe EWP Segment Earnings ($ millions unless otherwise indicated)		**2023**		**2022**
Sales	$	517	$	738
Cost of products sold		(409)		(479)
Freight and other distribution costs		(40)		(46)
Amortization		(49)		(53)
Selling, general and administration		(21)		(28)
Restructuring and impairment charges		—		(15)
Operating earnings (loss)		(3)		117
Adjusted EBITDA[1]	$	46	$	186
Capital expenditures	$	30	$	20
OSB (MMsf 3/8" basis)				
Production		1,016		954
Shipments		1,023		977
GBP - USD exchange rate				
Closing rate		1.27		1.21
Average rate		1.24		1.24

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 compared to 2022 due to lower product pricing in local currency terms and, to a lesser extent, lower shipment volumes.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $133 million compared to 2022. The price variance represents the impact of changes in product pricing in local currency terms, with any associated foreign exchange impact from the strengthening or weakening of the GBP against USD presented under Other in the Adjusted EBITDA variance table.

Overall shipment volumes decreased versus 2022 due to weaker demand. The impact of modestly higher OSB shipment volumes was more than offset by a significant decrease in MDF and particleboard shipment volumes. OSB shipment volumes increased as 2022 shipment volumes were adversely impacted by the impacts of customer destocking in the second half of the year. Shipment volumes of MDF and particleboard are highly correlated to home building activity and decreased significantly compared to 2022 due to weaker demand driven by higher interest rates over the past year. The volume variance resulted in a decrease of $25 million compared to 2022.

Costs and Production

Production volumes in both years were impacted by production curtailments taken to manage inventory levels for the reasons discussed above. OSB had higher production curtailments in 2022 and MDF and particleboard had higher production curtailments in 2023.

Costs of products sold decreased compared to 2022 due primarily to lower shipment volumes from MDF and particleboard as well as lower energy and resin costs, offset in part by higher OSB shipment volumes and fibre costs.

Freight and other distribution costs decreased compared to 2022 due primarily to lower shipment volumes.

Amortization decreased compared to 2022 as certain assets reached the end of their estimated useful lives. The impairment of our South Molton, England location in 2022 was also a contributing factor.

Selling, general and administration costs decreased compared to 2022 due primarily to lower variable compensation costs, offset in part by annual salary increases.

Restructuring and impairment charges of $15 million were recorded in 2022 relating to our South Molton, England location.

Operating earnings for the Europe EWP Segment decreased by $120 million compared to 2022 due to the reasons explained above.

Adjusted EBITDA for the Europe EWP Segment decreased by $140 million from 2022. The following table shows the Adjusted EBITDA variance for the period. The variances presented represent the impact of changes in price, volume and cost in local currency terms, with any associated foreign exchange impact from the strengthening or weakening of the GBP against USD presented under Other. The impact of the sale of carbon allowances is also included under Other.

Adjusted EBITDA ($ millions)		**2022 to 2023**
Adjusted EBITDA - comparative period	$	186
Price		(133)
Volume		(25)
Changes in costs		15
Other		3
Adjusted EBITDA - current period	$	46

Discussion & Analysis of Specific Items

Selling, general and administration

Selling, general and administration costs for 2023 were $307 million (2022 - $365 million).

Selling, general and administration costs decreased compared to 2022 due primarily to lower variable compensation costs, offset in part by annual salary increases.

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 an expense of $25 million during 2023 (2022 - expense of $5 million). The expense for 2023 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 additional vesting of units granted.

The expense for 2022 reflects changes in the expected payout on our performance share units and vesting of granted units, offset in part by a decrease in the price of our common shares.

Finance income (expense), net

Finance income (expense), net includes interest earned on short-term deposits and interest recognized on our duty deposits.

Finance income, net increased compared to 2022 due primarily to higher interest income earned on our cash equivalents, higher net interest income related to export duties, including the impact of AR4 finalization in Q3-23, and higher net interest income on our defined-benefit pension plans as our overall funded position has increased.

Other income

Other income of $5 million was recorded in 2023 (2022 - other income of $37 million). Other income in 2023 relates primarily to gains on our electricity swaps driven by increases in forward electricity prices over the remaining term of the contracts and settlement gains relating to pension annuity purchase agreements for certain retired and terminated vested employees. These factors were offset in part by foreign exchange losses recorded on our CAD-denominated monetary assets and liabilities as the CAD appreciated against the USD.

Other income in 2022 relates primarily to foreign exchange gains recorded on our CAD-denominated monetary assets and liabilities and mark-to-market gains on our interest rate swap contracts.

Tax recovery (provision)

We recorded an income tax recovery in 2023 of $61 million compared to an income tax expense of $618 million in 2022. The effective tax rate was 27% in 2023 compared to 24% in 2022. Note 20 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 Spray Lake lumber mill and jointly-owned newsprint 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 $34 million during 2023 (2022 - translation loss of $83 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 year reflects a weakening 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 14 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 loss of $35 million during 2023 (2022 - after-tax actuarial gain of $164 million).

The actuarial loss in 2023 reflects a decrease in the discount rate used to calculate plan liabilities and adjustments to actuarial assumptions.

The actuarial gain in 2022 reflects an increase in the discount rate used to calculate plan liabilities offset in part by lower returns on plan assets.

FOURTH QUARTER RESULTS

Summary Results ($ millions)	Q4-23	Q3-23	Q4-22
Earnings			
Sales	$ 1,514	$ 1,705	$ 1,615
Cost of products sold	(1,117)	(1,128)	(1,209)
Freight and other distribution costs	(212)	(217)	(209)
Export duties, net	(8)	39	(29)
Amortization	(136)	(132)	(148)
Selling, general and administration	(80)	(73)	(98)
Equity-based compensation	(15)	4	(6)
Restructuring and impairment charges	(134)	(13)	(47)
Operating earnings (loss)	(187)	184	(130)
Finance income, net	14	21	3
Other income (expense)	(30)	11	2
Tax recovery (provision)	50	(56)	31
Earnings (loss)	$ (153)	$ 159	$ (94)
Adjusted EBITDA[1]	$ 97	$ 325	$ 70

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)	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
Sales	$ 1,514	$ 1,705	$ 1,608	$ 1,627	$ 1,615	$ 2,088	$ 2,887	$ 3,110
Earnings (loss)	$ (153)	$ 159	$ (131)	$ (42)	$ (94)	$ 216	$ 762	$ 1,090
Basic EPS (dollars)	(1.87)	1.91	(1.57)	(0.50)	(1.12)	2.50	7.66	10.35
Diluted EPS (dollars)	(1.87)	1.81	(1.57)	(0.52)	(1.13)	2.50	7.59	10.25

Pricing for our products improved through Q1-22, although these pricing gains were offset in part by lower shipments as a result of constraints on transportation availability. Subsequent decreases in sales and earnings through Q2-23 were driven primarily by decreases in lumber and OSB pricing, inventory write-downs, maintenance-related costs and downtime in our pulp segment, and impairment charges. Earnings improved in Q3-23, driven primarily by improvements in OSB pricing, lower impairment charges, the impacts of AR4 finalization, and lower maintenance-related expenditures in our pulp segment. Sales and earnings decreased in Q4-23 due primarily to decreases in lumber and OSB pricing, higher export duties, and impairment charges related to announced facility closures and curtailments in our lumber segment.

Discussion & Analysis of Quarterly Results by Product Segment

Lumber Segment

Lumber Segment Earnings ($ millions unless otherwise indicated)	**Q4-23**	**Q3-23**	**Q4-22**
Sales			
Lumber	$ 530	$ 613	$ 611
Wood chips and other residuals	66	68	73
Logs and other	18	15	17
	614	697	701
Cost of products sold	(521)	(551)	(607)
Freight and other distribution costs	(93)	(100)	(92)
Export duties, net	(8)	39	(29)
Amortization	(48)	(46)	(51)
Selling, general and administration	(43)	(41)	(51)
Restructuring and impairment charges	(128)	—	(31)
Operating loss	(228)	(2)	(160)
Adjusted EBITDA[1]	$ (51)	$ 44	$ (77)
SPF (MMfbm)			
Production	687	693	594
Shipments	658	678	582
SYP (MMfbm)			
Production	655	709	707
Shipments	662	704	713

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. Q4-23 Adjusted EBITDA was impacted by a one-time charge of $2 million related to inventory purchase price accounting related to the Spray Lake lumber mill acquisition.

Sales and Shipments

Lumber sales decreased compared to Q3-23 due to lower product pricing and lower shipment volumes. Lumber industry supply and demand balances continue to experience the effects of softened repair and remodelling market demand and relatively elevated imports of SPF products from Europe. Q4-23 lumber sales decreased compared to Q4-22 due primarily to lower product pricing offset in part by higher shipment volumes. Higher SPF shipment volumes more than offset lower SYP shipment volumes resulting in a positive volume variance compared to Q4-22.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA by $65 million compared to Q3-23, and a decrease by $99 million compared to Q4-22.

SPF shipment volumes were slightly lower than Q3-23. SPF shipment volumes increased compared to Q4-22 due to higher production volumes, discussed further in the section below.

SYP shipment volumes decreased compared to Q3-23 and Q4-22 due primarily to lower production volumes, discussed further in the section below.

The volume variance resulted in a decrease in operating earnings and Adjusted EBITDA of $5 million compared to Q3-23 and an increase of $5 million compared to Q4-22.

SPF Sales by Destination	Q4-23 MMfbm	%	Q3-23 MMfbm	%	Q4-22 MMfbm	%
U.S.	388	59%	454	67%	347	60%
Canada	243	37%	210	31%	213	37%
Other	26	4%	14	2%	22	3%
	657		678		582	

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 chip and other residual sales were comparable to Q3-23 and decreased compared to Q4-22 due primarily to lower chip pricing. Sales relating to logs and other were consistent with comparative periods.

Costs and Production

SPF production volumes decreased slightly compared to Q3-23 due to the impact of incremental reductions in operating schedules to manage inventory levels at our B.C. mills, offset in part by incremental production volume from our newly acquired Spray Lake lumber mill. SPF production volumes increased compared to Q4-22 as the prior year period was impacted by higher reductions in operating schedules to manage inventory levels. Incremental production volume from our Spray Lake lumber mill was also a contributing factor in the comparison.

