



Dear Weyerhaeuser Shareholder or Proxy Manager,

Recent controversies over the poor social and environmental performance of Weyerhaeuser (WYL-T, WY-N) place the company among the bad actors in their industry and have become a serious concern for responsible investors. The ethical and reputational ramifications of Weyerhaeuser's actions risk damaging the long term financial viability of the company as it fails to keep pace with modern values. We invite you to join with Rainforest Action Network and a growing list of shareholders working to improve the environmental, social and human rights performance of Weyerhaeuser.

We encourage you to join us and other shareholders in **voting** FOR the 2007 resolution filed by Capital Strategies Consulting, Inc., requesting that Weyerhaeuser prepare a report by September 2007 including a "feasibility assessment of suspending procurement of wood fiber from the Whiskey Jack forest until the free, prior and informed consent of the Grassy Narrows First Nation has been established."

Beyond this we are looking for shareholders who are interested in joining with other responsible investors to **engage** with Weyerhaeuser over the rights and interests of the Grassy Narrows First Nation in northwestern Ontario, and its refusal to adopt the Forest Stewardship Council's certification standards. We encourage you to communicate your concerns directly to Weyerhaeuser, vote for the above mentioned resolution, and consider **divestment** if the company fails to resolve the conflict with Grassy Narrows and improve its environmental record.

Recently, controversy surrounding Weyerhaeuser's conduct on these two issues featured prominently in major Canadian and American news outlets including the Washington Post, Globe and Mail, Toronto Star, and Seattle Times. See the "media clippings" below for a selection of recent coverage.

For more information please contact David Sone at the Rainforest Action Network:  
David Sone: 415-720-0080, [dsone@ran.org](mailto:dsone@ran.org)

[www.FreeGrassy.org](http://www.FreeGrassy.org)

### **Human Rights Violations in Grassy Narrows**

The Traditional Territory of the Grassy Narrows First Nation roughly coincides with the provincially designated Whiskey Jack Forest Management Unit (FMU). The territory is part of the Boreal Forest, North America's largest intact forest ecosystem, and the



largest terrestrial carbon storehouse on earth. According to management plans filed with the Ministry of Natural Resources, over half the wood used in Weyerhaeuser's Kenora, Ontario mill is sourced from the Whiskey Jack FMU through an agreement with Abitibi Consolidated.

In a recent submission to the United Nations Amnesty International reported that Grassy Narrows has not consented to logging operations on their land, and current logging is occurring in violation of basic human rights standards defined by the United Nations Committee for the Elimination of Racial Discrimination in its interpretation of the International Convention on the Elimination of All Forms of Racial Discrimination, an established and binding human rights treaty.

For decades the community has sought redress through environmental assessment requests, official appeals, petitions, legal action, and unanswered public protest which gave rise to a community logging blockade. Now in its fifth year the Grassy Narrows blockade is the longest running in Canada. The conflict intensified this summer as 100 supporters joined community activists in civil disobedience that shut down the TransCanada highway for a full day. Twenty-one people were charged with mischief as a result of that action.

A lawsuit filed in 2000 by community trappers challenges the authority of the province to issue logging licenses on Grassy Narrows' traditional territory north of the English River and asserts that clear-cut logging violates the community's rights to hunt, trap and fish, promised under Treaty 3. Judges ruled that the case should go to a full trial, and in June the Ontario Superior Court ordered the province of Ontario to pay legal costs for the community. However, court proceedings won't conclude until beyond 2008. Meanwhile, clear-cut logging continues unabated.

The Supreme Court of Canada ruled in 2004 that companies such as Weyerhaeuser share a responsibility to honour Aboriginal rights, stating that "[if] they act negligently in circumstances where they owe Aboriginal peoples a duty of care, or if they breach contracts with Aboriginal peoples or deal with them dishonestly, they may be held legally liable." (*Haida Nation v. British Columbia (Minister of Forests)*, [2004] 3 S.C.R. 511, para 56)

## **Industry Leaders**

Industry leaders like Tembec and Domtar have committed to certifying all their forest tenures under the Forest Stewardship Council – the only credible third party certification for responsible forestry. The FSC Canada National Boreal Standard 3.1 requires that "Indigenous peoples shall control forest management on their lands



and territories unless they delegate control with free and informed consent to other agencies.” FSC is the only third party forest certification system that gains endorsement from communities, environmental organizations, and industry. Weyerhaeuser refuses to certify their Canadian forestlands under FSC.

