Western Forest Products Inc.

2023 Carbon Accounting Report

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FORWARD-LOOKING STATEMENTS

The report contains statements that may constitute forward-looking statements under the applicable securities law. Readers are cautioned against placing undue reliance on forward-looking statements because such statements are based upon a number of estimates and assumptions of management, and Western Forest Products Inc. (the "Company", "Western", "us", or "we") can give no assurance that such statements will prove to be correct. Forward-looking statements contained herein may be identified by the use of words such as "will", "may", "project", "continue", "plan", "expect" and similar references intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements in this report include, but are not limited to, statements relating to our current intent, belief or expectations with respect to: the stability of forest ecosystem carbon stocks and the impact of Western's activities on carbon emissions.

Although such statements reflect management's current reasonable beliefs, expectations and assumptions made as of the date of this report, there can be no assurance that forward-looking statements are accurate, and actual results and performance may materially vary. Forward-looking statements are subject to a variety of risks and uncertainties that could cause our actual results or performance to be materially different from what is contemplated by these statements, including: economic and financial conditions, demand for forest products, natural disasters and the impact of climate change, the availability of fibre and allowable annual cut, development and changes in methodologies for carbon accounting, development and changes in the regulatory framework, the development and performance of technology and other factors set out herein and in our management's discussion and analysis for the year ended December 31, 2024. The foregoing list is not exhaustive, as other factors could adversely affect our actual results and performance. Forward-looking statements are based solely on information currently available to Western and are made as of the date hereof. Unless stated otherwise, Western disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, or other than as required by applicable securities laws.

Cautionary Statement Regarding Greenhouse Gas Reporting

Greenhouse gas reporting comes with considerable uncertainty. Estimates of carbon stored in forest ecosystems and transferred to forest products, as well as the emissions associated with harvesting and transporting logs, manufacturing, and distribution of primary products from the mills to the point of sale, and other associated emissions are inherently uncertain. This report uses the best available information and scientifically supported models and assumptions. However, due to the uncertainty of the inputs, the results are uncertain.

1. INTRODUCTION

Through photosynthesis, trees sequester atmospheric carbon dioxide and store it in their tissues, as wood in stems, branches and roots, and in the soil and dead organic matter. The forests managed by Western are therefore carbon banks and we carefully monitor these forest carbon stocks over time.

Like forests, forest products also serve as important carbon banks. When trees are processed into lumber and other forest products, some of the carbon is transferred into those products while some is released back to the atmosphere. The carbon transferred into products remains there until the product either decomposes or combusts. This makes wood a critical ally in the fight against climate change as other building materials, including steel and concrete, require enormous amounts of greenhouse gas to produce, while wood is the result of trees sequestering carbon dioxide ("CO_2"). As a result, replacing steel and concrete with wood has net positive climate impacts.

The climate benefit of wood and other forest products relies on them coming from sustainably managed forests, where harvested areas are replanted and nurtured into healthy forests. Forests managed by Western are 100% independently certified to sustainability standards endorsed by the Programme for the Endorsement of Forest Certification and you can read about our forest management practices in our 2023 Sustainability Report.

This year's carbon report outlines the approach used to determine our organizational carbon emissions for 2023, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (World Resources Institute ("WRI"), 2004). It documents the data, models and assumptions used, the organizational boundary considered, scope, exclusions, and findings.

We note that understanding and interpretation of the GHG Protocol's application in the forest sector is continuing to evolve, with updated guidance for calculating carbon emissions and removals for land-based activities in draft form (WRI, 2022). Due to the uncertainties this introduces with carbon accounting practices and reporting, Western has simplified its 2023 Report to focus on the following areas: Scope 1, Scope 2, Scope 3 and biogenic emissions to the product point of sale, which is a material change of scope from previous years. Specifically, this impacts Scope 3 emissions as the new scope narrows the focus and excludes previously included emissions: hog fuel burning, processing of sold products, distribution of sold products, and end-of-life emissions. The list of included emissions from Scope 3 can be found in Appendix 1: Scope 3 Indirect Emissions from Supply Chain Activities. For the foregoing reasons, readers are cautioned that comparisons to carbon accounting reporting from prior years is not appropriate due to Western's updated approach as set out in this report. This report replaces all prior years reporting and deviations from prior years scope, presentation and reported values may be significant, as such, all previously stated years have been recalculated to account for the material scope change.

Western is proud of the role that the forests under our management and our forest products play in the fight against climate change and is committed to using the results of this report to continue to identify opportunities to reduce our carbon footprint.

2. RESULTS

As part of our commitment to transparency and continuous improvement in our carbon accounting practices, and because of evolving best practices on carbon accounting and reporting, Western worked with its advisors and determined that our prior reporting methodology, while compliant with an understanding of the relevant standards at the time of such reports, needed to be revised. As a result, Western has reviewed its prior reporting methodology and, where appropriate, updated historical reporting in this 2023 Carbon Accounting Report which replaces all prior years' reporting.

2.1 FOREST ECOSYSTEM CARBON

The forests managed by Western are a large carbon bank and store carbon in the form of live trees, dead trees, branches, leaves, roots and soil. In 2023, the forest ecosystem stored an estimated 2,420,273 kilotonnes of CO_2 equivalent ("$ktCO_2e$") (Table 1). Soil organic matter is the largest carbon pool, representing 41% of the carbon in the forest ecosystem, followed by dead organic matter (29%), aboveground biomass (24%) and belowground biomass (5%). In 2023, forest carbon harvested and transferred into forest products represented an estimated 0.1% of the total forest carbon pool.

