**Risk Factors Comparison 2024-02-16 to 2023-02-17 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

We are subject to various risks and events that could adversely affect our business, our financial condition, our results of operations, our cash flows and the price of our common stock. You should consider the following risk factors, in addition to the information presented elsewhere in this report, particularly in Our Business, Forward- Looking Statements and Management' s Discussion and Analysis of Financial Condition and Results of Operations (MD & A), as well as those set forth from time to time in our other public statements, reports, registration statements, prospectuses, information statements and other filings we make from time to time with the SEC, in evaluating us, our business and an investment in our securities. The risks discussed below are not the only risks we face, and our descriptions of such risks, here and elsewhere, should not be considered exhaustive. Additional risks not currently known to us or that we currently deem immaterial also may adversely affect our business, our financial condition, our results of operations, our cash flows and the price of our common stock. ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 31RISKS~~ -- **RISKS** RELATED TO OUR BUSINESS AND INDUSTRY MARKET AND OTHER EXTERNAL RISKS The industries in which we operate are sensitive to macroeconomic conditions and consequently are highly cyclical. The overall levels of demand for the products we manufacture and distribute reflect fluctuations in levels of end- user demand, which consequently affect our sales and profitability. End- user demand depends in large part on general macroeconomic conditions, both in the U. S. **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND FORM 10- K** ~~and~~ **30and** globally, as well as on local economic conditions. The length and magnitude of industry cycles vary over time, both by market and by product, but generally reflect changes in macroeconomic conditions and levels of industry capacity. Any decline or stagnation in macroeconomic conditions could cause us to experience lower sales volumes and reduced margins for our products. Low demand for new homes and home repair and remodeling can adversely affect our business, **financial condition,** results of operations and cash flows. Our business is particularly dependent upon the health of the U. S. housing market, and specifically on demand for new homes and home repair and remodeling. Demand in these markets is sensitive to changes in economic conditions such as the level of employment, consumer confidence, consumer income, the availability of financing and interest rate levels. Other factors that could limit or adversely affect demand for new homes and home repair and remodeling, and hence demand for our products, include factors such as changes in consumer preferences, limited wage growth, increases in non- mortgage consumer debt, any weakening in consumer confidence, as well as any increase in foreclosure rates and distress sales of houses. Catastrophic events may adversely affect the markets for our products and our business, **financial condition,** results of operations ~~,~~ **and** cash flows ~~and financial condition~~ . We are subject to the risk of various catastrophic events, including but not limited to the occurrence of ~~significant~~ **: severe regional or local weather events or trends and related** fires or **flooding;** wide- spread insect or pest infestations on one or more of our properties **; significant geological** ~~, severe regional or local weather~~ events **such as** ~~or trends, flooding, major~~ earthquakes, volcanic eruptions ~~,~~ **and major erosion in the form of landslides;** significant geopolitical conditions or developments such as significant international trade disputes ~~,~~ **or domestic or foreign** terrorist attacks, armed conflict **and** ~~, domestic or foreign~~ political unrest **;** and regional health epidemics or global health pandemics **, such as the 2020 outbreak of the novel strain of coronavirus and its many subsequent mutations** . Any one or more of these events or conditions, or other catastrophic events or developments, could significantly affect our ability to operate our businesses and adversely affect domestic and foreign general economic conditions and thus domestic or foreign market demand for our products. ~~In March 2020, the World Health Organization declared the outbreak of a novel strain of coronavirus (" COVID- 19 ") a global pandemic. In response, federal, state and local governments in the United States, as well as governments throughout the world, declared states of emergency and ordered preventative measures to contain and mitigate the spread of the virus. These measures, which included stay- at- home and similar mandates for individuals and closure or significant curtailment of many businesses, adversely affected our and our contractors' ability to operate, significantly disrupted our supply chain and caused significant economic disruption and uncertainty, including increases in unemployment, elevated inflation and volatility in global capital markets. The extent to which COVID- 19 or other disease outbreaks may further affect our business, results of operations, cash flows and financial condition, as well as our plans and decisions relating to various capital expenditures, other discretionary items and capital allocation priorities, including the timing and amount of our dividends to shareholders, are therefore highly uncertain and will depend on future developments, which cannot be predicted with confidence. Such developments include, but are not limited to: the future rate of occurrence or further mutation of COVID- 19 or the occurrence of another virulent disease outbreak; governmental response to and duration of disease outbreak and consequential restrictions and business disruptions; the effectiveness of responsive government actions to contain and manage disease outbreak; and the timing and effectiveness of treatment and testing options, including the ongoing efficacy and availability of necessary vaccines.~~ The impact of **any one** ~~COVID- 19~~ or ~~occurrence~~ **more** of ~~other virulent disease outbreak~~ **these events or conditions** may also trigger the occurrence **of** , or exacerbate, other risks discussed herein, any one of which could have a material adverse effect on our business, **financial condition,** results of operations ~~,~~ **and** cash flows ~~and financial condition~~ . Homebuyers' ability to qualify for and obtain affordable mortgages could be affected by changes in interest rates, changes in home loan underwriting standards and government sponsored entities and private mortgage insurance companies supporting the mortgage market. Access to affordable mortgage financing is critical to the health of the U. S. housing market. Generally, increases in interest rates make it more difficult for home buyers to obtain mortgage financing, which could negatively affect demand for housing and, in turn, negatively affect demand for our wood products. After maintaining interest rates at historically low levels for an extended period of time, in the first quarter of 2022 the U. S. Federal Reserve began implementing a policy of incrementally raising rates. We cannot predict the extent to which the U. S. Federal Reserve' s current policy will be maintained or the timing, number, extent or direction of future rate adjustments. Along with prevailing interest rates, other significant factors affecting the demand for new homes relate to the ability of home buyers to obtain mortgage financing. During the last U. S. recession, credit requirements for home lending were severely tightened and the number of mortgage loans available for financing home purchases were thereby severely reduced. Although the availability of credit has improved since that time, the housing market could be limited or adversely affected if credit requirements were to again tighten or become more restrictive for any reason. Additionally, the liquidity provided to the mortgage industry by Fannie Mae and Freddie Mac, both of which purchase home mortgages and mortgage- backed securities originated by mortgage lenders, has been critical to the home lending market. Any political or other developments ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 32~~ that would have the effect