Validation Report

The Board of Experts declares that it has
validated the following certificates of
Weyerhaeuser Namaimo Woodlands,
BC Coastal Group, Namaimo B.C., Canada
for West Island Timberlands (212.662 ha),
North Island Timberlands (311.388 ha),
Stillwater Timberlands (180.000 ha),
Port McNeill Timberlands (123.000 ha) and
the
related Chain of Custody
against the criteria as laid down in the
Keurhout Verification Procedure for SFM,
version October 2002 :

This report may only be issued integrally

General:

- QMI Environmental Management System Certificate No. CC1973-025233 dated July 17, 2003, valid until July 17, 2006, in conformity with ISO 14001-1996, including all forest operations and facilities: West Island Timberlands Unit, North Island Timberlands Unit, Stillwater Timberlands Unit, Port McNeill Timberlands Unit, Queen Charlotte Timberlands Unit, South Island Timberlands Unit.

West Island Timberlands:

- QMI Sustainable Forest Management System Certificate No. 010960 updated May 17, 2003, valid until July 17, 2006, in conformity with CAN/CSA-Z809-1996.
- CSA Chain of Custody Certificate No. 212314, updated August 13, 2004, valid until August 13, 2007, in conformity with CSA Plus 1163-2001, including the following sites: China Creek DLS & Dump, Sproat Lake DLS, Shoemaker Bay Dump, Silver Site DLS & Dump, Snug Basin DLS & Dump, Brown's Bay DLS, Sarita DLS & Dump and Kenedy Lake DLS & Dump.

North Island Timberlands:

- QMI Sustainable Forest Management System Certificate No. 009332 updated May 17, 2003, valid until July 17, 2006, in conformity with CAN/CSA-Z809-1996.
- CSA Chain of Custody Certificate No. 213301, updated July 16, 2004, valid until July 16, 2007, in conformity with CSA Plus 1163-2001, including the following sites: Menzies Bay DLS & Dump, Kelsey Bay DLS & Log Dump and Sayward Timber DLS & Log Dump.

Stillwater Timberlands:

- QMI Sustainable Forest Management System Certificate No. 011057 updated May 17, 2003, valid until July 17, 2006, in conformity with CAN/CSA-Z809-1996.
- CSA Chain of Custody Certificate No. 213301, updated July 21, 2004, valid until July 21, 2007, in conformity with CSA Plus 1163-2001, including the following sites: Stillwater Bay Dryland Sort and Power Mill Log Pond.

Port McNeill Timberlands:

- QMI Sustainable Forest Management System Certificate No. 010905 updated May 17, 2003, valid until July 17, 2006, in conformity with CAN/CSA-Z809-1996.
- CSA Chain of Custody Certificate No. 213301, updated July 16, 2004, valid until July 16, 2007, in conformity with CSA Plus 1163-2001, including the following sites: Port McNeill Dryland Sort, Harbledown Island, Turnour Island, North Broughton Island – Tracey Harbour, McKenzie Sound, Mahatta River, Belle Island and Blind Creek.

Additional CoC certificates:

- CSA CoC Certificate No. 213077, updated March 30, 2004, valid until March 29, 2007, in conformity with CSA Plus 1163-2001, for Mid Island Reman. Inc, Nanaimo, BC.
- CSA CoC Certificate No. 213069, updated August 6, 2004, valid until August 5, 2007, in conformity with CSA Plus 1163-2001, for Chemainus Sawmill, Chemainus, BC.
- CSA CoC Certificate No. 212312, issued October 28, 2002, valid until January 27, 2005, in conformity with CSA Plus 1163-2001, for Alberni Pacific Div. Sawmill, Port Alberni, BC.
- CSA CoC Certificate No. 212313, updated April 28, 2004, valid until April 27, 2007, in conformity with CSA Plus 1163-2001, for Somass Sawmill, Port Alberni, BC.

In addition the following sites are covered:

- New Westminster Division, New Westminster, BC, covered by SCS-COC 00267, issued May 2001, valid until May 2006, based on FSC criteria, and by CSA Chain of Custody Certificate No. 213066, issued October 30, 2002, valid until October 15, 2004, in conformity with CSA Plus 1163-2001 (to be renewed in due course).
- Plenks Wood Centre, Chemainus BC, covered by SCS-COC 00151, issued February 2000, valid until February 2005, based on FSC criteria, and by CSA Chain of Custody Certificate No. 213070, issued October 30, 2002, valid until October 15, 2004, in conformity with CSA Plus 1163-2001 (to be renewed in due course).
- Island Phoenix Division, Nanaimo BC, covered by SCS-COC 00252, issued June 2001, valid until June 2006, based on FSC criteria, and by CSA Chain of Custody Certificate No. 213073, issued October 30, 2002, valid until October 15, 2004, in conformity with CSA Plus 1163-2001 (to be renewed in due course).

