



FOREST MANAGEMENT CERTIFICATION REPORT

SECTION A: PUBLIC SUMMARY

Project No:	0536-SZ		
Client:	Peak Timbers Limited		
Web Page:	WWW.		
Address:	P.O. Box 3, Piggs Peak		
Country:	Swaziland		
Certificate No.	SGS-FM/CoC-003311	Certificate Type:	Forest Management
Date of Issue	09 January 2009	Date of expiry:	08 January 2014
Evaluation Standard	SGS Forest Management Standard (AD33) adapted for Swaziland, version 02 of 29 March 2010		
Forest Zone:	Temperate		
Total Certified Area	30 576 ha		
Scope:	Forest Management of Peak Timber's commercial exotic plantations in the Piggs Peak area of Swaziland for the production and sale of softwood and hardwood round logs -and the production and sale of processed timber products from the Peak Timber's processing sites		
Location of the FMUs included in the scope	Piggs Peak area of Swaziland		
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Evaluation dates:			
Main Evaluation	21-24 April 2008; Clearance of Findings 8-10 October 2008 and 28 October 2008		
Surveillance 1	4-5 August 2009; Clearance of Findings 29-30 October 2009; Clearance of Findings 4 February 2010.		
Surveillance 2	25-27 October 2010		

Surveillance 3	
Surveillance 4	

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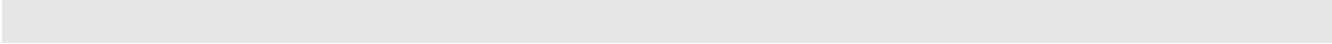
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AD 21:	Attendance Record
AD 26:	Corrective Action Requests
AD 36-B:	Evaluation - Observations and Information on Logistics
AD 38:	Peer Review Report
AD 40:	Stakeholder Reports
	Evaluation team CV's
	List of stakeholders contacted

Complaints and Disputes

Procedures for submitting complaints, appeals and disputes, and the SGS processing of such are published on www.forestry.sgs.com. This information is also available on request – refer contact details on the first page.



INTRODUCTION

The purpose of the evaluation was to evaluate the operations of Peak Timbers Limited against the requirements of the QUALIFOR Programme, the SGS Group's forest certification programme accredited by Forest Stewardship Council.

1. SCOPE OF CERTIFICATE

The scope of the certificate falls within the Temperate Forest Zone and includes one contiguous Forest Management Units (FMU) as described below.

Description of FMUs:				
Description	Ownership	Area (ha)	Longitude E/W	Latitude N/S
Peak Timbers is broken down as follows:		30 576	31 ^o 16' 57"	25 ^o 56' 33"
Peak Block A	Private	30 024		
Peak Block B				
Peak Block C				
Peak Block D				
Village Lease	Leased	221.1		
Swazi Nation		118.7		

Size of FMUs:		
	Nr of FMUs	Area (ha)
Less than 100ha		
100 to 1000 ha in area		
1001 to 10000 ha in area		
More than 10000 ha in area	1	30 576
Total	1	30 576

Total Area in the Scope of the Certificate that is:	
	Area (ha)
Privately managed	30 576
State Managed	0
Community Managed	0

Composition of the Certified Forest(s)	
	Area (ha)
Area of forest protected from commercial harvesting of timber and managed primarily for conservation objectives	10 988
Area of forest protected from commercial harvesting of timber and managed primarily for production of NTFPs or services	10 988
Area of forest classified as "high conservation value forest"	488

Composition of the Certified Forest(s)	
	Area (ha)
Total area of production forest (i.e. forest from which timber may be harvested)	
Area of production forest classified as "plantation"	19 509
Area of production forest regenerated primarily by replanting	19 509
Area of production forest regenerate primarily by natural regeneration	0

List of High Conservation Values	
Description	Notes
Gunwane Forest (210 ha): Secondary thicket with patches of short Montane forest along drainage lines.	HCV is species richness (including threatened species), size and watershed protection.
Mganda (207 ha): short Montane forest grading into thicket and riparian forest.	As above
Mgobodzi (32 ha): Narrow strip of high lying riparian forest	As above
B6 Fire Tower (39 ha): Tall scarp forest with little undergrowth	HCV is species richness (including threatened species) and size.

Annual Timber Production				
Species (botanical name)	Species (common name)	Area (ha)	Maximum Annual Sustainable Yield (m ³)	
			Projected	Actual
<i>E. cloeziana</i>		314.0		
<i>E. grandis</i>		14921.1		
<i>E. grandis x camaldulensis</i>		1.4		
<i>E. grandis x tereticornis</i>		54.5		
<i>E. grandis x urophylla</i>		136.1		
<i>E. saligna</i>		770.5		
E. unknown species		0.2		
Total		16197.8	86000	80000
<i>P. caribaea</i>		21.3		
<i>P. elliotii</i>		1618.9		
<i>P. kesia</i>		31.1		
<i>P. patula</i>		1181.0		
<i>P. taeda</i>		300.2		
P. tecunumanii		29.8		
P. unknown species		93.2		
Total		3281.9	105000	111000
Totals		19479.7	191000	190000

List of Timber Product Categories				
Product Class	Product Type	Trade Name	Category	Species

List of Timber Product Categories				
Product Class	Product Type	Trade Name	Category	Species
Wood in the rough	Logs of coniferous wood	Round Logs	Conifer	Pinus spp
Wood in the rough	Logs of non-coniferous wood (hardwood)	Round Logs	Deciduous (Hardwood)	Eucalyptus spp

Approximate Annual Commercial Production of Non-Timber-Forest-Products				
Product	Species		Unit of measure	Total units
	Botanical Name	Common Name)		
No commercially produced NTFPs.				

Lists of Pesticides										
Product Name	Quantity Used (litres)					Area of application (ha)				
	MA	SA1	SA2	SA3	SA4	MA	SA1	SA2	SA3	SA4
Glyphosate			6237					2519		
Fluroxypur			32					99		

2. COMPANY BACKGROUND

2.1 Ownership

Peak Timbers is owned by Global Environmental Fund (GEF), who purchased Peak Timbers from Mondi Forest. 552ha of the FMU is leased from the Swazi Government.

2.2 Company Key Objectives

Objective	Notes
Commercial	
<p>The Mission statement of Peak Timber's Limited (PTL) is "To be a leading sustainable plantation forest company producing quality timber products for global markets generating superior value for all our stakeholders"</p> <p>The primary objective is to produce the best quality Eucalyptus saw logs in 10-15 year rotation with an average DBH of 40cm. To ensure this objective, sustainable forestry management practices will form the core of all decisions and actions. These include, but are not exclusive;</p> <ul style="list-style-type: none"> ❖ Silvicultural regimes for sawlog production ❖ Seed sourced from five different tree breeding programmes ❖ Reduction of alien plants to reduce competition in both commercial and conservation areas ❖ To seek and provide opportunities to the communities bordering PTL ❖ Adherence to the 10 Principles of the Forest Stewardship Council. 	<p>The short term objectives are to continue with the redevelopment of the plantation post the 2007 fire. (5 year programme), and to meet the sawmill's raw material requirement of 191,000 cubic metres.</p> <p>Log supply to the mill will be matched to availability until the year 2012-13. At which time green timber becomes available. In 2012 only 100,000 cubes will be available. The shortfall will be made up from the wet deck stocks</p>
Social	
PTL's Values are documented as:	

Objective	Notes
<ul style="list-style-type: none"> ❖ Respect for the individual and the environment ❖ Accept accountability and responsibility for all our actions ❖ Conduct all our operations in an environmentally friendly and sustainable manner ❖ Encourage ethical behaviour by being honest, transparent and fair ❖ Provide a safe working environment for all employees and stakeholders ❖ Ensure high quality products and customer service ❖ Care for employees, their families and neighbouring communities. 	
Environmental	
See above.	

2.3 Company History

Peak Timbers was established by a group of investors in 1946/7. These investors included South African Businessmen, Barings Bank (Danish) and Barclays Overseas Development Corporation. A turbulent history ensued. This is tabulated chronologically as follows:

Year	Activity
1955	Production from the first thinnings. Peak Timbers and Veneered Plywoods merged. The Danes sold out to Anglo American Corporation.
1958	Saw milling of boxwood commenced.
1964	The main mill, which is now referred to as Peak Sawmill was erected.
1968	A fire raged through the area and put 16 000 m ³ in 'wet storage' in the Log Dam
1971	The Rocklands sawmill was built.
1973	Barclays sold out to Anglo American Corporation.
1975	Peak supplied pulp to Mondi and chips to Bhunya. Peak was split into two divisions, namely Forests and Timber (Processing plants: Peak and Rocklands sawmills).
1984	Cyclone Demoina breached the Log dam, spilling out the contents of the dam, which included the dumped timber from the 1968 fire. This timber was recovered and most went to Usuthu mill in Swaziland as pulp.
1992	A fire destroyed 3000 ha in block D1
2000	This signalled the dawn of the contracting era and more than 10 local contracting businesses were set up to service various aspects of the forest management.
2002	The two divisions, namely Forests and Timber (processing plants) merged into Mondi Forests, since Anglo American was the owner, and owned Mondi Forests in South Africa.
2003	Swept by fires again, 2000 ha of timber in the plantation was destroyed and the Peak Sawmill wet and green chain was also destroyed by fire. In terms of FSC certification, Mondi Forests in South Africa underwent their re-assessment and Peak Timbers in Swaziland was incorporated into the scope of the Mondi Forests certificate (SGS-FM/CoC-0084). This Mondi certificate covered about 400 000 ha of forest area, of which Peak was about 30 000 ha. The Peak and Rocklands sawmills were on their own individual chain of custody certificates.
2004	Another fire destroyed 1500 ha of forest. It was also at this time that the "New Mill" was commissioned. Peak Sawmill was given a new look.
2005	FSC Certification: Peak was visited by SGS as part of the Mondi surveillance visit.

2007	<p>This was a very tumultuous year for Peak Timbers. In April 2007, Mondi sold peak Timbers to Global Environmental Fund (GEF) and in July 2007, a catastrophic fire destroyed 15000 ha of commercial forest. This represented 76% of the commercial forest.</p> <p>In terms of FSC certification, this was the same year that Mondi Forests underwent their re-assessment and that Peak was excised from their certificate. Due to the fires and the change in ownership, Peak was granted an extension to their re-certification by SGS until 27 May 2008. This meant that they could trade under the Mondi certificate until 27 May 2008.</p>
2008	<p>5-year plan to recover as much as possible from the fire damaged compartments, and re-plant compartments as quickly as possible. Fire damaged compartments will be harvested for the next 5 years.</p> <p>FSC certification: April 2008 Peak Timbers undergoes a re-assessment. This is their first independent assessment and forests and processing are included under one certificate.</p>

2.4 Organisational Structure

Peak Timbers limited has five main sections, namely Forest, Mill, Finance, Engineering and Human Resources.

Peak is managed by a Chief Operating Officer to whom a Mill Manager, Forestry Manager, Financial Manager and the Human Resources Manager reports. The technical manager reports to the Mill Manager

The mill employs about 300 people on a permanent basis and produces lumber for the South African market. Peak Timbers is currently converting from pine to Eucalyptus plantations. The conversion is proposed to be completed by June 2009.

Forest management employs about 66 permanent staff and contracts out most of its operations, providing employment for about 977 contractors depending on the season. Contracted services are harvesting, silviculture, security and maintenance of building, fencing and water and electrical reticulation systems.

2.5 Ownership and Use Rights

Peak Timbers Limited is owned by Global Environmental Fund (GEF) and leases 552 ha from the Swazi government.

There are no other customary or legal use rights on the land.