of limiting or restricting the availability of financing by these government sponsored entities could also adversely affect interest rates and the availability of mortgage financing. Whether resulting from further direct increases in borrowing rates, tightened underwriting standards on mortgage loans or reduced federal support of the mortgage lending industry, a challenging mortgage financing environment could reduce demand for housing and, therefore, adversely affect demand for our products. Changes in regulations relating to tax deductions for mortgage interest expense and real estate taxes could harm our future sales and earnings. Significant costs of homeownership include mortgage interest expense and real estate taxes, both of which are generally deductible for an individual' s federal and, in some cases, state income taxes. ~~Recent federal~~ **Federal** legislation reduced the amount of mortgage interest and real estate taxes that certain taxpayers may deduct. These and any similar changes to income tax laws by the federal government or by a state government to eliminate or substantially reduce these income tax deductions, or any significant increase in real property taxes by local governments, may increase the cost of homeownership and thus could adversely affect the demand for our products. PRODUCT PRICING AND PROFITABILITY Our profitability is affected by market dynamics outside of our control. Because commodity products have few distinguishing properties from producer to producer, competition for these products is based largely on price, which is determined by supply relative to demand and competition from substitute products. Prices for our products are also affected by many other factors outside of our control. As a result, we have little influence or control over the timing and extent of price changes, which often are volatile in our industry. Moreover, our profit margins with respect to these products depend, in part, on managing our costs, particularly raw **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND FORM 10- K 31** material, labor (including contract labor) and energy costs, which represent significant cost components that also fluctuate based upon market and other factors beyond our control. Excess supply of logs and wood products may adversely affect prices and margins. Producers in our industry have in the past put downward pressure on product pricing by selling excess supply into the market. Our industry may increase harvest levels, which could lead to an oversupply of logs. Wood products producers may likewise expand manufacturing capacity, which could lead to an oversupply of manufactured wood products. Any such increases of industry supply to our markets could adversely affect our prices and margins. THIRD- PARTY SERVICE PROVIDERS We depend heavily on third parties for logging and transportation services, and any increase in the cost or any disruption in the availability of these services could materially adversely affect our business and operations and our financial results. Our businesses depend heavily on the availability of third- party service providers for the harvest of our timber and the transportation of our wood products and wood fiber. We are therefore considerably affected by the availability and cost of these services. Any significant increase in the operating costs to our service providers, including without limitation an increase in the cost of fuel ~~or~~ **,** labor **or insurance** , could have a material negative effect on our financial results by increasing the cost of these services to us, as well as result in an overall reduction in the availability of these services altogether. Our third- party transportation providers are also subject to several events outside of their control, such as disruption of transportation infrastructure, labor issues including shortages of commercial truck drivers ~~,~~ and natural disasters. Any failure of a third- party transportation provider to timely deliver our products, including delivery of our wood products and wood fiber to our customers and delivery of wood fiber to our mills, could harm our supply chain, negatively affect our customer relationships and have a material adverse effect on our financial condition, results of operations, cash flows and our reputation. As a result of weak business conditions in the timber industry that persisted for several years, there are fewer third- party service providers in certain markets to harvest and deliver our logs. This shortage has resulted in an overall increase in logging and hauling costs and, in some cases, compromised the general availability of these contractors. Any increase in harvest levels due to positive changes in macroeconomic conditions driving demand for logs could further strain the existing supply of third- party logging and hauling service providers. This, in turn, could increase the cost of log supply and delivery, or prevent us from fully capitalizing on favorable market conditions by limiting our ability to access and deliver our logs to market. MANAGING COMMERCIAL TIMBERLANDS RISKS Our ability to harvest and deliver timber may be subject to limitations which could adversely affect our **financial condition,** results of operations and cash flows. Our primary assets are our timberlands. Weather conditions, timber growth cycles, access limitations ~~,~~ and availability of contract loggers and haulers may adversely affect our ability to harvest our timberlands. Other factors that may adversely affect our timber harvest include damage to our standing timber by fire or by insect or pest infestation, disease, prolonged drought, flooding, severe weather and other natural disasters. As discussed in more detail in the following risk factors, changes in global climate conditions could intensify the severity and rate of occurrence of any one or more of these risks that we currently face or introduce other risks that we currently cannot predict. Although damage from such causes usually is localized and affects only a limited percentage of standing timber, there can be no assurance that any damage affecting our ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 33~~ timberlands will in fact be limited. As is common in the forest products industry, we do not maintain insurance coverage for damage to our timberlands. Our revenues, net income and cash flow from operations are dependent to a significant extent on the pricing of our products and our continued ability to harvest timber at adequate levels. Therefore, if we were to be restricted from harvesting on a significant portion of our timberlands for a prolonged period of time, or if material damage to a significant portion of our standing timber were to occur, we could suffer materially adverse effects to our **financial condition,** results of operations and cash flows. Future timber harvest levels may also be affected by our ability to timely and effectively replant harvested areas, which depends on several factors including changes in estimates of long- term sustainable yield because of silvicultural advances, natural disasters, fires, pests, insects and other hazards, regulatory constraints, availability of contractors, U. S. immigration policies and other factors beyond our control. Timber harvest activities are also subject to a number of federal, state and local regulations pertaining to the protection of fish, wildlife, water and other resources. Regulations, government agency policy and guidelines, and litigation, can restrict timber harvest activities and increase costs. Examples include federal and state laws protecting threatened, endangered and " at- risk " species, harvesting and forestry road building activities that may be restricted under the U. S. Federal Clean Water Act, state forestry practices laws, laws protecting aboriginal rights ~~,~~ and other similar regulations. Our estimates of timber inventories and growth rates may be inaccurate and include risks inherent in calculating such estimates, which may impair our ability to realize expected revenues. Whether in connection with managing our existing timberland portfolio or assessing potential timberland acquisitions, we make and rely on important estimates of merchantable timber inventories. These include estimates of timber inventories that may be lawfully and economically harvested, timber growth rates and end- product yields. Timber growth rates and yield