SYP production volumes decreased compared to Q3-23 and Q4-22 due to incremental reductions in operating schedules to manage inventory levels. The impacts of the previously announced curtailment of operations at our Perry, Florida lumber mill was also a contributing factor in the comparison to Q4-22.

Costs of products sold decreased compared to Q3-23 due primarily to lower shipment volumes and a favourable $11 million variance relating to inventory write-downs. Q3-23 was adversely impacted by an increase in inventory valuation reserves whereas inventory valuation reserves were largely unchanged in Q4-23. Despite lower product pricing compared to Q3-23, inventory valuation reserves remained largely unchanged in Q4-23 due primarily to lower log costs, offset in part by a seasonal increase in log inventory volumes over the fourth quarter.

Costs of products sold decreased compared to Q4-22 due primarily to lower log costs, lower unit manufacturing costs in our Western Canada operations, and a favourable $40 million variance relating to inventory write-downs. These factors were offset in part by higher shipment volumes. We recorded significant inventory valuation reserves in Q4-22 due to low product pricing at period-end whereas inventory valuation reserves were largely unchanged in Q4-23 as compared to Q3-23.

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 reported lumber prices, with a time lag, and publicly auctioned timber harvesting rights. Alberta's stumpage system is correlated to published lumber prices with a shorter time lag.

SPF log costs in Q4-23 decreased slightly compared to Q3-23 due primarily to lower B.C. stumpage rates. SPF log costs decreased compared to Q4-22 due primarily to lower B.C. stumpage rates and purchased log costs. Lower Alberta stumpage rates was also a contributing factor.

SPF unit manufacturing costs were broadly consistent versus Q3-23. SPF unit manufacturing costs decreased compared to Q4-22 due primarily to higher production and lower energy costs.

SYP log costs were comparable to Q3-23 and decreased compared to Q4-22 as availability of logs improved. SYP unit manufacturing costs decreased compared to Q3-23 due to lower maintenance, labour, and energy costs, offset in part by lower production in the current period. SYP unit manufacturing costs decreased compared to Q4-22 due primarily to lower labour and energy costs, offset in part by lower production in the current period.

Freight and other distribution costs decreased compared to Q3-23 due to lower shipment volumes and favourable changes in customer geography mix. Freight and other distribution costs were comparable to Q4-22 as the costs related to higher SPF shipment volumes were offset by lower SYP shipment volumes, lower trucking rates, and favourable changes in customer geography mix.

We recorded export duty expense in Q4-23 versus export duty recovery in Q3-23, which was attributable to the USDOC finalization of AR4 duty rates during Q3-23. The recovery primarily represents the difference between the final CVD rate of 2.19% and the CVD cash deposit rates paid on shipments of SPF lumber to the U.S. during AR4, which ranged from 5.06% to 7.57%.

Export duties, net decreased compared to Q3-23 due to lower estimated duty rates, as well as lower pricing and lower shipment volumes to the U.S. Export duties, net decreased compared to Q4-22 due primarily to lower pricing and a positive adjustment to West Fraser's annualized estimated ADD rate in Q4-23, offset in part by higher shipment volumes to the U.S.

The following table reconciles our cash deposits paid during the period to the amount recorded in our statements of earnings:

Duty impact on earnings ($ millions)	**Q4-23**	**Q3-23**	**Q4-22**
Cash deposits paid[1]	(12)	(14)	(12)
Adjust to West Fraser Estimated ADD rate[2]	4	(9)	(17)
Export duties, net	(8)	(23)	(29)
Duty recovery attributable to AR4[4]	—	62	—
Net duty recovery (expense)	(8)	39	(29)
Net interest income on duty deposits receivable	6	14	3

1. Represents combined CVD and ADD cash deposit rate of 9.25% for August 1 to December 31, 2023, 8.25% for for January 1 to July 31, 2023, and 8.25% for August 9 to December 31, 2022.
2. Represents adjustment to the annualized West Fraser estimated ADD rate of 8.84% for Q4-23, 10.40% for Q3-23, 4.52% for Q4-22.
3. $62 million represents the duty recovery attributable to the finalization of AR4 duty rates for the 2021 POI.The final CVD rate was 2.19% and the final ADD rate was 7.06% for AR4.

Amortization expense was broadly consistent versus comparative periods.

Selling, general and administration costs were comparable to Q3-23. Selling, general and administration costs decreased compared to Q4-22 due primarily to lower variable compensation costs, offset in part by annual salary increases.

Restructuring and impairment charges of $128 million were recorded in Q4-23 related to facility closures and curtailments due to availability of economic fibre sources in the U.S. South and B.C. Restructuring and impairment charges of $31 million were recorded in Q4-22 relating to the curtailment of operations at our lumber mill in Perry, Florida.

Operating earnings for the Lumber Segment decreased by $225 million compared to Q3-23 and decreased by $68 million compared to Q4-22 for the reasons explained above.

Adjusted EBITDA for the Lumber Segm ent decreased by $95 million compared to Q3-23 and increased by $26 million compared to Q4-22. The following table shows the Adjusted EBITDA variance for the period. The impact of the contribution from our Spray Lake lumber mill from November 17, 2023, the date of acquisition, to December 31, 2023 is nominal and included under Other. This impact includes a one time charge of $2 million related to inventory purchase price accounting.

Adjusted EBITDA ($ millions)	**Q3-23 to Q4-23**	**Q4-22 to Q4-23**
Adjusted EBITDA - comparative period	$ 44	$ (77)
Price	(65)	(99)
Volume	(5)	5
Changes in export duties	(47)	21
Changes in costs	17	67
Impact of inventory write-downs	11	40
Other	(6)	(8)
Adjusted EBITDA - current period	$ (51)	$ (51)

North America Engineered Wood Products Segment

NA EWP Segment Earnings ($ millions unless otherwise indicated)	**Q4-23**	**Q3-23**	**Q4-22**
Sales			
OSB	$ 516	$ 627	$ 447
Plywood, LVL and MDF	137	145	157
Wood chips, logs and other	7	5	6
	661	777	610
Cost of products sold	(410)	(386)	(397)
Freight and other distribution costs	(81)	(80)	(76)
Amortization	(69)	(67)	(73)
Selling, general and administration	(27)	(22)	(27)
Operating earnings	74	222	35
Adjusted EBITDA[1]	$ 143	$ 289	$ 109
OSB (MMsf 3/8" basis)			
Production	1,549	1,606	1,442
Shipments	1,590	1,589	1,409
Plywood (MMsf 3/8" basis)			
Production	183	182	162
Shipments	184	178	181

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 Q3-23 due primarily to lower OSB pricing. Sales increased compared to Q4-22 due primarily to higher OSB shipment volumes and, to a lesser extent, higher OSB pricing. These increases were offset in part by lower plywood, LVL, and MDF pricing.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $110 million compared to Q3-23, and a decrease of $7 million compared to Q4-22.

OSB shipment volumes were comparable to Q3-23. OSB shipment volumes increased compared to Q4-22 due to higher production volumes, discussed further in the section below. Plywood shipment volumes were consistent versus comparative periods.

The volume variance resulted in a decrease in operating earnings and Adjusted EBITDA of $1 million compared to Q3-23, and an increase of $14 million compared to Q4-22.

Costs and Production

OSB production volumes decreased compared to Q3-23 due to higher major maintenance shutdowns and production curtailments taken to manage inventory levels, offset in part by the continued ramp-up of our Allendale, South Carolina mill and improved productivity at certain facilities. OSB production volumes increased compared to Q4-22 due to the commencement of production from our Allendale mill, improved productivity, offset in part by higher major maintenance shutdowns and production curtailments taken to manage inventory levels.

Plywood production volumes were comparable to Q3-23. Plywood production volumes increased compared to Q4-22 due to more consistent operating schedules in the current quarter.

Costs of products sold increased compared to Q3-23 due primarily to higher maintenance spend, the strengthening of the CAD against the USD, and the impacts of Allendale ramp-up.

Costs of products sold increased compared to Q4-22 due primarily to higher OSB shipment volumes, the recognition of $14 million in insurance recoveries in Q4-22, and the impacts of Allendale ramp-up. These factors were offset in part by lower resin, energy, fibre, and labour costs, improved productivity, and a $5 million favourable impact relating to inventory valuation adjustments.

Freight and other distribution costs were comparable to Q3-23. Freight and other distribution costs increased compared to Q4-22 due to higher OSB shipment volumes, offset in part by lower trucking rates.

Amortization expense was comparable to Q3-23. Amortization expense decreased compared to Q4-22 as certain assets reached the end of their useful lives.

Selling, general and administration costs were broadly consistent versus Q3-23. Selling, general and administration costs were comparable to Q4-22 due primarily to lower variable compensation costs, offset in part by other factors including annual salary increases.

Operating earnings for the NA EWP Segment decreased by $148 million compared to Q3-23 and increased by $39 million compared to Q4-22 due to the reasons explained above.

Adjusted EBITDA for the NA EWP Segment decreased by $146 million compared to Q3-23 and increased by $34 million compared to Q4-22. The following table shows the Adjusted EBITDA variance for the period. The impact of the insurance recovery recorded in Q4-22 is included under Other.

Adjusted EBITDA ($ millions)	**Q3-23 to Q4-23**	**Q4-22 to Q4-23**
Adjusted EBITDA - comparative period	$ 289	$ 109
Price	(110)	(7)
Volume	(1)	14
Changes in costs	(37)	38
Impact of inventory write-downs	2	5
Other	—	(16)
Adjusted EBITDA - current period	$ 143	$ 143

Pulp & Paper Segment

Pulp & Paper Segment Earnings ($ millions unless otherwise indicated)	**Q4-23**	**Q3-23**	**Q4-22**
Sales	$ 159	$ 128	$ 190
Cost of products sold	(120)	(107)	(136)
Freight and other distribution costs	(31)	(27)	(32)
Amortization	(3)	(4)	(9)
Selling, general and administration	(6)	(6)	(8)
Restructuring and impairment charges	(6)	(13)	—
Operating earnings (loss)	(7)	(29)	6
Adjusted EBITDA[1]	$ 2	$ (12)	$ 15
Pulp (Mtonnes)			
Production	258	232	221
Shipments	244	206	217

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 Pulp & Paper segment results include the results of the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill held for sale as the transactions had not completed as at December 31, 2023.