2.6 Other Land Uses

Other non-forest land uses include cattle grazing by neighbouring communities as well as some illegal settlement, which is a problem in some of the areas.

2.7 Non-certified Forests

GEF does not own any other forest land in Swaziland or South Africa. GEF leases 60000 ha of indigenous forest in Mozambique and has plantations (Acacia) in Malaysia.

3. GROUP MANAGEMENT

Not applicable

4. FOREST MANAGEMENT SYSTEM

4.1 Bio-physical setting

Geography:

Peak Timbers lies on both the Komati and Lomati water shed on the eastern side of the Makonjwa Range, which is a spur of the Drakensberg system. The terrain is mostly mountains and hills with some moderately sloping plains. The lowest point is the Great Usutu River 21 m, and the highest point

is the Emlembe peak at 1,862 m. natural resources include asbestos, coal, clay, cassiterite, hydropower, forests, small gold and diamond deposits, quarry stone, and talc.

Ecology:

The area falls into two ecological zones, namely the **Lowveld** (valley bottoms of the east), and the **Great Escarpment Mountains**. The **Lowveld** Zone runs along the eastern border of South Africa from approximately the 600m contour to the Mozambique border. Rainfall is low (500-600mm p.a.). The gradient in the area is gentle and the rivers are slow-flowing, which results in in-stream sand and silt deposition. The rivers that fall within this region include the lower parts of the Pongola, Sabie, Sand, Olifants and Letaba Rivers. The predominant catchments within which the Peak Timbers areas fall are the Inkomati, the Usuthu and the Pongola River Catchments.

The **Great Escarpment Mountains** ecoregion is characterised by mountains with high relief at an altitudinal range of 625 – 1900masl. The vegetation is predominantly North Eastern Mountain grassland and patches of afro-montane forest. River sources are sponge areas with associated vleis and diverse plant communities. Streams are turbulent, fast-flowing and cold and cliff waterfalls are common. The annual rainfall varies from 1000mm in the East to 2500mm on the higher ridges in the West. The mean average temperature for Piggs Peak is 17.6 degrees C. During winter, frosts occur in the hollows of the higher lying areas and on rare occasions there is a small amount of snowfall on the Bulemba Mountains. Hail is common.

Soils:

The eastern and central part of the FMU lies mainly on granite, which weathers to give deep reddish-brown clay and clay loam soils. On the western part, the metamorphic and sedimentary moodies and fig tree series are intruded by the Jamestown Complex, yielding shallower, sandier and shale soils.

4.2 History of use

During the fifteenth and sixteenth centuries, an African people of Nguni descent migrated southward from Central Africa and eventually, during the mid-eighteenth century, a group of them settled in the area which is now Swaziland. These people, the Nkosi Dlamini, became known as the Swazis, and today both names live on. Nkosi means 'king' and Dlamini is the surname of the royal family. The country derives its actual name from a later king, Mswati I but another name, Ngwane, is an alternative word for Swaziland.

4.3 Planning process

In July 2007 a devastating fire swept through the Piggs Peak area, and traversed through 23 343 ha of Peak Timber's FMU. That is 76% of the total of 30 576 ha was burnt. This burnt area comprised the following:

- ❖ 14492 ha growing stock
- ❖ 679 ha of previously fire damaged stands
- ❖ 1048 ha temporary unplanted
- ❖ 7124 ha open/conservation area

The above amounts to 16 219 ha of the total of 19 509 ha of commercial forestry compartments are managed by peak Timbers. An estimated 1.45 million tons of utilizable timber was affected by the fire. For this reason, the entire long term plan that existed, based on the growth models adopted from Mondi Forests had to be re-done. This resulted in a Salvage plan which was drawn up on 29 August 2007. This salvage plan was based on a complete enumeration of the burnt compartments in order to determine what could be salvaged, what could be felled coppiced and what would need to be felled to waste. Effectively the next 5 years of harvesting will be spent on salvage operations only, based on the following priorities:

1. Fell all *Pinus patula* compartments first since they are very sensitive to fire.
2. Fell all other pines
3. Start felling Eucalyptus for wet deck

Simultaneously, the aim is to re-establish at least 2500ha per annum for the next five years.

The Peak sawmill has a capacity of 200 000 m³ per annum, but this capacity will increase with the establishment of a second saw line which can take timber up to as small as a 10cm diameter. Taking into account the above priorities with the harvesting of the burnt areas, Peak has drawn up a 30 year strategic plan for the harvesting of the pine and the gum, as well as a 30 year planting schedule. From these schedules they have been able to identify when there will be a shortage of timber to supply the mill, so they are already starting to plan for the purchase of timber during this time.

Peak Timbers are currently using the GIS technology adopted from Mondi, but they were not given the software to edit and print the maps from Mondi, so they are in the process of acquiring such software. This will enable the simultaneous processing and analysis of multiple special data sets such as compartment boundaries, conservation areas, road networks, residential areas, power lines, topography, soils and any other relevant data. Linkage between the GIS, Plantation information systems and the company financial system will ensure that all systems are co-ordinated.

Peak Timbers have also joined NCT in order to access markets and also to access expertise in terms of the management systems and the conservation management plans. NCT are also assisting with the GIS system and the software.

4.4 Harvest and regeneration

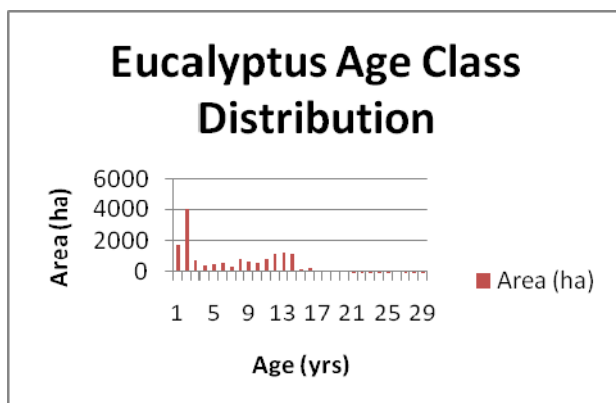
Since about 2003, Peak Timbers gradually started converting the pine compartments to Eucalyptus for a saw log rotation of about 15-18 years. According to a report done by ICFR most sites are suitable for the growing of *Eucalyptus*, therefore 95% of the plantation will be established to different Eucalyptus species, and the remaining 5% will be planted to Pines. All good sites will be reserved for the production of *Eucalyptus* saw timber. The pine compartments that are maintained will be a saw log rotation of about 28 years.

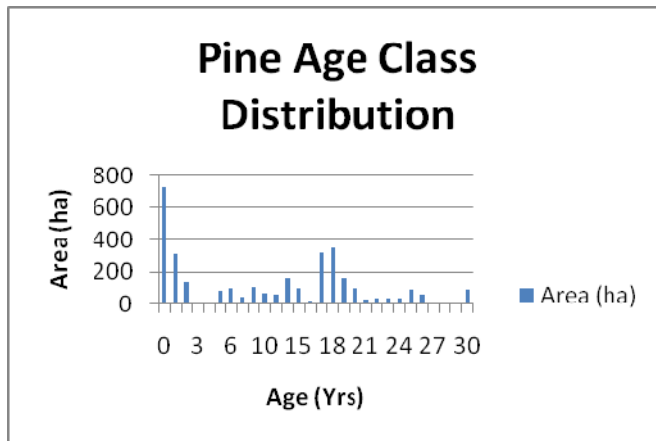
In the production of timber for sawlogs, value-added forestry is practiced in the form of pruning and thinning, in order to produce clear timber of superior quality. In the growing of *Eucalyptus* more attention is required as far as site preparation, establishment, weeding and fertilization are concerned.

Sustainable harvesting revolves around the concept of normalization (or regulation). This refers to the management of a forestry resource in such a way that it can reach a similar production target into perpetuity. Depending on what criteria are being used for regulation, this production target could be the same area of harvest every year, the same volume of timber every year, or a volume of similar aged trees every year.

Peak Timbers aim to normalize their resource to produce a similar volume each year, whilst keeping felling ages within limits set by wood quality and the regime being applied (a "recipe" of planted stems/ha, thinnings, prunings, and final felling age which is determined by the product with regards to physical dimensions and quality).

The Figures below illustrate the current age class distribution of the Eucalyptus and the Pine stocks on the FMU which are clearly far from "normal". One does, however, need to bear in mind the impact of the fire mentioned in 4.3 above and how this has affected the age-class distribution. Normalization over time is planned, and it may take many years to achieve this.





Harvesting operations are covered by the **Guidelines for Forest Engineering Practices in South Africa**. Forest Engineering Working Group of South Africa (FESA) May 1999. Peak Timbers need to ensure that harvesting and transport of timber takes place according to acceptable standards and at competitive costs. Harvesting accounts for 60% of the total direct production costs. Harvesting methods vary according to the terrain, local conditions and the environmental requirements.

In pine compartments, established for pulp production, felling, debranching and crosscutting is mainly motor-manual (chainsaw) at stump. Infield stacking and loading is done either by hand or mechanically. Timber is forwarded to a depot predominantly by tractor and trailer units. In steep and sensitive areas, extraction is done by mules or by cable yarding.

Eucalyptus pulp and mining timber is cut to length and debarked infield. This operation is motor-manual, as described above. The pine sawlog operations produce sawlogs as the main product, with pulp as a by-product. Presently, motor-manual felling and debranching is carried out infield, tree lengths are extracted to roadside or landing and crosscut with chainsaws. Extraction is carried out primarily by wheeled skidding, and by cable yarding in steep and sensitive areas.

The harvesting and transport is outsourced to contractors.

Re-establishment of compartments is by seedling in most cases, with the exception of some Eucalyptus compartments which may be allowed to coppice.

4.5 Monitoring processes

Monitoring activities carried out by Peak Timbers (historic current and planned) are as follows:

Social: Contractor's Compliance audits are carried out at regular intervals and linked to payment. In the villages and at various points there is regular testing of the drinking water to ensure that it is potable. In general there is good attention to health and safety with regular auditing carried out through checklists for risk assessments, PPE, vehicles and planned job observations (PJOs). Stakeholders and local communities are regularly contacted and communication is maintained.

Forestry/Operational: Enumerations are carried out at pre-determined stages in the life cycle of the trees in order to monitor volumes and sustainable cutting. Pre- and post harvest auditing is carried out and actual versus predicted yields are monitored. In terms of silviculture, weekly auditing is carried out of the planting with the use of a scoring system. Mortality is documented and blanking based on mortality rates. Action logs are filled out for any problems encountered on the roads and audits on fire fighting are carried out to ensure vigilance and preparedness.

Environmental: The utilisation and monitoring of Non-timber forest products (NTFPs) is achieved through a permit system. Fire breaks are annually monitored to check for erosion and there are forest scouts who patrol the FMU to check for illegal activities (poaching, timber theft, dagga cultivation etc). Water quality is monitored using the SASS5 (South African Scoring System) method, and results are available from 2001. Drinking water is also monitored at strategic outlet points. Similarly there are stream flow monitoring results available from 2001 until July 2007 for the Phophonyani Weir and the Mlambongwenya drift, but unfortunately this monitoring ceased after the July 2007 fire. This monitoring of the Phophonyane Weir was subsequently resumed in April 2008.

Other monitoring includes grassland monitoring, HCVF monitoring and the monitoring of RT&E species. Monitoring results are included in the public summary of the management plan.