estimates are developed by forest biometricians and other **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND FORM 10- K 32** experts using statistical measurements of tree samples on given property. These estimates are central to forecasting our anticipated timber harvests, revenues and expected cash flows. While the company has confidence in its timber inventory processes and the professionals in the field who administer them, future growth and yield estimates are inherently inexact and uncertain and subject to many external variables that could further affect their accuracy. These external variables include, among other things, disease, insect or pest infestation, natural disasters and changes in weather patterns **, all of which could be exacerbated by the impacts of climate change** . If these estimates are inaccurate, our ability to manage our timberlands in a sustainable or profitable manner may be compromised, which may cause our **financial condition,** results of operations, cash flows and our stock price to be adversely affected. Our **financial condition,** operating results and cash flows will be materially affected by supply and demand for timber. A variety of factors affect prices for timber, including available supply, changes in economic conditions that affect demand, the level of domestic new construction and remodeling activity, interest rates, credit availability, population growth, weather conditions ~~and~~ **,** insect or pest infestation ~~,~~ and other factors. These factors vary by region, by timber type (i. e., sawlogs or pulpwood logs) and by species. Timber prices are affected by changes in demand on a local, national and international level. The closure of a mill in a region where we own timber could have a material adverse effect on demand in that region, and therefore pricing. For example, as the demand for paper continues to decline, closures of pulp mills in some of our operating regions have adversely affected the regional demand for pulpwood and wood chips. Additionally, some of our Asian log export markets, particularly China, have a history of significant volatility. Lower demand for our export logs could have a negative effect on timber prices, particularly in the western region. Timber prices are also affected by changes in timber supply and availability at the local, national and international level. Our timberland ownership is concentrated in Alabama, Arkansas, **Georgia,** Louisiana **, Maine** , Mississippi, North Carolina, Oklahoma, Oregon and Washington. In some of these states, much of the timberland is privately owned. Increases in timber prices often result in substantial increases in harvesting on private timberlands, including lands owned by others and not previously made available for commercial timber operations, causing a short- term increase in supply that moderates such price increases. In western states such as Oregon and Washington, where a greater proportion of timberland is government- owned, any substantial increase in timber harvesting from government- owned land could significantly reduce timber prices. On a local level, timber supplies can fluctuate depending on factors such as changes in weather conditions and harvest strategies of local timberland owners, as well as occasionally high timber salvage efforts due to events such as insect or pest infestations, fires or other natural disasters. Demand for timber in foreign markets can fluctuate due to a variety of factors as well, including but not limited to: changes in the fundamental economic conditions that affect demand for logs in a given export market country or region; any substantial increase in supply of logs from local or regional sources, including such sources that periodically supply large amounts of salvage timber as a result of disease or infestation, and other factors. Timberlands make up a significant portion of our business portfolio and we are therefore subject to real estate investment risks. Our real property holdings are primarily timberlands and we may make additional timberlands acquisitions in the future. As the owner and manager of approximately ~~11~~ **10. 5** million acres of timberlands, we are subject to the risks that are inherent in concentrated real estate investments. A downturn in the real estate industry generally, or the timber or forest products industries specifically, could reduce the value of our properties and adversely affect our **financial condition,** results of operations and cash flows. Such a downturn could also adversely affect our customers and reduce the demand for our products, as well as our ability to execute upon our strategy of selling nonstrategic timberlands and timberland properties that have higher and better uses at attractive prices. These risks may be more pronounced than if we diversified our investments outside of real property holdings. ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 34~~ MANUFACTURING AND SELLING WOOD PRODUCTS RISKS A material disruption at one of our manufacturing facilities could prevent us from meeting customer demand, reduce our sales, and negatively affect our results of operations ~~and~~ **,** financial condition **and cash flows** . Any of our manufacturing facilities, or any of our equipment within an otherwise operational facility, could cease operations unexpectedly due to a number of events, including: ? unscheduled maintenance outages; ? prolonged power failures; ? equipment failure; ? chemical spill or release; ? explosion of a boiler; ? fires, floods, windstorms, earthquakes, hurricanes or other severe weather conditions or catastrophes ~~,~~ affecting the production of goods or the supply of raw materials (including fiber); ? the effect of drought or reduced rainfall on water supply; ? labor difficulties; ? disruptions in transportation or transportation infrastructure, including roads, bridges, rail, tunnels, shipping and port facilities; ? terrorism or threats of terrorism; ? cyberattack; **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND**

**FORM 10- K 33** ? governmental regulations; ? other operational problems and ? effects of viral or disease outbreaks and any resulting epidemic or global pandemic. We cannot predict the duration of any such downtime or extent of facility damage. If one of our facilities or machines were to incur significant downtime, our ability to meet our production targets and satisfy customer demand could be impaired, resulting in lower sales and income. Additionally, we may be required to make significant unplanned capital expenditures. Although some risks are not insurable and some coverage is limited, we purchase insurance on our manufacturing facilities for damage from fires, floods, windstorms, earthquakes, other severe weather conditions, equipment failures and boiler explosions. Such insurance may not be sufficient to recover all of our damages. Some of our wood products are vulnerable to declines in demand due to competing technologies or materials. Our products compete with non- fiber based alternatives or with alternative products in certain market segments. For example, plastic, wood / plastic or composite materials may be used by builders as alternatives to our wood products such as lumber, veneer, plywood and oriented strand board. Changes in prices for oil, chemicals and wood- based fiber can change the competitive position of our products relative to available alternatives and could increase substitution of those products for our products. If use of these or other alternative products grows, demand for and pricing of our products could be adversely affected. Our **financial condition,** results of operations ~~,~~ **and** cash flows ~~and financial condition~~ could be materially adversely affected by changes in product mix or pricing. Our results may be materially adversely affected by a change in our product mix or pricing. Some of our wood products, such as lumber, veneer, plywood and oriented strand board, are commodities and are subject to fluctuations in market pricing. If pricing on our commodity products decreases and if we are not successful in increasing sales of higher- priced, higher- value products, or if we are not successful in implementing price increases, or there are delays in acceptance of price increases or higher- priced products, our **financial condition,** results of operations ~~,~~ **and** cash flows ~~and financial condition~~ could be materially