Sales and Shipments

Sales increased compared to Q3-23 due to higher shipment volumes and product pricing. Sales decreased compared to Q4-22 due to lower product pricing, offset in part by higher shipment volumes.

The price variance resulted in an increase in operating earnings and Adjusted EBITDA of $1 million compared to Q3-23 and a decrease of $47 million compared to Q4-22.

Pulp shipments increased versus comparative periods due to production volume changes as discussed further in the section below. In addition, Q3-23 shipment volumes were impacted by a labour dispute at B.C. ports, which impacted our ability to ship our products to overseas customers during July.

The volume variance resulted in a nominal change to operating earnings and Adjusted EBITDA compared to Q3-23, and a decrease of $5 million compared to Q4-22.

Costs and Production

Pulp production volumes increased compared to Q3-23 due primarily to our Slave Lake Pulp mill, which in Q4-23 benefited from fewer curtailments related to high power prices and management of inventory levels. Pulp production volumes increased compared to Q4-22. Q4-22 production volumes were impacted by the transition of our Hinton pulp mill to single-line production of UKP in October 2022, the curtailment at our Cariboo pulp mill to align operating capacity with the available supply of wood chips, and incremental production curtailments taken at Slave Lake Pulp mill to manage power prices in Alberta.

Costs of products sold increased compared to Q3-23 due to higher shipment volumes and fibre costs driven by higher pulp pricing, offset in part by lower power prices in Alberta. Costs of products sold decreased compared to Q4-22 due to lower fibre costs driven by lower pulp pricing and lower spend on chemicals and energy as a result of the Hinton pulp mill transition and lower power prices in Alberta, offset in part by higher shipment volumes.

Freight and other distribution costs generally trended with changes in shipment volumes. Lower ocean freight costs provided an offsetting factor in the comparison to Q4-22.

Amortization expense decreased versus comparative periods. The decrease in amortization expense relates to the write-down and transfer of property, plant and equipment associated with the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill to a disposal group held for sale. No further amortization expense was taken on the assets upon transfer to the disposal group held for sale.

Selling, general and administration costs were comparable to Q3-23 and decreased versus Q4-22 due primarily to lower variable compensation costs, offset in part by annual salary increases.

Restructuring and impairment charges of $6 million were recorded in Q4-23 upon remeasurement of estimated working capital adjustments specified in the asset purchase agreements for the Hinton pulp mill, Quesnel River Pulp mill, and Slave Lake Pulp mill.

In Q3-23, we recorded impairment losses of $17 million in relation to the sale of the Quesnel River Pulp mill and Slave Lake Pulp mill. In addition, we recorded an impairment reversal of $4 million in relation to the sale of the Hinton pulp mill upon remeasurement of estimated working capital adjustments specified in the asset purchase agreement.

Operating earnings for the Pulp & Paper Segment increased by $22 million compared to Q3-23 and decreased by $13 million compared to Q4-22 due to the reasons explained above.

Adjusted EBITDA for the Pulp & Paper Segment increased by $14 million compared to Q3-23 and decreased by $13 million compared to Q4-22. The following table shows the Adjusted EBITDA variance for the period.

Adjusted EBITDA ($ millions)	Q3-23 to Q4-23	Q4-22 to Q4-23
Adjusted EBITDA - comparative period	$ (12)	$ 15
Price	1	(47)
Volume	—	(5)
Changes in costs	14	38
Impact of inventory write-downs	(2)	7
Other	1	(6)
Adjusted EBITDA - current period	$ 2	$ 2

Europe Engineered Wood Products Segment

Europe EWP Segment Earnings ($ millions unless otherwise indicated)	Q4-23	Q3-23	Q4-22
Sales	$ 100	$ 121	$ 142
Cost of products sold	(87)	(101)	(97)
Freight and other distribution costs	(7)	(10)	(9)
Amortization	(13)	(12)	(12)
Selling, general and administration	(3)	(6)	(7)
Restructuring and impairment charges	—	—	(15)
Operating earnings (loss)	(10)	(8)	3
Adjusted EBITDA[1]	$ 3	$ 4	$ 30
OSB (MMsf 3/8" basis)			
Production	213	235	184
Shipments	227	245	201
GBP - USD exchange rate			
Closing rate	1.27	1.22	1.21
Average rate	1.24	1.27	1.17

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 compared to Q3-23 due to lower product pricing and lower shipment volumes. Sales decreased compared to Q4-22 due primarily to lower product pricing and lower MDF and particleboard shipment volumes, offset in part by the strengthening of the GBP against the USD.

The price variance resulted in a decrease in operating earnings and Adjusted EBITDA of $3 million compared to Q3-23 and a decrease of $31 million compared to Q4-22. The price variance represents the impact of changes in product pricing in local currency terms, with any associated foreign exchange impact from the strengthening or weakening of the GBP against USD presented under Other in the Adjusted EBITDA variance table.

Shipment volumes decreased compared to Q3-23 as demand weakened for all products. OSB shipment volumes increased compared to Q4-22 as Q4-22 shipment volumes were adversely impacted by the impacts of customer destocking. Shipment volumes of MDF and particleboard are highly correlated to home building activity and decreased significantly compared to Q4-22 due to weaker demand driven by higher interest rates over the past year.

The volume variance resulted in a decrease in operating earnings and Adjusted EBITDA of $3 million compared to Q3-23 and an increase of $1 million compared to Q4-22.

Costs and Production

Production volumes in all comparative periods were impacted by production curtailments taken to manage inventory levels. Production volumes decreased versus Q3-23 due to incremental production curtailments taken in the current period. OSB production volumes increased compared to Q4-22 as higher production curtailments were taken in the prior period in response to the impacts of customer destocking discussed above. MDF and particleboard production volumes decreased compared to Q4-22 due to incremental production curtailments in the current period.

Costs of products sold decreased versus Q3-23 due primarily to lower shipment volumes and lower fibre costs. These factors were offset in part by seasonally higher energy costs. Costs of products sold decreased compared to Q4-22 due to lower resin and labour costs, offset in part by a strengthening of the GBP against the USD and lower gains from the sale of carbon allowances. Costs of products sold in Q4-22 included a $7 million gain from the sale of carbon allowances whereas a gain of $2 million was recorded in Q4-23.

Freight and other distribution costs generally trended with changes in shipment volumes.

Amortization was consistent with comparable periods.

Selling, general and administration costs were broadly consistent versus Q3-23. Selling, general and administration costs decreased compared to Q4-22 due primarily to lower variable compensation, offset in part by annual salary increases.

Restructuring and impairment charges of $15 million were recorded in Q4-22 relating to our South Molton, England location.

Operating earnings for the Europe EWP Segment decreased by $2 million compared to Q3-23 and decreased by $12 million compared to Q4-22 due to the reasons explained above.

Adjusted EBITDA for the Europe EWP Segment decreased by $1 million compared to Q3-23, and decreased by $27 million compared to Q4-22. The following table shows the Adjusted EBITDA variance for the period. The variances presented represent the impact of changes in price, volume and cost in local currency terms, with any associated foreign exchange impact from the strengthening or weakening of the GBP against USD presented under Other. The impact of the sale of carbon allowances is also included under Other.

Adjusted EBITDA ($ millions)	**Q3-23 to Q4-23**	**Q4-22 to Q4-23**
Adjusted EBITDA - comparative period	$ 4	$ 30
Price	(3)	(31)
Volume	(3)	1
Changes in costs	3	4
Other	2	(1)
Adjusted EBITDA - current period	$ 3	$ 3

Discussion & Analysis of Specific Items

Selling, general and administration

Selling, general and administration costs for Q4-23 was $80 million (Q3-23 - $73 million and Q4-22 - $98 million).

Selling, general and administration costs increased compared to Q3-23 due to increased levels of community investment, which are typically executed in the fourth quarter, and annual salary increases. Selling, general and administration costs decreased compared to Q4-22 due primarily to lower variable compensation costs, offset in part by annual salary increases and increased levels of community investment.

Selling, general and administration expense related to our operating segments are also discussed under “Discussion & Analysis of Quarterly Results by Product Segment”.

Equity-based compensation

We recorded an expense of $15 million during Q4-23 (Q3-23 - recovery of $4 million; Q4-22 - expense of $6 million). The expense in the current quarter reflects an increase in the price of our common shares traded on the TSX from September 30, 2023 to December 31, 2023.

Finance income, net

We recorded finance income, net of $14 million in Q4-23 compared to finance income, net of $21 million in Q3-23 and finance income, net of $3 million in Q4-22.

Finance income decreased compared to Q3-23 due primarily to the recognition of $11 million of interest income related to the finalization of our AR4 duty rates in Q3-23.

Finance income increased compared to Q4-22 due primarily to higher interest income earned on our cash equivalents, fluctuations in interest relating to export duties, and higher net interest income on our defined-benefit pension plans as our overall funded position has increased.

Other income (expense)

Other expense of $30 million was recorded in Q4-23 (Q3-23 - other income of $11 million; Q4-22 - other income of $2 million).

Other expense in Q4-23 relates primarily to foreign exchange losses recorded on our CAD-denominated monetary assets and liabilities as the CAD appreciated against the USD and losses on our electricity swaps driven by decreases in forward electricity prices over the remaining term of the contracts.

Tax recovery (provision)

Q4-23 results include an income tax recovery of $50 million, compared to income tax expense of $56 million in Q3-23 and income tax recovery of $31 million in Q4-22, resulting in an effective tax rate of 25% in the current quarter compared to 26% in Q3-23 and 25% in Q4-22.

Other comprehensive earnings – translation of operations with different functional currencies

We recorded a translation gain of $27 million during Q4-23 (Q3-23 - translation loss of $21 million; Q4-22 - translation gain of $50 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 loss of $57 million during Q4-23 (Q3-23 - after-tax actuarial gain of $30 million; Q4-22 - after-tax actuarial gain of $15 million). The actuarial loss in Q4-23 reflects a decrease in the discount rate used to calculate our plan liabilities and adjustments to actuarial assumptions, offset in part by higher returns on plan assets.