Table 1 Total forest ecosystem carbon stocks ($ktCO_2e$)

CARBON POOL ($ktCO_2e$)	2023	2022*	2021*	2020*
Aboveground Biomass	591,460	589,162	586,335	584,054
Dead Organic Matter	697,926	702,687	708,098	713,641
Soil Organic Matter	999,897	1,000,095	1,000,292	1,000,487
Belowground Biomass	130,990	130,483	129,858	129,354
Total Ecosystem Stocks	**2,420,273**	**2,422,427**	**2,424,583**	**2,427,537**
Annual Transfer to Forest Products	2,400	2,195	2,527	2,779

* The forest ecosystem model is rebuilt every year from the base year onwards with the addition of data from the reporting year to capture data changes that might impact previous years. Previous year's numbers have been updated. Although the differences in the forest ecosystem data presented above are immaterial (<5%), the impact on some prior year disclosure is material and therefore the forest ecosystem data presented above replaces all prior forest ecosystem disclosure.

2.2 MANUFACTURING, PRODUCTION AND SUPPLY CHAIN EMISSIONS

Harvesting and transporting of logs, and production of lumber contribute to the organization's emissions (Table 2). Western's activities were estimated to have resulted in emissions of 248,668 tonnes of CO_2 equivalent ("tCO_2e") in 2023. Scope 1 emissions are the organization's direct emissions and as such the largest. Non-biogenic emissions associated with slash pile burning are the main contributors to Scope 1 emissions and these have increased in recent years, largely due to more favourable weather conditions for burning. Detailed summaries of emissions by scope can be found in Appendix 5.

Table 2 Total emissions from manufacturing and production (tCO_2e).

CARBON FLUX* (tCO_2e)	2023	2022	2021	2020
Scope 1 Emissions	171,157	156,572	142,134	127,244
Scope 2 Emissions	3,971	3,871	4,488	6,398
Scope 3 Emissions*	73,539	75,209	82,197	66,767
Total Emissions	**248,668**	**235,652**	**228,820**	**200,409**

* Scope 3 emissions updated from previous year's report due to change of scope of reporting from product end of life to point of sale, as outlined in Appendix 1.

2.3 BIOGENIC EMISSIONS

Biogenic emissions are excluded from Scope 1, 2 and 3 emissions in accordance with the GHG Protocol (WRI, 2004). These emissions are however part of the annual change in total ecosystem stocks and contribute to the year-on-year movement in total ecosystem stocks in Table 1. Biogenic emissions represented 591,160 tCO_2e in 2023 (Table 3).

Table 3 Biogenic CO_2 emissions (tCO_2e).

EMISSION SOURCE (tCO_2e)	2023	2022	2021	2020
Slash pile burning from Western's operations	521,988	394,806	300,963	258,919
Slash pile burning from purchased logs	69,172	83,045	106,081	56,745
Total Biogenic Emissions*	**591,160**	**477,851**	**407,044**	**315,663**

* Total biogenic emissions for previous years updated based on removal of hog fuel burning and waste disposal incineration due to change of scope of reporting from product end of life to point of sale, as outlined in Appendix 1.

3. UNCERTAINTY ANALYSIS

Greenhouse gas reporting comes with considerable uncertainty. It relies on many assumptions and factors which are subject to change over time as new scientific studies are released. Estimations of the 95% confidence interval for each input to the emissions were generated using the GHG Protocol Uncertainty Calculation Tool (WRI, 2023) (Figure 1). Scope 1 and 2 emissions are estimated using Western's data, while Scope 3 emissions use a combination of Western data and published assumptions as outlined in Appendix 2. As expected, Scope 1 emissions had the largest error bars as they had the greatest emissions.

One million Monte Carlo simulations were conducted to determine the potential range of emission outcomes given the uncertainty of the estimates (Figure 2). In 2023, the emission outcomes ranged from 178,000 tCO_2e to 319,000 tCO_2e with >95% falling in the range of 195,000 tCO_2e to 287,000 tCO_2e. The Scope 3 and total emissions are significantly less than reported last year due to the change of scope of reporting from product end of life to point of sale, as outlined in Appendix 1.

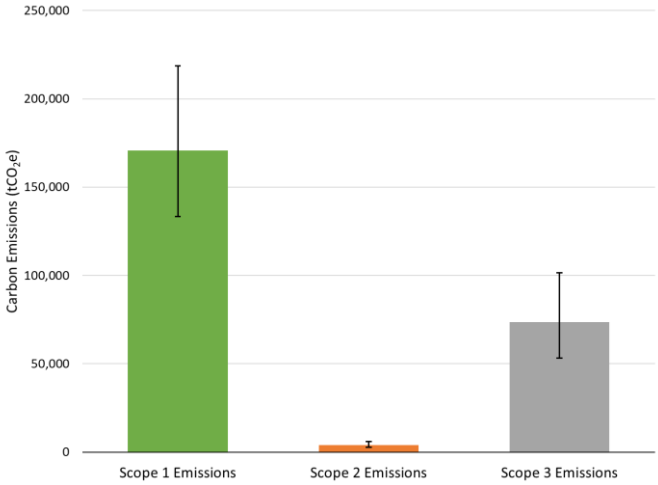

Figure 1 Estimated uncertainty of input components of Western's emissions for 2023. Error bars represent 95% confidence intervals.

