Risk Factors Comparison 2024-02-14 to 2023-02-21 Form: 10-K

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You should be aware that the occurrence of any of the events described in this Risk Factors section and elsewhere in this annual report on Form 10- K or in any other of our filings with the SEC could have a material adverse effect on our business, financial position, results of operations and cash flows. In evaluating us, you should consider carefully, among other things, the risks described below and the matters described in " Cautionary Statement Regarding Forward- Looking Statements. " BUSINESS AND OPERATIONAL RISK FACTORS Unplanned events may interrupt our manufacturing operations, which may adversely affect our business. The manufacturing of our products is subject to unplanned events such as explosions, fires, inclement weather, natural disasters, accidents, equipment failures, labor disruptions, transportation interruptions, supply interruptions, public health issues (including pandemics and quarantines), riots, civil insurrection or social unrest, looting, protests, strikes, and street demonstrations. During the year ended December 31, ~~2022~~ **2023** , fire interruptions reduced production by less than 1 %, but future fire or other operational interruptions could significantly curtail the production capacity of a facility for a period of time. We have redundant capacity and capability to produce many of our products within our manufacturing platform to mitigate our business risk from such interruptions, but major or prolonged interruptions could compromise our ability to meet our customers' needs. Delayed delivery of our products to customers who require on- time delivery from us may cause customers to purchase alternative products at a higher cost, reschedule their own production, or incur other incremental costs. Customers may be able to pursue financial claims against us for their incremental costs, and we may incur costs to correct such problems in addition to any liability resulting from such claims. Interruptions may also harm our reputation among actual and potential customers, potentially resulting in a loss of business. To the extent these losses are not covered by insurance, our financial position, results of operations, and cash flows could be adversely affected by such events. We mostly depend on third parties for transportation services and increases in costs or changes in the availability of transportation could materially and adversely affect our business and operations. Our business depends on the transportation of many products, both domestically and internationally. We rely primarily on third parties for transportation of the products we manufacture and / or distribute as well as for delivery of our raw materials. In particular, a significant portion of the goods we manufacture and raw materials we use are transported by railroad or trucks, which are highly regulated. There may be labor unrest or disputes, including strikes and work stoppages, among workers at various transportation providers and in industries affecting the transportation industry, ~~included~~ **including** those that are unionized, like the railroad industry. If any of our third- party transportation providers were to fail to deliver the goods we manufacture or distribute in a timely manner, including as a result of the impacts arising from global pandemics or worsening economic conditions, we may be unable to sell those products at full value or at all. Similarly, if any of these providers were to fail to deliver raw materials to us in a timely manner, we may be unable to manufacture our products in response to customer demand. In addition, if any of these third parties were to cease operations or cease doing business with us, we may be unable to replace them at a reasonable cost. Any failure of a third- party transportation provider to deliver raw materials or finished products in a timely manner could harm our reputation, negatively affect our customer relationships and have a material adverse effect on our financial condition and results of operations. In addition, an increase in transportation rates and oil and / or fuel surcharges could materially and adversely affect our sales and profitability. Our reliance on third- party wholesale distribution channels could impact our business. We offer our products directly and through a variety of third- party wholesale distributors and dealers. Adverse changes in the financial or business condition of these wholesale distributors and dealers or our customers, including as a result of the impacts arising from global pandemics, **geopolitical conflicts,** supply chain disruptions, or inflation, could subject us to losses and affect our ability to bring our products to market. One or more of our customers may experience financial difficulty, file for bankruptcy protection, or go out of business as a result of **general market conditions** ~~a global pandemic' s current~~ or ~~future effects~~ **various other events** , which could result in an increase in customer financial difficulties that affect us. The direct impact on us could include reduced revenues and write- offs of accounts receivable and could negatively impact our ~~operating~~ cash flow. While we currently cannot estimate what those effects will be, if they are severe, the indirect impact could include impairments of intangible assets and reduced liquidity, among others. Any such adverse changes could have a material adverse effect on our business, financial position, liquidity, results of operations, and cash flows. Further, our ability to effectively manage inventory levels at wholesale distributor locations may be impaired ~~under~~ **as a result of adverse changes in the financial or business condition of** such ~~arrangements~~ **wholesale distributors** , which could increase expenses associated with excess and obsolete inventory and negatively impact **our** cash flows. We may experience difficulties in the **development,** launch or production ramp- up of new products, which could adversely affect our business. ~~As~~ **Our continued success depends in part on our ability to develop new products that will meet the demands of our customers. We may not be successful in developing new products on an effective and financially profitable basis. Additionally, as** we ramp up manufacturing processes for newly introduced products, we may experience difficulties, including manufacturing disruptions, delays, or other complications, which could adversely impact our ability to serve our customers, our reputation, our costs of production, and, ultimately, our financial position, results of operations and cash flows. **We may be unable to attract and retain qualified executives, management and other key employees. Our success depends in part on our ability to attract and retain employees with the skills necessary to operate and maintain our facilities, produce our products and serve our customers. Our key executives and management employees are important to our business and could be difficult to replace because they have extensive experience and skills relevant to our industry and business operations. In addition, the competition for skilled manufacturing, engineering, sales and other personnel, both hourly**