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 America lumber, OSB and engineered wood panel products are residential construction, repair and remodelling and industrial applications. Over the medium term, improved housing affordability from stabilization of inflation and interest rates, a large cohort of the population entering 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 1.46 million units in December 2023, with permits issued of 1.50 million units, according to the U.S. Census Bureau. While there are near-term uncertainties for new home construction, owing in large part to interest rate expectations and the direction of changes to mortgage rates and the resulting impact on housing affordability, unemployment remains relatively low in the U.S. and central bankers across North America have indicated that the current rate hiking cycle appears to be nearing its end. However, demand for new home construction and our wood building products may decline in the near term should the broader economy and employment slow or interest rates remain elevated or increase further than currently expected, impacting consumer sentiment and housing affordability.

Although we continue to experience near-term softness, we expect demand for our European products will grow over the longer term as use of OSB as an alternative to plywood grows. Further, an aging housing stock supports long-term repair and renovation spending and additional demand for our wood building products. Near-term risks, including relatively high interest rates, ongoing geopolitical developments and the lagged impact of recent inflationary pressures, may cause further temporary slowing of demand for our panel products in the U.K. and Europe. Despite these risks, we are confident that we will be able to navigate through this period 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. 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 5 (“AR5”) in March 2023, with final rates expected in August 2024. 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, sufficient availability of logs within our economic return criteria, and no additional temporary, indefinite or permanent curtailments. Our operations and results could be negatively affected by increasing or elevated interest rates, softening demand, the availability of transportation, the availability of labour, disruption to the global economy resulting from the conflicts in Ukraine and the Middle East, 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.

We expect total lumber shipments in 2024 will be largely similar to 2023 levels as the acquisition of Spray Lake lumber mill and reliability and capital improvement gains across our lumber mill portfolio will be largely offset by capacity reductions from the recently announced permanent closures of our Maxville mill in Florida and Fraser Lake mill in British Columbia and the indefinite curtailment of the Huttig mill in Arkansas. In 2024, we expect SPF shipments to be 2.6 to 2.8 billion board feet and SYP shipments to be 2.7 to 2.9 billion board feet. On January 1, 2024, stumpage rates decreased slightly in B.C. due to the market-based adjustments related to lumber prices; that notwithstanding, inflationary pressures on development, logging and delivery costs continue to provide upward bias to fibre costs. Given the current commodity price environment, B.C. stumpage rates are expected to decrease modestly through much of Q1-24 before stabilizing as we head into Q2-24 given the stability in recent commodity prices. In Alberta, Q1-24 stumpage rates are expected to be largely similar to Q4-23 levels, remaining relatively low as they too are closely linked to the price of lumber but with a quicker response to changing lumber prices. We expect average 2024 log costs across the U.S. South to be largely similar to those of 2023, while region-specific log costs are likely to vary depending on the unique conditions in each procurement zone.

In our NA EWP segment, we expect 2024 OSB shipments to be consistent with 2023 levels and so are guiding to shipments of 6.3 to 6.6 billion square feet (3/8-inch basis) this year. Start-up of the Allendale mill is progressing and we continue to anticipate a ramp-up period for the mill of up to three years to meet targeted production levels. We expect our overall OSB platform to be better and lower cost with a modern Allendale facility operating, and as with all our wood products operations, demand is a key input in determining our operating schedules across our manufacturing footprint. While input costs for the NA EWP business moderated through much of 2023, we expect these costs to stabilize in 2024.

In the Pulp & Paper segment, the Hinton pulp sale transaction closed on February 3, 2024 following the completion of the customary regulatory reviews and closing conditions. Activities in respect of the closing conditions for the sale of Quesnel River Pulp mill and Slave Lake Pulp mill are proceeding and we continue to anticipate closing of the transaction in early 2024.

In our Europe EWP segment, we expect near-term demand weakness to persist for our panel products and therefore expect 2024 shipments of MDF, particleboard and OSB to be similar to 2023 levels. For OSB, we are guiding to shipments in the range of 0.9 to 1.1 billion square feet (3/8-inch basis). Input costs for the Europe EWP business, including energy and resin costs, are expected to stabilize in 2024 but remain elevated.

In Q4-23, we experienced continued moderation of costs and improved availability for inputs across our supply chain, including resins, chemicals, transportation and energy, although labour availability and some capital equipment lead times remained challenging. We expect these trends to largely continue over the near term.

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 continue to anticipate levels of operating cash flows and available liquidity will support our capital spending estimate for 2024. Based on our current outlook, assuming no deterioration from current market demand conditions during the year and that there is no additional lengthening of lead times for projects underway or planned, we anticipate we will invest approximately $450 million to $550 million in 2024[1]. Our total capital budget consists of various improvement projects and maintenance expenditures, projects focused on optimization and automation of the manufacturing process, and projects targeted to reduce greenhouse gas emissions. Expected capital expenditures[1] in 2024 include approximately $80 million for the modernization of the Henderson, Texas lumber manufacturing facility, which we now expect will be ready for ramp-up starting in H1-25.

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 debt rating and intend to preserve sufficient liquidity to be able to take advantage of strategic growth opportunities that may arise.

Under our 2022 NCIB that expired February 22, 2023, we purchased 10,194,000 Common shares of the Company, which was the full purchase authorization.

On February 22, 2023, we renewed our 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. As of February 13, 2024, 1,878,648 Common shares have been repurchased for cancellation, leaving 2,185,048 available to purchase at our discretion until the expiry of the 2023 NCIB.

As of February 13, 2024, we have repurchased for cancellation 41,620,442 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 76% 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 $0.30 per share, the total anticipated cash payment of dividends in 2024 is $98 million based on the number of Common and Class B Common shares outstanding on December 31, 2023.

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 2023 shipment volumes - $ millions)

Factor	Variation	Change in pre-tax earnings [1]
Lumber price	$10 (per Mfbm)	$ 56
NA OSB price	$10 (per Msf)	55
Europe OSB price	£10 (per Msf)	9
Canadian - U.S. $ exchange rate[2]	$0.01 (per CAD)	20

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 revenues and expenses.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. Our debt is currently rated as investment grade by three 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 debt 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; 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 Liquidity and Debt Ratios ($ millions, except as otherwise indicated)		**December 31, 2023**		**December 31, 2022**
Available liquidity				
Cash and cash equivalents	$	900	$	1,162
Operating lines available (excluding newsprint operation) [1]		1,054		1,053
Available liquidity	$	1,954	$	2,215
Total debt to total capital [2]		7 %		7 %
Net debt to total capital [2]		(5 %)		(9 %)

1. Excludes demand line of credit dedicated to our jointly-owned newsprint 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, 2023 was $1,954 million (December 31, 2022 - $2,215 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 newsprint operation.

Please refer to the "Cash Flow" section for analysis of the changes in cash and cash equivalents. Total debt to total capital was comparable to prior year and we remain well positioned with a strong balance sheet and liquidity profile.

Credit Facilities

As at December 31, 2023, our credit facilities consisted of a $1 billion committed revolving credit facility which matures July 2028, $35 million of uncommitted revolving credit facilities available to our U.S. subsidiaries, a $19 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 newsprint operation.

As at December 31, 2023, our revolving credit facilities were undrawn (December 31, 2022 - undrawn) and the associated deferred financing costs of $2 million (December 31, 2022 - $1 million) were recorded in other assets. Interest on the facilities is payable at floating rates based on Prime Rate Advances, Base Rate Advances, Bankers' Acceptances, Secured Overnight Financing Rate ("SOFR") Advances at our option. On July 25, 2023, we amended and restated the revolving credit facilities agreement to extend its maturity to July 2028 and replaced the previous London Inter-Bank Offered Rate ("LIBOR") floating rate option with SOFR.

In addition, we have credit facilities totalling $133 million (December 31, 2022 - $131 million) dedicated to letters of credit. Letters of credit in the amount of $43 million (December 31, 2022 - $61 million) were supported by these facilities.

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

As at December 31, 2023, we were in compliance with the requirements of our credit facilities.

Long-Term Debt

In October 2014, we issued $300 million of fixed-rate senior unsecured notes, bearing interest at 4.35% and due October 2024, pursuant to a private placement in the U.S. The notes are redeemable, in whole or in part, at our option at any time as provided in the indenture governing the notes.

We have a $200 million term loan maturing July 2025. Interest is payable at floating rates based on 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. On July 25, 2023, we amended and restated the term loan agreement to extend its maturity from August 2024 to July 2025 and replaced the LIBOR floating rate option with SOFR.

We have interest rate swap contracts to pay fixed interest rates and receive variable interest rates on $200 million notional principal amount of indebtedness. These swap agreements have the effect of fixing the interest rate on the $200 million 5-year term loan discussed above. In June 2023, these interest rate swaps were amended to reference 3-month SOFR (previously 3-month LIBOR) effective August 2023. The weighted average fixed interest rate payable under the contracts was 0.91% following the amendment (previously 1.14%).

In January 2024, these interest rate swaps were further amended to extend their maturity from August 2024 to July 2025. Following this amendment, the weighted average fixed interest rate payable under the contract is 2.61%.

Debt Ratings

We are considered investment grade by three leading rating agencies. The ratings in the table below are as at February 13, 2024.

Agency	Rating	Outlook
DBRS	BBB	Stable
Moody's	Baa3	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 79,427,614 Common shares and 2,281,478 Class B Common shares for a total of 81,709,092 Common shares issued and outstanding as at February 13, 2024. As of February 13, 2024, we held 31,943 Common shares as treasury shares for cancellation.

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

Normal Course Issuer Bid

Under our 2022 NCIB that expired February 22, 2023, we repurchased for cancellation 10,194,000 Common shares of the Company, which was the full purchase authorization.

On February 22, 2023, we renewed our 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. For the year ended December 31, 2023, we repurchased for cancellation 1,834,801 Common shares under our 2023 NCIB program.