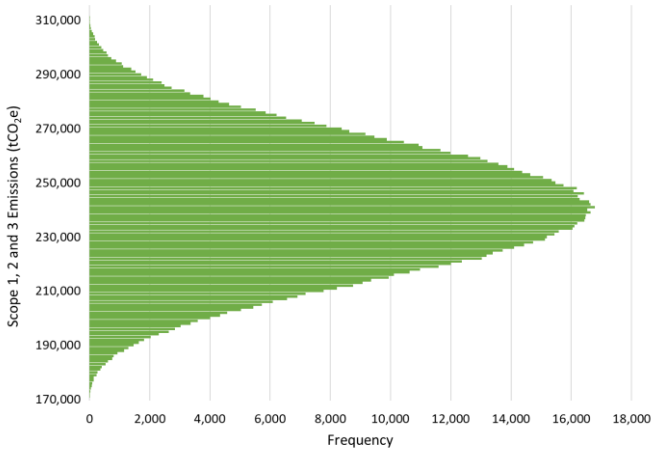

Figure 2 Histograms of Monte Carlo simulations of Western's emissions in 2023 considering the uncertainty of the estimates.

4. REDUCING OUR CARBON FOOTPRINT

Western is committed to identifying opportunities to reduce our carbon footprint. In 2023, we diverted 45,736 cubic metres ("m^3") of post-harvest residue that would have otherwise been burned in slash piles to Atli Chip to be converted into fibre for coastal pulp and paper facilities. This is estimated to have reduced our direct carbon emissions by 5,023 tCO_2e. As slash pile burning is one of our biggest sources of direct emissions, we plan to continue to identify opportunities to utilize forest residues to reduce emissions.

In 2023, we replaced eight 20+ year-old natural gas furnaces at our Saanich tree nursery with high efficiency furnaces that reduce our carbon emissions and provide operational cost savings. Also at the Saanich tree nursery, we installed six inflation fans in the greenhouses which reduced heating requirements, further reducing our carbon emissions.

Across our timberlands, we switched the type of engine oil used in all heavy equipment, which reduced fuel consumption by an estimated 130,427 litres in 2023, decreasing emissions by an estimated 353 tCO_2e.

We expect the impact of these measures to be reflected in out future carbon reporting.

5. GLOSSARY

Base year	Companies establish a base year from which all future carbon reporting is compared to. Western's base year is 2020.
Biogenic carbon	Carbon released from burning or decaying organic material.
Carbon flux	The transfer of carbon from one pool to another.
Carbon footprint	All the greenhouse gas ("GHG") emissions (both direct and indirect) and reductions associated with a specific product or activity. Synonymous with net carbon balance.
Carbon negative	Where the cumulative activities of a business result in a decrease in atmospheric carbon.
Carbon pool	Where carbon is stored.
Carbon sink	More carbon is sequestered than is released.
Carbon storage	Storing atmospheric carbon in a carbon pool.
CBM-CFS3	Carbon budget model for the Canadian Forest Sector. CBM-CFS3 is a stand- and landscape-level model to simulate the dynamics of all forest carbon stocks required under the United Nations Framework Convention on Climate Change.
CFS	Canadian Forest Service. Developers of CBM-CFS3
CO_2e	As GHGs are not equal in contributing to global warming, CO_2e is a common scale for all GHGs. For each GHG, CO_2e is the mass of CO_2 which would warm the earth as much as the mass of that gas.
Direct emissions	Emissions that a company generates while performing its business activities. Considered Scope 1 emissions.
Downstream emissions	Emissions that occur outside of the company's direct activities. Considered Scope 3 emissions.
GHG Protocol	The GHG Protocol is the most widely used GHG corporate accounting and reporting standard in the world.
Global warming potential ("GWP")	The heat trapping potential of each greenhouse gas relative to CO_2. Nitrous oxide ("N_2O") and methane ("CH_4") trap considerably more heat than carbon dioxide.
Greenhouse gas	A gas that contributes to the greenhouse effect by absorbing infrared radiation. They include CO_2, CH_4, N_2O, hydrochlorofluorocarbons ("HCFC"), hydrofluorocarbons ("HFC") and ozone ("O_3").
Indirect emissions	Upstream and downstream emissions that are a consequence of a company's operations but outside of their control.
IPCC	Intergovernmental Panel on Climate Change. The United Nations body for assessing the science related to climate change.
$ktCO_2e$	kilotonne of CO_2 equivalent.
Scope 1 emissions	Direct emissions that a company generates while performing its operations.
Scope 2 emissions	Indirect emissions resulting from the production of purchased energy.

Scope 3 emissions	Indirect emissions (not accounted for in Scope 2 emissions) that are a consequence of a company's operations but outside of their control.
Sequestration	The process of capturing and storing atmospheric carbon.
Slash pile/pile burn	Waste wood from harvest that is burned to reduce the risk of wildfire.
tCO_2e	tonne of CO_2 equivalent. A standardized unit to compare the impacts of various GHGs on the atmosphere.
Upstream emissions	Emissions that occur upstream of a company's supply chain. Considered Scope 3 emissions.
USEPA	United States Environmental Protection Agency.
Yield curves	Statistical curves that predict the volume of a stand at a specific point in time, given initial conditions.