The following documents have been included in the validation:

1. Barron, D.E ; 1996. Sustainable Forestry Certification ; Canadian Paper and Pulp Association.
2. CSA ; October 1996. A Sustainable Forest Management System : Specifications Document. Environmental technology. A National Standard of Canada.
3. CSA ; October 1996. A Sustainable Forest Management System : Guidance Document. Environmental technology. A National Standard of Canada.
4. CSA ; June 2001. CSA Special Publication. PLUS 1163, Chain of Custody for Forest Products Originating from a Defined Forest Area Registered to CSA Standard CAN/CSA-Z809.
5. CSA International letter dd 17/11/04 with clarifications on certificates validity.
6. Fern, February 2004. Footprints in the forest. Current practice and future challenges in forest certification.
7. Hrubes, R.J, February 2000. CoC Certification Report for defined components of Weyerhaeuser's North Island Timberlands and Milling Operations, Vancouver Island, British Columbia ; CoC registration number SCS-C-00158 ; Scientific Certification Systems, Oakland California, USA
8. Keurhout, 22/03/2000. Toetsings Rapport # 1 m.b.t. Nanaimo Woodlands /North Islands Timberlands, Weyerhaeuser Coastal Group.
9. Keurhout, 22/02/2001. Verification Report # 1 on West Island Timberlands, Weyerhaeuser.
10. Keurhout, 27/03/2001. Acceptatiebesluit (ref: 0075) m.b.t. North Island Timberland/ Chemainus.
11. Keurhout, 12/06/2001. Toetsingsrapport # 1 m.b.t. 6 zagerijen, Nanaimo Woodlands, Weyerhaeuser.
12. Keurhout, 12/06/2001. Acceptatiebesluit (ref: 01118) m.b.t. West Island Timberlands Div./6 sawmills
13. Keurhout, 27/08/2002. Verification Report # 1 on Stillwater Timberlands and Port McNeill Timberlands, Weyerhaeuser Coastal Group.
14. Land Use Coordination Office, 2001; Land use planning in British Columbia (brochure).
15. Land Use Coordination Office, 2001; British Columbia Protected Areas, Strategy update (brochure).
16. Ministry of Forests BC, Nov. 1993. British Columbia Forest Practices Code. Rules.
17. Ministry of Forests BC, Nov.1993. British Columbia Forest Practices Code. Discussion paper.
18. Ministry of Forests BC; January 2000. Tree Farm Licence 54. Rationale for AAC determination.