5. SOCIO-ECONOMIC AND ENVIRONMENTAL CONTEXT

5.1 Social aspects

Number of own workers	366
Number of contract workers	977
Minimum daily wage for agricultural/forestry workers	E40
Infant mortality rates (under 5 years)	70 deaths per 1000 live births
Proportion of workers employed from the local population (%)	90%

Autonomy for the Swazis of southern Africa was guaranteed by the British in the late 19th century; independence was granted in 1968. Student and labour unrest during the 1990s pressured King MSWATI III, the world's last absolute monarch, to grudgingly allow political reform and greater democracy, although he has backslid on these promises in recent years. A constitution came into effect in 2006, but political parties remain banned. The African United Democratic Party tried unsuccessfully to register as an official political party in mid 2006. Talks over the constitution broke down between the government and progressive groups in 2007.

Swaziland is heavily dependent on South Africa from which it receives more than nine-tenths of its imports and to which it sends 60% of its exports. Swaziland is struggling to reduce the size of the civil service and control costs at public enterprises. The government is trying to improve the atmosphere for foreign investment. With an estimated 40% unemployment rate, Swaziland's need to increase the number and size of small and medium enterprises and attract foreign direct investment is acute.

The Swazi population is 1,128,814 (2008 estimate). Estimates for this country explicitly take into account the effects of excess mortality due to AIDS; this can result in lower life expectancy, higher infant mortality, higher death rates, lower population growth rates, and changes in the distribution of population by age and sex than would otherwise be expected. It is estimated that 38.8% of the population are HIV/AIDS positive. Other major infectious diseases are food or waterborne diseases such as bacterial diarrhoea, hepatitis A, and typhoid fever, vector borne disease such as malaria and water contact diseases such as schistosomiasis (bilharzia).

The official languages are English and siSwati, and 97% of the population are Africans and 3% European. The major religions in Swaziland are Zionist 40% (a blend of Christianity and indigenous ancestral worship), Roman Catholic 20%, Muslim 10%, other (includes Anglican, Bahai, Methodist, Mormon, Jewish) 30%.

On peak Timbers, there are nine villages with a population of 2000 people living on the plantation. Neighbours consist of five farms and 47 communities including nine chiefdoms with a population of about 170 000 people. As with the majority of rural Swazi people the surrounding communities make their living mainly through subsistence farming, i.e. the cultivation of seasonal crops (mainly the staple food maize) and rearing livestock. The rate of formal employment in the area surrounds Peak Timbers is estimated at 40%. Provision of services such as health services, roads, electricity and transport is basic.

Peak employs about 366 people and another 977 are employed by contracted businesses.

5.2 Environmental aspects

All the individual conservation areas of Swaziland are relatively small, namely less than 20,000 ha., and do not adequately cover all of the important habitats to avoid future unwanted changes and fully maintain biodiversity. It has been stated that Swaziland should carefully select an additional six per cent of representative conservation areas.

Swaziland is not a signatory to the 1971 Ramsar convention on Wetlands. Many wetlands have been fragmented, degraded and encroached by other land uses.

In addition to the above, current environmental threats in Swaziland are as follows:

- ❑ limited supplies of potable water;
- ❑ wildlife populations being depleted because of excessive hunting;
- ❑ overgrazing;
- ❑ soil degradation;
- ❑ soil erosion,
- ❑ alien invader plant infestation.

At peak Timbers, almost one third of the FMU is dedicated to conservation as a land use, which is excellent, but unfortunately the value of these areas is diminished due to alien weed infestation, which is so bad that it is a direct threat to their FSC certification. Also, because of the soil degradation and overgrazing of the neighbouring land, the communities are sending their cattle into Peak Timber's conservation areas, resulting in numbers exceeding carrying capacities at certain times and contributing to degradation. There is also a community living in the Mganda conservation area. Peak Timbers are committed to monitoring and mitigating these human impacts.

5.3 Administration, Legislation and Guidelines

The following table lists the key national legislation, regulations, guidelines and codes of best practice that are relevant to forestry in the commercial, environmental and social sectors. This list does not purport to be comprehensive, but indicates information that is key to the forestry sector.

Legislation and regulation	Notes
Forestry, Agriculture and Environment:	
The Environmental Management Act, No. 5 of 2002.	The purpose of the Act is to promote the enhancement, protection and conservation of the environment and sustainable management of natural resources. It also established the SEA, as an independent legal persona, whose function is to promote the objectives of the Act, advice and make recommendations to the Minister with regards to environmental protection. Recommend environmental standards, review impact assessments and disseminate environmental education as well as conducting site inspections. It also empowers the Authority to conduct site investigations and to lay charges to any person contravening the Act or issue Prevention or Protection Orders to any person who conducts an activity in an adverse effect.
Swaziland Environmental Authority Act, No. 15 of 1992	SEA mandate to implement and enforce environmental policies and regulations
Environmental Audit, Assessment and Review Regulations, 2000	Legislation covering Impact assessments
National Trust Commission Act of 1972	Law governing habitat protection and basis for declaring National Parks and reserves
Swaziland Waste Regulations, 2000	This regulations guide the management of solid waste and liquid waste disposal on land. General provisions of these regulations stipulate that no person may collect, transport, recover, retreat, store, dispose off, or otherwise manage waste disposal in a manner that is likely to result in an adverse effect. In addition, no person shall dispose of commercial, household or industrial waste produced in urban areas, except special waste, which must be disposed of at an approved waste disposal facility.
Ozone Depleting Substances Regulations, 2003	
Forests Preservation Act, No. 14 of 1910	Restricts forest clearance & cutting of trees. Permission required for cutting, selling and purchasing timber. Fuelwood collection and bush cutting allowed. Allows, through absence of prohibitions, the utilisation of NTFPs for subsistence and commercial use.
Private Forest Act No. 3 of 1951	Owner's permission required to utilise timber and non timber products in declared private forests. No fires allowed within 1 mile.

Grass Fire Act No. 44 of 1955	To consolidate the law relating to grass burning and grass fires
Plant Control Act No. 8 of 1981	Protects indigenous plants from uncontrolled harvest
Seeds and Plant Varieties Act No. 7 of 2000	
The Cattle Routes Act, No. 15 of 1918	
Animal Diseases Act No. 7 of 1965	
Wild Birds Protection Act No. 45 of 1914	General protection for birds with plumage and skins used for sale and export.
Protection of Fresh Water Fish Act No. 75 of 1937	
Fresh Water Fish Regulations No. 75 of 1937 (1)	
Game Control Act No. 37 of 1947	
Game Act of 1953	Established game reserves and deals with hunting and trade in wild animals, incl birds This was enacted for the preservation of game and other types of wildlife in Swaziland. It prohibits any unlawful hunting and poaching of wildlife and common game. Any person found hunting or is found in possession of protected game, without a valid permit, will be guilty of contravening this Act, and can face a jail sentence without an option of fine.
Game (Amendment) Act of 1991	Severe sentences for poaching
Temporary Protection of Game No. 51 of 1953 (2)	
Variation of Closed Season No. 51 of 1953 (3)	
Flora Protection Act No. 51 of 1953	Control of harvest and trade of rare species
Natural Resources Act No. 71 of 1951	Supervision of the country's natural resources outside Swazi National Land –SNL
The Natural Resources (Public Stream Banks) Regulations No. 71 of 1951 (1)	Prohibits the injury or destruction of any natural vegetation within 100 feet (33m) of either bank or the verge of a public stream.
Water Act No. 7 of 2003	The old Water Act established the Water Apportionment Board (WAB) to receive applications for water rights from rivers and allocates quotas in response to the applications, whereas the new Water Act led to the preparation of the Water Master Plan which establish policies for water resource use and creation of a National Water Authority.
Purification of Industry Water and Effluent Regulations No. 25 of 1967 (1)	
Control of Tree Planting Act No. 7 of 1972.	This Act limits commercial plantation tree species to specified areas.
National Fire Services Order, No. 14 of 1975	
Wattle Bark Control Act of 1960	Controls the production, sale, grading and processing of wattle bark
The Swazi Administration Act of 1950	Orders may be given prohibiting, restricting or regulating the cutting and destruction of trees and/or burning of grass and bush
Cultural and social:	
The Draft Constitution of Swaziland	
The Employment Act, No. 5 of 1980 (amended 1997)	
The Industrial Relations Act of 2000	
The Workmen's Compensation Act	
Public Health Act No. 5 of 1969.	

Safeguarding of Swazi Areas Act, No. 39 of 1910.	This Act makes provision for the protection of the rights of the Swazi people to areas set apart under the Concessions Partition Act for their sole and exclusive use and occupation.
Definition of Swazi Areas Act, No. of 1916.	An Act to record the description of the areas set apart under the Concessions Partition Act, and to declare and determine the conditions and restrictions subject to which the Swazi people are entitled to the sole and exclusive use and occupation of such areas. This lists the Districts in Swaziland that are set aside for the exclusive use and occupation of the Swazi Nation. This means that no person other than a Swazi is allowed to utilise this land.
Swazi land Settlement Act, No. 2 of 1946.	An Act to provide for the establishment, control and development of a land settlement scheme for the Swazi Nation.
The Swazi Administration Order, No. 6 of 1998.	An Order-in-Council to provide for the incorporation of the law governing appointment, removal and functions of Chiefs and Tindvuna into the law relating to the administration of Swazi Affairs.
Taxation Laws Amendment Act No. 27 of 1997	
Swazi Nation Act of 1961	Controls land use in rural areas
Guidelines and Codes of Best Practice	Notes
A practical field procedure for identification and delineation of wetlands and riparian areas. Final draft: February 2003. Department of Water Affairs and Forestry.	This procedure is used for determining riparian buffer zone sizes.
Engelbrecht, G. V. R. And Warkotsch, P.W. 1994. Chute Operating Manual – FESA Chute Project Group	
Environmental Guidelines for Commercial Forestry Plantations in South Africa (Forestry South Africa, Second Edition, August 2002).	
Guidelines for Forest Engineering Practices in South Africa. Forest Engineering Working Group of South Africa (FESA), May 1999.	
Protective Device for users of sharp bladed tools: Requirements for leg protectors. FESA standard FESA 001:1998.	
Relevant ICFR Bulletins and handbook series.	
Responsible Use Guide. AVCASA Crop protection and Animal Health Association, October 2001.	
South African Forestry Handbook, Volumes 1 & 2. The South African Institute of Forestry, 2000.	
The South African Cable-yarding Safety and Operating handbook (FESA).	
The South African Chainsaw Safety and Operating handbook January 2000. (FESA).	
The South African Forestry Road Handbook. FESA Working Group, August 2004.	

Note: South Africa encapsulates Swaziland, so most of the reference books of Red Data species, plant lists etc include Swaziland. Representatives from Swaziland, or the Swaziland Forestry companies were part of the working groups that drew up the FESA codes of practice that are available and listed above. These codes of practice have always been applied to commercial plantation in Swaziland.

6. CHANGES IN MANAGEMENT, HARVESTING, SILVICULTURE AND MONITORING

The following table shows significant changes that took place in the management, monitoring, harvesting and regeneration practices of the certificate holder over the certificate period.

Description of Change	Notes
SURVEILLANCE 1	
The APO has changed to include the harvesting of the	More burnt Eucalyptus compartments are now

Description of Change	Notes
smaller diameter Eucalyptus since the new HewSaw line has been completed at the Sawmill.	being cut.
Planting has stopped partly because the 2500 ha per annum has been reached for the financial year and partly due to financial constraints.	Coppicing of compartments will continue where suitable.
In 2008, 800 ha of C-Block was burnt by a fire caused from the neighbours	Fire readiness and resources were specifically audited at this surveillance visit.
SURVEILLANCE 2	
Dale Nortje has taken over as the Forest Manager	The manager is living on site.
Planting has resumed (B104 confirmed) in certain areas, and re-establishment by coppice will continue if suitable.	
SURVEILLANCE 3	
SURVEILLANCE 4	

7. PREPARATION FOR THE EVALUATION

7.1 Schedule

Peak Timbers were previously certified under Mondi Forests, so this was a re-evaluation, which took place during 21-24 April 2008.