and adversely affected. Price discounting, if required to maintain our competitive position in one or more markets, could result in lower than anticipated price realizations and margins. We face intense competition in our markets; any failure to compete effectively could have a material adverse effect on our business, financial condition ~~and~~ **,** results of operations **and cash flows** . We compete with North American producers and, for some of our product lines, global producers, some of which may have greater financial resources and lower production costs than we do. The principal basis for competition for many of our products is selling price. Our industries also are particularly sensitive to other factors including innovation, design, quality and service, with varying emphasis on these factors depending on the product line. To the extent that any of our competitors are more successful with respect to any key competitive factor, our ability to attract and retain customers and maintain and increase sales could be materially adversely affected. Any failure to compete effectively could have a material adverse effect on our business, financial condition ~~and~~ **,** results of operations **and cash flows** . Competition from lumber imports could vary significantly and have a material effect on U. S. **timber and** lumber ~~and timber~~ prices. The future amount and pricing of lumber imports entering U. S. markets remain uncertain. Historically, Canada has been the most significant source of lumber for the U. S. market, particularly in the new home construction market. We produce lumber in our Canadian mills, but the bulk of our lumber production is in the U. S. There have been many disputes and subsequent trade agreements regarding sales of softwood lumber between Canada and the U. S. The last agreement, which required Canadian softwood lumber facilities, including our mills, to pay an export tax when the price of lumber is at or below a threshold price, expired in October 2015. Since that time, the U. S. Department of Commerce has issued countervailing and antidumping duties on softwood lumber imports from Canada based on findings of injury to U. S. lumber producers. ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 35~~ We are not able to predict when, or if, a new softwood lumber agreement **with Canada** will be reached or, if reached, what the terms of the agreement would be. Similarly, we are not able to predict if the current U. S. policy of imposing import duties on Canadian softwood lumber will continue. We could, therefore, experience significant downward pressure on timber and lumber prices caused by Canadian lumber imports **. We also periodically face competition from lumber producers in Europe. Historically, European imports to U. S. markets have been more robust during strong domestic lumber market cycles, which can limit the benefits we realize from high timber and lumber prices by creating downward pressure on pricing. As with Canadian imports, we cannot predict the timing nor the extent of future levels of European lumber imports and could therefore experience significant downward pressure on timber and lumber prices stemming from this source of competition** . Customer demand for certain brands of sustainably- produced products could reduce competition among buyers for our products or cause other adverse effects. We have adopted the Sustainable Forestry Initiative ® (SFI) ® standard for wood fiber supplied to our manufacturing facilities, both from our timberlands and from third- party suppliers. If customer preference for a sustainability standard other than SFI increases, or if the SFI standard falls into disfavor, there may be reduced demand and lower prices for our products relative to competitors who can supply products sourced from forests certified to competing certification standards. If we seek to comply with such other standards, we could incur materially increased costs for our operations or be required to modify our operations, such as reducing harvest levels. FSC, in particular, employs standards that are geographically variable and could cause a material reduction in the harvest levels of some of our timberlands, most notably in the Pacific Northwest. **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND FORM 10- K 34** Our business and operations could be materially adversely affected by changes in the cost or availability of raw materials and energy. We rely heavily on certain raw materials (principally wood fiber and chemicals) and energy sources (principally natural gas, electricity and fuel oil) in our manufacturing processes. Our ability to increase earnings has been, and will continue to be, affected by changes in the costs and availability of such raw materials and energy sources. We may not be able to fully offset the effects of higher raw material or energy costs through price increases, productivity improvements, cost- reduction programs or hedging arrangements. The U. S. has experienced significant inflation, which could continue or worsen and therefore negatively affect the cost or availability of raw materials and energy, which we may not be able to fully pass onto our customers. PHYSICAL RISKS RELATED TO CLIMATE CHANGE Changes in global or regional climate conditions could significantly harm our timberland assets and have a negative impact on our results of operations, cash flow and **financial**

**condition** ~~profitability of our operations~~ . Climate change has the potential to cause significant disruptions to our business and results of operations, cash flow and ~~profitability~~ **financial condition** . There is increasing concern that increases in global average temperatures caused by increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could cause significant changes in weather patterns, including changes to precipitation patterns and growing seasons. These changes could, in the long term and in some locations, lead to slower growth of our trees and, potentially, changes to the species mix that we manage in our timber assets. An increase in global temperature could also lead to an increase in the frequency and severity of extreme weather events and other natural disasters. Thus, damage or access to our timberland assets by existing causes, such as fire, insect or pest infestation, disease, prolonged drought, flooding, windstorms and other natural disasters, could be significantly worsened by climate change **. Extreme weather and temperatures could also lead to interruptions of normal work conditions in our operations** . Any one or more of these negative effects on commercial timberland operations from climate change, both our own and that of other commercial timberland operators, could also have a material adverse impact on our Wood Products business by significantly affecting the availability, cost and quality of the wood fiber used in our mill operations. WORKFORCE RISK Our business is dependent upon attracting, retaining and developing key personnel. Our success depends, to a significant extent, upon our ability to attract, retain and develop **employees to help run our business, including but not limited to employees needed to staff our operations and key personnel capable of performing at a high level to fill roles in** senior ~~management,~~ **corporate and** operations management ~~and other key personnel~~ . Our financial condition ~~or~~ **,** results of operations **or cash flows** could be significantly adversely affected if we were to fail to recruit, retain, and develop such ~~personnel~~ **employees** , or if there were to occur any significant decrease in the availability of such ~~personnel~~ **employees** or any significant increase in the cost of providing such ~~personnel~~ **employees** with competitive total compensation and benefits. For the last few years, we have experienced a competitive and challenging labor market **. In addition, most of our operations are located in rural communities where we draw from local labor forces to fill many positions in both our Timberlands and Wood Products operations. These communities are often beset with many challenges ranging from struggling economies to limited community resources and access to educational opportunities, any one or more of which could lead to decreases in location populations and therefore decreases in the availability of an able and qualified workforce** . A sustained labor shortage or increased turnover rates within our employee base, whether caused by any singular event such as the global pandemic or as a result of general macroeconomic **or other** factors, could **disrupt our operations and** lead to increased labor costs **,** such as an increased need for overtime work by current employees to meet demand and increased wage rates to attract and retain employees. ~~Further, if we are unable to hire and retain employees capable of performing at a high level, our operations could be disrupted.