19. Ministry of Forests BC; October 2000. North Coast Timber Supply Area. Rationale for AAC determination.
20. Ministry of Forests BC; British Columbia's Forests and their management (brochure), September 2003
21. Oldenkamp, 11/02/02. Opmerkingen bij de aanvrage van Weyerhaeuser dd 21 januari 2002.
22. QMI, 2002. CAN/CSA-Z809-1996 Re-registration Audit for Weyerhaeuser, North Island Timberlands.
23. QMI, 2003. CAN/CSA-Z809-1996 Re-registration Audit for Weyerhaeuser, North Island Timberlands.
24. QMI, 2003. CAN/CSA-Z809-1996 Re-registration Audit for Weyerhaeuser, West Island Timberlands.
25. QMI, 2003. CAN/CSA-Z809-1996 Re-registration Audit for Weyerhaeuser, Stillwater Timberlands.
26. QMI, 2003. CAN/CSA-Z809-1996 Re-registration Audit for Weyerhaeuser, Port McNeill Timberlands.
27. QMI, 2004. CAN/CSA-Z809-1996 Surveillance Audit for Weyerhaeuser, North Island Timberlands.
28. QMI, 2004. CAN/CSA-Z809-1996 Surveillance Audit for Weyerhaeuser, West Island Timberlands.
29. QMI, 2004. CAN/CSA-Z809-1996 Surveillance Audit for Weyerhaeuser, Stillwater Timberlands.
30. QMI, 2004. CAN/CSA-Z809-1996 Surveillance Audit for Weyerhaeuser, Port McNeill Timberlands.
31. S-FOR-S, September 2004. Dossierstudie "Herbeoordeling Weyerheauser, Canada".
32. Weyerhaeuser BC Coastal Group, March 2000. Scientific Rationale for Variable Retention and the Retention Silvicultural System. W.J. Beese, Forest Ecologist.
33. Weyerhaeuser BC Coastal Group, June 2000. Seeking a balance, leaving a legacy. The Forest Project: A strategy for forest ecosystem stewardship of coastal forests in British Columbia, Canada.
34. Weyerhaeuser BC Coastal Group letter dated March 18, 2002 with answers to questions for clarification.
35. Weyerhaeuser West Island Timberlands Unit, July 2002. Towards Sustainable Forest Management. SFM Plan 2002
36. Weyerhaeuser North Island Timberlands Unit, July 2002. Sustainable Forest Management Plan.
37. Weyerhaeuser West Island Timberlands Unit, July 2002. Towards Sustainable Forest Management. SFM Plan 2002 Data Set.
38. Weyerhaeuser West Island Timberlands Unit, July 2002. Towards Sustainable Forest Management. EMS SFM Executive summery of 2002 SFM plan.
39. Weyerhaeuser Stillwater Timberlands Unit, November 11, 2001, Sustainable Forest Management Plan.
40. Weyerhaeuser Stillwater Timberlands Unit, Dec. 2002. Sustainable Forest Management Plan.
41. Weyerhaeuser Stillwater Timberlands Unit, Dec. 2002. Stillwater Timberlands. Sustainable Forest Management for 2002. Summery report on Objectives and Indicators.
42. Weyerhaeuser North Island Timberlands Unit, July 2003. Sustainable Forest Management Plan.
43. Weyerhaeuser Port McNeill Timberlands Unit, June 2004. Sustainable Forest Management Plan. 2003 Indicator Results. Version 3.0.
44. Weyerhaeuser BC Coastal Group letter dated 04/06/04.
45. Weyerhaeuser BC Coastal Group letter dated 04/11/04.
46. Weyerhaeuser BC Coastal Group letter dated 17/11/04.
47. Weyerhaeuser BC Coastal Group letter dated 22/11/04 with copies of CSA Plus 1163 CoC certificates.
48. Weyerhaeuser BC Coastal Group mail dd 23/11/04 with clarifications on certificates.
49. Weyerhaeuser BC Coastal Group letter dd 26/11/04 with maps of DFA's.

Introduction
The validation has been carried out against the Keurhout Protocol for the Verification of Sustainable Forest Management (version October 2002), based upon the Netherlands Government minimum requirements. In relation to its four validation requirements, the Board of Experts has noted the following:

Validation 1: Requirements regarding the management system
The criteria of validation 1 are considered to be sufficiently met through compliance to the combination of criteria of the respective CSA standards and the legally prescribed conditions of the Forest Practices Code. The management body is committed to the long-term objectives of Sustainable Forest Management and ensures that properly trained personnel conduct the forest management. Weyerhaeuser's management system has been certified against ISO 14001-1996, covering forest operations and facilities. Required improvements of the management plans for the DFA's are specified under validation 2. Herewith requirement No. 1 has been met.

Validation 2: Requirements regarding the performance of forest management
The Board of Experts has gathered information on various matters concerning sustainable forest management, the CSA system, the legal and regulations context and on the Weyerhaeuser forest management approach. Where questions were raised, Weyerhaeuser submitted answers through the above mentioned letters and documents and additional e-mails.

<u>General considerations</u>
The above mentioned management areas have - with certain conditions - been accepted to the Keurhout Hallmark System before and were reassessed now, as the former certificates were expired and new certificates had been issued by the certifier (QMI). QMI assessed especially the Weyerhaeuser management performance with help of the CSA standard and the ISO 14001 requirements. As the CSA system acknowledges the importance of the local context, every Defined Forest Area (DFA) has its own local CSA-standard, which is developed through a participatory process with active involvement of the local stakeholders. Every local standard is described in the Sustainable Forest Management Plan (SFMP) for a specific DFA; it includes a description of the indicators and a range of acceptable variability of performance for each of them. Although a certain number of critical elements is included in every standard, the total number and contents of the indicators differs per DFA, as a result of the local participatory process and the relative importance stakeholders attach to them. The sustainable forest management plans have developed over time, in line with the characteristic of the CSA system that there should be monitoring, feedback and improvement over time. In most cases additional indicators have been added to the standard; in some cases existing indicators were changed or removed.
The planned performance however, is not only guided by the SFMP's, but also by two other important factors: the legal context and the company's general management policies. Recently the Forest Practices Code was of great importance as it provided a system of regulations which had to be complied with by law. Compliance is checked by Government Agencies and offences or non-compliance are fined. As from January 2004, the Forest Practices Code will be replaced by the new Forest and Range Practices Act, taking into consideration a bridging period. Through the new system the Government will set the targets, but leave a greater degree of responsibility with the companies to define the ways to reach those targets. This will increase the importance of the other factor, the company's own management policies. Weyerhaeuser has chosen for sustainable forest management and is one of the companies developing and implementing strategies to contribute to a process of improved forest management. As a result, Weyerhaeuser started among others a program to introduce Variable Retention (VR) techniques in all harvesting units of its productive forest base. The target of 100 % VR application in harvesting units is to be reached in 2004.

