

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

About Western Forest Products

Western Forest Products Inc. and its subsidiaries (“Western” or the “Company”) is an integrated forest products company that supplies high-quality wood products and sustainably manages forests. With operations and employees located primarily on the coast of British Columbia and Washington State, Western fulfills the needs of our customers worldwide with a high-value specialty wood products focus and diverse product offering.

Our Vision

Our sustainable future, built with renewable products.

Our Core Values

- **Build a Better World:** we invest in safety, people, stewardship and community.
- **Be Entrepreneurial:** we generate human, ecological and customer value.
- **Lead by Example:** we grow and adapt, operate with integrity, and are accountable for our actions.

Upholding the Code of Conduct

This Code of Conduct (“the Code”) applies to all directors, officers and employees (“Western Representatives”) of Western. All Western Representatives must read, understand and comply with the Code. Agents and independent contractors performing work or representing Western to the public must adhere to our Core Values and the general spirit of the Code.

The Human Resources department is responsible for administration of the Code. Any exemptions to the Code require a written waiver submitted to and approved in advance by the Senior Vice President Human Resources and Corporate Affairs. Any waiver for officers or directors must be submitted to the Vice President, General Counsel and Corporate Secretary and approved in advance by the Board of Directors and may be disclosed publicly if required by securities legislation.

Guidance and Reporting Mechanisms

This section provides guidance to support your decision-making process in complying with the Code. Reporting mechanisms for any Western Representatives reporting a potential violation of the Code are also outlined under “Western Representatives Obligation to Report”.

Guidance in Decision Making

Western recognizes that the Code provides general guidance and principles on which Western Representatives should base decisions, rather than a detailed list of rules to address every possible situation.

While values and ethics should guide your decision making, Western Representatives are strongly encouraged to seek guidance in advance of taking action when they feel uncomfortable or unsure about compliance with the Code. Guidance should be sought from any of the individuals listed below.

Western Representatives Obligation to Report

If you observe or have any reason to believe that someone has violated the Code, you have an obligation to immediately report the information by:

- discussing the concern with your supervisor or a member of the Human Resources Department;
- discussing the concern with the President and Chief Executive Officer, the Chief Financial Officer, the Senior Vice President, Human Resources and Corporate Affairs, or the Vice President, General Counsel & Corporate Secretary; and/or,
- anonymously reporting the concern via our confidential ethics hotline at 1-866-895-4113.

Western's Obligation to Investigate and Respond and Prohibition on Retaliation

Western will thoroughly investigate any report made under the Code. All reported incidents are reviewed by the Audit Committee of the Board of Directors on a quarterly basis. Report and investigation details are not publicly released, and the Company does not tolerate acts of retaliation (including demotion, discipline or discrimination) against any Western Representative that raises concerns in good faith.

Consequences of Violations of the Code

Compliance with the guiding principles of the Code is mandatory for all Western Representatives. If it is determined that a Western Representative is in violation of the Code, the Company's Board of Directors or executive management may take such disciplinary action as it determines appropriate, up to and including termination.

CORE PRINCIPLES

Complying with Laws and Regulations

Western and Western Representatives will comply with the letter and the spirit of all applicable laws, rules and regulations in the jurisdictions that the Company operates in. Our reputation is critical to our continued ability to operate as a business and any illegal or unethical conduct is unacceptable.

Our business is subject to a number of significant laws and regulations, and the following areas are particularly relevant to Western Representatives:

- **Health and Safety:** Contributing to a safe and healthful work environment is the shared responsibility of every member of the Western team. Western Representatives are expected to comply with all applicable health and safety laws and regulations and Company policies, procedures and safety standards. For more guidance, please see Western's *Health & Safety Policy*.
- **Environmental & Forestry Legislation:** Western is committed to preserving and enhancing the environment and forests in which we operate by complying with applicable laws and

regulations and responsible business practices. Western Representatives are encouraged to identify and address issues of environmental concern in all aspects of our operations. For more guidance, please see Western's *Environmental Policy*.