2022 Substantial Issuer Bid

On June 7, 2022, we completed a substantial issuer bid pursuant to which we repurchased for cancellation a total of 11,898,205 Common shares at a price of $95.00 per share for an aggregate purchase price of $1.13 billion.

The following table shows our purchases under our NCIB and SIB programs in 2022 and 2023:

Share repurchases (number of common shares and price per share)		**Common Shares**	**Average Price in USD**
NCIB:	January 1, 2022 to December 31, 2022	10,475,115	$ 82.01
2022 SIB:	June 7, 2022	11,898,205	$ 95.00
NCIB:	January 1, 2023 to December 31, 2023	1,834,801	$ 70.24

Share Options

As at February 13, 2024, there were 828,453 share purchase 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, 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.

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.

Cash Flow Statement ($ millions - cash provided by (used in))	**Years Ended**	
	December 31, 2023	**December 31, 2022**
Cash provided by operating activities		
Earnings (loss)	$ (167)	$ 1,975
Adjustments		
Amortization	541	589
Restructuring and impairment charges	279	60
Finance (income) expense, net	(51)	3
Foreign exchange loss (gain)	7	(28)
Export duty	(45)	(99)
Retirement benefit expense	77	103
Net contributions to retirement benefit plans	(37)	(76)
Tax (recovery) provision	(61)	618
Income taxes paid	(24)	(982)
Other	(4)	(11)
Changes in non-cash working capital		
Receivables	6	140
Inventories	132	20
Prepaid expenses	4	(6)
Payables and accrued liabilities	(131)	(99)
	525	2,207
Cash used for financing activities		
Repayment of lease obligations	(15)	(14)
Finance expense paid	(24)	(23)
Repurchase of Common shares for cancellation	(129)	(1,990)
Dividends paid	(100)	(99)
	(268)	(2,126)
Cash used for investing activities		
Spray Lake Acquisition, net of cash acquired	(100)	—
Additions to capital assets	(477)	(477)
Interest received	47	17
Other	—	1
	$ (530)	$ (459)
Change in cash and cash equivalents	$ (273)	$ (378)

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 2022 was lower earnings, offset in part by lower income taxes paid. Changes in working capital was a contributing factor to the decrease year over year.

Earnings, after adjusting for non-cash items, were lower versus prior year due primarily to lower product pricing, offset in part by lower costs. Income taxes paid were lower in 2023 due to lower installment payments in the current year and receipt of refunds relating to prior year installment payments.

Working capital decreased modestly in 2023 due primarily to decreases in inventories offset by decreases in payables and accrued liabilities. Decreases in inventories is driven primarily by lower volumes of logs on hand. Accounts payable and accrued liabilities decreased due primarily to decreases in accrued compensation.

Financing Activities

Cash used in financing activities in 2023 decreased compared to 2022 due to lower share repurchases.

We returned $129 million and $1,990 million during 2023 and 2022 respectively to our shareholders through Common shares repurchased under our NCIB and SIB programs. During the year ended December 31, 2022, we repurchased for cancellation a total of 11,898,205 Common shares at a price of $95.00 per share for an aggregate purchase price of $1.13 billion under the 2022 SIB.

We also returned a total of $100 million during 2023 to our shareholders through dividend payments (2022 - $99 million).

Investing Activities

Cash payment of $100 million, representing the cash consideration transferred net of acquired cash, was made in relation to the Spray Lake Acquisition during 2023.

Interest received increased compared to 2022 due to higher interest income earned on our cash equivalents.

Capital expenditures of $477 million in 2023 (2022 - $477 million) reflect our philosophy of continued reinvestment in our mills.

Capital Expenditures by Segment ($ millions)	**Profit Improvement**	**Maintenance of Business**[1]	**Safety**	**Total**
Lumber	157	73	23	253
North America EWP	41	86	28	156
Pulp & Paper	2	27	3	32
Europe EWP	11	18	2	30
Corporate	—	7	—	7
Total	210	211	56	477

1. Maintenance of business includes expenditures for roads, bridges, mobile equipment and major maintenance shutdowns.

Contractual Obligations

The estimated cash payments due in respect of contractual and legal obligations as at December 31, 2023, 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, 2023, in $ millions)	**Total**	**2024**	**2025**	**2026**	**2027**	**Thereafter**
Long-term debt	$ 500	$ 300	$ 200	$ —	$ —	$ —
Interest on long-term debt[1]	25	18	7	—	—	—
Lease obligations	45	13	8	5	3	16
Contributions to defined benefit pension plans[2]	68	19	16	33	—	—
Payables and accrued liabilities	620	620	—	—	—	—
Purchase commitments	265	265	—	—	—	—
Reforestation and decommissioning obligations	137	64	20	7	7	39
Electricity swaps	(14)	(3)	—	—	(1)	(10)
Total	$ 1,646	$ 1,296	$ 251	$ 45	$ 9	$ 45

1. Assumes debt remains at December 31, 2023 levels and includes the impact of interest rate swaps terminating August 2024.
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 23 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 significant 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, 2023 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.

We determined the value in use of CGU groups using discounted cash flow models. Key assumptions include production volume, product pricing, raw material input cost, production cost, terminal multiple, and discount rate. Key assumptions were determined using external sources and historical data from internal sources.

An impairment loss is recorded if the carrying value exceeds the estimated recoverable amount.

The estimated recoverable amounts of the CGU groups exceeded their respective carrying amounts and as such, no impairment losses were recognized for the year ended December 31, 2023 (2022 - nil).

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.

We determined the value in use of assets and cash-generating units using discounted cash flow models. Key assumptions included production volume, product pricing, raw material input cost, production cost, and discount rate. Key assumptions used in estimating recoverable amount were based on industry sources as well as management estimates.

An impairment loss is recorded if the carrying value exceeds the estimated recoverable amount.

In the year ended December 31, 2023, we recorded restructuring and impairment charges of $279 million.

In our Pulp & Paper segment, we recorded an impairment loss of $121 million in relation to the sale of the Hinton pulp mill. In addition, we recorded an impairment loss of $20 million in relation to the sale of the Quesnel River Pulp mill and Slave Lake Pulp mill.

In our Lumber segment, we recorded restructuring and impairment charges of $47 million associated with the announcement of the permanent closure of our lumber mill in Maxville, Florida and the indefinite curtailment of operations at our lumber mill in Huttig, Arkansas. We recorded restructuring and impairment charges of $81 million related to facility closures and curtailments due to availability of economic fibre sources in B.C. 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, other than the disposal group discussed above, was $36 million.

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.

Fair Value of PPE and Intangible Assets Acquired in Business Combinations

On November 17, 2023, we acquired the Spray Lake lumber mill located in Cochrane, Alberta and associated timber tenures ("Spray Lake Acquisition") for preliminary cash consideration of $102 million (CAD$140 million), net of cash acquired of $1 million.

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess of the purchase consideration compared to the fair value of the net assets acquired is recorded as goodwill.

A significant amount of judgment is involved in estimating the fair values of property, plant and equipment and intangible assets acquired in a business combination. The Spray Lake Acquisition resulted in the recognition of PPE and timber licenses in our Lumber segment.

We use all relevant information to make these fair value determinations and engage an independent valuation specialist to assist for material acquisitions.

We applied the market comparison approach and cost approach in determining the fair value of acquired property, plant, and equipment. We considered market prices for similar assets when they were available, and depreciated replacement cost in other circumstances. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence. The key assumptions used in the estimation of depreciated replacement cost are the asset's estimated replacement cost at the time of acquisition and estimated useful life.

The fair value of timber licenses acquired was determined by using a market comparison technique based on precedent transactions in Western Canada.

There is a material degree of uncertainty with respect to the estimates of fair value of PPE and intangible assets given the necessity of making economic assumptions about the future. If our estimates of the acquisition-date fair value of property, plant and equipment and intangible assets acquired in business combinations were incorrect, we could experience increased or decreased charges for depreciation or amortization in the future. If the future were to differ adversely from our best estimate of key economic assumptions and associated cash flows were to materially decrease, we could potentially experience future impairment charges in respect to our PPE or intangible 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 included the assumed rates of increase for employee compensation and the discount rate. Note 14 to the Annual Financial Statements provides the sensitivity of our accrued benefit obligations to changes in these key assumptions.

If the future were to adversely differ from our best estimate of assumptions used in determining our accrued benefit obligations, we could experience increased defined benefit pension expense, financing costs and charges to other comprehensive earnings in the future.

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 chose 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 - 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 NAFTA or the new CUSMA and WTO dispute resolution processes and litigation in the U.S. In the past, long periods of litigation have led to negotiated settlements and duty deposit refunds.

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 can arise as the actual costs incurred at the time of silviculture activities or decommissioning may differ from the estimates used in determining the liability. If the provisions for the reforestation and decommissioning obligations were to be inadequate, we could experience an increase to expenses in the future. A charge for an inadequate reforestation and decommissioning obligation provision would result in an increase of cash outflows at the time the obligation is satisfied.

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 operations, financial condition 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 and their mix of single and multifamily construction, repair, renovation and remodelling spending and industrial application;
- elevated and continued rising of interest rates, and the consequential impacts of these interest rates on mortgage rates and housing affordability;
- alternative products to lumber or panels;
- construction and home building disruptor technologies that may reduce the use of lumber or panels;
- changes in industry production capacity;
- changes in global inventory levels;
- increased competition from other consumers of logs and producers of lumber or panels;
- regulatory regimes setting a price on carbon that would increase the price of energy or fuel affecting the manufacturing cost of our products;
- ongoing geo-political developments, including disruptions to the global economy resulting from the conflict in Ukraine and the Middle East;
- inflationary pressures, including increases in energy prices; 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 and 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 and results of operations.

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 flows.

We have developed a sales strategy that includes the development of sales plans to reduce our exposure to pricing and sales volatility that are based on pricing and demand forecasts and trends that we develop. These forecasts will be based on assumptions that we make as to the markets in which our products are sold. Our inability to accurately forecast the demand and pricing for our products or to effectively execute on our sales strategy could result in increased exposure of our business to pricing and demand volatility, with the result that our revenues and our financial condition could 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. Prolonged or severe weakness in the market for any of our principal products would adversely affect our financial condition. Future demand could also be impacted by the perceived sustainability of our wood products in contrast with competing alternatives.