The actual performance of the forest management may be affected by external elements like weather conditions, natural disasters, social unrest, economic constraints and market developments, etc and by internal factors like quality of planning, efficiency of operations, level of training and understanding of personnel. In most cases the actual performance is presented in separate annual reports, written by the company and with input of the local Advisory Group of stakeholders. In addition, an annual audit is implemented by QMI for every DFA, which results in an surveillance report. These reports should be the main source of independent information on actual performance to be validated by Keurhout.
In former occasions, Keurhout already acknowledged positive developments at Weyerhaeuser, from relative major scale clearcut logging operations towards the implementation of VR techniques.
These positive developments should be viewed in the Canadian context (enormous scale of the forest area and widely accepted room for a certain segregation of functions), including the importance of the wood sector for employment and for national income and including the difficult market conditions.

The predominance of QMI information on the content and applicability of regulations and systems in stead of what had been achieved through it have been the main reason for Keurhout's extensive efforts to receive more insight in the Canadian and BC developments concerning forest management. Information on the resulting state of the forests and on the achievements in terms of quantified projections related to specified objectives per planning unit were almost lacking, especially in the QMI audit reports. Unfortunately, this is still the case.

The Keurhout Board of Experts is not only interested in the relation between harvest operations or retention harvest and the official regulations, but also in the effects on the various forest qualities in terms of quantified projected components per planning unit.
Weyerhaeuser previously agreed to provide Keurhout with such information in the future as also the Canadian forestry sector was looking for improvements in this field.

Sustainable forest management (SFM) and special management areas
In the Canadian context the conditions for SFM are generally met at the landscape level. At that level certain areas may be designated for special management categories. In the 4 DFA's such special areas have been designated as e.g. Wildlife Habitat Area or Old Growth Management Area. As such areas distinguish themselves by a specific combination of management objectives and require specific management activities and management restrictions. Although such areas are frequently mentioned in plans and reports and although total areas per type of special management area are known, it is not clear to what extent specified objectives and their projected components have been systematically and/or consistently formulated in relation to site potentials or site qualities and to what extent those areas have been explicitly identified and indicated in the field. In other words: there remains some vagueness about specified objectives and their projected results in relation to specific geographical planning units. This is partly due to a certain degree of officially accepted segregation of functions. A multi-function approach, with clearly identified objectives and projected results per planning unit or homogeneous planning zone, would be helpful to plan and understand long-term management goals.

Representation of ecotypes
Important areas have been set aside for conservation. However, certain part of them appear to coincide with otherwise "unproductive or non-accessible" forest land. Therefore it remains unclear to what extent those special management zones provide a representative basis for the conservation of the different ecotypes present in the DFA. In addition, there may be some "double-counting" as specific sites may have more than one conservation objective, while integration of functions is not explicitly mentioned. Clear maps which identify specific areas with a certain combination of management goals would be most helpful to provide insight, both for the forest managers, Keurhout and the public.

Variable Retention

Weyerhaeuser is implementing the retention harvest system in a flexible way, with a continuous process of auditing and checking. Nevertheless the distribution, size and quality of retention patches, although fitting into the provincial standards, still need to be evaluated with standardised ecological verifiers. Theoretically VR systems show major differences in intensity and form, from retaining a few trees per hectare to harvesting a few per hectare, and from leaving disperse trees or lines of trees to retaining groups. On average, approximately 20 % of the forest is retained while applying VR.

Old Growth

A special concern has been raised by the fact that an important part of the harvest still comes from old growth forest. From a multi-functional point of view this concerns the most valuable part of the forest.

The question can be raised whether sufficient Old Growth forest is being reserved to guarantee the sustainability of all relevant ecological and social functions and processes on the long term. In line with the earlier remarks on ecotypes, it is not clear to what extent representative areas of old growth of different forest types are being reserved.

Secondary Forests

Although VR techniques are implemented when harvesting, resulting in a variable percentage of the trees being left, the harvested sites are mostly replanted with selected material of a few species, creating relatively mono-functional stands. In addition, most important is what happens after harvest and regeneration. For example, which management measures will be taken to promote forest qualities related to maturing trees and to maturing parts of the plantations ? And to what extent are these approaches consistent? Such information should be deductible from (long term) management plans.