~~ A strike or other work stoppage, or our inability to renew collective bargaining agreements on favorable terms, could adversely affect our financial results. **A** ~~As of December 31, 2022, a~~ significant number of employees in our Western Timberlands and Wood Products businesses ~~were~~ **are** covered by collective bargaining agreements. As **we previously** ~~discussed~~ **disclosed** ~~in our MD & A~~ , ~~Weyerhaeuser~~ **certain of these** ~~employee~~ **employees** ~~members of the International Association of Machinists and Aerospace Workers union~~ commenced a work stoppage in ~~September~~ 2022 **, which was shortly thereafter resolved,** affecting the company' s operations in Washington and Oregon ~~, which was subsequently resolved in October 2022. The stoppage involved approximately 1, 200 employees, affected our Wood Products and Timberlands operations and had a negative impact on our operations for the third and fourth quarter of 2022~~ . If ~~these~~ **our unionized** workers were to engage in a protracted ~~strike or other~~ work stoppage ~~, or if our non- unionized operations were to become unionized~~ , we could experience a significant disruption of operations at our facilities **. Likewise, if** ~~or~~ **our non- unionized operations were to become unionized and thereafter commence a work stoppage, we could experience a significant disruption of operations at our facilities. If we are unable to reach or renew collective bargaining agreements with our unionized workers, we could also experience** higher ongoing labor costs. **Any** ~~A significant customer, transportation provider or supplier strike or other~~ work stoppage **by any one or more of our significant customers, transportation providers or suppliers** could also have similar **negative** effects on us. ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 36~~ **Depending on scope and duration, any of these labor disruptions could have a material adverse effect on our financial condition, results of operations or cash flows.** PENSION PLAN LIABILITY RISK Volatility in interest rates and lower than expected returns on our pension assets could reduce the funded status of our defined benefit pension plans, requiring us to make significant additional cash contributions to our benefit plans. A portion of our current and former employees have accrued benefits under our defined benefit pension plans. Although the plans are not open to **newly hired or rehired** employees ~~hired on or after January 1, 2014~~ , current employees hired before ~~that time~~ **the plan closure** continue to accrue benefits. Requirements for funding our pension plan liabilities are based on a number of actuarial assumptions, including the expected rate of return on our plan assets and the discount rate applied to our pension plan obligations. Fluctuations in equity market returns and changes in long- term interest rates could increase our **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND FORM 10- K 35** costs under our defined benefit pension plans and may significantly affect future contribution requirements. It is unknown what the actual investment return on our pension assets will be in future years and what interest rates may be at any given point in time. We cannot therefore provide any assurance of what our actual pension plan costs will be in the future, or whether we will be required under applicable law to make future material plan contributions. See Note ~~9~~ **8** : Pension and Other Post- Employment Benefit Plans for additional information about these plans, including funding status. STRATEGIC INITIATIVES AND EXECUTION RISK Our business and financial results may be adversely affected if we are unable to successfully execute on important strategic initiatives. Our strategic initiatives are designed to improve our results of operations and drive long- term shareholder value. These initiatives include, among others, optimizing cash flow through operational excellence, reducing costs to achieve industry- leading cost structure, innovating in higher- margin products and pursuing opportunities in emerging markets **through** ~~such as~~ our ~~recently announced initiative~~ **Real Estate, Energy & Natural Resources segment. For example, through our natural climate**

**solutions business we are pursuing opportunities** to participate in **new and emerging** markets for **forest** carbon ~~offsets~~ **credits** and carbon storage **, and the success of these endeavors is subject to many known and unknown risks. Known risks include, but are not limited to, market acceptance of our products and services, changes to demand for our products and services as these new markets evolve over time and political and regulatory developments that may make it more costly, or impossible, to pursue these business opportunities** . There can be no assurance that we will be able to successfully implement any one or more of our important strategic initiatives in accordance with our expectations, which could result in an adverse effect on our business and financial results. We may be unsuccessful in carrying out our acquisition strategy. We intend to strategically pursue acquisitions and strategic divestitures when market conditions warrant. As with any investment, our acquisitions may not perform in accordance with our expectations. In addition, we anticipate financing ~~such~~ **many of these** acquisitions through cash from operations, borrowings under our unsecured credit facilities, proceeds from equity or debt offerings or proceeds from strategic asset dispositions, or any combination thereof. Our inability to finance future acquisitions on favorable terms, or at all, could adversely affect our ability to successfully execute strategic acquisitions and thereby adversely affect our results of operations **, financial condition and cash flows** . FOREIGN CURRENCY RISK We will be affected by changes in currency exchange rates. We have manufacturing operations in Canada. We are also an exporter and compete with global producers of products very similar to ours. Therefore, we are affected by changes in the strength of the U. S. dollar, particularly relative to the Canadian dollar, euro, yuan and yen, and the strength of the euro relative to the yen. Changes in exchange rates could materially and adversely affect our sales volumes, margins and results of operations. LEGAL, REGULATORY AND TAX RISKS ENVIRONMENTAL LAWS AND REGULATIONS We could incur substantial costs as a result of compliance with, violations of, or liabilities under applicable environmental laws and other laws and regulations. We are subject to a wide range of general and industry- specific laws and regulations relating to the protection of the environment **and wildlife** , including those governing: ? air emissions, ? wastewater discharges, ? harvesting, ? silvicultural activities, including use of pesticides and herbicides, ? forestry operations and endangered species habitat protection, ? surface water management, ? the storage, usage, management and disposal of hazardous substances and wastes, ? the cleanup of contaminated sites, ? landfill operation and closure obligations, ? building codes and ? health and safety matters. **We have incurred, and we expect to continue to incur, significant capital, operating and other expenditures complying with applicable environmental laws and regulations and as a result of remedial obligations, and there can be no assurances that existing accruals for specific matters will be adequate to cover future costs. We also could incur substantial costs, such as civil or criminal fines, sanctions and enforcement actions (including orders limiting our operations or requiring corrective measures, installation of pollution control equipment or other remedial**  ~~We have incurred, and we expect to continue to incur, significant capital, operating and other expenditures