Competition

We compete with global producers, some of which 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, 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 materially adversely affected. If we are unable to compete effectively, such failure could have a material adverse effect on our business, financial condition and results of operations.

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. 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. 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 can be harvested under provincially-granted tenures and otherwise regulate the availability of Crown timber for harvest. Determinations by provincial governments: (i) to reduce the volume of timber, to issue or not issue operating permits to harvest timber; (ii) to limit the areas that may be harvested under timber tenures; (iii) to restrict the transfer or acquisition of timber tenures; (iv) to regulate the processing of timber or use of harvesting contractors; (v) in response to jurisprudence or government policies respecting Indigenous rights and title or reconciliation efforts, land use management and planning processes, including those agreements between the B.C. provincial government and the Blueberry River First Nations or potential reallocation of harvesting rights to Indigenous Nations or communities; (vi) to restrict log processing to local or appurtenant sawmills or to mandate amounts of work to be provided or rates to be paid to harvesting contractors; or (vii) to change the methodology or rates for stumpage, may reduce our ability to secure log or residual fibre supply, may increase our log purchase and residual fibre costs, may adversely impact lumber grade and recovery and may impact our operations, including require us to reduce operating rates. These determinations may be made by the provincial government with the objective to protect the environment or endangered species, species at risk and critical habitat or to address the impact of forest fires, mountain pine beetle infestations, harvest and caribou conservation plans. Accordingly, forest fires, mountain pine beetle infestations, environmental protection measures and policies respecting indigenous rights and reconciliation efforts may result in government actions to reduce annual allowable cuts and timber supply that may adversely impact our access to fibre supply for our Canadian operations, and may significantly increase the cost of our Canadian operations. Our inability to access secure, economical and sustainable fibre supply has resulted in decisions to permanently curtail production at certain of our Canadian operations and may result in future curtailment of production.

In addition, our timber supply in B.C. may also be negatively impacted by rapid and on-going forest policy review by the B.C. Provincial Government. The continued evolution of B.C. forest policy is creating some uncertainty and constraining access to our timber harvesting land base. This development and implementation of updated forest policy is ongoing and the impacts to timber supply will not be fully understood for some time. These actions could have a material impact on both the amount of our AAC forest tenures and the amount of timber that we are able to harvest from these tenures. Without significant policy change in B.C., the B.C. forest sector may continue to experience further contraction.

We rely on third party independent contractors to harvest timber in areas over which we hold timber tenures. Increases in rates charged by these independent contractors or the limited availability of these independent contractors or new regulations on the work to be provided and rates to be paid to these contractors may increase our timber harvesting costs.

We also rely on the purchase of logs through open market purchases and private supply agreements and log exchange agreements and increased competition for logs, or shortages of logs may result in increases in our log purchase costs.

Unusually warm weather in Western Canada, including through the 2023/2024 winter, has hampered, and may hamper in the future, our ability to conduct logging activities which has the potential to limit our ability to accumulate the necessary log inventories, constrain our ability to manufacture and ship SPF lumber or necessitate reduced operating schedules.

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.

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 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 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. solid wood 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 the revenues and/or increase the overall costs of our U.S. operations.

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. 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 results of operations.

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. COVID-19 has had a significant impact on global supply chains, which has impacted our ability to source supplies required for our operations and has increased the 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 future cash flows, earnings, results of operations, and financial condition.

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 as a result of decreased revenues and lower operating margins.

In Canada, a substantial portion of the wood chip requirements of our Canadian pulp and paper operations are provided by our Canadian sawmills and plywood and LVL plants. If wood chip production is reduced because of production curtailments, improved manufacturing efficiencies 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.

Labour and Services

Our operations rely on experienced local and regional management and both skilled and unskilled workers as well as third party services such as logging and transportation and services for our capital projects. Because our operations are generally located away from major urban centers, we often face strong competition from our industry and others such as oil and gas production, mining and manufacturing for labour and services, particularly skilled trades. Shortages of key services or shortages of management leaders or skilled or unskilled workers, including those caused by a failure to attract and retain a sufficient number of qualified employees and other personnel or high employee turnover could impair our operations by reducing production or increasing costs or impacting the ability to execute on our capital projects including timing and costs. In addition, shortages of qualified employees may result in challenges to meet the objectives of our workforce diversity programs.

We employ a unionized workforce in a number of our operations. Walkouts or strikes by employees could result in lost production and sales, higher costs, supply constraints and litigation that could have a material adverse effect on our business. In addition, disputes with the unions that represent our employees may lead to litigation, the result of which may adversely impact cash flow and profitability of certain of our operations. Also, we depend on a variety of third parties that employ unionized workers to provide critical services to us. Labour disputes experienced by these third parties could lead to disruptions at our facilities.

Approximately 30% of our employees are covered by collective agreements. There were 6 expired collective agreements remaining as at December 31, 2023 representing approximately 29% of our unionized employees. All of our U.K. and Belgian union contracts are evergreen. Union agreements representing approximately 13% and 43% of our unionized employees expire in 2024 and 2025, respectively. In the event that we are unable to renew these collective agreements upon their expiry or the expired collective agreement in the near term, we could experience strikes or labour stoppages at the impacted facilities which could result in lost production and sales, higher costs and/or supply constraints.

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 the export markets and tariffs, quotas and other trade barriers that restrict or prevent access represent a continuing risk to us. Canadian softwood lumber exports to the U.S. have been the subject of trade disputes and managed trade arrangements for the last several decades. During the period from October 2006 through October 2015 these exports were subject to a trade agreement between the U.S. and Canada and on the expiry of that agreement, a one-year moratorium on trade sanctions by the U.S. came into place. That moratorium has expired and in November 2016 a group of U.S. lumber producers petitioned the USDOC and the USITC to impose trade sanctions against Canadian softwood lumber exports to the U.S. In 2017 duties were imposed on Canadian softwood lumber exports to the U.S. The current duties are likely to remain in place until and unless some form of trade agreement can be reached between the U.S. and Canada (which trade agreement could include other tariffs or duties or quotas that restrict lumber exports) or a final, binding determination is made as a result of litigation. Unless the additional costs imposed by duties can be passed along to lumber consumers, the duties will increase costs for Canadian producers and, in certain cases,

could result in some Canadian production becoming unprofitable. Whether and to what extent duties can be passed along to consumers will largely depend on the strength of demand for softwood lumber, which is significantly influenced by the levels of new residential construction in the U.S. If duties can be passed through to consumers in whole or in part the price of Canadian softwood lumber will increase (although the increase will not necessarily be for the benefit of Canadian producers) which in turn could cause the price of SYP lumber, which would not be subject to the duty, to increase as well.

While the USDOC has issued its final duty rates for 2017 through 2021, the duty rates for the 2022 POI has not been finalized, and there is no assurance that the final rates for antidumping duty and countervailing duty will not differ materially from the cash deposit rates in place for those years.

The application of U.S. trade laws could, in certain circumstances, create significant burdens on us. We are a mandatory respondent in current investigations being conducted by the USDOC into alleged subsidies and dumping of Canadian softwood lumber. In addition, the current trade dispute between the U.S. and China could negatively impact either or both the U.S. and Chinese economies which could have an adverse effect on the demand for our products and could adversely affect our financial results. Further, the current diplomatic and trade issues between Canada and China could result in tariffs and other trade barriers that restrict access to the market in China for our products.

The future performance of our business is dependent upon international trade and, in particular, cross border trade between Canada and the U.S. and between the U.K. and European Union. Access to markets in the U.S., the European Union, China and other countries may be affected from time to time by various trade-related events. The financial condition and results of operations of our business could be materially adversely affected by trade rulings, the failure to reach or adopt trade agreements, the imposition of customs duties or other tariffs, or an increase in trade restrictions in the future.

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 operations or financial conditions.

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 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 anticipate incurring 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 business, operations, financial condition and operational results. 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. 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 business, financial condition and operational results.

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 Risks

We face direct risks associated with climate change and the environment, as well as indirect risks resulting from the growing international concern regarding climate change, environmental and social matters. Specifically, there has been a significant increase in focus on the timing and ability of organizations to transition to a lower-carbon economy and to demonstrate a commitment to environmental, social and governance issues. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and environmental activists, and individuals are increasingly seeking to implement, among other things, regulatory developments, policy changes and investment patterns, which, individually and collectively may have financial implications for both us and our stakeholders (i.e., customers, suppliers, shareholders).

Our business operations face risks associated with climate change and the environment. These risks include the following, as identified and discussed in this Risk and Uncertainties section of this MD&A:

- reduced access to fibre for our operations due to increased tree mortality or damage, including as a result of wildfire, extreme weather, drought and insect infestation;
- transportation disruption due to extreme weather events, including flooding and forest fires;
- risk to the availability of timber supply resulting from reduced timber supply, forest fires, and reduced forest access;
- unplanned mill curtailments due to extreme weather or fire damage or power disruption.

We also face transition risks attributable to climate change resulting from adaptation to climate change and government regulations in response to climate change, including:

- the potential of increasing energy costs;
- changes in land-use and forest conservation practices;
- increased capital expenditures associated with improving energy efficiency and meeting decarbonization objectives;
- increased operating expenses associated with carbon pricing;
- our inability to successfully transition to low-carbon technologies and operations.

In addition, climate change and its associated impacts may increase our exposure to, and magnitude of, other risks identified in this Risk and Uncertainties section of this MD&A.

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 business, financial condition, results of operations, cash flows, 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 formal climate change scenario analysis, informed by the Task Force on Climate-related Disclosures (TCFD) recommendations, to understand the potential impacts of climate-related risks and opportunities using different scenarios to help enhance our corporate strategy, supply planning and risk management and create awareness with our stakeholders, and build business resiliency.

We also face potential strategic, reputational, business, legal and regulatory risks relating to our actual or perceived actions, or inaction, in relation to climate change and other environmental and social risk issues, progress against our environmental or social commitments, or our disclosures on these matters. Investors and stakeholders increasingly compare companies based on climate-related performance and a perception among financial institutions and investors that our ESG initiatives, including the forestry industry's sustainability initiatives, are insufficient, could adversely affect our reputation and ability to attract investors and capital.