and salaried, may be intense in the regions where we operate. Our failure to hire and retain employees capable of performing at a high level, to successfully implement succession plans for executives and management employees, or to implement effective training plans for new personnel could jeopardize our ability to grow our business and could adversely impact our financial position, results of operations and cash flows. Cybersecurity risks related to the technology used in our operations and other business processes, as well as security breaches of ~~company~~ **Company** , customer **, consumer** , employee, or vendor information, could adversely affect our business. We rely on various information technology systems to capture, process, store, and report data and interact with customers, **consumers,** vendors, and employees. Despite careful security and controls design, implementation, updating, and internal and independent third- party assessments, our information technology systems, and those of our third- party providers, could become subject to security breaches, cyber- attacks, ransomware attacks, employee misconduct, computer viruses, **unauthorized access attempts, phishing, social engineering,** misplaced or lost data, programming and / or human errors or other similar events. Network, system, and data breaches could result in misappropriation of **trade secrets or** sensitive data or operational disruptions, including interruption to systems availability and denial of access to **,** and misuse of **,** applications required by our customers **and vendors** to conduct business with us. In addition, hardware and operating system software and applications that we procure from third parties may contain defects in design or manufacture, including" bugs" and other problems that could unexpectedly interfere with the operation of the systems. Misuse of internal applications, theft of intellectual property, trade secrets, or other corporate assets, and inappropriate disclosure of confidential information could stem from such incidents. A **cybersecurity** breach ~~in cybersecurity~~ could result in manipulation and destruction of sensitive data, cause critical systems to malfunction, be damaged or shut down, and lead to disruption to our operations and production downtimes, potentially for lengthy periods ~~of time~~. Theft of personal or other confidential data and sensitive proprietary information could also occur as a result of a **cybersecurity** breach ~~in cybersecurity~~, exposing us to costs and liabilities associated with privacy and data security laws in the jurisdictions in which we operate. While we have security measures in place that are designed to protect customer and other sensitive information and the integrity of our information technology systems and prevent data loss and other security breaches, our security measures or those of our third- party service providers may not be sufficiently broad in scope to protect all relevant information, may not function as planned, or ~~could~~ **may** be breached as a result of third- party action, employee or vendor error, malfeasance, or otherwise. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently or may be designed to remain dormant until a predetermined **triggering** event and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement sufficient control measures to defend against these techniques. Once a security incident is identified, we may be unable to **fully** remediate or otherwise respond to such an incident in a timely manner **, which may cause us to incur remediation or other costs or subject us to demands to pay a ransom fee** . Additionally, a breach could expose us ~~,~~ **and** our customers, **consumers** ~~our suppliers~~, **vendors,** and ~~our~~ employees to risks of misuse of such information. Such negative consequences of cyberattacks **, cybersecurity failures** or **other** security breaches could **impact our ability to operate our businesses effectively,** adversely affect our reputation, competitive position, business ~~,~~ or **financial** results ~~of operations~~ **, and expose us to potential liability, litigation, governmental inquiries, investigations or regulatory enforcement actions** . ~~The~~ **In addition, the** lost profits and increased costs related to ~~cyber~~ **cybersecurity** or other security threats or disruptions may not be fully insured against or indemnified by other means ~~. A security failure could also impact our ability to operate our businesses effectively, adversely affect our reported financial results, impact our reputation, and expose us to potential liability or litigation~~. As a result, cybersecurity and the continued development and enhancement of our controls, processes, and practices remain a priority for us. We may be required to expend additional resources to continue to enhance our security measures **necessary** to investigate and remediate any security vulnerabilities. We cannot predict the degree of any impact that increased monitoring, assessing, or reporting of cybersecurity matters would have on operations, financial conditions and results. From time to time, we may implement new technology systems or replace and / or upgrade our current information technology systems. These upgrades or replacements may not improve our productivity to the levels anticipated and may subject us to inherent costs and risks associated with implementing, replacing, and updating these systems, including potential disruption of our internal control structure, substantial capital expenditures, demands on management time and other risks of delays or difficulties in transitioning to new systems or of integrating new systems into other existing systems. Our inability to prevent information technology system disruptions or to mitigate the impact of such disruptions could have an adverse effect on ~~us~~ **our business** . Because our intellectual property and other proprietary information may become compromised, we are subject to the risk that competitors could copy our products or processes. Our success depends, in part, on the proprietary nature of our technology, including non- patentable intellectual property, such as our process technology. To the extent that a competitor can reproduce or otherwise capitalize on our technology, it may be difficult, expensive, or impossible for us to obtain adequate legal **remedies** or ~~equitable relief~~ **other recourse** . Also, the laws of some foreign countries may not protect our intellectual property to the same extent as do the laws of the United States. In addition to patent protection of intellectual property rights, we consider elements of our product designs and processes to be proprietary and confidential, and / or trade secrets. To safeguard our confidential information, we rely on employee, consultant, and vendor nondisclosure agreements and contractual provisions and a system of internal and technical safeguards ~~to protect our proprietary information~~. However, any of our registered or unregistered intellectual property rights may be subject to challenge or possibly exploited by **our competitors or** ~~others~~ - **other third parties** ~~in the industry~~, which could materially adversely affect our financial position, results of operations, cash flows, and competitive position. We manufacture our products ~~internationally~~ **in jurisdictions outside the United States** and are exposed to risks associated with ~~doing~~ **international** business ~~globally~~ **operations** . We manufacture our products in the United States, Canada, Chile, and Brazil and sell our products primarily in North **America** and South America. Accordingly, we are subject to risks associated with potential disruption caused by changes in political, monetary, economic, and social environments, including civil and political unrest, terrorism, possible expropriation, local labor conditions (including labor disruptions or shortages), changes in