7.2 Team

The table below shows the team that conducted the re- evaluation.

Evaluation Team	Notes
Team Leader	Has an Honours degree in Forest Ecology and Ecophysiology, 17 years experience in forestry and forest management internationally and nationally in South Africa, and has been involved in international FSC auditing since 2000, and speaks English and Afrikaans.
Local Specialist	Has a Hons. B.Sc. Forestry and 13 years experience in forestry regionally and nationally.

7.3 Checklist Preparation

A checklist was prepared that consisted of the documents listed below. This checklist was prepared by adapting the QUALIFOR generic forest management checklist.

This adaptation included canvassing comments from stakeholders in April 2007 (when the checklist was developed) and then again 4 weeks before the field evaluation as part of the stakeholder consultation. Stakeholders contacted included Forest Industry people (4) ENGOS (4), Government Departments (2) and academics (2) as well as Swaziland Forestry companies staff members (Peak Timbers and Usutu Pulp). Comments (verbal and written) were received from a handful (five) interested parties. A copy of this checklist is available on the SGS Qualifor website, www.forestry.sgs.com.

Standard Used in Evaluation	Effective Date	Version Nr	Changes to Standard
SGS Qualifor: Generic Forest	1 Oct 2007	AD33-SZ-	

Standard Used in Evaluation	Effective Date	Version Nr	Changes to Standard
Management Standard (AD33) adapted for Swaziland.		01	
SGS Qualifor: Generic Forest Management Standard (AD33) adapted for Swaziland.	29 March 2010	AD33-SZ-02	This standard was used from the second surveillance visit onwards. Template update, New Indicator 5.5.3. and new reference included in Indicator 6.6.2.

7.4 Stakeholder notification

A wide range of stakeholders were contacted 4 weeks before the planned evaluation to inform them of the evaluation and ask for their views on relevant forest management issues, These included environmental interest groups, local government agencies and forestry authorities, forest user groups, and workers' unions. The full list of stakeholders that were contacted is available from SGS. Responses received and comments from interviews are recorded under paragraph 14 of this Public Summary.

8. THE EVALUATION

The Main Evaluation was conducted in the steps outlined below.

8.1 Opening meeting

An opening meeting was held at the Peak Timbers Main Office at the Sawmill. The scope of the evaluation was explained and schedules were determined. Record was kept of all persons that attended this meeting.

8.2 Document review

A review of the main forest management documentation was conducted to evaluate the adequacy of coverage of the QUALIFOR Programme requirements. This involved examination of policies, management plans, systems, procedures, instructions and controls.

8.3 Sampling and Evaluation Approach

A detailed record of the following is available in section B of the evaluation report. This section does not form part of the public summary, but includes information on:

- Sampling methodology and rationale;
- FMUs included in the sample;
- Sites visited during the field evaluation; and
- Man-day allocation.

2008 Re-assessment: The assessment was carried out by a lead auditor and a social specialist over 4 days, which included the sawmill chain of custody assessment. The FMU is one contiguous unit with 4 Blocks and two leased areas. The lead auditor and social specialist split up and covered all six of these areas, including sites such as the villages, fire towers, sites of special interest, HCVF, conservation areas and operational activities (harvesting, planting etc). Neighbouring Stakeholders were also interviewed.

2009 Surveillance Assessment: The assessment was carried out over 2 days by a lead auditor and a social/legal specialist. On day 2 the team split in order to cover more ground.

8.4 Field assessments

Field assessments aimed to determine how closely activities in the field complied with documented management systems and QUALIFOR Programme requirements. Interviews with staff, operators and contractors were conducted to determine their familiarity with and their application of policies, procedures and practices that are relevant to their activities. A carefully selected sample of sites was visited to evaluate whether practices met the required performance levels.

8.5 Stakeholder interviews

Meetings or telephone interviews were held with stakeholders as determined by the responses to notification letters and SGS discretion as to key stakeholders that should be interviewed. These aimed to:

- clarify any issues raised and the company's responses to them;
- obtain additional information where necessary; and
- obtain the views of key stakeholders that did not respond to the written invitation sent out before the evaluation.

Nr of Stakeholders contacted	Nr of Interviews with		
	NGOs	Government	Other
RE EVALUATION			
32 were contacted by post and 23 contacted by email.			3
CLEARANCE OF FINDINGS EVALUATION			
Numerous members of the Mganda community		1	10
SURVEILLANCE 1			
7		1	6
SURVEILLANCE 2			
10	0	1	9
SURVEILLANCE 3			
SURVEILLANCE 4			

Responses received and comments from interviews are recorded under paragraph 14 of this Public Summary.

8.6 Summing up and closing meeting

At the conclusion of the field evaluation, findings were presented to company management at a closing meeting. Any areas of non-conformance with the QUALIFOR Programme were raised as one of two types of Corrective Action Request (CAR):

- Major CARs - which must be addressed and re-assessed before certification can proceed
- Minor CARs - which do not preclude certification, but must be addressed within an agreed time frame, and will be checked at the first surveillance visit

A record was kept of persons that attended this meeting.

9. EVALUATION RESULTS

Detailed evaluation findings are included in Section B of the evaluation report. This does not form part of the public summary. For each QUALIFOR requirement, these show the related findings, and any observations or corrective actions raised. The main issues are discussed below.

9.1 Findings related to the general QUALIFOR Programme

PRINCIPLE 1: Compliance with law and FSC Principles	
Criterion 1.1 Respect for national and local laws and administrative requirements	
Strengths	
Weaknesses	<p>CAR 01 was raised due to the fact that Forest Managers had not taken reasonable measures to identify, monitor and control illegal and unauthorized activities. This was based on the unauthorised cattle grazing and the uncontrolled Mganda settlement. This minor CAR was closed and replaced with Major CAR 20, since there was still a problem with unauthorised activities (including illegal mining) at the clearance of findings visit of 8-10 Oct 2008. This CAR was closed at a final clearance of findings visit. See record of CARs.</p> <p>According to national legislation a permit must be obtained for a sewage plant. No such permit could be found for the plant on Peak Timber's. Observation 01 was raised in this respect.</p>
Compliance	<p>The company employ a law firm to ensure that they are up to date on all national legislation. Copies of laws and codes of conduct are maintained in forestry offices.</p> <p>Company is not involved in any activities that contravene local laws. Copies of laws and codes of conduct are maintained in forestry offices. An illegal dumpsite for which there was not a permit was closed down and a permit obtained for a new dumpsite.</p> <p>Detailed public summary, that gives a good overview of the company is available and was updated in October 2010. The Environmental Policy that endorses FSC P&C is clearly displayed at the Mill and in the contractors audit checklist point 1.1.1 ask if the Environmental Policy is available and displayed.</p>
Criterion 1.2 Payment of legally prescribed fees, royalties, taxes and other charges	
Strengths	
Weaknesses	
Compliance	Receipts for fishing permits are available and tax returns are also filed. Provision for these fees (including border crossing taxes) is made in annual budgets.
Criterion 1.3 Respect for provisions of international agreements	
Strengths	
Weaknesses	
Compliance	Swaziland is signatory to international agreements and these obligations have been encapsulated in the national legislation and the company's own policies and procedures, which were adopted from Mondi and then revised after the change of ownership. Compliance to agreements such as ILO, CITES etc were routinely checked under the various principles.
Criterion 1.4 Conflicts between laws and regulations, and the FSC P&C	
Strengths	
Weaknesses	
Compliance	There was no evidence of any such conflicts.
Criterion 1.5 Protection of forests from illegal activities	
Strengths	
Weaknesses	Illegal activities include cattle grazing the plantation, illegal settlements and illegal plantings of Cannabis. Minor Car 01 and Observation 02 was raised due to the fact that forest management is not taking reasonable measures to control these activities. Minor CAR 1 was replaced with Major CAR 20, due to inadequate compliance during a second clearance of findings visit.
Compliance	The protection of the forests from illegal activities was checked again at a third clearance of findings visit, after Major CAR 20 was raised, and found to be adequate. The police were informed of the illegal mining activities and the vigilance of the Peak Staff in problem areas was increased in terms of personnel and monitoring. Records of such monitoring are kept, and the

	local communities have been consulted about controlled access to the forests and the prevention of illegal activities.
Criterion 1.6	Demonstration of a long-term commitment to the FSC P&C
Strengths	
Weaknesses	
Compliance	<p>The company has an endorsed FSC policy, matters pertaining to FSC are discussed at weekly meetings and all of the land area is included under the FSC certificate.</p> <p>Detailed public summary, that gives a good overview of the company is available and was updated in October 2010. The Environmental Policy that endorses FSC P&C is clearly displayed at the Mill and in the contractors audit checklist point 1.1.1 ask if the Environmental Policy is available and displayed.</p>
PRINCIPLE 2: Tenure and use rights and responsibilities	
Criterion 2.1	Demonstration of land tenure and forest use rights
Strengths	
Weaknesses	Minor CAR 02 was raised due to fact that there is no documentation showing the owner/manager's legal rights to manage two leased areas
Compliance	<p>Peak timbers have proactively engaged with the municipal council to formalize the lease agreements. Correspondence negotiating/ finalizing the terms and conditions of the lease agreements were considered. (Correspondence: 27 May, 10 July, 9 & 11 Sept 2008). During the period of the close-out, council agreed to the terms of the lease. This was confirmed in a meeting with the Town Clerk. The relevant national department was to finalise the contract (administrative act). The company has made sufficient progress in this regard. CAR 02 was closed.</p> <p>The rest of the FMU is owned by Peak Timbers, and there was documentation to validate this.</p> <p>There is ongoing communication between Peak timbers and Government. Peak received a MOA for the lease from the Government of Swaziland and is currently negotiating the terms of the agreement. Last communication from Peak regarding the lease was dated 6 September 2010 and asked for a final draft agreement for approval by the Peak Board meeting on 2 November 2010.</p>
Criterion 2.2	Local communities' legal or customary tenure or use rights
Strengths	
Weaknesses	Although the Company acknowledges the people from the Mganda community area living on Peak Timber property and has verbal agreements with the community about tenure, no formal, written agreement could be found. Minor CAR 35 was raised in this regard.
Compliance	<p>The plantation was established in 1947 on private land and no community tenure or user rights exist.</p> <p>2008/9 Update: The Mganda community was originally said by the company to be illegal settlers, however, it has subsequently been established that the Mganda community have legal tenure rights as farm dwellers.</p>
Criterion 2.3	Disputes over tenure claims and use rights
Strengths	
Weaknesses	
Compliance	No such disputes exist
PRINCIPLE 3: Indigenous peoples' rights	
Criterion 3.1	Indigenous peoples' control of forest management
Strengths	
Weaknesses	

