

## NEW SUSTAINABLE FOREST AND WOOD PROCUREMENT POLICY

West Fraser views forests, ecosystems, biodiversity and local communities as crucial for the wood products industry. Being aware that climate change and poor forest practices endanger the future of our forests<sup>1</sup> and natural ecosystems, we commit to follow sustainable forest and climate-smart practices,<sup>2</sup> adapting as we learn more about best approaches, all while responsibly balancing the need for timber with the health of the forests and the life they support.

Deforestation,<sup>1</sup> conversion and forest degradation directly jeopardize the long-term sustainability of our business which is reliant on the renewability of a natural resource. This leads to our commitment to tracking and improving how we manage these challenges across our supply chain, aiming for transparency. We support initiatives that counter forest degradation and ensure our forests stay resilient over the long term, using methods that mimic natural disturbances and minimize the impact of climate-related disruptions.

**Where West Fraser manages forest landscapes, and in doing so, interfaces with ecosystems and biodiversity, we will:**

- Uphold the principles of sustainable forest management.<sup>2</sup>
- Comply with applicable federal, provincial/state and local forestry laws and regulations, as well as applicable international treaties and agreements, ensuring compliance with standards such as the *Lacey Act* to prevent illegal logging and the use of illegal wood, and the protection of species listed by the *Convention on International Trade in Endangered Species*.
- Refrain from converting one forest cover type to another forest cover type that is not ecologically appropriate for the site.<sup>3</sup>
- Minimize area on the land base that is occupied by permanent roads and other deforested areas resulting from sustainable forest management practices. We seek to reclaim areas no longer needed for permanent access and monitor and measure our construction of permanent access area, working towards an accounting system that measures deforestation and conversion on managed lands<sup>4</sup> by the end of 2024.
- Sustain ecological services including forest productivity and health, water resources, timber values and biological diversity over the long term.
- Ensure our management practices provide diverse habitats for wildlife; support biological diversity through programs addressing habitat conservation; and collaborate with government agencies and Indigenous Peoples to contribute to the recovery of threatened and endangered species, all in accordance with sustainable forest management certification and relevant jurisdictional requirements.

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<sup>1</sup> West Fraser defines deforestation as the anthropogenic conversion of forests to non-forest land, using the Food and Agriculture Organization (FAO) of the United Nations Global Forest Resources Assessment 2020 definition of forest. (West Fraser includes in this definition of deforestation, the construction of permanent access structures or other openings, where there are no measurable efforts to rehabilitate and reforest these areas, or afforest land of an equivalent area elsewhere).

<sup>2</sup> As defined by the SFI® Forest Management standard.

<sup>3</sup> Unless an assessment has been conducted to determine ecological impacts and provide appropriate justification (SFI® Forest Management standard).

<sup>4</sup> Our accounting system focuses on Alberta and BC-managed landscapes, as West Fraser has less operational control and a smaller footprint in harvest operations in Ontario and Quebec, supplying three mills in these provinces.

- Apply best management practices to comply with or exceed applicable regulations pertaining to the protection and preservation of water quality and quantity, waterbodies, wetlands and riparian areas.
- Employ best management practices around soils which aim to preserve soil health and productivity by using suitable equipment and practices to minimize erosion and soil disturbance, considering the specific soil characteristics, topography and weather conditions.
- Identify and manage forest ecosystems of high conservation value<sup>5</sup> within our managed areas, while also factoring in landscape connectivity and other significant conservation area, like wetlands, affected by our forestry operations.
- Foster the climate resilience of our forests by identifying primary climate risks and executing adaptation and mitigation measures.
- Assess and abate forest fuel hazards in compliance with provincial laws, while fostering collaborative efforts with government agencies, Indigenous Peoples and local communities to enhance wildfire resilience through risk identification and management techniques that minimize the severity and effectively respond to undesirable impacts of wildfires.
- Annually review the effectiveness of our policy and programs through monitoring, measuring and reporting.
- Publicly disclose information on our forest management performance through the CDP and other relevant channels.

**Where West Fraser manages wood and fibre procurement programs, we will:**

- Uphold the principles of sustainable wood procurement as outlined in our fibre sourcing and chain of custody standards<sup>6</sup>.
- Comply with applicable federal, provincial/state and local forestry laws and regulations, as well as applicable international treaties and agreements, ensuring compliance with standards such as the *Lacey Act* to prevent illegal logging and the use of illegal wood, and the protection of species listed by the *Convention on International Trade in Endangered Species*.
- Monitor and measure deforestation in our supply chain.<sup>7</sup>
- Promote logger education and landowner outreach initiatives across our wood supply areas, including active participation in SFI® State Implementation Committees to develop and implement logger training programs and engage with private landowners.
- Promote best management practices for soils and water.
- Address the implementation of water quality best management practices in purchase contracts of wood being harvested directly from the forest.

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<sup>5</sup> In the Canadian, UK and EU context, HCVs as defined by the FSC® Controlled Wood standards. The identification of HCVs must use sound scientific principles and criteria.

<sup>6</sup> SFI® Fibre Sourcing certification for Canada and US procurement. FSC® Chain of Custody/Controlled Wood certification for the EU and UK procurement, and some regions in Canada. PEFC and SFI® Chain of Custody at numerous mills throughout Canada and the US.

<sup>7</sup> In 2024 West Fraser is developing and implementing a companywide program to monitor and measure conversion and deforestation across our value chain. We expect this program to be fully implemented by 2025, with the first full calendar year of completed estimates of conversion and deforestation by Q1 2026 (over the calendar year 2025).

- Refrain from knowingly sourcing wood or fiber from forests where commercial timber harvest poses a threat to High Conservation Values<sup>5</sup> and/or Forests of Exceptional Conservation Value.<sup>8</sup>
- Assess and manage the risk of sourcing wood from controversial sources,<sup>9</sup> and further avoid those sources through procuring wood or wood fiber from suppliers who are internally verified by accredited fiber sourcing or chain of custody certification schemes.
- Adopt programs<sup>10</sup> to manage the risk of sourcing from areas experiencing forest area decline.<sup>8</sup>
- Refrain from procuring forest products that have been purchased from countries under any United Nations government sanctions or timber sales that would financially support areas of conflict.
- Refrain from procuring forest products defined as conflict timber by the PEFC chain of custody standard.<sup>11</sup>
- Annually review the effectiveness of our policy and programs through monitoring, measuring, and reporting.

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<sup>8</sup> As defined by SFI® Fibre Sourcing standard for all operations in Canada and the US (apart from Chambord).

<sup>9</sup> In the Canadian, UK and EU context, controversial sources as defined by the FSC® Controlled Wood standards, while in the US context, controversial sources as defined by our SFI® Fibre Sourcing certification.

<sup>10</sup> In the US context, mitigation programs are defined by the SFI® Fibre Sourcing standard. While in the Canadian and EU context, our FSC® Controlled Wood certification provides additional mitigation avenues. Other mitigation programs include West Fraser's seedling programs, educational programs and our supply chain deforestation and conversion monitoring and measuring program.

<sup>11</sup> Applying to those operations certified to the PEFC chain of custody standard.