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, as part of our overall sustainability and ESG initiatives. There is a risk that we will 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 coverage. 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 for an impact on resource companies operating in Canada including West Fraser. Risks include potential delays or effects of governmental decisions relating to Canadian Crown timber harvesting rights (including their grant, renewal or transfer or authorization to harvest) in light of the government's duty to consult and accommodate Indigenous groups in respect of Aboriginal rights or treaty rights, agreements governments may choose to enter into with Indigenous groups or steps governments may take in favour of Indigenous groups even if not required by law, related terms and conditions of authorizations and potential findings of Aboriginal title over land. This includes potential Indigenous joint decision-making and consent agreements under the B.C. Declaration on the *Rights of Indigenous Peoples Act* related to forestry.

We participate, as requested by the government, in the consultation process in support of the government fulfilling its duty to consult. We also seek to develop and maintain good relationships and, where possible, agreements with Aboriginal groups that may be affected by our business activities. However, as the jurisprudence and government policies respecting Indigenous rights and title and the consultation process continue to evolve, as treaty and non-treaty negotiations continue, and as governments continue to announce and implement further policy and legislative changes to Indigenous interests (including, but not limited to the British Columbia *Declaration of the Rights of Indigenous Peoples Act*) and the federal *United Nations Declaration on the Rights of Indigenous Peoples Act* , we cannot assure that Indigenous claims will not in the future have a material adverse effect on our timber harvesting rights or our ability to exercise or renew them or secure other timber harvesting rights.

The Government of British Columbia's evolving forest policy's coupled with Indigenous Nations consultation and involvement in the land use planning process is expected to reduce the availability of and increase the timeline for, receipt of cutting permits and restrict volume available for harvest.

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 value in use of assets and cash-generating units using discounted cash flow models. We make multiple assumptions in estimating future cash flows. Key assumptions include production volume, product pricing, raw material input cost, production cost, terminal multiple, and discount rate. Key assumptions were determined using external sources and historical data from internal sources. There are numerous uncertainties inherent in making these estimates, including many factors beyond our control, that could cause actual results to differ materially from expected financial and operating results. We may be required to recognize material non-cash charges relating to impairments of capital assets and/or goodwill in the future if actual results differ materially from management's estimates. If a goodwill impairment charge is incurred, such charges are not reversible at a later date even when the events and circumstances that caused the impairment loss are favourably resolved. As a result of these uncertainties and the significant amount of goodwill ($1,949 million at December 31, 2023), 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. As it relates to the North America EWP and Europe EWP CGU groups, a prolonged downturn in product pricing with an extended recovery could cause their carrying amounts to exceed their recoverable amounts. For additional information regarding goodwill, see note 9 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 operations or financial condition 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 operations or financial condition. 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. Although we believe we have reasonable insurance arrangements in place to cover certain of such incidents related to damage or destruction, there can be no assurance that these arrangements will be sufficient to fully protect us against such losses. 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 operations or financial conditions.

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 operations, business, financial condition and results of operations.

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 avoid inefficiencies 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. 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 still subject to 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. 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 business, financial condition and results of operations. 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. However, 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, 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, operations, production, sales and business.

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.

We are required to review our long-lived assets for indicators that their carrying values are not recoverable. Indicators could include high raw material costs, high energy costs, changes in demand for our products, declines in product pricing, changes in technology, prolonged negative results or operational curtailments, and may result in non-cash impairment or accelerated depreciation charges in the future and therefore have a negative impact to earnings in the period when these charges are recorded.

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 profitability, results of operations, deferred tax assets and liabilities, financial condition 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. Upon closing of the Norbord Acquisition, we changed the functional currency and presentation currency of our Canadian operations, with the exception of our Spray Lake lumber mill and Canadian newsprint operation, from Canadian dollars to United States 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, the results of our operations and our financial position.

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 flows 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 and our ability to execute on such plans may be adversely affected by availability of, and competition for, qualified workers and contractors, machinery and equipment lead times, changes in government regulations, 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 business, financial condition, results of operations and cash flows.

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 will be dependent upon our financial condition, profitability and credit ratings and prevailing 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 notes maturing in 2024 and a term loan maturing in 2025. 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 these borrowings when they become due.

Credit Ratings

Credit rating agencies rate our debt securities based on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading could limit our access to the credit markets, increase our cost of financing and have an adverse effect on our financial condition.

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 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.

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 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.

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.

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.

Return of Capital to Shareholders

We have returned capital to our shareholders in 2023 through a combination of dividends and share repurchases, both through our normal course issuer bid and in 2022 through our substantial issuer bid. 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 business, financial condition and operations. 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 business, financial condition, or operations. Litigation, and any decision resulting therefrom, may also create a negative perception of West Fraser.

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, including COVID-19 and future COVID-19 variants, could cause interruptions to our business and operations and otherwise have an adverse effect on our business, financial condition and/or results of operations including as a result of the effects on: (i) global economic activity, (ii) the business, operations, financial condition, 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, including the resurgence of COVID-19 and any future variants, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, or fear of the foregoing,

Demand and prices for our products may be adversely affected by contagious diseases that affect levels of economic activity, and we are unable to predict or estimate the timing or extent of the impact of such pandemics, epidemics, and other outbreaks. Governmental measures or restrictions, including those requiring the closures of businesses, restrictions

on travel, country, provincial or state and city-wide isolation orders, and physical distancing requirements, may directly affect our operations and employees and those of our customers, suppliers and service providers, and the demand for and pricing of our products. The spread of such contagious diseases among our employees or those of our suppliers or service providers could result in lower production and sales, higher costs, and supply and transportation constraints. Accordingly, our production, costs, and sales may be negatively affected, which could have a material adverse effect on our business, financial condition and/or results of operation.

Given the ongoing nature of the COVID-19 outbreak, it is challenging to predict the impact on the Company's business. The extent of such impact will depend on future developments, which are uncertain, including the resurgence of COVID-19 and any variants, new information that may emerge concerning the spread and severity, and actions taken to address its impact, among others. It is difficult to predict how this virus may affect our business in the future, including its effect (positive or negative; long or short term) on the demand and price for our products. It is possible that the resurgence of COVID-19, including any future variants, particularly if it has a prolonged duration, could have a material adverse effect on our supply chain, market pricing and customer demand, and distribution networks and may result in our inability to fully staff our manufacturing facilities, with the result that we may be forced to temporarily close facilities or reduce production rates during periods. These factors may further impact our operating plans, business, financial condition, liquidity, the valuation of long-lived assets, and operating results.

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;
- 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 operating results, financial condition 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.

Limitations on Scope of Design of DC&P and ICFR

In accordance with the provisions of NI 52-109, our management has limited the scope of its design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Spray Lake Sawmills (1980) Ltd., which was acquired on November 17, 2023.

Spray Lake's contribution to our consolidated financial statements for the year ended December 31, 2023 was $5 million of sales, representing approximately 0.1% of consolidated sales, and $1 million of loss, representing 0.7% of consolidated loss. Additionally, assets attributed to Spray Lake's assets were $134 million, representing approximately 1.4% of our total assets as at December 31, 2023.

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 Senior Vice-President, Finance 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, 2023. Based on this evaluation, management, under the supervision of our CEO and CFO, have concluded that our disclosure controls and procedures are effective as of December 31, 2023.

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.

During the year ended December 31, 2023, we completed the migration of the enterprise resource planning ("ERP") system used at our North American OSB operations to the ERP system used by our other North American operations. Although the implementation has allowed for improved standardization within the accounting function, it did not materially affect our internal control over financial reporting. There has been no change in our internal control over financial reporting during the year ended December 31, 2023, 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, 2023 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, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 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, 2023.

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 entered into executive compensation arrangements 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 was $29 million in 2023, compared to $19 million in 2022. The increase in compensation expense was due primarily to higher equity-based compensation, influenced by changes in the price of our Common shares, vesting of granted units, and changes in the expected payout multiple on our performance share units, offset in part by lower salary and short-term employee benefits. See note 21 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 capital management measures, including available liquidity, total debt to capital ratio, and net debt to capital ratio (our "Capital Management Measures"), and (iii) certain supplementary financial measures, including our expected capital expenditures (our "Supplementary Financial Measures"). We believe that these Non-GAAP Financial Measures, 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 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 measure, earnings.

See note 19 to the Annual Financial Statements for a breakdown of the items making up Other. Other is comprised primarily of foreign exchange revaluations and gains/losses on our electricity swaps and interest rate swaps.

Annual Adjusted EBITDA

($ millions)

	2023	2022	2021
Earnings (loss)	$ (167)	$ 1,975	$ 2,947
Finance expense (income), net	(51)	3	45
Tax provision (recovery)	(61)	618	951
Amortization	541	589	584
Equity-based compensation	25	5	40
Restructuring and impairment charges	279	60	—
Other expense (income)	(5)	(37)	2
Adjusted EBITDA	$ 561	$ 3,212	$ 4,569

Quarterly Adjusted EBITDA

($ millions)

	Q4-23	Q3-23	Q4-22
Earnings (loss)	$ (153)	$ 159	$ (94)
Finance income, net	(14)	(21)	(3)
Tax provision (recovery)	(50)	56	(31)
Amortization	136	132	148
Equity-based compensation	15	(4)	6
Restructuring and impairment charges	134	13	47
Other expense (income)	30	(11)	(2)
Adjusted EBITDA	$ 97	$ 325	$ 70

The following tables reconcile Adjusted EBITDA by segment to the most directly comparable IFRS measures for each of our reportable segments. We consider operating earnings to be the most directly comparable IFRS measure for Adjusted EBITDA by segment as operating earnings is the IFRS measure most used by the chief operating decision maker when evaluating segment operating performance.