Compliance	Forestry is not practiced on communal land where people have ownership or use rights. Peak Timbers commercial forestry is on their own privately owned land as well as land leased from the government.
Criterion 3.2 Maintenance of indigenous peoples' resources or tenure rights	
Strengths	
Weaknesses	
Compliance	The indigenous people in Swaziland do not have resource use or tenure rights on the commercial FMU owned and leased by Peak Timbers.
Criterion 3.3 Protection of sites of special cultural, ecological, economic or religious significance to indigenous peoples	
Strengths	
Weaknesses	Minor CAR 03 was raised due to the fact that management plans and prescriptions for Areas of Special Interest (or "ASI's") were not consistently implemented at all sites visited.
Compliance	All ASI's have been listed in the register and there are management prescriptions for all of the 32 sites. Of these sites, weed control has already been completed for 16 listed sites. Site visits to the 514 community graves (on 9 October 2008) and to the old 203 mine #10 (on 28 October 2008) confirmed that management prescriptions were being implemented. This CAR 03 was subsequently closed.
Criterion 3.4 Compensation of indigenous peoples for the application of their traditional knowledge	
Strengths	
Weaknesses	
Compliance	Traditional knowledge not used in forest management
PRINCIPLE 4: Community relations and workers rights	
Criterion 4.1 Employment, training, and other services for local communities	
Strengths	
Weaknesses	
Compliance	The company has an active community development programme. It approaches local communities when work is available and also assists with infrastructure projects. It has very clear training and recruitment policies. Peak Timbers also provides good support for contractors in terms of training and equipment and local businesses benefit from the presence of Peak Timbers.
Criterion 4.2 Compliance with health and safety regulations	
Strengths	Health and safety standards are high. The contractor audit system mirror many of the FSC indicators ensuring that contractors are functioning within FSC guidelines.
Weaknesses	Minor CAR 04 was raised due to the fact that some of the worker villages had poor quality drinking water and their waste and smoke management was also inadequate. Update 27/10/10 – Recent water tests show that water quality at all villages is good. The company has embarked on a programme to improve worker villages. Smoke management has improved and villages inspected were found to be clean with no waste scattered around.
Compliance	A high standard of health and safety control is maintained. Workers in field operations and in the sawmill were all found to be wearing the appropriate PPE and a good SHE reporting system is maintained. Workers had access to medical facilities and appropriate training in Health & Safety.
Criterion 4.3 Workers' rights to organise and negotiate with employers	
Strengths	

Weaknesses	
Compliance	Workers are free to belong to unions. Mill workers belong to the Swaziland Agricultural and Plantation Workers Union. Few plantation workers are members of a union.
Criterion 4.4	Social impact evaluations and consultation
Strengths	
Weaknesses	
Compliance	Peak has excellent stakeholder and community consultation. Communities are informed of forestry aspects that might impact on them such as grazing policies. Forums are available for open communication. Discussions with local stakeholders indicate an appreciation for community interactions. Communities feel that they can approach Peak with problems and requests for assistance.
Criterion 4.5	Resolution of grievances and settlement of compensation claims
Strengths	
Weaknesses	
Compliance	Dispute resolution works through the local chiefs and community liaison forums. If people are unhappy with Peak they can complain at these forums. Minutes of these meetings are maintained and action documented.
PRINCIPLE 5: Benefits from the forest	
Criterion 5.1	Economic viability taking full environmental, social, and operational costs into account
Strengths	
Weaknesses	
Compliance	<p>The devastating fires of 2007 changed the cutting programmes. The next 5 years will be spent harvesting the burnt timber. The Peak sawmill has the capability of processing pine logs as small as a 17 cm diameter, but in order to optimise the yield, the peak sawmill is setting up a second saw line which will be able to process timber as small as 10cm diameter.</p> <p>After the fires, there was greater effort and input into fire protection. More equipment has been purchased and the width of the fire breaks has been increased to 100m where possible. Each contractor has a proto fire fighting team and there is a new strike unit (vehicle). In addition, Peak Timbers has joined the FFA (Fire Fighting Association) and have commissioned the re-opening of the air strip in B Block above the hotel, for the use of aerial fire fighting. The re-planting of the burnt areas is progressing as fast as possible.</p> <p>Adequate budgets are available for environmental, social and operational costs, and while losses are initially predicted, the long term prediction is a profitable forestry operation, based largely on the fact that the site is excellent for forestry.</p>
Criterion 5.2	Optimal use and local processing of forest products
Strengths	The fact that the timber is processed by the company themselves into the primary product means that the local community benefits from this value adding in terms of jobs and revenue.
Weaknesses	
Compliance	Over the past 5 years there has been a gradual conversion of pine to Eucalyptus, which is deemed to be more suitable for the area. Some of the areas will be maintained as Pine. There is not much scope for other species, and non-timber forest products are controlled through a permit system to monitor the sustainability of the harvesting.
Criterion 5.3	Waste minimisation and avoidance of damage to forest resources
Strengths	
Weaknesses	
Compliance	Waste is minimised due to the fact that the sawmill can take small diameter timber, and damage to the forest is avoided through directional felling and extraction by cable yard or

	mules or by skidder on designated extraction routes.
Criterion 5.4 Forest management and the local economy	
Strengths	
Weaknesses	
Compliance	Value adding to the product is carried out locally through the sawmilling operation, and workers are sourced locally. The local community members are allowed to harvest and collect non-timber forest products. There is a permit system and products are sold to community members. Communities can for instance buy herbs at R4/day, grass at R4/day, fish at R 20/year. People can also buy rejected timber and laths from the harvesting operations.
Criterion 5.5 Maintenance of the value of forest services and resources	
Strengths	
Weaknesses	
Compliance	Negative impacts on forest services and resources are known by the staff and avoided and mitigated through the implementation of best practices in terms of road building and harvesting. In cases where implementation of best practices was found to be weak, CARs were raised.
Criterion 5.6 Harvest levels	
Strengths	
Weaknesses	Although permits for NTFP are issued (e.g. matt grass, herbs, poles) and copies of permits maintained this information is not collated to calculate total harvesting rates to ensure that off take does not exceed replenishment rates. Observation 03 was raised.
Compliance	Forest enumeration frequencies have been specified in order to assimilate data for the growth models. Due to the fires of 2007, all burnt compartments had to be enumerated again and a new strategic harvest plan drawn up. The next five years will be spent harvesting the burnt compartments, but the re-planting regime is aimed at normalising the age class distribution over the long term. Timber shortages have been predicted, but the timing of these shortages have been calculated to enable advance planning for these periods.
PRINCIPLE 6: Environmental impact	
Criterion 6.1 Environmental impacts evaluation	
Strengths	
Weaknesses	Minor CAR 5 was raised due to the fact that environmental impacts were inadequately considered during some operations.
Compliance	The impacts of commercial forestry in Southern Africa have been identified at an industry level and there are best practice guidelines which cover all of the commercial forestry operations. Where impacts have been identified, mitigation measures have been built into the guidelines. The checklists and self audits that go hand in hand with the guidelines also highlight potential impacts and check mitigation. As members of NCT, Peak Timbers are using the NCT impact assessment templates for roads, stream crossings, on site processing and "other" developments. This is a screening exercise for any site disturbing operation.
Criterion 6.2 Protection of rare, threatened and endangered species	
Strengths	
Weaknesses	
Compliance	The RT&E plant and bird species have been identified in six of the significant conservation areas and Peak has species lists of RT&E animals thought to occur in the area. Habitats are protected, but main threat is weed infestation (see Major CAR 06 under 6.3 below). Forest scouts patrol that area and also record sightings of the animals that they encounter.

	Peak Timbers is a member of the Phophonyane conservancy and also communicate with the Swaziland Environmental Authority. There are also numerous specialist consultants who have carried out work in the area (forest, water and grassland studies). Currently there is a "Transfrontier Committee" which Peak is a member of. This committee is in the process of trying to develop a corridor with South Africa which will link the Northern Mganda Peak land with South Africa and the Phophonyane conservancy area.
Criterion 6.3 Maintenance of ecological functions and values	
Strengths	
Weaknesses	<p>Major CAR 06 was raised due to the fact that it was found that there was inadequate planning, control and rehabilitation of degraded sites. Examples were as follows:</p> <ol style="list-style-type: none"> 1. Weed control planning is not adequate for the open areas. Levels of infestation have not been surveyed and the current plan does not include all areas (all Z compartments) on a system of priority ranking. There is no long term plan, only a plan for 2008. 2. No means of measuring progress in weed control of open areas over time. No targets or measurable parameters. 3. Alien invasive Weed infestation in Peak Timbers has reached critical levels in the open areas, where rehabilitation will constitute serious cost and effort. This is unacceptable, given that Peak have been FSC certified for over 5 years. 4. No rehabilitation plans available for the A112 Quarry that has been decommissioned. This is a large quarry with a substantial visual impact.
Compliance	<p>The status of the FMU is known through the mapping of vegetation types and there are species lists available for most of the fauna and flora. There have also been specialist studies.</p> <p>At a Clearance of Findings visit on 8-10 October 2008, degraded sites such as quarries and weed infested areas were re-checked. Quarries had management plans including rehabilitation plans, and there was evidence of rehabilitation work. In terms of the weed control, a long term plan is available (maps indicating levels of infestation and a 2019 plan) and there has been good progress with weed control in field. The weed infestation levels are still high (in excess of 50%) so this major CAR has been closed and replaced with Minor CAR 21 to ensure continued monitoring until the problem is under control (well under 50%).</p>
Criterion 6.4 Protection of representative samples of existing ecosystems	
Strengths	Of the area of 30 576 ha comprising Peak Timbers, the non-afforested area constitutes over one third of the area (11 067 ha), which is mostly conservation land.
Weaknesses	
Compliance	
Criterion 6.5 Protection against damage to soils, residual forest and water resources during operations	
Strengths	There was good use of surface cross drains (water bars) on some of the roads, and these were very effective in forcing the water off of the roads.
Weaknesses	<p>Minor CAR 07 was raised as follows: Operational guidelines are not implemented in terms of roads and watercourse crossings. This was based on the fact that there were numerous roads which lacked adequate drainage (evidence of upgrading, but with inadequate drainage) and there were numerous stream crossings that were resulting in sediment input into the streams due to poor construction and poor road approach drainage.</p> <p>Some of the contractors are not aware of the 30m buffer zone requirement for re-planting (e.g. one contractor quoted 20m when interviewed). This buffer zone must also be applied to roads, as there is evidence of some roads too close to streams (e.g. along Phophonyane River).</p> <p>Observation 04 was raised.</p>
Compliance	There are written guidelines and codes of practice for the forestry Industry in Southern Africa. These are listed in section 5.3 of this report. In addition Peak Timbers still has some of the Mondi Guidelines (Silvicultural manual) as well as all of the new NCT guidelines. The guidelines cover all operational activities, and field visits to confirm the implementation of these guidelines were conducted for activities such as harvesting, silviculture and road building and maintenance, to mention a few.