laws, regulations, and policies of foreign governments and trade disputes with the United States (including tariffs), and compliance with U. S. laws affecting activities of U. S. companies abroad, including tax laws, economic sanctions and enforcement of contract and intellectual property rights. Our international operations and sourcing of materials could be harmed by a variety of factors, including: • recessionary trends in international markets; • legal and regulatory changes and the burdens and costs of our compliance with a variety of laws, including but not limited to export controls, import and customs trade restrictions, tariffs, and regulations related to global pandemics; • increases in transportation costs or transportation delays; • work stoppages **, unionization efforts** and labor strikes; • fluctuations in **currency** exchange rates, particularly the value of the U. S. dollar relative to other currencies; and • **social and** political unrest **, geopolitical and military conflicts** , terrorism and economic instability. If any of these or other factors were to render the conduct of our business in a particular country undesirable or impractical, our business, financial condition, or results of operations could be materially adversely affected. We **may pursue acquisitions, divestitures, joint ventures, capital investments and other corporate strategic transactions from time to time. These transactions may involve risks or may not be successful. Our business strategy may depend, in part, on our ability to accomplish successful acquisitions, divestitures, joint ventures, capital investments and other corporate strategic transactions that we may pursue. The benefits we typically expect to achieve from such corporate strategic transactions may include, among other things, synergies, cost savings, growth opportunities and access to new markets, and in the case of divestitures, the disposition of businesses or assets that do not align with our long- term strategy and the realization of proceeds from the sale of businesses and assets to unrelated purchasers. We are subject to the risk that we may not achieve the expected benefits associated with such transactions. Failure to achieve such benefits could have a material adverse impact on our financial position, operating results and cash flows. Additionally, corporate strategic transactions that we may pursue may involve a number of special risks, including, among other things, the diversion of management attention and business resources in connection with the pursuit of such transactions and the integration of acquired assets or businesses into our operations, the demands on our financial, operational and information technology systems resulting from the acquisition of assets or businesses, and the possibility that we may become responsible for unexpected liabilities resulting from an acquisition for which we may not be adequately indemnified. These and other risks associated with corporate strategic transactions we may pursue may be unpredictable and beyond our control and could have a material adverse impact on our financial position, reputation, operating results and cash flows. We** are subject to physical, operational, transitional, and financial risks associated with climate change and global, regional, and local weather conditions, **and with** ~~as well as by~~ legal, regulatory, and market responses to climate change. There has been an increased focus, including from investors, the general public and U. S. and foreign governmental and nongovernmental authorities, regarding environmental, sustainability, and governance (ESG) matters, including with respect to climate change, greenhouse gas emissions, packaging and waste, sustainable supply chain practices, deforestation, and land, energy, and water use. This increased awareness with respect to ESG matters, including climate change, may result in more prescriptive reporting requirements with respect to ESG metrics, an expectation that such metrics will be voluntarily disclosed by companies such as ours, and increased pressure to make commitments, set targets, or establish goals, and take action to meet them. While we have voluntarily provided certain disclosures with respect to various ESG matters, including climate change, we cannot predict whether such ~~disclosure~~ **disclosures** will be considered sufficient by our stakeholders **or relevant governmental or nongovernmental authorities** . Additionally, we cannot predict the ~~degree of~~ **extent to which** any ~~impact related to~~ increased monitoring, assessing, or reporting of ESG matters ~~would have on~~ **may impact our** operations, financial conditions and results. The unpredictability and frequency of natural disasters such as hurricanes, earthquakes, hailstorms, wildfires, snow, ice storms, the spread of disease, and insect infestations could ~~also~~ affect the supply of raw materials or cause variations in their costs, or variations in transportation- related costs. In addition, global climate change may increase the frequency or intensity of extreme weather events, such as storms, floods, heat waves, and other events that could affect our facilities and demand for our products ~~. Recently, there has been an increased oversight in the reporting on the effects of climate change on the environment~~ . Governmental regulations or restrictions intended to reduce greenhouse gas emissions and other climate change impacts are emerging and present **potential** transition risks. Increased restrictions and regulations could increase operating costs and compliance costs or require **expenditures on** additional technology, all of which ~~would~~ **could** adversely affect our results of operation **. In particular, the State of California recently passed the Climate Corporate Data Accountability Act and the Climate- Related Financial Risk Act which could impose broad climate- related disclosure obligations on certain companies doing business in California, including us, starting in 2026. Additionally, the State of California recently passed the Voluntary Carbon Market Disclosures Business Regulation Act, which mandates certain disclosures in connection with claims regarding greenhouse gas emissions. Such disclosure obligations may apply to us. The SEC has included in its regulatory agenda potential rule- making on climate change disclosures that, if adopted, could significantly increase compliance burdens, associated regulatory costs, and complexity** . We believe that we are in compliance in all material respects with existing climate- related regulations and such compliance has not had a material impact on our business; however, the costs of complying with increased regulations and transitioning to a lower- carbon economy may result in expenses that ~~will~~ **could** materially impact our business. Given the rapidly changing nature of environmental laws and regulations, we cannot predict the impact such restrictions may have on **our** operations. Our suppliers and the third parties we rely on for transportation may also be impacted by increased ESG reporting requirements or **risks associated with the** transition ~~related risks~~ to a lower carbon economy, which may adversely impact their ability to provide us with goods and services. If our suppliers or **the** third parties we rely on for transportation are unable to comply with environmental laws and regulations, we may be unable to meet consumer demands at the same cost or in a timely fashion. Our reputation may be adversely affected if we are not able to achieve our ESG goals or otherwise meet the expectations of our stakeholders with