complying with applicable environmental laws and regulations and as a result of remedial obligations, and there can be no assurances that existing reserves for specific matters will be adequate to cover future costs. We also could incur substantial costs, such as civil or criminal fines, sanctions and enforcement actions (including orders limiting our operations or requiring corrective measures, installation of pollution control equipment or other remedial~~ actions), cleanup and closure costs, and third- party claims for property damage and personal injury as a result of violations of, or liabilities under, environmental laws and regulations. As the owner and operator of real estate, we may be liable under environmental laws for cleanup, closure and other damages resulting from the presence and release of hazardous substances on or from our **current or former** properties or operations. In addition, surface water management regulations may present liabilities and are subject to change. The amount and timing of environmental expenditures is difficult to predict, and in some cases, our liability may exceed forecasted amounts or the value of the property itself. The discovery of additional contamination or the imposition of additional cleanup obligations at our sites or third- party sites may result in significant additional costs. We also lease some of our properties to third- party operators for the purpose of exploring, extracting, developing and producing oil, gas, rock and other minerals in exchange for fees and royalty payments. These activities are also subject to federal, state and local laws and regulations. These operations may create risk of environmental liabilities for any unlawful discharge of oil, gas or other chemicals into the air, soil or water. Generally, these third- party operators indemnify us against any such liability, and we require that they maintain liability insurance during the term of our lease with them. However, if for any reason our third- party operators are not able to honor their indemnity obligation, or if the required liability insurance were not in effect, then it is possible that we could be deemed responsible for costs associated with environmental liability caused by such third- party operators. Any material liability we incur as a result of activities conducted on our properties by us or by others with whom we have a business relationship could adversely affect our financial condition. We also anticipate public policy developments at the state, federal and international level regarding climate change and energy access, security and competitiveness. As discussed below, we expect these developments to address emission of carbon dioxide, renewable energy and fuel standards, and the monetization of carbon. These developments may also include mandated changes to energy use and building codes which could affect homebuilding practices. Enactment of new environmental laws or regulations or changes in existing laws or regulations, or the interpretation of these laws or regulations, might require significant expenditures. We also anticipate public policy developments at the state, federal and international level regarding taxes and a number of other areas that could require significant expenditures. LEGAL AND REGULATORY RISKS RELATED TO CLIMATE CHANGE Governmental response to climate change at the international, federal and state levels may affect our **financial condition,** results of operations, cash flows and profitability. There continue to be numerous international, U. S. federal and state- level initiatives and proposals to address domestic and global climate issues. Within the U. S. and Canada, some of these proposals would regulate ~~(and in some Canadian provinces do regulate)~~ and / or tax the production of carbon dioxide and other greenhouse gases to facilitate the reduction of carbon compound emissions into the atmosphere and provide tax and other incentives to produce and use cleaner energy **. Indeed, such regulations have already been passed into law in some Canadian provinces and in Washington**

**state, where we have mill operations** . Climate change effects, if they occur, and governmental initiatives, laws and regulations to address potential climate concerns, could increase our costs and have a long- term adverse effect on our businesses and results of operations. Future legislation or regulatory activity in this area remains uncertain, and its effect on our operations is unclear at this time. However, climate change legislation or related government mandates, standards or regulations intended to mitigate or reduce carbon compound, greenhouse gas emissions or other climate change effects could have significant adverse effects on our business and operations as well as our ability to achieve our recently announced business goals in emerging carbon ~~offset~~ **credit** and carbon storage markets. Any one or more of such new legal requirements and regulations could, for example, significantly increase the costs for our mills to comply with stricter air emissions regulations. They could also limit harvest levels for commercial timberland operators, which could in turn adversely affect our timberland operations as well as potentially lead to significant increases in the cost of energy, wood fiber and other raw materials for our wood products businesses. Any one or more of these developments, as well as other unforeseeable governmental responses to climate change, could have a material adverse effect on our **financial condition,** results of operations, cash flows and profitability. LEGAL MATTERS We are involved in various environmental, regulatory, product liability and other legal matters, disputes and proceedings that, if determined or concluded in a manner adverse to our interests, could have a material adverse effect on our financial condition. We are, from time to time, involved in a number of legal matters, disputes and proceedings (legal matters), some of which involve ongoing litigation. These include, without limitation, legal matters involving environmental clean- up and remediation, warranty and non- warranty product liability claims, regulatory issues, contractual and personal injury claims and other legal matters. In some cases, all or a portion of any loss we experience in connection with any such legal matters will be covered by insurance; in other cases, any such losses will not be covered. ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 38~~ The outcome, costs and other effects of current legal matters in which we are involved, and any related insurance recoveries, cannot be determined with certainty. Although the disclosures in Note ~~14~~ **13** : Legal Proceedings, Commitments and Contingencies ~~and Note 20: Income Taxes~~ contain management' s current views of the effect such legal matters could have on our financial results, there can be no assurance that the outcome of such legal matters will be as currently expected. It is possible that there could be adverse judgments against us in some or all major litigation matters against us, and that we could be required to take a charge and make cash payments for all or a portion of any related awards of damages. Any one or more of such charges or cash payment could materially and adversely affect our **financial condition,** results of operations or cash flows for the quarter or year in which we record or pay it. **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND FORM 10- K 37** REIT STATUS AND TAX IMPLICATIONS If we fail to remain qualified as a REIT, our taxable income would be subject to tax at corporate rates and we would not be able to deduct dividends to shareholders. In any taxable year in which we fail to qualify as a REIT, unless we are entitled to relief under the IRC: ? We would not be allowed to deduct dividends to shareholders in computing our taxable income. ? We would be subject to federal and state income tax on our taxable income at applicable corporate rates. ? We also would be disqualified from treatment as a REIT for the four taxable years following the year during which we lost qualification. Qualification as a REIT involves the application of highly technical and complex provisions of the IRC to our operations and the determination of various factual matters and circumstances not entirely within our control. There are only limited judicial or administrative interpretations of these