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APPENDIX 1: CARBON ACCOUNTING METHODOLOGY

ORGANIZATIONAL BOUNDARY

The organizational boundary was the operations of Western Forest Products Inc. ("Western"). This included all of Western's public tenures and private lands, all purchased volume, all manufacturing facilities within Canada and the United States ("US"), and the activities of wholly owned or majority-owned Limited Partnerships, including Cʼawak ʔqin ("Tsawak-qin") Forestry Limited Partnership. Emissions information was consolidated using the control approach described in the GHG Protocol. Outside of the organizational boundary were joint ventures that Western is a party to.

SCOPE

The methodology for carbon emissions and removals for land-based activities in the GHG Protocol is under review, with updated guidance in draft form (WRI, 2022). Given the uncertainty that this introduces to carbon accounting practices and reporting, the scope was limited to all supply chain activities and products through to the point of sale. This is a material change to our prior year reporting and is limited to:

- Scope 1 – Direct emissions.
- Scope 2 – Indirect emissions from energy purchases.
- Scope 3 – Significant indirect fossil fuel emissions from supply chain activities.

As a result of this change, Scope 3 emissions from the point of sale to product end of life, net forest ecosystem carbon, net change in carbon stored in wood products, net change in landfill carbon storage, and product substitution effects were out of scope.

EXCLUSIONS

The project did not account for carbon associated with:

- Energy consumption at certain office locations, that are separate from our operating locations, on the basis of immateriality.

The following Scope 3 emissions outlined in the GHG Protocol Scope 3 Accounting and Reporting Standard (WRI, 2015) were excluded on the basis of immateriality, both from an individual and cumulative basis:

- Purchased goods and services – The upstream emissions associated with the production and transportation of fertilizer and herbicide.
- Business travel – All business travel other than that conducted using company owned vehicles.
- Employee commuting – All employee commuting, other than that conducted using company owned vehicles.
- Upstream leased assets – These are an insignificant portion of Western's business.
- Downstream leased assets – These are an insignificant portion of Western's business.
- Franchises – Western does not operate any franchises.
- Investments – These are an insignificant portion of Western's business.

DATA USED

The organizational carbon accounting was based on the best available information. Where possible, data linked to financial reporting and audited financial statements was used.

Primary data sources used were:

- Western's forest inventory, which is updated annually to account for forest growth and depletions from harvesting, and wildfire.
- Invoiced fuel purchases including natural gas, diesel and gasoline.
- Invoiced electricity usage for manufacturing facilities.
- Invoiced costs for transportation of logs from dryland sorts.
- Number of seedlings planted by operation from internal recordkeeping systems.
- Transportation distances from nurseries to company operations and from mills to port of origin from publicly available online mapping systems.

- Transportation distances from company operations offices to cut blocks from Western's geographic information systems ("GIS") road layer.
- Sales data of volumes transported from mill to point of sale, by transport mode and species.

Secondary data sourced used were:

- Emissions factors from published sources.

BASE-YEAR

Western continued to use a base-year of 2020 for GHG accounting. In 2022, we updated our base-year carbon accounting to use the expanded organizational boundary and updated data and assumptions to ensure alignment with subsequent years. This year, we have further updated our base-year and subsequent years to account for the change of scope from the product end of life to point of sale, allowing for a direct comparison of year-over-year changes.

Future changes to reporting year-over-year are expected for many reasons as GHG accounting and reporting in the supply chain matures. Updates to previous years' reporting could be required due to changes or improvements to methodologies, activity data or emission factors, or scope. Changes or improvements, including changes to the organizational boundary that result in changes in total gross Scope 1, 2 and 3 emissions greater than 5% will result in restating previous years' emissions.

For material changes in emissions related to the above, restatement will follow the "Base year recalculation methodologies for structural changes" outlined in Appendix E to the GHG Protocol Corporate Accounting and Reporting Standard (WRI, 2004). For boundary expansion or improvements to reporting for business units in the supply chain, restatements will follow the "all year" approach by weighting the current year emissions and restating by the previous year's production compared to the current year. For any acquisitions or divestitures, the "pro-rata" approach will be used. Given the material change in scope in this year's reporting, all reported emissions from the base year to the current year, have been recalculated with the new defined scope.

MODELS AND ASSUMPTIONS

The following models and assumptions were used in this report. Further details are outlined in Appendix 2 and Appendix 3.

Forest Ecosystem

To estimate carbon stocks from the forest ecosystem, the operational scale Carbon Budget Model of the Canadian Forest Sector ("CBM-CFS3") was used (Kurz, et al., 2009). This model was derived by the carbon accounting team at the Canadian Forest Service and follows the assumptions and methods established by the IPCC (IPCC, 2003). This is the same model used for Canada's National Inventory Reporting (Environment and Climate Change Canada, 2023). The forest ecosystem carbon includes carbon sequestration from growth, carbon loss from decaying organic material, and the transfer of carbon into harvested wood products. The model is driven by yield curves to track and calculate carbon stocks and fluxes in various carbon pools in forest ecosystems. Yield curves were developed using the British Columbia ("BC") provincial growth models: Table Interpolation Program for Stand Yields ("TIPSY") and Variable Density Yield Projection ("VDYP") (Province of British Columbia, 2023a & 2023b).