respect to ESG matters. We strive to deliver shared value through our business. Our diverse group of stakeholders hold us accountable to ensure we continue to demonstrate progress with respect to industry- specific ESG priorities. From time to time, we announce certain aspirations and goals relevant to our priority ESG matters. We periodically publish information about our ESG priorities, strategies, goals, targets and progress on our corporate website and **in public filings and** update our ESG reporting from time to time. Achievement of these aspirations, targets, plans and goals is subject to risks and uncertainties, many of which are outside of our control, and it is possible that we may not reach all our ESG goals or certain of our stakeholders might not be satisfied with our efforts. Certain challenges we face in meeting our ESG objectives are also captured within our ESG reporting **contained on our website** , which is not incorporated by reference into and does not form any part of this annual report on Form 10- K or our other filings with the SEC. Perceived failures or delays in meeting our ESG goals could adversely affect public perception of our business, employee morale or customer or stakeholder support, and may negatively impact our financial condition and results of operations. Our business, financial condition, and results of operations have been, and may again be ~~.~~ **,** adversely affected by global pandemics or other health emergencies ~~, including the ongoing COVID- 19 pandemic~~ . The extent to which global pandemics and / or other health emergencies would impact our business, financial condition, cash flows, and results of operations in the future is uncertain and will depend on numerous evolving factors beyond our control ~~including, among other things, the duration and severity of the pandemic, actions taken to contain its spread and mitigate its effects, including vaccination programs or mandates, and the broader impacts on the country, the region' s economy, and global trade. However, we reasonably anticipate that a prolonged outbreak and resulting commercial or social restrictions could have a material adverse impact on its business, financial condition, and results of operations~~ . Global pandemics and / or other health emergencies may have a material adverse effect on our business or our supply of raw materials, production, distribution channels, and customers, including business shutdowns or disruptions for an indefinite period of time, reduced operations, labor shortages and disruptions ~~(including concerns and related impacts from any expanded vaccination requirements)~~ , restrictions on manufacturing or shipping products or reduced consumer demand. ~~Additionally~~ **The impact of new or ongoing military and geopolitical conflicts** , **including** the ~~COVID The impact of the military~~ conflict between Russia and Ukraine **and the conflict in Israel and the surrounding areas,** on the global economy,energy supplies and raw materials is uncertain,but may prove to negatively impact our business and operations.The global economy has been negatively impacted by the **ongoing** military conflict between Russia and Ukraine.Furthermore,governments in the United States and several European and Asian countries have imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia.Although we have no operations in Russia or Ukraine,we have experienced shortages in materials and increased costs for transportation,energy,and raw material due in part to the negative impact of the Russia ~~- Ukraine military conflict on the~~ - **Ukraine military conflict on the** ~~19 pandemic resulted in significant, industry- wide supply chain disruptions. In particular, this pandemic has impacted our~~ global ~~supply~~ **economy. The scope and duration of the military conflict in Ukraine is uncertain, rapidly** ~~chain~~ **changing** ~~network~~ and **hard to predict. Further escalation of geopolitical tensions related to the military conflict, including increased trade barriers or restrictions on global trade, could** ~~resulted~~ -- **result** in, among other things, **cyberattacks, supply** disruptions **, lower consumer demand,** and ~~delays in shipments~~ **changes to foreign exchange rates and financial markets, any** of ~~certain materials~~ **which may adversely affect** ~~or~~ **our business** ~~components used in our products. We have,~~ and ~~will continue to, as needed, collaborate with our suppliers to utilize technology, better forecasting, flexibility in transportation, and other arrangements to mitigate these~~ supply chain ~~disruptions with this pandemic~~ **. Our business could be negatively affected by the impact of new or ongoing military or geopolitical conflicts on international markets** and ~~any~~ **the global economy. The specific impact of the conflict in Israel and surrounding areas remains uncertain, but could include increased volatility in financial and commodity markets, increased energy prices, a higher level of general market and macroeconomic instability, and violent protests or social unrest in areas outside the immediate conflict area, among** other **things** ~~global pandemics~~ . ~~However, despite~~ **This conflict and other military** ~~our~~ - **or geopolitical conflicts that** ~~mitigation efforts, we~~ may **arise** ~~continue to experience challenges to our global supply chain network, including the cost and availability of raw materials and components due to shortages and resulting cost inflation. Any such, disruptions to our supply chain network may result~~ in **the future** ~~our inability to meet customer demand for our products or increase costs and~~ could **materially** adversely ~~impact~~ **affect** our ~~business~~ **operations, financial position,** and results ~~of operations~~ . INDUSTRY RISK FACTORS Our business primarily relies on North American new home construction and repair, which are impacted by risks associated with fluctuations in the housing market. Downward changes in the general economy, the housing market, or other business conditions could adversely affect our results of operations, cash flows, and financial condition. The housing market is sensitive to changes in economic conditions and other factors, such as the level of employment, access to labor, consumer confidence, consumer income, availability of financing, **prevailing** interest ~~rate~~ **rates** ~~,~~ and **the cost of home mortgage financing,** inflation levels, and growth of the gross domestic ~~product~~ **products in the countries in which we operate** . Adverse changes in any of these conditions generally, or in any of the markets where we operate, could decrease demand for our products and could adversely impact our businesses by **:** causing consumers to delay or decrease homeownership; making consumers more price- conscious, resulting in a shift in demand to smaller homes; making consumers more reluctant to make investments in their existing homes; or making it more challenging to secure loans for major renovations or new home construction. Unfavorable changes in demographics, credit markets, consumer confidence, household incomes, inflation, housing affordability, or housing inventory levels and occupancy **rates** , or a weakening of the U. S. economy or of any regional or local economy ~~,~~ in which we operate **,** could adversely affect consumer spending, result in decreased demand for our products, and adversely affect our business. Unfavorable changes in single- family housing starts and ~~increases~~ **increased** interest rates on major renovations or new home construction ~~for~~ during the year