Annual Adjusted EBITDA by Segment ($ millions)

2023	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Operating earnings (loss)	$ (319)	$ 316	$ (242)	$ (3)	$ (35)	$ (284)
Amortization	185	273	24	49	10	541
Equity-based compensation	—	—	—	—	25	25
Restructuring and impairment charges	137	—	142	—	—	279
Adjusted EBITDA by segment	$ 2	$ 589	$ (77)	$ 46	$ —	$ 561

2022	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Operating earnings (loss)	$ 1,111	$ 1,371	$ (22)	$ 117	$ (18)	$ 2,559
Amortization	186	306	35	53	9	589
Equity-based compensation	—	—	—	—	5	5
Restructuring and impairment charges	31	—	13	15	—	60
Adjusted EBITDA by segment	$ 1,328	$ 1,677	$ 26	$ 186	$ (5)	$ 3,212

Quarterly Adjusted EBITDA by Segment ($ millions)

Q4-23	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Operating earnings (loss)	$ (228)	$ 74	$ (7)	$ (10)	$ (17)	$ (187)
Amortization	48	69	3	13	3	136
Equity-based compensation	—	—	—	—	15	15
Restructuring and impairment charges	128	—	6	—	—	134
Adjusted EBITDA by segment	$ (51)	$ 143	$ 2	$ 3	$ —	$ 97

Q3-23	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Operating earnings (loss)	$ (2)	$ 222	$ (29)	$ (8)	$ 2	$ 184
Amortization	46	67	4	12	3	132
Equity-based compensation	—	—	—	—	(4)	(4)
Restructuring and impairment charges	—	—	13	—	—	13
Adjusted EBITDA by segment	$ 44	$ 289	$ (12)	$ 4	$ 1	$ 325

Q4-22	Lumber	NA EWP	Pulp & Paper	Europe EWP	Corporate & Other	Total
Operating earnings (loss)	$ (161)	$ 35	$ 6	$ 3	$ (14)	$ (130)
Amortization	51	73	9	12	2	148
Equity-based compensation	—	—	—	—	6	6
Restructuring and impairment charges	31	—	—	15	—	47
Adjusted EBITDA by segment	$ (77)	$ 109	$ 15	$ 30	$ (6)	$ 70

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)	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 900	$ 1,162
Operating lines available (excluding newsprint operation) [1]	1,054	1,053
	1,954	2,215
Cheques issued in excess of funds on deposit	—	—
Borrowings on operating lines	—	—
Available liquidity	$ 1,954	$ 2,215

1. Excludes demand line of credit dedicated to our jointly-owned newsprint 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, 2023**		**December 31, 2022**
Debt				
Operating loans	$	—	$	—
Current and long-term lease obligation		39		37
Current and long-term debt		500		500
Derivative liabilities[1]		—		—
Open letters of credit[1]		43		61
Total debt		582		598
Shareholders' equity		7,223		7,619
Total capital	$	7,805	$	8,217
Total debt to capital		7%		7%

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, 2023**		**December 31, 2022**
Debt				
Operating loans	$	—	$	—
Current and long-term lease obligation		39		37
Current and long-term debt		500		500
Derivative liabilities[1]		—		—
Open letters of credit[1]		43		61
Total debt		582		598
Cash and cash equivalents		(900)		(1,162)
Open letters of credit		(43)		(61)
Derivative liabilities		—		—
Cheques issued in excess of funds on deposit		—		—
Net debt		(361)		(625)
Shareholders' equity		7,223		7,619
Total capital	$	6,862	$	6,994
Net debt to capital		(5%)		(9%)

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, projects focused on optimization and automation of the manufacturing process, and projects targeted to reduce greenhouse gas emissions. 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
CAD or CAD$	Canadian dollars
CEO	President and Chief Executive Officer
CFO	Senior Vice-President, Finance and Chief Financial Officer
CGU	Cash generating unit
COSO	Committee of Sponsoring Organizations of the Treadway Commission
Crown timber	Timber harvested from lands owned by a provincial government
CVD	Countervailing duty
EDGAR	Electronic Data Gathering, Analysis and Retrieval System
ESG	Environmental, Social and Governance
EWP	Engineered wood products
GBP	British pound sterling
GHG	Greenhouse gas
IFRS Accounting Standards	International Financial Reporting Standards as issued by the International Accounting Standards Board
LIBOR	London Interbank Offered Rate
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
2022 NCIB	Normal course issuer bid - February 23, 2022 to February 22, 2023
2023 NCIB	Normal course issuer bid - February 27, 2023 to February 26, 2024
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
Q1-23 or Q1-22	three months ended March 31, 2023 or 2022 and for balance sheet amounts as at March 31, 2023 or 2022
Q2-23 or Q2-22	three months ended June 30, 2023 or 2022 and for balance sheet amounts as at June 30, 2023 or 2022
Q3-23 or Q3-22	three months ended September 29, 2023 or September 30, 2022 and for balance sheet amounts as at September 29, 2023 or September 30, 2022
Q4-23 or Q4-22	three months ended December 31, 2023 or 2022 and for balance sheet amounts as at December 31, 2023 or 2022
SEDAR+	System for Electronic Document Analysis and Retrieval +

2021 SIB	Our substantial issuer bid completed in August 2021
2022 SIB	Our substantial issuer bid completed in June 2022
SOFR	Secured Overnight Financing Rate
SOX	Section 404 of the Sarbanes-Oxley Act
SPF	Spruce/pine/balsam fir lumber
Spray Lake lumber mill	Spray Lake Sawmills (1980) Ltd.
SYP	Southern yellow pine lumber
TSX	Toronto Stock Exchange
U.K.	United Kingdom
UKP	Unbleached kraft pulp
U.S.	United States
USD or $ or US$	United States Dollars
USDOC	United States Department of Commerce
USITC	United States International Trade Commission

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, 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, maintain a strong balance sheet and liquidity profile along with an investment-grade debt rating, to maintain a leading cost position and to return capital to shareholders, reinvest in operations, renewable building materials, and achieve science-based targets to achieve near-term greenhouse gas reductions across all our operations
Recent Developments – Markets	impact of interest rates and inflationary price pressures, mortgage rates, housing demand and affordability, housing prices, unemployment rates, repair and remodelling demand, inflationary pressures on demand for lumber and OSB, expectations regarding near, medium and longer-term core demand, import trends and inflation; impact of new lumber and OSB production capacity on market supply and pricing
Recent Developments - Completion of Spray Lake Acquisition	finalization of certain post-close working capital adjustments and purchase price allocation relating to the purchase of Spray Lake Sawmills (1980) Ltd.
Recent Developments - CVD and ADD Duty Rates	the finalization of the AR5 and AR6 duty rates and their impact on our financial position
Discussion & Analysis of Annual 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 AR5 and AR6 duty rates
Business Outlook – Markets	market conditions, housing affordability, demand for our products over the near, medium and longer term, impacts of interest rates, ongoing geopolitical conflict, inflationary pressures, timing of finalization of AR5 and AR6 duty rates; ability to capitalize on long-term opportunities; and expectations as to stabilization and moderation of interest rates

Business Outlook – Operations	production levels, demand expectations, projected SPF and SYP lumber shipments, projected OSB shipments, operating costs, B.C. and Alberta stumpage rates and U.S. South log costs and trends, the moderation of impact of inflationary pressures and availability constraints for labour, transportation, raw materials such as resins and chemicals, and energy, expectations as to availability of transportation services, the timing, costs of restart, ramp up period to target production and contribution to shipments of Allendale OSB facility, and the overall OSB platform with modern Allendale OSB facility; expectations as to moderation of log and input costs and increasing or elevated interest rates; satisfaction of the conditions to closing of the sale of Quesnel River Pulp mill and Slave Lake Pulp mill and the timing of closing these transactions
Business Outlook – Cash Flows	projected cash flows from operations and available liquidity, projected capital expenditures and completion dates (including with respect to the modernization of the Henderson, Texas lumber manufacturing facility), expected results of capital expenditures, including improvements, maintenance, optimization and automation projects and projects targeted to reduce greenhouse gas emissions, maintenance of our investment grade debt rating, strategic growth opportunities, expected continuity of dividends and share repurchases
Liquidity and Capital Resources	Available liquidity

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 impact of the conflicts in Ukraine and the Middle East;
- continued increases in interest rates and inflation and sustained higher interest rates and rates of inflation could impact housing affordability and repair and remodelling demand, which could reduce demand for our products;
- 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 by government respecting Indigenous rights, title and/or reconciliation efforts on these approvals and authorizations;
- 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;
- transportation constraints may continue to 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 wildfires, cyber security incidents, any state of emergency and/or evacuation orders issued by governments, and ongoing relations with employees;
- risks inherent to customer dependence;
- impact of future cross border trade rulings or agreements;
- implementation of important strategic initiatives and identification, completion and integration of acquisitions;
- impact of changes to, or non-compliance with, environmental or other regulations;
- the impact of the COVID-19 pandemic on our operations and on customer demand, supply and distribution and other factors;
- 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;
- impact of any product 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 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;
- 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;
- our ability to continue to maintain effective internal control over financial reporting;
- satisfaction of the conditions to closing of our sales of Quesnel River Pulp mill and Slave Lake Pulp mill and related timing of the closing of these transactions, including impacts to proceeds from the sale if the working capital at closing is below target;
- continued access to timber supply in the traditional territories of Indigenous Nations;
- our ability to continue to maintain effective internal control over financial reporting;
- finalization of certain post-close working capital adjustments and purchase price allocation relating to the purchase of Spray Lake Sawmills (1980) Ltd.;
- the risks and uncertainties described in the 2023 Annual MD&A; 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 annual 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.shtml.

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 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 14, 2024

By: */s/ Sean McLaren*

Name: Sean 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 14, 2024

By: */s/ Christopher A. Virostek*

Name: Christopher A. Virostek

Title: Senior Vice-President, Finance 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, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Sean 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 14, 2024

By: */s/ Sean McLaren*
Sean 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, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Christopher A. Virostek, Senior Vice-President, Finance 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 14, 2024

By: */s/ Christopher A. Virostek*
Christopher A. Virostek
Senior Vice-President, Finance 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, 2023 of West Fraser Timber Co. Ltd. of our report dated February 14, 2024, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Annual Report on Form 40-F.

We also consent to the incorporation by reference in the Registration Statements on Forms S-8 (no. 333-252631 and 333-257254) of West Fraser Timber Co. Ltd. of our report dated February 14, 2024 referred to above. We also consent to 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**
Vancouver, Canada

February 14, 2024