In January 2006, leading publishing house Random House UK announced they were introducing book runs printed on FSC paper. The LEED standard of the burgeoning US green building industry gives exclusive preference to FSC certified wood products. Weyerhaeuser is damaging its reputation and losing its competitive edge by refusing to embrace 21<sup>st</sup> century ethical business values.

At Weyerhaeuser’s last AGM, shareholders rejected a resolution submitted by Calvert calling on the company to “assess the feasibility of earning Forest Stewardship Council (FSC) certification for its forest lands and forest products manufacturing facilities. “

The inability of the company to foster positive relationships with communities like Grassy Narrows, and their refusal to adopt FSC certification, damages the good standing of the company with social constituencies —indigenous and otherwise— wherever it operates.

We ask you to join the growing list of shareholders, human, and environmental justice advocates working to bring Weyerhaeuser into the 21<sup>st</sup> century by adopting industry-best policies that protect endangered forests, respect human rights and advance the creation of a sustainable and just economy.

Thank you for investing responsibly,

The Rainforest Action Network.

Please contact David Sone at the Rainforest Action Network, 415-720-0080, [dsone@ran.org](mailto:dsone@ran.org), if you would like to join this effort or to learn more about our concerns regarding Weyerhaeuser’s social and environmental performance.

For more information go to [www.BuyGoodWood.com](http://www.BuyGoodWood.com) or [www.FreeGrassy.org](http://www.FreeGrassy.org)

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## Media Clippings



**The Toronto Star**

## **First Nation declares ban on industrial activity**

January 17, 2007

BY Chinta Puxley

A northwestern Ontario First Nation is trying to stop clear-cutting within its traditional territory by declaring a moratorium on all industrial activity without its permission.

Grassy Narrows spokesman Joe Fobister said the moratorium on logging in the territory north of Kenora, Ont., doesn't have any legal weight, but is a strong statement that clear-cutting is hurting the aboriginal community.

The First Nation hopes this declaration will prompt the provincial government to stop the clear-cutting that Fobister said is disrupting aboriginal trap lines.

"We've tried everything else," Fobister said. "Nothing is working. The government has totally ignored our concerns. Logging continues to this day. It's business as usual."

In the meantime, Fobister said the logging is closing in on the community.

"Our culture is disappearing with logging, our spirituality, the list goes on," he said. "The government has to be serious about resolving the problem."

The community isn't opposed to logging generally, but objects to the practice of clear-cutting, he added.

But Anne-Marie Flanagan, spokeswoman for Natural Resources Minister David Ramsay, said clear-cutting is allowed in northern Ontario, and is done in a way that mimics natural disasters like forest fires and strong winds.

"It is an acceptable practice," Flanagan said.

Aboriginals are consulted when it comes to development in their traditional territory, and the government includes aboriginals in its forest management planning, she added.

"But the duty to consult does not mean that aboriginal communities have a veto," Flanagan said.



Two Ontario environmental groups are also joining the fight against logging in the province's north. The Wildlands League and Sierra Legal plan to file a submission to the province's environmental commissioner Thursday criticizing Ontario's handling of its forestry resources and its lack of consideration of aboriginal people.

"If a bank were to manage the finances of its clients in the manner that the Ontario government manages the wood from its public forests, it would be bankrupt very quickly," Trevor Hesselink of the Wildlands League said in a statement to be released Thursday.

The moratorium call comes as a Grassy Narrows blockade enters its fifth year of denying logging trucks access to community territory via Highway 671.

Twenty-one protesters were charged by provincial police following two related blockades last summer on a nearby highway.

## **Washington Post**

### **Timber firms' green label at risk**

December 24, 2006

(12-24) 04:00 PST Seattle -- Two of the nation's largest timber companies, Weyerhaeuser and Plum Creek Timber, have polished their public images for years by participating in a program that certifies that their logging is environmentally friendly.