ended December 31, ~~2022~~ **2023** , negatively impacted our results of operations for the same period. If conditions in the overall housing market or in a specific market or submarket worsen in the future beyond our current expectations, such changes could continue to have a material adverse effect on our financial position, results of operations, and cash flows. Additionally, higher interest rates, ~~high~~ **higher** levels of unemployment, restrictive lending practices, heightened regulation, and increased foreclosures could have a material adverse effect on our financial position, results of operations, and cash flows. We have a high degree of product concentration in OSB **, which is subject to commodity pricing and associated price volatility** . OSB accounted for about **43 %,** 57 %, **and** 65 % ~~, and 55 %~~ of our North American ~~Net~~ **net** sales in **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively, and we expect OSB sales to continue to account for a substantial portion of our revenues and profits in the future. The concentration of our business in the OSB market further increases our sensitivity to commodity pricing and price volatility. Historical prices for our commodity products have been volatile, and we, like other participants in the building products industry, have limited influence over the timing and extent of price changes for our products. Commodity product pricing is significantly affected by the relationship between supply and demand in the building products industry. Product supply is influenced primarily by fluctuations in available manufacturing capacity. Demand is affected by the state of the economy in general and a variety of other factors, including the level of new residential construction activity ~~and~~ **,** home repair and remodeling activity and changes in the availability and cost of mortgage financing. In this competitive environment, with so many variables **beyond our** ~~for which we do not~~ control, we cannot guarantee that pricing for our OSB products will not decline from current levels. **Decreases in pricing for OSB products may have a material adverse effect on our financial position, liquidity, results of operations, and cash flows.** The continued development of builder and consumer preference for our OSB products (commodity and **LP** Structural Solutions) over competitive products is critical to sustaining and expanding demand for our products. Therefore, a failure to maintain and increase builder and consumer acceptance of our OSB products could **also** have a material adverse effect on our financial position, liquidity, results of operations, and cash flows. Intense competition in the building products industry could prevent us from increasing or sustaining our net sales and profitability. The markets for our products are highly competitive. Our competitors range from very large, fully integrated forest and building products firms to smaller firms that may manufacture only one or a few types of products. Many of our competitors may have greater financial and other resources, greater product diversity, and better access to raw materials than we do, and certain of the mills operated by our competitors may be lower- cost producers than the mills **we** ~~operated~~ - **operate** ~~by us~~ . Increased competition in any of the markets in which we ~~compete~~ **operate** would likely cause **heightened** pricing pressures in those markets. Any of these factors could have a material adverse effect on our financial position, results of operations, and cash flows. Our results of operations may be adversely affected by potential shortages of raw materials and increases in raw material costs. The most significant raw material used in our operations is wood fiber. Wood fiber is subject to commodity pricing, which fluctuates based on market factors over which we have no control. In addition, the cost of various types of wood fiber that we purchase in the market has at times fluctuated greatly because of governmental, economic, or industry conditions and may be affected by increased demand resulting from initiatives to increase the use of biomass materials in the production of heat, power, bio- based products, and biofuels. Wood fiber supply could also be influenced by natural events, such as forest fires, **ice storms, wind storms, hurricanes and other** severe weather conditions, insect epidemics, **plant and tree disease, changing temperature and precipitation patterns** and other natural disasters **and man- made causes** , which may increase wood fiber costs, restrict access to wood fiber, or force production curtailments. In addition to wood fiber, we also use a significant quantity of various resins in our manufacturing processes. Resin product costs are influenced by changes in the prices or availability of raw materials used to produce resins, primarily petroleum products, as well as demand for and availability of resin products and their chemical precursors. ~~North American prices for wood fiber and resin products increased 16 % and 36 %, respectively, during the year ended December 31, 2022.~~ Although we have been able to largely recover raw material price increases in the Siding product prices, we are unable to determine to what extent, if any, we will be able to pass any future **Siding** raw material cost increases through to our customers through product price increases. OSB product prices are largely driven by the ratio of overall OSB demand to **industry** capacity. Therefore, we are unable to determine to what extent, if any, we will be able to pass any future **OSB** raw material cost increases through to our customers **through product price increases** . Our inability to pass increased costs through to our customers could have a material adverse effect on our financial condition, results of operations, and cash flows. In addition, supply disruptions in resin **or wood fiber** may impact our ability to produce our products or may cause production costs to increase. Development of **Canadian** provincial forest lands, from which we obtain wood fiber, can be subject to constitutionally protected Indigenous treaty, Aboriginal title, or Aboriginal rights of recognized Indigenous groups in Canada. Most lands in British Columbia and Quebec are not covered by treaties or by resolved Aboriginal land claims, and as a result, the claims of these Indigenous groups relating to provincial forest lands are largely left unresolved. In areas where there are treaties, such as in Manitoba, where LP operates, provincial governments are required by law to consult with Indigenous nations regarding land use development projects including, forest management plans and operations. **Canadian** ~~Provincial~~ **provincial** governments are actively engaged in consultations or negotiations with Indigenous groups. Negotiations **sometimes** ~~can often~~ progress slowly and ~~can~~ **may** be subject to litigation if rights- based interests are not fully addressed. ~~Ongoing Indigenous land claim negotiations with provincial governments are taking place across Canada but negotiations progress slowly and can be subject to litigation.