Criterion 6.6 Chemical pest management	
Strengths	
Weaknesses	<p>Major CAR 08 was raised due to the fact that there was evidence of Prohibited pesticides being stored and in use on the FMU. Examples are Gramoxone (active ingredient Paraquat), Bitam (active ingredient Deltamethrin) and Preeglone (active ingredient Paraquat). Preeglone has been used for the preparation of tracer belts.</p> <p>There is no derogation available for any of these pesticides.</p>
Compliance	<p>Lists of chemicals are maintained in the chemical stores (chemical registers). Chemical usage is also documented via the registers. Material safety Data Sheets (MSDS) were also available for all pesticides in the chemical store rooms. From this information a list of up to date pesticides was provided.</p> <p>Peak has the NCT documents which cover a strategy with reduction as an objective and the use of integrated control methods which include timing, follow-up equipment etc. Chemical usage volumes are available and calculated to a per ha figure.</p> <p>A written memo was sent to all contractors managing chemical stores, instructing them to terminate the use of Preeglone, Gramoxone and Bitam with immediate effect, and also remove all remaining stock from the stores and dispose of them through the relevant suppliers. An approved list was sent to all contractors using chemicals. The contractors confirmed in writing that they have complied with this instruction. D3 and A5 chemical stores were visited and the responsible people interviewed to confirm the implementation of the Peak Timbers instruction. Major CAR 08 was closed.</p>
Criterion 6.7 Use and disposal of chemicals, containers, liquid and solid non-organic wastes	
Strengths	
Weaknesses	
Compliance	<p>Peak is making use of "Niewco" which is a company that collects waste for recycling (niewco@swazi.net). Niewco will collect steel, plastic, glass, tins, batteries and old oil at certain pick up points. Chemical containers are returned to their suppliers.</p> <p>There are waste pits at the villages which are well managed, and at Rocklands and the Main Peak Mill, the waste is currently taken to the municipal waste site.</p>
Criterion 6.8 Use of biological control agents and genetically modified organisms	
Strengths	
Weaknesses	
Compliance	There has been no use of biological control agents, or genetically modified organisms on the Peak FMU.
Criterion 6.9 The use of exotic species	
Strengths	
Weaknesses	
Compliance	The use of exotic species has been well researched and controlled in Southern Africa. Exotic species were primarily introduced in an effort to reduce the pressure of logging the indigenous forests, and provide a source of fast growing timber for the needs of the people.
Criterion 6.10 Forest conversion to plantations or non-forest land uses	
Strengths	
Weaknesses	
Compliance	There has been no natural forest conversion to plantation.
PRINCIPLE 7: Management plan	
Criterion 7.1 Management plan requirements	
Strengths	

Weaknesses	<p>Minor CAR 09 was raised due to the fact that the management plan is lacking in the following aspects:</p> <ol style="list-style-type: none"> 1. Profile of the adjacent lands, 2. Environmental conservation planning such as identification of environmental aspects and impacts which include measures to preserve soil and water, measure to protect habitats and the identification and monitoring of RT&E species and HCVFs to mention a few aspects. <p>Minor CAR 10 was raised due to the fact that there is no management plan for the Irrigated log deck next to the dam in B block. Although irrigation has not yet commenced, this log deck has a substantial potential environmental impact on the water quality of the adjacent riparian zone.</p>
Compliance	<p>Peak Timbers joined NCT on 1 November 2007 and therefore have access to all of their documentation and generic planning documents and templates.</p> <p>Rate of harvest, species selection, management prescriptions (for production zones) and operational techniques are documented and justified. A new management plan has also been drawn up (dated 29 August 2007) for the salvage, maximising value and rehabilitation after the catastrophic fires of July 2007.</p> <p>The Management plan has been revised (October 2008) and included all of the aspects listed in 7.1 as well as a profile of the adjacent lands and the conservation planning. Minor CAR 09 was closed.</p>
Criterion 7.2 Management plan revision	
Strengths	
Weaknesses	
Compliance	<p>The planning forester has been given the responsibility for the overall compilation and updating of the management plans.</p> <p>Peak management have recently taken over from Mondi, so the management plans are new, and in some cases, NCT plans are used, so besides the new Fire salvage plan of August 2007, the management plans have not yet been revised, but the plan is to do so at least annually.</p>
Criterion 7.3 Training and supervision of forest workers	
Strengths	
Weaknesses	
Compliance	<p>Forest workers at all levels of skill and responsibility are appropriately educated and trained in the tasks they are assigned to and company policy and procedures.</p> <p>All Workers were able to perform designated tasks at the sites visited. Interviews with workers revealed good knowledge and competence.</p>
Criterion 7.4 Public availability of the management plan elements	
Strengths	
Weaknesses	<p>The public summary of the management plan is inadequate. The public summary provided (NCT Version 2005/1, Appendix F3, prepared in 2008) does not cover all of the elements listed in 7.1 at company level (e.g. Objectives, environmental issues, HCVF's, RT&E species, a map of the area and a profile of the adjacent lands). Minor CAR 11 was raised in this respect.</p>
Compliance	<p>The public summary of the management plan was revised (October 2008) to include all of the elements listed in criterion 7.1. It is publicly available electronically and on hard copy. In addition, Peak Timbers also produces a quarterly newsletter for the stakeholders informing them of pertinent issues. Minor CAR 11 was closed.</p>
PRINCIPLE 8: Monitoring and evaluation	
Criterion 8.1 Frequency, intensity and consistency of monitoring	
Strengths	
Weaknesses	<p>Major CAR 12 was raised due to the fact that all activities that require monitoring have not been identified and/or monitoring activities that were in place have ceased. Examples are lack of continued monitoring of water quantity (stream flow), water quality (using SASS) and grasslands. In addition it was found that there was no monitoring of RT&E species or offtake of</p>

	<p>NTPFs. Also, after the fires of July 2007 there was no provision for the monitoring of soil erosion from the susceptible compartments. The internal auditing was also found to be poor. NCT has provided a good template for plantation audits, but such auditing is not carried out in a systematic planned manner with CARs raised.</p> <p>Minor CAR 13 was raised due to the fact that Corrective actions are not identified through certain monitoring process. This was based on the fact that contractors are audited according to a checklist, where any non-compliances are indicated, but corrective measures are not actioned. This makes it difficult to follow whether matters have been resolved or not.</p>
Compliance	<p>At a clearance of findings visit, the following was evident: SASS monitoring results are available and the next routine monitoring is scheduled for 2009. Grassland monitoring has taken place and results are available, including the carrying capacities for live stock which has been calculated. Stream flow monitoring has resumed on the Phophonyane River and results are available (from April 2008). A second monitoring site is planned on the Mlambongwenya River. In terms of the fire damage and erosion, all susceptible compartments have been identified and visited and erosion damage has been documented and scheduled for rehabilitation (see "major Erosion Plan"). This includes poor roads and crossings which were damaged. Internal auditing has taken place, but only for contractors. Major CAR 12 was closed and replaced with Minor CAR 22 in order to verify the planned monitoring which has not yet taken place.</p> <p>Audits have been done on contractors since the above findings. Peak timbers have raised CARS/ SHEARS on contractors where non-compliances were observed during the audits. The CARS raised called for action which was then evaluated / closed out within relevant time periods. This was further controlled by the Forestry Manager, finally signing the document off. The audit records of 3 contractors as well as CARs raised and closed were assessed during the closing of findings. Minor CAR 13 was closed.</p>
Criterion 8.2 Research and data collection for monitoring	
Strengths	
Weaknesses	Environmental monitoring was generally found to be very poor, but this was raised as Major CAR 12 above.
Compliance	<p>All timber harvested goes over the weighbridge at Rocklands where the mass is recorded. Non-timber forest products are monitored through a permit system.</p> <p>Forest enumerations are carried out before thinning and clearfelling operations. After the fire of July 2007, all burnt compartments were enumerated in order to drawn up a salvage and re-establishment plan.</p>
Criterion 8.3 Chain of custody	
Strengths	
Weaknesses	There is no documented procedure for the traceability of logs (chain of custody) from the forest to the mill. Minor CAR 14 was raised in this respect.
Compliance	There is a simple chain of custody since the Peak forests supply timber to the Peak sawmill, and all timber supplied to the mill is FSC certified. Traceability is achieved through a system of delivery notes carried by the timber trucks from the forest and weigh bridge tickets generated when the same truck go over the weighbridge before entering the sawmill. A chain of custody audit was carried out for the sawmill.
Criterion 8.4 Incorporation of monitoring results into the management plan	
Strengths	
Weaknesses	
Compliance	Enumeration results, especially after the fire, have been incorporated into the management plan. Peak management have recently taken over from Mondi, so the management plans are new, and in some cases, NCT plans are used, so besides the new Fire salvage plan of August 2007, the management plans have not yet been revised.
Criterion 8.5 Publicly available summary of monitoring	
Strengths	
Weaknesses	Major CAR 15 was raised due to the fact that regular summaries of monitoring results are not

	made available to the public.
Compliance	At a clearance of findings visit, the following was evident: The Public summary of the management plan now also includes a summary of all monitoring results to date. This includes SASS water quality, potable water tests, stream flow monitoring, grassland monitoring results, sewage monitoring, weed monitoring and RT&E species monitoring plans. Major CAR 15 was closed.
PRINCIPLE 9: High Conservation Value Forests	
Criterion 9.1 Evaluation to determine high conservation value attributes	
Strengths	
Weaknesses	Minor CAR 16 was raised due to the fact that not all of the forests on the FMU have been assessed for the presence of attributes of HCVF. Only the largest of the forest were assessed.
Compliance	An assessment of 6 forests was carried out in May 2006 by Dobson and Monadjem. These were the six largest and most obvious forests on the FMU. This assessment recommended that 4 of the 6 forests be considered as HCVF's and that the other forest sites within Peak Timbers be surveyed. These four forests have been included as HCVF and further surveys are planned to assess the rest of the forests.
Criterion 9.2 Consultation process	
Strengths	
Weaknesses	
Compliance	In terms of the HCVFs, there has been consultation with stakeholders such as Sappi, the Water Authorities of the Komati and Lomati Basin, the Phophonyane Conservancy, the Community Forum and the Chief's Meeting where any problems are discussed. The documented management prescriptions were drawn up by consultants.
Criterion 9.3 Measures to maintain and enhance high conservation value attributes	
Strengths	
Weaknesses	The management plan (and the public summary of the plan) does not make any reference to HCVFs, and there are no specific management plans for these identified HCVFs. Only the specialist report is available which provides recommendations for the management of 6 studied forests, but these recommendations have not been internalized and incorporated in the management plan. Major CAR 17 was raised since this was criterion level failure.
Compliance	At a clearance of findings visit after the re-assessment, it was found that the management plan and the Public summary of the management plan have been revised (October 2008) and now include reference to the HCVF's, their attributes, their management to enhance attributes and their monitoring, maintenance and protection. Further studies of the forests with experts in the field are also described. Major CAR 17 was closed.
Criterion 9.4 Monitoring to assess effectiveness	
Strengths	
Weaknesses	Annual monitoring of High Conservation Value Forests has not been specified in the management plan, and has not been carried out. There is no specification for annual monitoring of HCVFs in the management plan. After the initial assessment of May 2006, there was no further investigation or monitoring of the identified HCVF's. Major CAR 18 was raised since this was a non-conformance at criterion level.
Compliance	Major CAR 18 was closed due to the fact that monitoring of HCVF has been specified in the management plan. This includes the monthly monitoring as well as the annual monitoring and specifies who is responsible for the monitoring. Monitoring of the forests has already commenced with recommendations available. Work necessary as a result of the monitoring has been phased and has commenced (e.g. weed control in B6 Fire Tower HCVF).