provisions. We closely monitor our compliance with all of the various requirements for maintaining our REIT status. For example, we regularly test our compliance with the general requirement that at least 75 percent of the market value of our total assets consist of REIT- qualifying interests in real property (such as timberlands) and certain other specified qualifying assets, and that no more than 25 percent of the market value of our total assets may consist of assets that are not REIT- qualifying assets. Although we operate in a manner consistent with these REIT qualification rules, we cannot provide assurance that we are or will remain qualified. Certain of our business activities are subject to corporate- level income tax and potentially subject to prohibited transactions tax. Under the IRC, REITs generally must engage in the ownership and management of income producing real estate. For the company, this generally includes owning and managing a timberland portfolio for the production and sale of standing timber. Certain activities that generate non- qualifying REIT income could constitute " prohibited transactions. " Prohibited transactions are defined by the Internal Revenue Code generally to be sales or other dispositions of property to customers in the ordinary course of a trade or business. Accordingly, the harvesting and sale of logs, the development or sale of certain timberlands and other real estate, and the manufacture and sale of wood products are conducted through one or more of our wholly- owned TRSs, the net income of which is subject to corporate- level tax. By conducting our business in this manner, we believe that we satisfy the REIT requirements of the Internal Revenue Code. However, if the Internal Revenue Service (IRS) were to successfully assert that these or any of our activities conducted at the REIT constituted prohibited transactions, we could be subject to the 100 percent tax on the net income from such activities. The extent of our use of our TRSs may affect our REIT qualification and affect the price of our common shares relative to the share price of other REITs. We conduct a significant portion of our business activities through one or more TRSs. The use of our TRSs enables us to engage in non- REIT qualifying business activities such as the harvesting and sale of logs, manufacture and sale of wood products, and the development and sale of certain higher and better use (HBU) property. Our TRSs are subject to corporate- level income tax. Under the Code, no more than 20 percent of the value of the gross assets of a REIT may be represented by securities of one or more TRSs. This limitation may affect our ability to increase the size of our TRSs' operations. While we intend to monitor the value of our investments in the stock and securities of our TRSs to ensure compliance with the 20 percent limitation, we cannot provide assurance that we will always be able to comply with the limitation so as to maintain REIT status. If we were to exceed the 20 percent limitation, we may be forced to sell or otherwise distribute assets of our TRSs in order to remain a qualified REIT. Furthermore, our use of TRSs may cause the market to value our common shares differently than the shares of other REITs, which may not use TRSs at all, or as extensively as we use them. The failure of our subsidiary REIT to maintain its separate REIT qualification could affect the company' s own REIT qualification. A significant amount of our timberlands is held in a subsidiary that we operate to qualify as a REIT, and we may in the future invest in other timberlands and other real estate through one or more other subsidiary entities that are intended to qualify as REITs. While our ownership interest in the subsidiary REIT is a qualifying real estate asset for purposes of the company' s 75 percent asset test described above, any failure of the subsidiary REIT to maintain its own separate REIT status would generally result in the subsidiary being subject to regular U. S. corporate income tax, as described above, and the company' s ownership interest in the subsidiary no longer qualifying as a real estate asset for purposes of the 75 percent asset test. If this were to occur, the company' s own REIT qualification could be affected. We may be limited in our ability to fund distributions using cash generated through our TRSs. The ability of the company to receive dividends from our TRSs is limited by the rules with which we must comply to maintain our status as a REIT. In particular, at least 75 percent of gross income for each taxable year as a REIT must be derived from real estate sources including sales of our standing timber and other types of qualifying real estate income, and no more than 25 percent of our gross income may consist of ~~WEYERHAEUSER COMPANY > 2022 ANNUAL REPORT AND FORM 10- K 39~~ dividends from our TRSs and other non- real estate income. This limitation on our ability to receive dividends from our TRSs may affect our ability to fund cash distributions to our shareholders using cash flows from our TRSs. The net income of our TRSs is not required to be distributed, and income of our TRSs that is not distributed to the company will not be subject to the REIT income distribution requirement. To maintain our qualification as a REIT and to avoid an excise tax, we are generally required to distribute substantially all of our taxable income to our shareholders. Generally, REITs are required to distribute 90 percent of their ordinary taxable income and (to avoid an excise tax) 95 percent of their net capital gains income. Capital gains may be retained by the REIT but would be subject to corporate income taxes. If capital gains were retained rather than distributed, our shareholders would be deemed to have received a taxable distribution (about which we would notify them), with a credit or **WEYERHAEUSER COMPANY > 2023 ANNUAL REPORT AND FORM 10- K 38** refund for any federal income tax paid by the company. We believe that we are not required to distribute material amounts of cash since substantially all of our taxable income is treated as capital gains income. As previously discussed in these Risk Factors, our board of directors, in its sole discretion, determines the amount, timing and frequency of our dividends to shareholders. Changes in tax laws or their interpretation could adversely affect our shareholders and our results of operations. Federal and state tax laws are constantly under review by persons involved in the legislative process, the IRS, the United States Department of the Treasury ~~,~~ and state taxing authorities. Changes to tax laws could adversely affect our shareholders or increase our effective tax rates. We cannot predict with certainty whether, when, in what forms, or with what effective dates, the tax laws applicable to us or our shareholders may be changed. IMPORT / EXPORT TAXES AND DUTIES We may be required to pay significant taxes or tariffs on our exported products or countervailing and anti- dumping duties or tariffs on our imported products. We export logs and finished wood products to foreign markets, and our ability to do so profitably is affected by U. S. and foreign trade policy. International trade disputes occur frequently and can be taken to an ~~International~~ **international** ~~Trade~~ **trade** ~~Court~~ **court or tribunal** for resolution of unfair trade practices between countries. U. S. international trade policy could result in one or more of our foreign export market jurisdictions adopting trade policy making it more difficult or costly for us to export our products to those countries **, including, for example, placing export or phytosanitary restrictions on our products** . We could therefore experience reduced revenues and margins in any of our businesses that is adversely affected by international trade tariffs, duties, taxes, customs or dispute settlement terms. To the extent such trade policies increase prices, they could also reduce the demand for our products and could have a material adverse effect on our business, financial results and financial condition, including facility closures or impairments of assets. We cannot predict future trade policy or the terms of any settlements of international trade disputes and their effect on our business. OTHER RISKS RISKS RELATED TO OWNING OUR STOCK Our cash dividends are not guaranteed and may fluctuate. Our board of directors, in its sole