~~ In addition, it can take time for ~~a~~ **Canadian provincial** ~~government~~ **governments** to consult with Indigenous ~~nations~~ **groups** , and this too can be subject to litigation. To offset this risk, we proactively engage in **efforts to share** information ~~sharing~~ and ~~developing~~ --- **develop** positive relationships with Indigenous communities that have cultural, spiritual and economic interests in the areas where we operate. This focused engagement ~~provides~~ **enables** us ~~the opportunity~~ to further understand and ~~protect~~ **observe** the rights of Indigenous groups **relating** ~~as it relates~~ to forestry activities while **also** ~~at the same time,~~ minimizing risks to our business operations. Nonetheless, final or interim resolution of claims brought forward by **Canadian** provincial governments and Indigenous nations may result in additional restrictions on wood supply, potentially affecting **our** operational costs and / or timber prices over the long term. LEGAL AND REGULATORY RISK FACTORS We are subject to significant environmental regulation and environmental compliance expenditures and liabilities. Our business is subject to many environmental laws and regulations, particularly with respect to discharges of pollutants and other emissions on or into the land, water, and air, the disposal and remediation of hazardous substances or other contaminants, and the restoration and reforestation of timberlands. Compliance with these laws and regulations is a significant factor in our business. We have incurred and expect to continue to incur significant expenditures to comply with applicable environmental laws and regulations. Moreover, changes to the environmental laws and regulations to which we are subject and the enactment of new environmental laws, regulations, or other requirements, including with respect to greenhouse gas emissions or climate change, may cause us to incur increased and unexpected compliance costs or impose restrictions on our ability to manufacture our products or operate our business. In addition, there has historically been a lack of consistent climate legislation, which has created and continues to create economic and regulatory uncertainty. Our failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment, or remedial actions, as well as reputational harm. Some environmental laws and regulations impose liability and responsibility on present and former owners, operators, or users of facilities and sites for contamination at such facilities and sites, without regard to causation or knowledge of contamination. In addition, we occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. Consequently, we cannot guarantee that existing or future circumstances or developments with respect to contamination will not require significant expenditures by us. We are subject to various environmental, product liability, and other legal proceedings, matters, and claims. The outcome of these proceedings, matters, and claims, and the magnitude of related costs and liabilities, are subject to uncertainties. We currently are, or from time to time in the future may be, involved in a number of environmental matters and legal proceedings, including legal proceedings involving antitrust, warranty or non-warranty product liability claims, negligence, and other claims, including claims for wrongful death, personal injury and property damage alleged to have arisen out of use by others of our or our predecessors' products or the release by us or our predecessors of hazardous substances. The conduct of our business involves the use of hazardous substances and the generation of contaminants and pollutants. In addition, the end- users of many of our products are members of the general public. Environmental matters and other legal matters and proceedings, including class action settlements relating to certain of our products, have in the past caused and, in the future may cause, us to incur substantial costs. The actual or alleged existence of defects in any of our products could also subject us to significant product liability claims. We have established contingency reserves in our Consolidated Financial Statements with respect to the estimated costs of existing environmental matters and legal proceedings to the extent that our management has determined that such costs are both probable and reasonably estimable as to amount. However, such reserves are based upon various estimates and assumptions relating to future events and circumstances, all of which are subject to inherent uncertainties. We regularly monitor our estimated exposure to environmental and litigation loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time. We may incur costs in respect of existing and future environmental matters and legal proceedings as to which no contingency reserves have been established. ~~We cannot~~ **There is no** ~~assure~~ **assurance** that we will have sufficient resources available to satisfy the related costs and expenses associated with these matters or proceedings. The incurring of costs in excess of our contingency reserves could have a material adverse effect on our business, financial condition, and results of operations. Regulatory and statutory changes applicable to us or our customers, including changes in effective tax rates or tax law, could adversely affect our financial condition and results of operations. We, and many of our customers, are subject to various national, state and local laws, rules, and regulations. Changes in any of these ~~areas~~ **laws, rules, or regulations** could result in additional compliance costs, seizures, confiscations, ~~recall~~ **recalls** or monetary fines, any of which could prevent or inhibit the manufacture, distribution and sale of our products. We are also subject to periodic examination of our income tax returns by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these examinations will not have a material adverse effect on our business, financial condition, and results of operations **, or that our provision for income taxes will be sufficient** . We are also exposed to changes in tax law, as well as any future regulations issued and changes in interpretations of tax laws, which can impact our current and future years' tax provisions. **For example, the Organization for Economic Cooperation and Development (OECD), Canada and various other countries have committed to enacting substantial changes to numerous long- standing tax principles impacting how large multinational enterprises are taxed in an effort to limit perceived base erosion and profit shifting incentives. In particular, the OECD' s Pillar Two initiative provides for a 15 % global minimum tax applied on a country- by- country basis, with a recommended effective date for most provisions of January 1, 2024. Many countries (including countries in which we operate) have enacted or begun the process of enacting laws based on the Pillar Two initiative. To the extent that these proposals are implemented in any jurisdictions in which we operate, these developments could negatively impact our effective tax rate as well as increase the tax compliance and reporting costs related to such requirements.