PRINCIPLE 10: Plantations	
Criterion 10.1 Statement of objectives in the management plan	
Strengths	
Weaknesses	
Compliance	The Peak Mission statement includes the management objectives of the plantation. After the fire, Peak Timbers is striving to re-establish good compartments that are economically viable, and will produce high quality timber for the global market.
Criterion 10.2 Plantation design and layout	
Strengths	
Weaknesses	
Compliance	Natural vegetation areas within the FMU have been identified through the ECDB (Environmental Conservation Data Base) mapping process and are demarcated on GIS maps. These areas within the landscape are known and considered during planning. Such areas are indicated as "SMZ's" (Special Management Zones) on the operational harvesting plans and any other activity plans. All other geographical features as well as all commercial plantation areas and open area polygons (described above) are also digitally mapped with GIS. Other features, like the road network and soil information is also available as overlays for the GIS, which is digitally available at the management office.
Criterion 10.3 Diversity in composition	
Strengths	
Weaknesses	
Compliance	There is not much provision for diversity of species since 95% of the commercial area will be planted to Eucalyptus and 5% to Pine. There is, however diversity in age and diversity in terms of both pine and Eucalypt species as described earlier in the table of species. In addition, one third of the FMU is conservation land, which contributes immensely to the diversity within the FMU.
Criterion 10.4 Species selection	
Strengths	
Weaknesses	
Compliance	The use of exotic species has been well researched and controlled in Southern Africa. Exotic species were primarily introduced in an effort to reduce the pressure of logging the indigenous forests, and provide a source of fast growing timber for the needs of the people.
Criterion 10.5 Restoration of natural forest	
Strengths	
Weaknesses	
Compliance	One third of the FMU is dedicated to conservation as a land use, and the indigenous forests on the FMU are also protected by law. The main activity to restore and maintain these areas as natural forest cover is weed control and the control of illegal settlement and agriculture.
Criterion 10.6 Impacts on soil and water	
Strengths	
Weaknesses	See 6.3.
Compliance	The entire Peak FMU has been soil mapped and had a terrain classification (now a site map). Soil depth and slope, largely determined the sites suitable for commercial forestry. The better quality sites are allocated to Eucalyptus. This information has been integrated into the GIS database utilized by Peak (software still

	outstanding). The use of soil information forms an integral part of minimizing the environmental impacts of forestry, notably during silvicultural and harvesting operations.
Criterion 10.7 Pests and diseases	
Strengths	
Weaknesses	
Compliance	The occurrence of plantation pests and diseases is recorded and documented by contractors and foresters, and also the scouts who patrol the forests. There are not major problems with the wood wasp, <i>Sirex noctilio</i> , which is quite widespread throughout forestry in South Africa. Also, there is no problem with baboons. Foresters are aware of the <i>Cossid</i> moth which attacks Eucalyptus, mainly <i>E.nitens</i> , which poses a potential problem.
Criterion 10.8 Monitoring of impacts, species testing and tenure rights	
Strengths	
Weaknesses	The most common and problematic off site impact is the unwanted spread of exotic plantation species. Weed control has been raised as an issue (Major CAR 06). In addition, there were stakeholder complaints about the water quality leaving the Peak plantation areas, which was also raised as a Major CAR, due to lack of monitoring and given that Peak had catchment control of these areas.
Compliance	At a Clearance of Findings visit on 8-10 October 2008, weed control and the impact of the FMU on the water quality was checked. In terms of the weed control, a long term plan is available (maps indicating levels of infestation and a 2019 plan) and there has been good progress with weed control in field. The weed infestation levels are still high (in excess of 50%) so this major CAR has been closed and replaced with Minor CAR 21 to ensure continued monitoring until the problem is under control (well under 50%). Roads and stream crossings have been upgraded, especially in the Phophonyane catchment, where the water quality was found to have improved immensely.
Criterion 10.9 Plantations established in areas converted from natural forests after November 1994	
Strengths	
Weaknesses	
Compliance	There has been no conversion of any natural forests to plantations.

10. CERTIFICATION DECISION

Given the high level of non-conformance, Peak Timbers was suspended on 25 April 2008. The closure of the Major CARs quoted necessitated a re-visit by SGS, which took place on 8-10 October 2008 and again on 28 October 2008, when all Major CARs were closed and re-certification was recommended.

The re-certification of Peak Timbers forest management in the Piggs Peak area was recommended as:

- i. There are no outstanding Major Corrective Action Requests
- ii. There are less than 10 outstanding minor CARs in total and there are less than 3 Minor CARs per principle
- iii. The outstanding Minor Corrective Action Requests do not preclude certification, but peak Timbers is required to take the agreed actions to address the minor non-conformances. These will be verified by SGS QUALIFOR at the first surveillance to be carried out about 6 months from the date of the issuance of the certificate. If satisfactory actions have been taken, the CARs will be 'closed out'; otherwise, Minor CARs will be raised to Major CARs.
- iv. The management system, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation;

- v. The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

11. MAINTENANCE OF CERTIFICATION

During the surveillance evaluation, it is assessed if there is continuing compliance with the requirements of the Qualifor Programme. Any areas of non-conformance with the QUALIFOR Programme are raised as one of two types of Corrective Action Request (CAR):

- .01 **Major CARs** - which must be addressed and closed out urgently with an agreed short time frame since the organisation is already a QUALIFOR certified organisation. Failure to close out within the agreed time frame can lead to suspension of the certificate.
- .02 **Minor CARs** - which must be addressed within an agreed time frame, and will normally be checked at the next surveillance visit

The full record of CARs raised over the certification period is listed under section 12 below.

The table below provides a progressive summary of findings for each surveillance. A complete record of observations demonstrating compliance or non-compliance with each criterion of the Forest Stewardship Standard is contained in a separate document that does not form part of the public summary.

SURVEILLANCE 1	
Issues that were hard to assess	The Mganda community needed to be visited. This involved about a 6 km walk since the area is inaccessible by vehicle.
Number of CARs closed	Four Outstanding CARs were closed (of six).
Nr of CARs remaining open	Two Outstanding CARs from the Re-assessment were not closed.
New CARs raised	Three New Major CARs and four new Minor CARs were raised. Two Major CARs were closed at a Clearance of Findings visit 28-29 October 2009. An extension was applied for Major CAR M28, which was closed at a Clearance of Findings visit on 4 February 2010.
Recommendation	The forest management of the forests of Peak Timbers Limited remains certified as: <ul style="list-style-type: none"> ▪ The management system is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and ▪ The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.
SURVEILLANCE 2	
Issues that were hard to assess	None
Number of CARs closed	6 Outstanding CARs were closed
Nr of CARs remaining open	No CARs remained open.
Nr of New CARs raised	2 new Minor CARs were raised. On 15 April 2011, major CAR M35 was raised in response to an investigation, and subsequently closed on 21 April.
Recommendation	The forest management of the forests of Peak Timbers Limited remains certified as: <ul style="list-style-type: none"> ▪ The management system is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and ▪ The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.
SURVEILLANCE 3	

Issues that were hard to assess	
Number of CARs closed	
Nr of CARs remaining open	
Nr of New CARs raised	
Recommendation	
SURVEILLANCE 4	
Issues that were hard to assess	
Number of CARs closed	
Nr of CARs remaining open	
Nr of New CARs raised	
Recommendation	

12. RECORD OF CORRECTIVE ACTION REQUESTS (CARs)

Despite the fact that this was a re-assessment, there were no outstanding CARs from the Mondi certificate that could specifically be traced back to Peak, Swaziland.

CAR #	Indicator	CAR Detail					
		Date Recorded>		Due Date>		Date Closed>	
01	1.5.1	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		Non-Conformance:					
		Forest Managers have not taken reasonable measures to identify, monitor and control illegal and unauthorized activities					
		Objective Evidence:					
		Cattle grazing policies are not implemented and cattle numbers are currently exceeding carrying capacity. Exact number and ownership of cattle are not known.					
		Illegal settlements at Mganda have not been adequately assessed (quantified in terms of number and names of people, homesteads and area affected) and their activities are not monitored. Cattle tracks to and from this settlement are evident in steep Montane grassland which could lead to severe erosion.					
		Close-out evidence:					
This minor CAR was closed and replaced with Major CAR 20, since there was still a problem with unauthorised activities at the clearance of findings visit of 8-10 Oct 2008.							
02	2.1.1	Date Recorded>	24 Apr. 08	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		Non-Conformance:					
		There is no documentation showing the owner/manager's legal rights to manage the leased lands					
		Objective Evidence:					
		Village lease (282 ha) and Swazi Nation (152 ha) expired in 1986. Although company continues to pay lease the contracts have not been renewed. Lease agreements need to be for at least one rotation.					
		Close-out evidence:					
		Peak timbers have proactively engaged with the municipal council to formalize the lease agreements. Correspondence negotiating/ finalizing the terms and conditions of the lease agreements were considered. (Correspondence: 27 May, 10 July, 9 & 11 Sept 2008). During the period of the close-out, council agreed to the terms of the lease. This was confirmed in a meeting with the Town Clerk. The relevant national department was to finalise the contract (administrative act). The company has made sufficient progress in this regard. This CAR is closed.					
03	3.3.2	Date Recorded>	24 Apr 2008	Due Date>	1 st Surv	Date Closed>	28 Oct 2008
		Non-Conformance:					
		Management prescriptions for some Areas of Special Interest (ASIs) are not implemented.					
		Objective Evidence:					
		Management plans and prescriptions for ASI are available for most, however these management prescriptions were not implemented for example the old tramway line in A422 was not protected during harvesting and trees were felled across it. Also no evidence of weed control. None of the ASI have scheduled weed control plans.					
Close-out evidence:							

CAR #	Indicator	CAR Detail					
		All ASI's have been listed in the register and there are management prescriptions for all of the sites. Of the 32 sites, weed control has already been completed for 16 such sites. Site visits to the 514 community graves (on 9 October 2008) and to the old 203 mine #10 (on 28 October 2008) confirmed that management prescriptions were being implemented. This CAR is closed.					
04	4.2.9	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
Some worker accommodation does not comply, as a minimum, with the ILO Code of Practice on Safety and Health in Forestry.							
Objective Evidence:							
<p>.01 In the Ekuthuleni, Rocklands and Mill Villages waste management was not good, especially in Mill village where waste collection drums were inadequate.</p> <p>.02 All villages have running water and water is tested quarterly. The quality of water is however very poor. Tests indicate that drinking water at A5, D3, C2, B2, B6, A4 and Rocklands villages are not fit for human consumption. All these villages have unacceptable high levels of faecal coliform, faecal streptococci, bacteria and Coliform. Water was last tested on 9/04/08 and 21/01/08.</p> <p>.03 At the Ekuthuleni Village road conditions are very poor and open electric boxes were observed.</p> <p>.04 Sewage treatment plant at Mill Village not fenced and accessible to all – this poses a safety risk (open tanks).</p> <p>.05 Water at outlet of sewage plant at Mill Village tested for mineral and chemical content but not for biological content – need to test for E.coli, etc.</p> <p>.06 Observed at A5 and Mill Village, that cookhouses do not have proper chimneys and that the insides are blackened with smoke – need to improve chimneys</p>							
Close-out evidence:							
Peak timbers have made significant progress on the management of villages. The company did a risk evaluation on the villages and developed a renovation plan based on the risk assessment. Villages visited included A5, B5, B4, Ekuthuleni, and Mill Village. Renovation was completed at B4 and underway in other villages. The sewage treatment plant at Mill Village was fenced in. Water monitoring was done on the potability of water. This CAR was closed out based on significant improvements made and the overall commitment to address the situation. This CAR is closed.							
05	6.1.3	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
Adverse environmental impacts are inadequately considered during some operations.							
Objective Evidence:							
Slash from harvesting operation left in the riparian zone of the Phophonyane river, widespread evidence of logs stacked in riparian zones which should be "SMZs" and protected (e.g. A123), and evidence of trees felled into riparian zones at D039A.							
Close-out evidence:							
Numerous post harvest (A514; A416) as well as "Z" (conservation area) compartments were checked. The Phophonyane catchment and river zones were also inspected and there was no evidence of any negligence in terms of post operational mitigation of impacts. The open areas adjacent to compartments have also systematically been checked using a customised internal EIA checklist in addition to the usual post harvest checks. The situation is being well monitored. This CAR is closed.							
M06 (Major)	6.3.3	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
Inadequate planning, control and rehabilitation of degraded sites.							