Scope 1: Direct Emissions

Direct emissions were determined from the following sources:

- Heavy machinery utilized in road building, harvesting, and log hauling from Western's tenures. This work is undertaken by a mix of contractor and company crews. The two are reported together under Scope 1 rather than split between Scope 1 and Scope 3 due to the way the data was collected.
- Mobile equipment used at Western's mills and dryland sort yards.
- Light duty vehicles.
- Boom boats.
- Natural gas used at Western's manufacturing facilities.

- Slash pile burning methane ("CH_4") and nitrous oxide ("N_2O") emissions from Western's tenures were based on waste surveys, wood densities (Gonzalez, 1990) and emission proportions by GHG (Kurz, et al., 2009).
- Truck transportation from mills to point of sale.

Scope 2: Indirect Emissions from Energy Purchases

- Electricity consumption at manufacturing facilities follows reporting from the GHG Protocol Scope 2 Guidance (WRI, 2015). Location-based reporting was used as Western does not buy market instruments and this would result in the same reported values as market-based reporting for Western's supply chain.

Scope 3: Indirect Emissions from Supply Chain Activities

- Emissions associated with harvest, primary transportation and slash pile burning (CH_4 and N_2O) for purchased logs from non-Western tenures.
- Transportation of logs to manufacturing facilities by barge and tugboat.
- Emissions associated with the extraction, production and transportation of capital goods.
- Custom cutting of logs and third-party kiln drying.
- Emission associated with contractor helicopter use to acquire LiDAR data.
- Emissions associated with upstream fuel production.

Scope 3 emissions were calculated using Western data on product volumes combined with published fuel use estimates for suppliers and other parts of the value chain.

Upstream distribution emissions

Upstream distribution emissions were based on internal data of the volume shipped to mill by truck, species mix and a carbon calculator to estimate truck emissions (CarbonCare, 2023).

Upstream fuel production

Upstream fuel production emissions were based on all fuel consumed in Scope 1 and 2. These emissions were estimated using the Scope 3 calculator provided by the National Council for Air and Stream Improvement ("NCASI") (NCASI, 2023).

Biogenic CO_2 Emissions

Biogenic CO_2 emissions from burning slash piles from Western's operations and from purchased logs were estimated using wood densities determined by the Canadian Forest Service (Gonzalez, 1990) and used assumptions of the proportion of carbon released as CO_2, CH_4 and N_2O (Kurz, et al., 2009).

Uncertainty Analysis

To estimate the impact of input uncertainty on the findings of this report, a qualitative analysis was conducted following guidance in the GHG Protocol (Appendix 6). The GHG Protocol Uncertainty Calculation Tool (WRI, 2023) outlines several categories used to rank the data, factors, and assumptions. The categories include reliability, completeness, temporal representativeness, geographic representativeness, and technological representativeness. One of four rankings (poor, fair, good, very good) is assigned to the representativeness of the activity data and the representativeness of the assumptions and emissions factors. The activity data refers to the primary information used as an input to estimate carbon emissions and the emission factors are the factors used to convert to tCO_2e. Each of these rankings get a score which is then used in calculating the overall uncertainty.

The assigned rankings were determined based on a considered understanding of the data, assumptions and emission factors used. Western intends to continue to monitor the science around this and other assumptions that are used in our carbon accounting and update our methodology as required.