But in separate challenges this month from the far corners of the United States, environmental groups in Washington state and in Maine are accusing Weyerhaeuser and Plum Creek of using the forest industry's green-labeling program as a cover while they log in ways that harm endangered spotted owls in Washington and violate forestry laws in Maine.

The Seattle Audubon Society and the Natural Resources Council of Maine have demanded in documents sent to the office of the independent, nonprofit Sustainable Forestry Board that it revoke certification for the companies until they comply with standards they have pledged to uphold.

Both companies say the demands are unjustified and ignore the relevant facts.

The requests mark the first time that mainstream environmental groups have publicly attempted to turn the forest industry's certification process against big timber companies



by insisting that they be suspended from the program, the Sustainable Forestry Initiative, said William Banzhaf, president of the forestry board, which oversees certification.

Green labeling is a major marketing tool in the timber industry. It allows companies to reach a bigger marketplace while assuring increasingly sophisticated consumers that their purchases are not harming the environment.

As worry about global warming increases, green building codes are becoming politically fashionable. They have recently been adopted for private construction in Washington, D.C., Montgomery County, Md., and Pasadena. Eighteen states and 11 federal agencies use such codes for their own buildings. And green codes often give credit to builders who use timber certified to have been logged in a sustainable way.

The timber industry's main lobby, the American Forest & Paper Association, developed the Sustainable Forest Initiative in 1994.

That was a year after the Forest Stewardship Council, a group of environmentalists, forestry experts, sociologists and indigenous groups, created a certification system that is often described as far less friendly to the interests of big timber companies.

The competing certification regimes are usually referred to by acronyms -- SFI and FSC - - that can be easily confused. Some environmentalists say this is an intentional industry effort to confuse the public. Timber companies dispute that assertion.

Unlike the industry-created SFI program, FSC rules allow virtually no cutting of old-growth forests, nor do they allow operators to log off a diverse stand of trees and replace it with a plantation forest dominated by a single species, which is often done to enhance the commercial value of forestland.

Home Depot, Ikea and Williams-Sonoma are among the major retailers that have announced their preference for FSC-certified lumber or paper.

The U.S. Green Building Council, which oversees green standards for construction in Washington and Montgomery County, among other places, credits only builders that use FSC lumber. But other retailers, such as OfficeMax, have preferences that do not distinguish between certification systems.

The Seattle Audubon Society and the Natural Resources Council of Maine argue that the Sustainable Forest Initiative could lose all credibility if its board does not suspend Weyerhaeuser and Plum Creek until they clean up their forestry practices.



Banzhaf said the complaints from responsible environmental groups in Washington and Maine are an "important" challenge to the certification system and will be thoroughly investigated.

At the same time, Banzhaf defends the integrity of the SFI certification process, noting that since 2002 it has been "independent of all influence by the forestry trade association."

The program hires third-party certification companies and is financed through licensing fees and foundation grants, he said.

Its board members include leaders of major environmental groups, such as the Nature Conservancy, as well as senior state foresters and the heads of several major timber companies, including Plum Creek and Weyerhaeuser.

The separate but nearly simultaneous challenges to the forest industry's certification program appear to be a coincidence.

Over the past year, the Natural Resources Council of Maine has used the state's freedom-of-information law to uncover 18 previously unpublicized violations of state forestry laws by Plum Creek, the largest private owner of timberland in the United States, with more than 900,000 acres in Maine.

The council learned that Plum Creek, without public notice, had been fined \$57,000 for its repeated forestry violations, the largest such fine in Maine's history. The violations included cutting too much timber without proper plans and failing to notify the state about clear-cuts.

"Our concern is that consumers in Maine are being routinely misled into thinking that Plum Creek is managing sustainably, when, in fact, they are not complying with basic laws," said Cathy Johnson, the group's project director for the North Woods.

Maine's chief forester, Alec Giffen, confirmed Plum Creek's violations between 1998 and 2002.

"We have not had any other case that involved a \$57,000 fine, nor have we had any other case where there was this number of noncompliant timber harvests," he said.

But Giffen said Plum Creek self-reported many of the violations and has taken corrective actions. "They have a good compliance history since 2002," he said.



An executive at Plum Creek said it would be "absurd" to revoke the company's SFI certification.