Based on the above, the following Keurhout conditions have been formulated, in order to stimulate transparency and continuous forest management improvements in the concerned DFA's:

- Keurhout condition 1.

  All (special) management zones in the DFA should be clearly identified on maps (1:25,000) and in the field. Specified objectives and related specific management measures should be clearly identified per geographical management unit in accordance with site conditions, and should be integrated in the management plans and made available to the public within a year from this reassessment, not later than December 2005.

- Keurhout condition 2.

  A peer review by a Canadian forestry expert, with local experience in the field of forest investigation and management and familiar with the above mentioned approach , should confirm within a year from this reassessment, not later than December 2005, the existence and preliminar use of planning units as mentioned in condition 1. The review will include field implementation of VR techniques and dealing with conservation and development of Old growth forest characteristics.

Provided that arrangements have been taken to fulfil these conditions, validation requirement No 2 is considered to be met.

Validation 3: Requirements regarding the certifying body
The certification body, QMI, Mississauga, Ontario, Canada, is accredited by the Standards Council of Canada for certification against ISO-14001 and the CSA-Z809 standard. The quality of the SFM audit reports however, has to be improved as insufficient insight is provided on the forest management performance.

Reporting by the certifier
The SFM-reassessment reports and surveillance reports of the certifier are very general and rather superficial. They do not provide sufficient insight in the actual performance of the forest management. Although they state that "all issues" of the standard have been audited, generally less than 50 % of the indicators of the standard have been assessed. In addition, after two or 3 audits it appears that certain indicators have been checked twice of even three times, while other indicators have not yet been checked at all.
The audit reports do not provide insight based on detailed findings on specific indicators checked. In addition, as the audit reports do not provide an overview of the complete set of indicators from which a sample has been chosen, it remains unclear what elements of the standards have not been checked. As a result, the Keurhout BoE had to find the major part of the information required for its assessment from other sources than the reports of the certifier.
At an earlier occasion Stillwater Timberlands and Port McNeill Timberlands were admitted to the Keurhout system, while a condition was set by Keurhout, to promote the compliance with its requirements. It was agreed that the certifier would report on the progress against this condition. Unfortunately this did not happen, due to several reasons, amongst others uncertainty about the continuation of the KH Hallmark system in the fall of 2003.

Keurhout considers it primarily the responsibility of Weyerhaeuser to assure that the certifier not only reports on the indicators of the respective standards, but also on the special concerns, requirements and eventual conditions set by Keurhout. Weyerhaeuser should therefore:

a. include those additional elements in the ToR for the certifier,
b. require that the audit reports provide a proper cover, sufficient details for insight and
c. provide Keurhout with full copies of audit reports.

As a result of the above, the following Keurhout condition has been formulated:

- Keurhout condition 3.

  Weyerhaeuser should assure that the certifier presents audit reports that provide insight with respect to forest management performance and include among others an overview of the complete set of indicators of the local CSA standard, detailed findings on checked indicators and an analysis of their expected results. All indicators should be checked at least once within a period of two successive audits. The conclusion to issue a certificate against the CSA standard should be transparent and properly substantiated. In addition the reports should address the specific concerns and possible conditions formulated by Keurhout. The next audit report is to be provided within a year from this reassessment, not later than December 2005.

With respect to the CSA Plus 1163-CoC standard it has to be mentioned that this is not an accredited procedure in Canada. It is related however to the CSA system, for which accreditation has been obtained by QMI. The quality of the relevant CoC-audit reports is considered adequate.

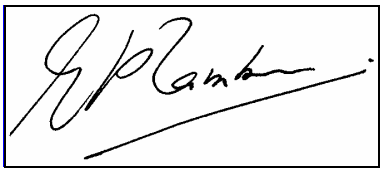
Provided that arrangements have been made to fulfil the above mentioned conditions, requirement No 3 is considered to be met.

Validation 4: Requirements regarding the chain of custody
The QMI Certificates are confirming the conformity with the CSA Plus 1162 Standard. This standard is very well developed and is accepted by Keurhout. The respective reports of the certifier are considered adequate.
Herewith this validation requirement No 4 has been met.

Conclusion:
On this ground, and under the conditions as specified above, which have to be closed out within a year from the issuance of this reassessment report, the Board of Experts concludes that the validation requirements have sufficiently been met. Therefore, it concludes to admit timber with the announced certificates into the Keurhout chain of custody system as long as the certificates remain valid.

Date: December 3rd , 2004

Signed: Ir. E.P. Zambon Prof.Dr.Mr. C.J. Jepma



(Secretary) (Chairman)