APPENDIX 2: METHODOLOGY FOR SCOPE 1, 2 AND 3 EMISSIONS

Scope	Description	Methodology	Reference
1	Light-duty vehicles	Fuel expenses from light-duty vehicles by operation were obtained from internal recordkeeping systems. Light-duty vehicles account for surveys, planning, layout, engineering, silviculture activities, monitoring and some commuting (excluding commuting in private vehicles). Fuel usage was converted to emissions using a factor of 2.317 $kgCO_2e/L$	Environment and Climate Change Canada, 2023, Table A6.1-14
1	Harvesting equipment	Emissions associated with mobile harvesting equipment from within Western tenures (feller-bunchers, chainsaws, grapple yarders, skidders, super-snorkels, log loaders) was estimated using a fuel factor derived from an average of all five Western Forest Products CSA Defined Forest Area's from data gathered for the 2023 reporting period. The factor is 15.10 $kgCO_2e/m^3$	
1	Transport of logs from cut block to dryland sort	Emissions associated with hauling logs was estimated using a fuel factor derived from an average of all five Western Forest Products CSA Defined Forest Areas from data gathered for the 2023 reporting period. The factor is 15.10 $kgCO_2e/m^3$.	
1	Land and water sorting of logs at dryland sort.	The number of litres of fuel for mobile equipment and boom boats by dryland sort were obtained from internal recordkeeping systems. Fuel usage for two dryland sorts where data was not available were estimated by pro-rating the log volume processed in 2023 compared to the dryland sorts where data was available. Fuel usage was converted to emissions using a factor of 2.708 $kgCO_2e/L$ for diesel for machinery, 2.500 $kgCO_2e/L$ for biodiesel and a factor of 2.708 $kgCO_2e/L$ for boats	Environment and Climate Change Canada, 2023, Table A6.1-14
3	Transport of logs from dryland sort to internal and external manufacturing facilities	Annual expenses to transport logs from dryland sorts to internal and external manufacturing facilities by third-party barge and tugboat was obtained from internal recordkeeping systems. Fuel expenses were estimated at 35% of the total expense, based on an internal analysis. Fuel expenses were converted to litres using the average annual wholesale diesel price in 2023 in Vancouver, BC. Fuel usage was converted to emissions using a factor of 2.708 $kgCO_2e$ /L for marine, unmixed diesel.	Environment and Climate Change Canada, 2023, Table A6.1-14
3	Log purchases	Emissions associated with the purchase of logs were calculated by determining the emissions per cubic metre from Western tenures of all activities upstream from manufacturing facilities (light duty vehicles, harvesting, transport) and multiplying this by the volume purchased.	
3	LiDAR acquisition	Emissions associated with the acquisition of LiDAR were calculated by determining the number of flight hours from the vendor, the average fuel use per hour of the helicopter, and the average CO_2e emissions of aviation gas.	United States Forest Service ("USFS"), 2021
1	Mobile equipment at manufacturing facilities	The number of litres of fuel consumed at manufacturing facilities was obtained from internal recordkeeping systems. This was converted to CO_2e emissions using a factor of 2.329 $kgCO_2e/L$ for heavy duty unmixed gasoline, a factor of 2.708 $kgCO_2e/L$ for heavy duty diesel and 1.539 $kgCO_2e/L$ for propane.	Environment and Climate Change Canada, 2023, Table A6.1-14
1	Natural gas at manufacturing facilities	Natural gas usage at manufacturing facilities was obtained from invoices. This was converted to CO_2e emissions using the Western Climate Initiative methodology.	WCI, 2011, Table 20a, Table 20-4
2	Energy use at manufacturing facilities	Energy usage at manufacturing facilities is sourced from hydroelectricity. From invoices, emissions emitted from BC Hydro were estimated using a factor of 11.3 tCO_2e/GWh for 2023. The hydro emissions for mills located in Washington state were estimated with a factor of 289.8 tCO_2e/GWh for 2023.	Ministry of Environment & Climate Change Strategy, 2023; USEPA, 2023
3	Emissions at custom cutting facilities	Volumes of logs consumed at custom cut mills was obtained from internal recordkeeping systems. Emissions were estimated by pro-rating the emissions from Western mills on a per cubic metre of log consumption basis.	
3	Emissions at third-party kiln drying facilities	Volumes of lumber processed at third-party kilns was obtained from internal recordkeeping systems. Emissions were estimated by pro-rating the emissions from Western kilns on a per thousand board feet of lumber basis.	

Scope	Description	Methodology	Reference
1	Distribution of lumber to point of sale – trucking	Production volumes of lumber by manufacturing facility, point of sale, and species were obtained from internal recordkeeping systems. The distance travelled for lumber from each mill to the point of sale via trucks was summed and emissions estimated using the Carbon Care emissions calculator. Scope 1 includes trucking emissions.	CarbonCare, 2023
1	Transport of seedlings from nursery to block.	The number of seedlings planted in 2023 by operation and season was obtained from internal recordkeeping systems. Distances from nursery to operation office was determined from online mapping software and converted to number of trips based on whether the seedlings were on pallets or not. Distances from offices to cut blocks planted in 2023 was determined using Western's proprietary GIS road data. The number of trips from office to cut block was based on an average planting rate and the average crew size per pickup. Fuel use was calculated based on average fuel consumption for a 2014 Ford F-150. Fuel consumption was converted to emissions using a factor for heavy duty trucks of 2.708 $kgCO_2e/L$, and an emission factor of 2.317 $kgCO_2e/L$ for light-duty pickup trucks. For heli-blocks, fuel usage was calculated based on average fuel consumption for a Bell 206L-4 passenger and an emission factor of 2.394 $kgCO_2e/L$ for AvGas.	Environment and Climate Change Canada, 2023, Table A6.1-14
3	Upstream emissions associated with fuel production	A Scope 3 calculator created by the National Council for Air and Stream Improvement was used to estimate these emissions. A total fuel usage of Scope 1 fuels, energy used, and Scope 2 energy use were used as inputs.	NCASI, 2023
3	Emissions associated with capital goods	2023 capital goods were sourced from Western's 2023 Annual Report and converted to USD using the 2023 Bank of Canada exchange rate. Emission factors with margins (per USD) was sourced from the USEPA. Factors used were those specified for "Machinery for the paper, textile, food or other industries (except semiconductor machinery)" from 2018.	USEPA, 2020
Disclosed separately	Biogenic CO_2 emissions	Emissions associated with burning harvesting residue in slash piles and burning hog fuel was estimated using wood densities and assumed the proportion of carbon released as CO_2, CO, CH_4 and N_2O.	Gonzalez, 1990; Kurz, et al., 2009

APPENDIX 3: CONVERSION FACTORS USED FOR CALCULATING EMISSIONS

Scope	Emission category	Fuel Type	CO_2 (kg/L)	CH_4 (kg/L)	N_2O (kg/L)	CO_2e (kg/L)
1	Dryland Sort [a]	Heavy Duty/ Diesel/Moderate Control	2.681	0.00014	0.000082	2.708
		Marine/Diesel	2.681	0.00025	0.000072	2.708
		Biodiesel	2.472	0.00014	0.000082	2.500
	Mill Mobile Equipment [a]	Heavy Duty/Gasoline/ Non-Catalytic Controlled	2.307	0.00029	0.000047	2.329
		Heavy Duty/ Diesel/Moderate Control	2.681	0.00014	0.000082	2.708
		Propane Vehicles	1.515	0.00064	0.000028	1.539
	Planting [a]	Heavy Duty/Diesel/Moderate Control	2.681	0.00014	0.000082	2.708
		Light-Duty Truck/Gasoline/Tier 2	2.307	0.00014	0.000022	2.317
		Aviation Gasoline	2.325	0.00219	0.00023	2.394