"We get it right 99 percent of the time," said Jim Lehner, who was general manager for Plum Creek's northeast region during the time of the violations and is now its director of community affairs. "It was certainly a mistake. We made a mistake. The fine was a big one. We haven't had any violations since."

Lehner said the Natural Resources Council of Maine is trying to discredit Plum Creek as part of its campaign to halt the company's plans for large-scale residential development in the North Woods around Moosehead Lake.

In Washington state, the Seattle Audubon Society does not allege that Weyerhaeuser, the largest manager of timberlands in the world, broke any state or federal laws. But Audubon argues that the company logged its forestland in southwestern Washington in a way that harmed the habitat of four endangered Northern spotted owls and violated SFI certification standards by failing to "protect known sites" of imperiled creatures.

Northern spotted owls were placed on the federal endangered species list in 1990, but their numbers have declined by 50 percent since then in Washington state, in part because of continued loss of habitat.

To protect the reclusive birds, the U.S. Fish and Wildlife Service urges timber companies in the Northwest to refrain from logging more than 60 percent of older trees in areas around known owl nests. Those areas are called owl circles.

The Audubon group, however, cites government and industry estimates showing that circles around four owls on Weyerhaeuser land were much more aggressively cut, leaving between 8 percent and 22 percent of the suitable habitat.

That logging concerned James Michaels, a supervising biologist for the U.S. Fish and Wildlife Service and an expert on spotted owls.

His agency wrote a letter to Weyerhaeuser last year, asking the company to stop.

"It was enough of an issue to raise a flag with us to say we wanted to work with Weyerhaeuser so as not to put those birds at risk," Michaels said.

After Weyerhaeuser was warned about the risk, Michaels said, it suspended further plans for cutting trees around the birds and has been willing to work with federal officials.





A Weyerhaeuser spokesman, Frank Mendizabal, said the company "has not received any notice from any public agency that we have caused any harm" to the owls.

He said that Audubon's assertions that the company has violated SFI standards are without merit and that Weyerhaeuser "operates at the highest standards" for sustainable forestry.

Weyerhaeuser and Plum Creek have 45 days to respond to the certification challenges by the Seattle Audubon Society and the National Resources Council of Maine. A full investigation by the SFI system is likely to take several months.

## **Seattle Times**

# **Weyerhaeuser "Built Green" houses not so, groups claim**

April 13, 2006

By Hal Bernton  
Seattle Times staff reporter

Weyerhaeuser's credentials as a "green" homebuilder are being challenged by a Canadian tribe and an environmental group, which has tracked the wood used to build Puget Sound-area homes to disputed logging zones in Canada's northern forests.

The laminated-wood products are used by Quadrant Homes, a Weyerhaeuser subsidiary and major homebuilder that has touted environmentally friendly construction techniques that minimize wood waste, increase energy efficiency and rely on sustainable forestry. In a report released Wednesday, the environmental group Rainforest Action Network accuses Weyerhaeuser of misleading marketing.

"They say they have an environmentally friendly product; and that's a lie and we have to stop that," said Steve Fobister, deputy chief of the tribe, the Grassy Narrows Band Council, which has asked Weyerhaeuser to stop buying logs from the disputed harvest zone, the Whiskey Jack Forest in northwestern Ontario.

Weyerhaeuser stands by the marketing of Quadrant homes, which carry a three-star "Built Green" certification from the Master Builders Association of King and Snohomish Counties. They say that the logs, which they buy from another forest-products company, are logged in a sustainable way.



"It's not an endangered forest," said Paul Barnum, a Weyerhaeuser spokesman. "To say that the wood is somehow tainted simply because it's coming from this particular area of Canada is simply not true."

The Whiskey Jack forest covers more than 2,000 square miles of Ontario that the 1,200-member Grassy Narrows Band claims as ancestral lands. The area has been logged for years, but in 2002, when the logging approached the Grassy Narrows village, the tribe erected a blockade.

Since then, the company that logs that area, Abitibi-Consolidated, has agreed to stop logging within approximately 6 miles of the village and has tried to negotiate with the tribe about future logging.

But the tribe has sought management authority and reparations and has made other demands that would require an agreement with the Ontario provincial government, according to Denis LeClerc, Abitibi's director of corporate affairs.