** The effect of ~~such~~ **any other** tax law changes or regulations and interpretations, as well as any additional tax legislation in the U. S. or other jurisdictions in which we operate, could have a material adverse effect on our business, financial condition, and results of operations. In addition, our products and markets are subject to extensive and complex local, state, federal, and foreign statutes, ordinances, rules, and regulations. These mandates, including building design and safety and construction standards and zoning requirements, affect the cost, selection, and quality requirements of building components, such as the structural panel and siding products that we manufacture and sell, and often provide broad discretion to governmental authorities as to the types and quality specifications of products used in new home construction and repair and remodeling projects. Compliance with these standards and changes in such statutes, ordinances, rules, and regulations may increase the costs of manufacturing our products or may reduce the demand for certain of our products in the affected geographical areas or product markets. Conversely, a decrease in product safety standards could reduce demand for our more modern products if less expensive alternatives that ~~did~~ **do** not meet higher standards **were to** ~~became~~ **become** available for use in ~~that~~ **the affected geographical areas or product** ~~market~~ **markets** . All or any of these changes could have a material adverse effect on our business, financial condition, and results of operations. We are subject to the U. S. Foreign Corrupt Practices Act and other anti- corruption laws, as well as other international trade and regulatory laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures, and legal expenses, which could adversely affect our business, financial condition, and results of operations. Our operations are subject to anti- corruption laws, including the U. S. Foreign Corrupt Practices Act (FCPA) and other anti- corruption laws that apply in countries where we do business. The FCPA and these other laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making, **promising,** offering or authorizing ~~other prohibited~~ payments or gifts, with corrupt intent, to ~~foreign~~ government officials or other persons to obtain or retain business or gain some other business advantage. We conduct business in a number of jurisdictions that are geographically high- risk for **violations of anti-** corruption ~~law~~ **laws** ~~violations~~ , we participate in relationships with third parties whose actions could potentially subject us to liability under the FCPA or other anti- corruption laws, and the nature of our business involves interaction with ~~foreign~~ government officials. In addition, we cannot predict the nature, scope, or effect of future regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted. We are also subject to other laws and regulations governing our international operations, including regulations administered by the U. S. Department of Commerce' s Bureau of Industry and Security, the U. S. Department of Treasury' s Office of Foreign Assets Control, and various non- U. S. government entities, including applicable export control regulations, economic sanctions on countries, entities and other persons, customs requirements **, anti- boycott regulations** , currency exchange regulations and transfer pricing regulations (collectively, Trade Control Laws). We have and maintain a compliance program with policies, procedures, and employee training to help ensure compliance with the FCPA, other applicable anti- corruption laws, and Trade Control Laws. However, despite our compliance program, there is no assurance that we or our intermediaries will be completely effective in complying with all applicable anti- corruption laws, including the FCPA or other legal requirements or Trade Control Laws. If we **or our intermediaries** are not in compliance with the FCPA and other anti- corruption laws or Trade Control Laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the FCPA, other anti- corruption laws, or Trade Control Laws by the U. S. or foreign authorities could also have an adverse impact on our reputation, business, financial condition, and results of operations. FINANCIAL RISK FACTORS ~~Rising inflation~~ **Inflation** may adversely affect us by increasing costs of raw materials, labor, and other costs beyond what we can recover through price increases. Inflation can adversely affect us by increasing the costs of raw materials ~~,~~ **and** labor, and other ~~costs~~ **goods or services** required to operate and grow our business. Many of the markets in which we sell our products ~~are~~ **have** ~~experiencing~~ **experienced** high levels of inflation **in recent periods and may continue to experience high levels of inflation in the future** , which may depress consumer demand for our products and reduce our profitability if we are unable to raise prices enough to keep up with increases in our costs. Inflationary pressures have resulted in increases in the cost of certain raw materials, and other supplies necessary for the production of our products, and such increases may continue to impact us in the future and expose us to risks associated with significant levels of cost inflation. If we are unable to increase our prices to offset the effects of inflation, our business, operating results, and financial condition could be materially and adversely affected. Warranty claims relating to our products and exceeding our warranty reserves could have a material adverse effect on our business. We have offered, and continue to offer, various warranties on our products. Although we maintain reserves for warranty- related claims and we have established and recorded product- related warranty reserves on our Consolidated Financial Statements, we cannot guarantee that warranty expense levels or the results of any warranty- related legal proceedings will not exceed our reserves. If our warranty reserves are significantly exceeded, the costs associated with such warranties could have a material adverse effect on our financial position, results of operations, and cash flows. We have not independently verified the results of third- party research or confirmed assumptions or judgments upon which it may be based, and the forecasted and other forward- looking information contained therein is subject to inherent uncertainties. We have referred **to** , and may in the future refer **to** , in our annual reports **on Form 10- K** , quarterly reports **on Form 10- Q** , and other documents that we file with **, or furnish to,** the SEC, ~~to~~ historical, forecasted, and other forward- looking information published by sources such as ~~Random Lengths Publications, Inc. (Random Lengths) and~~ the U. S. Census Bureau that we believe to be reliable. However, we have not independently verified this information and, with respect to the forecasted and forward- looking information, have not independently confirmed the assumptions and judgments upon which it is based. Forecasted and other forward- looking information is necessarily based on assumptions regarding future occurrences, events, conditions, and circumstances and subjective judgments relating to various matters and is subject to inherent uncertainties. Actual results may differ materially from the results expressed or implied by, or based upon, such forecasted and forward- looking information. Because we have operations outside the United States and report our earnings in U. S. dollars, unfavorable fluctuations in currency values and exchange rates could have a material adverse effect on our results of operations. Because our reporting currency is the U. S. dollar, our non- U. S. operations face the additional risk of fluctuating currency values and exchange rates. Such operations may also face hard currency shortages and controls on currency exchange. Changes in the value of foreign currencies (principally Canadian dollars, Brazilian reals, ~~and~~ Chilean **pesos, and Argentine** pesos) could have an adverse effect on our results of operations. We have, in the past, entered into foreign exchange contracts associated with certain of our indebtedness and may continue to enter into foreign exchange contracts associated with major equipment purchases to manage a portion of the foreign currency rate risk. We historically have not entered into currency rate hedges with respect to our exposure from operations, although we may do so in the