Scope	Emission category	Fuel Type	CO_2 (kg/GJ)	CH_4 (g/GJ)	N_2O (g/GJ)
1	Mills [b]	Natural Gas	63.29	0.966	0.861
	Nursery [b]	Natural Gas	63.29	0.966	0.861

Scope	Emission category	2023 CO_2e (kg/m^3)
1	Forest Operations [c]	15.10

Scope	Emission category	CO_2e (kg/1000kg/km) (WTW)
1	Distribution [d]	0.10

Scope	Emission category	Fuel Type	2023 USA CO_2e (t/GWh)	2023 BC CO_2e (t/GWh)
2	Hydro [e]	Hydroelectricity	289.8	11.3

[a] Factor taken from Environment and Climate Change Canada, 2023, Table A6.1-14
[b] Factor taken from Western Climate Initiative, Inc. 2011, Table 20a, Table 20-4
[c] Fuel factor derived from a mix of fuels compiled by Western
[d] Factor taken from CarbonCare, 2023, CO_2 emissions calculator
[e] Ministry of Environment & Climate Change Strategy, 2023 and USEPA, 2023b

Gas Type [f]	Global Warming Potential (GWP) 100
CO_2	1
CH_4	25
N_2O	298

[f] GWP (IPCC, 2007, Table 2.14)

APPENDIX 4: CALCULATED EMISSIONS FOR SCOPES 1 & 2

Scope	Emission Category	Fuel Type	Consumed (L)	CO_2 (t)	CO_2 (tCO_2e)	CH_4 (t)	CH_4 (tCO_2e)	N_2O (t)	N_2O (tCO_2e)	Total (tCO_2e)
1	Dryland Sort	Marine Diesel unmixed	419,626	911.2	911.2	0.0856	2.141	0.0245	7.292	920.7
		Heavy Duty Diesel unmixed	1,404,074	3764	3764	0.1966	4.914	0.1151	34.31	3803
		BioDiesel	184,256	455.5	455.5	0.0258	0.6449	0.0151	4.502	460.7
	Mill Mobile Equipment	Heavy Duty Gasoline unmixed	52,158	119.2	119.2	0.0150	0.3745	0.0024	0.7236	121.5
		Heavy Duty Diesel	1,415,288	4582	4582	0.2393	5.983	0.1402	41.77	3833
		Propane	2,089	10.48	10.48	0.0044	0.1107	0.0002	0.0577	34.54
	Planting	Heavy Duty Diesel unmixed	4,410	11.45	11.45	0.0006	0.0150	0.0004	0.1044	11.94
		Light-Duty Truck Gasoline unmixed	11,247	28.13	28.13	0.0017	0.0427	0.0003	0.0799	26.06
		Aviation Gas	6,160	23.89	23.89	0.0225	0.5624	0.0024	0.7041	14.75

Scope	Emission category	Fuel Type	Consumed (GJ)	Consumed (m^3)	CO_2 (t)	CO_2 (tCO_2e)	CH_4 (t)	CH_4 (tCO_2e)	N_2O (t)	N_2O (tCO_2e)	Total (tCO_2e)
1	Mills	Natural Gas	520,432	8,353,752	30,382	30,382	0.464	11.6	0.413	123	30,517
	Nursery	Natural Gas	7,589	193,527	480	480	0.0073	0.183	0.0065	1.95	483

Scope	Emission category	Consumed (m^3)	Total (tCO_2e)
1	Forest Operations	3,255,268	49,169

Scope	Emission category	Distance (km)	Weight (t)	Total (tCO_2e)
1	Distribution	8,318	305,354	2,593

Scope	Emission category	Fuel Type	Consumed (kWh)	Total (tCO_2e)
2	BC Hydro	Hydroelectricity	82,311,910	3,971

APPENDIX 5: INCLUDED EMISSIONS BY SCOPE

Scope 1	2023 tCO_2e
Dryland Sort	5,184
Nursery	482
Mills	30,517
Mill Mobile Equipment	3,989
Forest Operations	49,169
Slash Pile Burning (not including CO_2)	79,170
Planting	53
Distribution	2,593
Total	**171,157**

Scope 2	2023 tCO_2e
Hydro Consumption	3,971
Total	**3,971**

Scope 3	2023 tCO_2e
Water Sorting	800
Upstream Fuel Production	21,869
Custom Cutting	203
Custom Cut Drying	1,075
Barging or Towing	23,935
Capital Goods	8,027
Forest Operations Purchased Logs	7,069
Slash Pile Burning Purchased Logs (not including CO_2)	10,491
LiDAR Acquisition	70
Total	**73,539**

Biogenic CO_2	2023 tCO_2e
Slash Pile Burning WFP	521,988
Slash Pile Burning Purchased Logs	69,172