discretion, determines the amount and timing of our cash dividends to shareholders based on consideration of a number of factors. These factors include, but are not limited to: our results of operations and cash flows; current and forecasted economic conditions; changes in the current or expected prices and demand for our products and the general market demand for timberlands, including those timberland properties that have higher and better uses; current and forecasted harvest levels; balancing various capital allocation priorities and considerations including without limitation the company' s capital requirements and debt repayment obligations; various finance considerations, including the company' s credit ratings, borrowing capacity, debt covenant restrictions that may impose limitations on cash payments and other related factors and tax considerations. Consequently, the amount, timing and frequency of our dividends, including our quarterly base dividend and annual supplemental dividend, may fluctuate. The market price of our common stock may be influenced by many factors, some of which are beyond our control. The market price of our common stock may be influenced by many factors, some of which are beyond our control, including without limitation those described above and elsewhere in this report, as well as the following: ? actual or anticipated fluctuations in our operating results or our competitors' operating results; ? announcements by us or our competitors of new products, capacity changes, significant contracts, acquisitions or strategic investments or initiatives; ? our growth rate and our competitors' growth rates; ? general economic conditions; ? conditions in the financial markets; ? market interest rates and the relative yields on other financial instruments; ? general perceptions and expectations regarding housing markets, interest rates, commodity prices ~~,~~ and currencies; **? changes in stock market analyst recommendations regarding us, our competitors or the forest products industry generally, or lack of analyst coverage of our common stock; ? sales of our common stock by our executive officers, directors and significant shareholders; ? sales or repurchases of substantial amounts of common stock; ? fluctuation in the market price of our products (see Product Pricing and Profitability above); ? changes in accounting principles and ? changes in tax laws and regulations.** WEYERHAEUSER COMPANY > ~~2022~~ **2023** ANNUAL REPORT AND FORM 10- K **39** ~~40 ? changes in stock market analyst recommendations regarding us, our competitors or the forest products industry generally, or lack of analyst coverage of our common stock; ? sales of our common stock by our executive officers, directors and significant shareholders;~~

~~? sales or repurchases of substantial amounts of common stock; ? fluctuation in the market price of our products (see Product Pricing and Profitability above); ? changes in accounting principles and ? changes in tax laws and regulations.~~ In addition, there has been significant volatility in the market price and trading volume of securities of companies, including companies operating in the forest products industry, that often has been unrelated to individual company operating performance. Some companies that have experienced volatile market prices for their securities have had securities litigation brought against them. If litigation of this type is brought against us, it could result in substantial costs and divert management' s attention and resources. CAPITAL MARKETS RISKS Deterioration in economic conditions and capital markets could adversely affect our access to capital. Challenging market conditions could impair the company' s ability to raise debt or equity capital or otherwise access capital markets on terms acceptable to us, which may, among other effects, reduce our ability to refinance debt maturities or take advantage of growth and expansion opportunities. Moreover, our businesses require substantial capital for repair or replacement of existing facilities or equipment. While we believe our capital resources will be adequate to meet our current projected operating needs, capital expenditures and other cash requirements, if for any reason we are unable to access capital for our operating needs, capital expenditures and other cash requirements on acceptable economic terms, or at all, we could experience a material adverse effect on our business, financial condition, results of operations and cash flows. Changes in credit ratings issued by nationally recognized rating organizations could adversely affect our cost of financing and have an adverse effect on the market price of our securities. Credit rating agencies rate our debt securities on factors that include our operating results and balance sheet, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Ratings decisions by these agencies include maintaining, upgrading or downgrading our current rating, as well as placing the company on a" watch list" for possible future ratings actions. Any downgrade of our credit rating, or decision by a rating agency to place us on a" watch list" for possible future downgrading could have an adverse effect on our ability to access credit markets, increase our cost of financing, and have an adverse effect on the market price of our securities. INFORMATION SYSTEMS AND CYBERSECURITY ~~We face risks~~ **Risks** associated with the use of Information Technology (IT) systems **,** including from security breaches **, new system implementations and integrations** or other significant disruptions, ~~which~~ could affect our ability to operate our businesses effectively, adversely affect our reported financial results, affect our reputation and expose us to potential liability or litigation. We use IT systems to carry out our operational activities, maintain our business records, and collect and store sensitive data, including but not limited to intellectual property and personally identifiable information. Some of our systems are internally managed and some are maintained by third- party service providers. Although we employ, and we believe our third- party service providers employ, what we deem to be reasonably adequate security measures and controls, there can be no assurance that our security measures will be effective against the risks we face from cyber- attacks, including from: computer hackers, foreign governments and cyber terrorists; malicious code (such as malware, viruses and ransomware); an intentional or unintentional personnel action; a natural disaster; a hardware or software corruption, failure or error; a telecommunications system failure; a service provider failure or error; or any one or more other causes of a security breach, failure or disruption. ~~To~~ **The increased prevalence and sophistication of Artificial Intelligence (AI) tools, such as AI- enabled malware, could increase the risks of cyber- attacks to our systems and to those of our third- party service providers. Implementation of new IT systems, including replacement of legacy systems with new or upgraded versions, could also pose a significant risk to our business, as any such implementation can involve system failure, potential loss or corruption of our important data, security or internal control failures, delays, cost overruns and operational disruption. Although we have, on occasion, experienced cybersecurity threats to our data and information systems, including phishing attacks, to** date ~~,~~ no events of this nature have had a material adverse effect on our business **or otherwise caused material harm to the company** . However, if in the future our IT systems are significantly disrupted, shut down or otherwise compromised **for any reason** , or if our data is destroyed, misappropriated or inappropriately disclosed, our financial results or our business operations, or both, could be negatively affected. Additionally, we could suffer significant losses or incur significant liabilities, including without limitation damage to our reputation, loss of customer confidence or goodwill and significant expenditures of time and money to address and remediate resulting damages to affected individuals or business partners or to defend ourselves in resulting litigation or other legal proceedings by affected individuals, business partners or regulators. **For more information about our cybersecurity program, see Item 1C Cybersecurity.**