- **Human Rights Legislation:** Every person has the right to equal treatment without discrimination, harassment or retaliation with respect to employment. Western is committed to providing a workplace free of harassment, violence and discrimination and has no tolerance for anything less than fair and equal treatment for all. For more guidance, please see Western's *Human Rights Policy and Bullying & Harassment Policy*.
- **Modern Slavery Legislation:** Western respects and abides by all labour and employment laws. Western does not engage in or require any compelled, involuntary or forced labour or child labour and expects our contractors and other parties whom we do business with to meet the same standards.
- **Anti-trust/Competition Legislation:** Western and Western Representatives must make decisions on the basis of the Company's best interests, and must do so independent of competitors. You generally cannot enter into agreements that have the impact of restricting competition or discuss pricing, product/market strategy, customers or other sensitive information with competitors. For more guidance, please see Western's *Antitrust Compliance Policy* and ensure that you obtain approval from the Vice President, General Counsel & Corporate Secretary as required.
- **Anti-corruption Legislation:** All Western Representatives must comply with all laws, regulations and ethical standards of business conduct and, except as specifically permitted by law, no Western funds shall be used to make contributions or payments to candidates or causes. The *Corruption of Foreign Public Officials Act (Canada)* and the *Foreign Corrupt Practices Act (United States)* each address the following two issues: (a) improper payments made by multi-national companies to foreign officials; and (b) improper record-keeping and accounting engaged by reporting companies. Please see the *Anti-Bribery and Anti-Corruption Policy* and *Lobbying Policy* for further guidance.
- **Securities Legislation:** Western Representatives may not buy or sell or recommend that others buy or sell Company securities while in the possession of material non-public information regarding the Company. Western Representatives are also prohibited from disclosing material information about the Company that the Company has not yet generally disclosed to the public. For more guidance, please see Western's *Insider Trading Policy* and *Disclosure Policy*.

AVOIDING CONFLICTS OF INTEREST

Generally, a conflict of interest exists when an individual's personal conduct, interests or financial dealings are not (or appear not to be) in line with the interests of the Company. A conflict of interest also exists when the interests of an individual's family member or other close personal connection are not (or appear not to be) in line with those of the Company.

In such scenarios, Western Representatives may find their judgement is, actually or apparently, impaired in the performance of their responsibilities objectively and in the best interests of the Company. The existence or perception of a conflict of interest can be damaging to the Company and undermine the confidence of fellow Western Representatives, customers, suppliers, investors, other stakeholders and the general public.

All Western Representatives have an obligation to be free of conflicting interests when they represent Western in business dealings or when they are making recommendations that could affect Western decisions.

Some examples of potential conflicts of interest include:

- Financial Interests - When a Western Representative who is able to influence the Company's business has (or person with a close personal relationship with such Western Representative has) a financial interest in a competitor of Western, or an enterprise that has current or prospective business with Western as a supplier or contractor.
- Third Parties - When an employee has a role with a competitor or supplier of Western. A conflict may also exist when a Western Representative performs work or services for another business or organization to such an extent that they do not devote the necessary time and effort to his or her responsibilities with Western.
- Relationships with Customers, Suppliers or Contractors - A conflict may arise when a Western Representative accepts any gift or favour of greater than nominal value from any person or organization who is or may become a customer, supplier or contractor of Western that may unduly influence a business decision
 - Personal workplace relationship – Be in a supervisory, subordinate, or control relationship (e.g. having influence over conditions of employment) with closely related persons. Be involved in any hiring decisions regarding closely related persons (including internal/external hiring and internal transfers).

The role and responsibilities of a Western Representative may change over time. Accordingly, Western Representatives are responsible to re-examine their individual situations and work responsibilities on a regular basis to avoid becoming involved in a conflict of interest where no such conflict previously existed. If you are unsure if a situation you may be involved in constitutes a conflict of interest, please contact your supervisor or your Human Resources Business Partner for clarification. For further guidance please see Western's *Conflict of Interest Policy*.

CONFIDENTIALITY

Western Representatives must protect the confidentiality of information entrusted to them by the Company, its customers, suppliers or partners, and hold such information in the strictest of confidence.