APPENDIX 6: UNCERTAINTY CALCULATION MATRIX

Representativeness of Activity Data

Inventory Type	Reliability	Completeness	Temporal	Geographic	Technological
Forest Operations	Good	Good	Very Good	Very Good	Good
Barging & Towing, Burleith Sort	Good	Very Good	Very Good	Very Good	Fair
Capital Goods	Good	Good	Very Good	Very Good	Fair
Custom Cutting/Drying	Good	Good	Very Good	Very Good	Good
Distribution Scope 1	Good	Good	Very Good	Very Good	Good
Dryland Sort	Very Good	Good	Very Good	Very Good	Good
Electricity Consumption	Very Good	Very Good	Very Good	Very Good	Good
Mobile Mill Equipment	Very Good	Very Good	Very Good	Very Good	Good
Natural Gas Consumption	Very Good	Very Good	Very Good	Very Good	Good
Upstream Fuels and Electricity	Good	Good	Very Good	Very Good	Fair
Burn Emissions WFP tCO_2e (not including CO_2)	Good	Good	Very Good	Very Good	Good
Slash Pile Burning Purchased Logs Other Gases (Canada and US)	Fair	Good	Very Good	Very Good	Good
Planting	Good	Good	Very Good	Very Good	Good
Forest Operations for Purchased Logs	Fair	Good	Very Good	Very Good	Good

Representativeness of Assumptions and Emission Factors

Inventory Type	Reliability	Completeness	Temporal	Geographic	Technological
Forest Operations	Good	Good	Good	Good	Good
Barging & Towing, Burleith Sort	Good	Very Good	Very Good	Good	Fair
Capital Goods	Good	Very Good	Good	Fair	Fair
Custom Cutting/Drying	Good	Fair	Very Good	Very Good	Good
Distribution Scope 1	Good	Good	Very Good	Good	Good
Dryland Sort	Good	Good	Very Good	Very Good	Good
Electricity Consumption	Good	Good	Very Good	Good	Good
Mobile Mill Equipment	Good	Very Good	Very Good	Very Good	Good
Natural Gas Consumption	Good	Very Good	Very Good	Good	Good
Upstream Fuels and Electricity	Good	Fair	Good	Fair	Fair
Burn Emissions WFP tCO_2e (not including CO_2)	Good	Good	Very Good	Very Good	Good
Slash Pile Burning Purchased Logs Other Gases (Canada and US)	Fair	Good	Very Good	Good	Good
Planting	Good	Good	Very Good	Very Good	Good
Forest Operations for Purchased Logs	Fair	Good	Very Good	Good	Good

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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the Board of Western Forest Products (the "Entity")

We have undertaken a limited assurance engagement on certain subject matter information of Western Forest Products, included in the accompanying 2023 Carbon Accounting Report (the "Report"), for the year ended December 31, 2023, as described in the table below.

The scope of our limited assurance engagement, as agreed with management, comprises the following performance metrics (collectively, the "Subject Matter Information") and criteria:

Subject Matter Information	Reported amount and units	Page number in the Report	Applicable criteria
Total Emissions	248,668 Tonnes CO_2e	Page 4	• The World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard Revised Edition; • GHG Protocol Scope 2 Guidance, An amendment to the GHG Protocol Corporate Standard; • The Corporate Value Chain (Scope 3) Accounting and Reporting Standard as applicable to Scope 3 emissions and, • Internally developed guidelines described in the Report.
Biogenic emissions	591,160 Tonnes CO_2e	Page 4	

Other than as described in the preceding table, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

There are no mandatory requirements for the preparation or presentation of the Subject Matter Information. As such, the Entity has applied the criteria described under the applicable criteria in the table above, in calculating the reported amounts including their own internal reporting guidelines and definitions which can be found within the Report (collectively the "Applicable Criteria").

Management's Responsibility

Management is responsible for the preparation and presentation of the Subject Matter Information in accordance with the Applicable Criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining the Entity's objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by the Entity in preparing the Subject Matter Information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- Evaluated the suitability of the Entity's use of the criteria, as the basis for preparing the Subject Matter Information in the circumstances;
- Through inquiries, obtained an understanding of the Entity's control environment, processes and systems relevant to the preparation of the Subject Matter Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Inquired with relevant staff at the corporate and site level to understand the data collection and reporting processes for the Subject Matter Information;
- Evaluated whether the Entity's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Entity's estimates;
- Inquired of management regarding key assumptions and, where relevant, the re-performance of calculations on a sample basis;
- Inspected a limited number of items to or from supporting records, as appropriate; and,
- Considered the presentation and disclosure of the Subject Matter Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant Inherent Limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the Applicable Criteria, may change over time. It is important to read the Entity's reporting methodology disclosed in the Report.

Emphasis of Matter

As discussed in the footnotes to Table 2 and Table 3 of the Report, the 2022, 2021 and 2020 scope 3 emissions and total biogenic emissions have been restated to reflect the change in scope of reporting from product end of life to point of sale. Our conclusion is not modified in respect of this matter.

Other Matter

We have not been engaged to, and therefore do not, provide any assurance in respect of the restatements to the 2022, 2021 and 2020 scope 3 emissions and total biogenic emissions discussed in the footnotes to Table 2 and Table 3 of the Report. Our conclusion is not modified in respect of this matter.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the Entity's Subject Matter Information for the year ended December 31, 2023, is not prepared, in all material respects, in accordance with the Applicable Criteria.

Our conclusion on the Subject Matter Information does not extend to any other information, reports or documents that accompany, are presented with, or contain the Subject Matter Information and our assurance report.

Restriction on Use

Our report is intended solely for use by Western Forest Products Inc. for the purpose set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by Western Forest Products Inc. in the 2023 Carbon Accounting Report, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 4, 2025

Vancouver, Canada