future. There can be no assurance that fluctuation in foreign currencies and other foreign exchange risks will not have a material adverse effect on our financial position, results of operations, or cash flows. Covenants and events of default in our debt instruments could limit our ability to undertake certain types of transactions and adversely affect our liquidity. Our Credit Agreement (as defined herein) and the indenture governing our 2029 Senior Notes (as defined herein) contain a number of restrictive covenants that impose operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long- term best ~~interest~~ **interests** , including, among others, restrictions on our ability to incur indebtedness, grant liens to secure indebtedness, engage in sale and leaseback transactions and merge or consolidate or sell all or substantially all of our assets. In addition, restrictive covenants in our Credit Agreement require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we may be unable to meet them. A breach of the covenants or restrictions under our Credit Agreement or under the indenture governing our 2029 Senior Notes could result in an event of default under the applicable indebtedness. Such a default may allow ~~the~~ **our** creditors to accelerate the related debt. A payment default or an acceleration following an event of default under our Credit Agreement or our indenture ~~for~~ **governing** our 2029 Senior Notes could trigger an event of default under the other indebtedness obligation, as well as any other debt to which a cross- acceleration or cross- default provision applies, which could result in the principal of and the accrued and unpaid interest on all such debt becoming due and payable **ahead of schedule** . In addition, an event of default under our Credit Agreement could permit the lenders under our Amended Credit Facility (as defined herein) to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay any amounts due and payable under our Amended Credit Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness, to the extent any such collateral is granted thereunder. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, we may be: • limited in how we conduct our business and grow in accordance with our strategy; • unable to raise additional debt or equity financing to operate during general economic or business downturns; or • unable to compete effectively or to take advantage of new business opportunities. In addition, our financial results, our level of indebtedness, and our credit ratings could adversely affect the availability and terms of any additional or replacement financing. More detailed descriptions of our Credit Agreement ~~, our Amended Credit Facility~~ and the indenture governing our 2029 Senior Notes are included in filings made by us with the SEC, along with the documents themselves, copies of which are filed as exhibits to this annual report on Form 10- K and which provide the full text of these covenants. Changes in interest rates may adversely affect our earnings and cash flows. Pursuant to the Amended Credit Facility effective in November 2022, our senior indebtedness transitioned from bearing interest at a variable interest rate using a **London Interbank Offered Rate (** LIBOR **)** benchmark to one that uses **a** Term SOFR **Rate** , a forward- looking term rate currently published by CME Group Benchmark Administration Limited (CBA) based upon the Secured Overnight Financing Rate (SOFR) as a benchmark rate. SOFR is the preferred alternative rate for LIBOR that has been identified by the Alternative Reference Rates Committee (ARRC), a U. S.- based group convened by the Federal Reserve and the Federal Reserve Bank of New York. SOFR is calculated based on short- term repurchase agreements, backed by U. S. Treasury securities. SOFR is calculated differently from LIBOR and ~~have~~ **has certain** inherent differences **from LIBOR** , which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. Because of these and other differences, there is no assurance that SOFR will perform in the same way as LIBOR would have performed at any time, and there is no guarantee that it is a comparable substitute for LIBOR. Uncertainty as to the nature of such potential changes, alternative reference rates, including SOFR, or other reforms may adversely affect the trading market for LIBOR- or SOFR- based securities, including ours. As a result, our interest expense may increase, our ability to refinance some or all of our existing indebtedness may be affected, and our available cash flow may be adversely affected. Our **cash, cash equivalents and investments** ~~defined benefit plan funding requirements or plan settlement expense~~ could ~~impact our~~ **be adversely affected if the** financial ~~results and~~ **institutions in which we hold our** cash ~~flow. In November 2021~~ , **cash equivalents** ~~the Company initiated the termination of our U. S.~~ and ~~Canadian defined benefit pension plans~~ **investments fail. We regularly maintain cash balances at third- party financial institutions in excess of the Federal Deposit Insurance Corporation** (**FDIC** ~~the Plan~~) **insurance limit. If certain banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets** , ~~which~~ **our ability to access our existing cash, cash equivalents and investments may be threatened and could** have **a material adverse effect** ~~been substantially settled during the year ended December 31, 2022. The Plan will be terminated in future periods after satisfaction of all regulatory requirements, which may result in additional funding. See Note 16 of the Notes to the Consolidated Financial Statement included in Item 8 of this annual report~~ on ~~Form 10- K~~ **our business and financial condition** . GENERAL RISK FACTORS **We** The impact of the military conflict between...... to the risks discussed above, we are subject to a variety of other risks as a publicly traded U. S. manufacturing company. As a publicly traded U. S. manufacturing company, we are subject to a variety of other risks, each of which could adversely affect our financial position, results of operations or cash flows, or the price of our common stock. These risks include but are not limited to **the following, in addition to the other risks described above** : • the effects of global economic uncertainty or recession, including the impact of the COVID- 19 pandemic and the responses of governmental authorities thereto ~~; • the ability to attract and retain key management and other personnel and develop effective succession plans; • pursuing growth through acquisitions, including the ability to identify acceptable acquisition candidates, finance and consummate acquisitions on favorable terms, and successfully integrate acquired assets or businesses~~ ; • compliance with a wide variety of health and safety laws and regulations and changes to such laws and regulations; • the exertion of influence over us, individually or collectively, by a few entities with concentrated ownership of our stock ~~; • taxation by multiple jurisdictions and the impact of such taxation on the effective tax rate and the amount of taxes paid; • changes in tax laws and regulations~~ ; • new or modified legislation related to health care; • compliance with Section 404 of the Sarbanes- Oxley Act of

2002, including the potential impact of compliance failures; **and** • failure to meet the expectations of investors, including as a result of factors beyond the control of an individual company ~~; and • the impact of the military conflict between Russia and Ukraine on the global economy, energy supplies and raw materials~~ . **25**