Confidential information includes, but is not limited to, all non-public information that might be of use to the Company's competitors or harmful to the Company or its customers, suppliers or partners if disclosed and may include (but is not limited to) trade secrets, patents, trademarks and copyrights, business, marketing and service plans, engineering and manufacturing ideas, designs, databases, customer lists and contact information, records, employee personal information, and any unpublished financial data and reports. The foregoing list is not exhaustive.

In situations where a Western Representative believes there is a legitimate business reason to share confidential information with a third party, such Western Representative shall engage the Company's legal department who can advise on the appropriate protection to be afforded to such information. In any case, the Vice President, General Counsel and Corporate Secretary (either directly or indirectly through the legal department) must be consulted with prior to any external disclosure of confidential information.

The Company respects the confidential information and proprietary rights of the third parties with whom we do business with. Western Representatives must respect all agreements restricting the Company's use of confidential information and proprietary information of others.

Western Representatives may provide the Company with their personal information. This information is protected under the relevant privacy legislation and the Company's *Privacy Policy*. Western Representatives with access to personal information must familiarize themselves with the *Privacy Policy* and maintain the confidentiality of the personal information entrusted to them, except where disclosure is authorized under the *Privacy Policy* or as required by law or regulation provided that, in all cases, the Privacy Officer must be informed prior to the disclosure.

The obligation to maintain the confidentiality of confidential information continues even after the Western Representative's employment relationship with Western ends.

ETHICAL CONDUCT

Fair Dealings: Every Western Representative must deal fairly with Western's security holders, customers, suppliers, contractors, employees and anyone else with whom they have contact in the course of performing their job. Western is committed to encouraging a work environment in which everyone is treated with respect and dignity. All Western Representatives are to conduct themselves in a manner that promotes equal opportunity and prohibits discrimination, including harassment of any kind. No Western Representative may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair dealing practice

Integrity of Accounting Practices and Records: Western takes the accuracy of its financial records and statements very seriously. Accuracy and reliability in preparing business records is critically important to the Company's decision making and to the proper discharge of our financial, legal, and reporting obligations. All business records, expense accounts, invoices, bills, payroll, and employee records are to be prepared with complete transparency and honesty, in keeping with Company policies and practices. False or misleading accounting entries or reports will not be tolerated and will result in discipline up to and including termination of employment.

Expense Reimbursement: Western Representatives may incur reimbursable business expenses in the course of their duties, commonly referred to as travel and entertainment expenses. In accordance with the *Employee Expense Policy*, such expenses must be documented and recorded accurately. If you are not sure if a potential expense is allowable, ask the supervisor that is also responsible for reviewing and approving your expense claims. False or misleading expense claims are not tolerated and will result in discipline up to and including termination of employment.

Use of Resources: Western Representatives are required to safeguard all Western resources and to use them for legitimate business purposes. Safeguarding includes protection against unauthorized or inappropriate use, access, or destruction—as well as protection from theft.

Reasonable incidental use of the Company's telephones, computers, email systems, or internet is allowed, provided it does not compromise Western's security, result in incremental cost to the Company or require the provision of additional resources.

In accordance with the *IT End User Responsibility* policy, technology resources are provided to Western Representatives to enable you to do your job. Western Representatives are responsible for the efficient use of Western's technology and are required to avoid situations that may drain the productivity of these resources or result in increased costs. Western Representatives should also

familiarize themselves with the *Social Media Policy* which sets out expectations and responsibilities for online behaviour.

Intellectual Property Ownership: Anything you develop, create, or author in your capacity as a Western Representative becomes the sole and exclusive property of the Company.

Right to Search: Western reserves the right to search its property to protect that property, information, or other assets and to maintain a safe work environment. This means that the Company may review and monitor your electronic communications, telephone records, and the contents of your computer, file cabinets, desk, locker, and office.

CONCLUSION

Thank you for taking the time to read and understand the Code. The Company will ensure the Code remains up to date and will inform Western Representatives of any significant changes. Western will also continue to monitor compliance with the Code and take steps to ensure all Western Representatives have an understanding of their obligations through an annual requirement to acknowledge compliance.