The controversy highlights the difficulty Weyerhaeuser faces in trying to position the Federal Way-based corporation as an environmental leader while tapping into the northern ~ or boreal ~ forests, which have been the focus of international conservation efforts.

The boreal forests cover 35 percent of Canada's total land area and include some of the world's largest expanses of unlogged timber. They shelter wildlife, provide clean water and store carbon dioxide that, when released into the atmosphere, contributes to global warming.

## **The Globe and Mail (Canada)**

### **Victoria's Secret casts an eye at Ontario**

February 3, 2007

BYLINE: MURRAY CAMPBELL

Tom Katzenmeyer has learned to shun controversy and to embrace environmental values.



He's also got \$100-million of business that he wants to do with people who think the same way and he's looking in Ontario's direction.

Mr. Katzenmeyer is senior vice-president of Limited Brands, the \$10-billion U.S. fashion company that operates, among other brands, the Victoria's Secret lingerie business.

Last December, prodded by - and working with - the environmental group Forest Ethics, Limited Brands said it would stop using paper from a B.C. company that logs in Alberta. It pledged that by the end of the year, the 350 million Victoria's Secret catalogues sent out annually would contain at least 10 per cent recycled paper or paper from forest operations certified by an international group, the Forest Stewardship Council.

The move could open doors for Ontario's struggling forest industry since nearly 30 per cent of the allocated Crown logging lands operate under FSC principles. But Limited Brands, which endured an imaginative protest campaign from Forest Ethics about "Victoria's dirty secret," is striving to be even purer. Like many large companies, it wants to steer clear of anything controversial. As one U.S. executive told Tzaporah Berman, Forest Ethics program director: "I just want to know that my wood is coming without a protester hanging on." This could pose problems for Ontario.

Mr. Katzenmeyer and Ms. Berman were in Toronto last week to meet officials from the Ministry of Natural Resources and from Premier Dalton McGuinty's office to tell them about the huge market for "controversy-free" paper. Mr. Katzenmeyer said the contract for \$100-million of paper would go only to a jurisdiction that was committed to Limited Brands' conservation philosophy.

Natural Resources Minister David Ramsay (who wasn't at the meeting) told the newsletter Inside Queen's Park that the company "is seeking an Ontario supplier." Mr. Katzenmeyer offered a more measured judgment.

"I think it's promising but there is clearly work to be done," he said in a telephone interview from Columbus, Ohio. "There's a lot of business to be had and I hope that's the message they're getting."

Limited Brands has a couple of concerns about Ontario, that go beyond FSC certification. It has accepted the environmentalists' analysis that the woodland caribou are a vital indicator of the sustainable health of the 400,000-square-kilometre boreal forest that sprawls across Northern Ontario (nearly 90 per cent of which is owned by the Crown).

The caribou need great swaths of territory to elude their prey and each incursion by



logging road or hydro corridor forces a retreat northward.

At Confederation, caribou ranged as far south as Georgian Bay, but now they are found only north of Lake Superior. The company wants assurance that the caribou's habitat will be protected by the government.

The species is on both federal and provincial endangered-species lists and environmentalists are pressing for dramatic preservation efforts in areas where logging is currently allowed. Ontario has been working on a strategy since 2002, but it will be a couple of years at least before it is finished.

In seeking to avoid controversy, Limited Brands will also want to look closely at the government's relations with native communities, which, in many cases, are fraught with tension.

Above the 51st parallel, where no logging is allowed, about a dozen remote native communities are in disputes over proposed mining operations. Last spring, for example, four protesters walked 2,000 kilometres from Big Trout Lake to Toronto to publicize its tussle with a platinum mining company.

South of the 51st parallel cut line, a number of native communities are in disputes with logging and mining companies. For example, the Grassy Narrows community near Kenora is calling for a moratorium on all industrial activity and is backing it with a blockade (now in its fifth year) of a provincial highway that passes through its territory.

The backdrop of all this is pre-election pledges by Mr. McGuinty "to protect the ecological integrity" of the boreal forest. For the most part, we're still waiting.

Meanwhile, Mr. Katzenmeyer has a message to the government about his environmental mission: "We are very serious about this."