CAR #	Indicator	CAR Detail					
		<p>Objective Evidence:</p> <p>.01 Weed control planning is not adequate for the open areas. Levels of infestation have not been surveyed and the current plan does not include all areas (all Z compartments) on a system of priority ranking. There is no long term plan, only a plan for 2008.</p> <p>.02 No means of measuring progress in weed control of open areas over time. No targets or measurable parameters.</p> <p>.03 Alien invasive Weed infestation in Peak Timbers has reached critical levels in the open areas, where rehabilitation will constitute serious cost and effort. This is unacceptable, given that Peak have been FSC certified for over 5 years.</p> <p>.04 No rehabilitation plans available for the A112 Quarry that has been decommissioned. This is a large quarry with a substantial visual impact.</p> <p>Close-out evidence:</p> <p>Quarries A112 and A421C had management plans including rehabilitation plans. Both quarries were visited and the mechanical rehabilitation implemented was complete. Only the seeding of grass for stabilisation still needed to be done (awaiting rains). In terms of the weed control, a long term plan is available (maps indicating levels of infestation and a 2019 plan) and there has been good progress with weed control in field. The weed infestation levels are still high (in excess of 50%) so this major CAR has been closed and replaced with Minor CAR 21 to ensure continued monitoring until the problem is under control (well under 50%).</p>					
07	6.5.2	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		<p>Non-Conformance:</p> <p>Operational guidelines are not implemented in terms of roads and watercourse crossings.</p> <p>Objective Evidence:</p> <p>In general, there were numerous roads which lacked adequate drainage (evidence of upgrading, but with inadequate drainage) and there were numerous stream crossings that were resulting in sediment input into the streams due to poor construction and poor road approach drainage. Examples are as follows:</p> <p>.01 Lack of drainage on roads leading to severe erosion (e.g. A123 area where severe erosion on roads has not been identified on the roads action log).</p> <p>.02 The C208-C244 road has inadequate drainage.</p> <p>.03 Numerous watercourse crossings are problematic in terms of creating impoundments, leading to sedimentation of streams, and causing stream bank degradation (erosion). Examples are D3/4 crossing, A123 crossing, Phophonyane crossing. The Phophonyane crossing is also blocked with logs and debris.</p> <p>.04 Z317 crossing in a wetland had no drainage</p> <p>Close-out evidence:</p> <p>A roads technician, trained in civil engineering has been appointed (since 1 August 2008). With the Phophonyane catchment as a priority, he has been systematically assessing all of the roads and crossings in order to assess damage and prioritise repair. Two crossings in D305 were visited and the construction was sound (box culverts, protective wing walls, outlet stabilisation etc). Areas of erosion (e.g. A126 crossing and forest) have been identified and scheduled for repair. As testament to the upgraded crossings, the water quality in the Phophonyane River was visibly better (clear, unturbid water). This is a long term programme with excellent evidence of implementation. This CAR is closed.</p>					
M08 (Major)	6.6.2	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		<p>Non-Conformance:</p> <p>Prohibited pesticides are stored and in use</p> <p>Objective Evidence:</p>					

CAR #	Indicator	CAR Detail					
		<p>The following prohibited chemicals were present in chemical stores:</p> <ol style="list-style-type: none"> 1.Gramoxone (active ingredient Paraquat) found in C2 Chemical store 2.Bitam (active ingredient Deltamethrin) found in A5 Chemical store 3.Preeglone (active ingredient Paraquat) found in A5 Chemical store <p>Preeglone has been used for the preparation of tracer belts.</p> <p>There is no derogation available for any of these pesticides.</p> <p>Close-out evidence:</p> <p>A written memo was sent to all contractors managing chemical stores, instructing them to terminate the use of Preeglone, Gramoxone and Bitam with immediate effect, and also remove all remaining stock from the stores and dispose of them through the relevant suppliers. An approved list was sent to all contractors using chemicals. The contractors confirmed in writing that they have complied with this instruction. D3 and A5 chemical stores were visited and the responsible people interviewed to confirm the implementation of the Peak Timbers instruction. This CAR is closed.</p>					
09	7.1.1	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
The management plan is lacking in certain aspects.							
Objective Evidence:							
<p>The management plan is lacking in the following aspects:</p> <ul style="list-style-type: none"> .05 Profile of the adjacent lands, .06 Environmental conservation planning such as identification of environmental aspects and impacts which include measures to preserve soil and water, measure to protect habitats and the identification and monitoring of RT&E species and HCvFs to mention a few aspects. 							
Close-out evidence:							
The Management plan has been revised (October 2008) and includes all of the aspects listed in 7.1 as well as a profile of the adjacent lands and the conservation planning. This CAR is closed.							
10	7.1.6	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
There is no management plan for the Irrigated log deck							
Objective Evidence:							
No management plan for the irrigated log deck next to the dam in B block. Although irrigation has not yet commenced, this log deck has a substantial potential environmental impact on the water quality of the adjacent riparian zone.							
Close-out evidence:							
A management plan has been drawn up for the irrigated log deck, which includes monitoring of the water quality. A site visit indicated that the stacking area had been moved back from the riparian zone and there was run-off management into a filtering zone. Continual monitoring is still necessary. This CAR is closed.							
11	7.4.1	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
The public summary of the management plan is inadequate.							
Objective Evidence:							

CAR #	Indicator	CAR Detail					
		<p>The public summary provided (NCT Version 2005/1, Appendix F3, prepared in 2008) does not cover all of the elements listed in 7.1 at company level (e.g. Objectives, environmental issues, HCVF's, RT&E species, a map of the area and a profile of the adjacent lands)</p> <p>Close-out evidence:</p> <p>The public summary of the management plan has been revised (October 2008) to include all of the elements listed in criterion 7.1. It is publicly available electronically and on hard copy. In addition, Peak Timbers also produces a quarterly newsletter for the stakeholders informing them of pertinent issues. This CAR is closed.</p>					
M12 (Major)	8.1.1	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		Non-Conformance:					
		All activities that require monitoring have not been identified and/or monitoring activities that were in place have ceased.					
		Objective Evidence:					
		<p>.01 There is no planned monitoring of water quality (biomonitoring). Last results were apparently for 2006 (8 sites), but there is no report and no results are available.</p> <p>.02 There is no continued monitoring of grasslands. The last monitoring was for 2005 (3 sites)</p> <p>.03 No monitoring of RT&E species</p> <p>.04 There is no continued monitoring of stream flow. Monitoring had commenced in 2001 for two sites and results are available from 2001 until July 2007, where after there are no results. One of the monitoring sites is on the Phophonyane river as it leaves the plantation, and since Peak Timbers has catchment control, this is an important site to monitor, especially after the fire of July 2007, when most of the catchment was burnt. Unfortunately this is also when all stream flow monitoring stopped. At a vital point, monitoring was stopped. This cannot be justified.</p> <p>.05 After the fires of July 2007 there was no provision for the monitoring of soil erosion from the susceptible compartments. Indeed, susceptible compartments had not been identified (e.g. highly erodible soils coupled with steep terrain). Erosion was evident on such sites (e.g.A123) with no mitigation measures in place (or even considered) to curb such erosion.</p> <p>.06 Internal auditing is poor. NCT has provided a good template for plantation audits, but such auditing is not carried out in a systematic planned manner with CARs raised.</p> <p>.07 Lack of monitoring of NTFPs: There has been some offtake of grass for mats and various herbs, but there has been no resource inventory for such NTFPs. In addition, carrying capacities have not been related to actual Live Stock Units (LSU) in order to determine if there is overgrazing or not.</p>					
Close-out evidence:							
SASS monitoring results are available and the next routine monitoring is scheduled for 2009. Grassland monitoring has taken place and results are available, including the carrying capacities for live stock which has been calculated. Stream flow monitoring has resumed on the Phophonyane River and results are available (from April 2008). A second monitoring site is planned on the Mlambongwenya River. In terms of the fire damage and erosion, all susceptible compartments have been identified and visited and erosion damage has been documented and scheduled for rehabilitation (see "major Erosion Plan"). This includes poor roads and crossings which were damaged. Internal auditing has taken place, but only for contractors. This Major CAR is closed and replaced with Minor CAR 22 in order to verify the planned monitoring which has not yet taken place.							
13	8.1.5	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		Non-Conformance:					
		Corrective actions are not identified through certain monitoring process					

CAR #	Indicator	CAR Detail					
		<p>Objective Evidence:</p> <p>There is a system for contractor auditing. Contractors are audited according to a checklist. Non-compliances are indicated on the checklist and a copy of the checklist provided to the contractor. CARs are however not issued. This makes it difficult to follow whether matters have been resolved. As example on 02/04/08 Swaziland Silvicultural contractors were audited and one of the issues raised was that there was no proof of training for some supervisors. This is a breach of checklist clause 2.11 which stipulates that "Competent supervisors should be present at all times. No CAR was raised on this issue and there is no indication on when this must be closed out. PMD Total Harvesting contractors were audited on 18/04/08 and a copy of checklist with corrections requests provided to them. When visited on 22/04/08 no copy of the checklist with requests could be found. There is also no proof that a copy was presented to PMD.</p> <p>Close-out evidence:</p> <p>Audits have been done on contractors since the findings. Peak timbers have raised CARS/ SHEARS on contractors where non-compliances were observed during the audits. The CARS raised called for action which was then evaluated / closed out within relevant time periods. This was further controlled by the Forestry Manager, finally signing the document off. The audit records of 3 contractors as well as CARs raised and closed were assessed during the closing of findings. This CAR is closed.</p>					
14	8.3.1	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		<p>Non-Conformance:</p> <p>There is no documented procedure for the traceability of logs (chain of custody) from the forest to the mill.</p> <p>Objective Evidence:</p> <p>No procedure available.</p> <p>Close-out evidence:</p> <p>A "Peak Chain of Custody Procedure Manual for Production" has been drawn up which details the chain of custody of the log from the compartment to the sawmill and the documentation and responsibilities along the line. This CAR is closed.</p>					
M15 (Major)	8.5.1	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
		<p>Non-Conformance:</p> <p>Regular summaries of monitoring results are not made available to the public.</p> <p>Objective Evidence:</p> <p>No summaries of monitoring results available to the public</p> <p>Close-out evidence:</p> <p>The Public summary of the management plan also includes a summary of all monitoring results to date. This includes SASS water quality, potable water tests, stream flow monitoring, grassland monitoring results, sewage monitoring, weed monitoring and RT&E species monitoring plans. This CAR is closed.</p>					
16	9.1.1	Date Recorded>	24 Apr 2008	Due Date>	1st Surv.	Date Closed>	6 Aug 2009
		<p>Non-Conformance:</p> <p>The FMU has not been adequately assessed (in consultation with conservation organizations, authorities and stakeholders) for the presence of HCVF attributes.</p> <p>Objective Evidence:</p>					

CAR #	Indicator	CAR Detail					
		<p>An assessment of 6 forests was carried out in May 2006 by Dobson and Monadjem, which recommended that 4 of the 6 forests be considered as HC VF's and that the other forest sites within Peak Timbers be surveyed. This confirms that not all forests have been surveyed and that there has not been consultation with other stakeholders, besides the specialist survey. Clearly communities are using these forests for medicinal plant harvesting and for dagga cultivation.</p> <p>Close-out evidence:</p> <p>This CAR is closed and replaced with Major CAR M26, due to the fact that there has not yet been any such assessment or confirmed assessment date.</p>					
M17 (Major)	9.3	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
The management plan (and the public summary of the plan) does not make any reference to HC VFs, and there are no specific management plans for these identified HC VFs.							
Objective Evidence:							
Only the specialist report is available which provides recommendations for the management of 6 studied forests, but these recommendations have not been internalized and incorporated in the management plan.							
Close-out evidence:							
The management plan and the Public summary of the management plan have been revised (October 2008) and now include reference to the HC VF's, their attributes, their management to enhance attributes and their monitoring, maintenance and protection. Further studies of the forests with experts in the field are also described. This CAR is closed.							
M18 (Major)	9.4	Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
Annual monitoring of High Conservation Value Forests has not been specified in the management plan, and has not been carried out.							
Objective Evidence:							
No specification for annual monitoring of HC VFs in the management plan. After the initial assessment of May 2006, there was no further investigation or monitoring of the identified HC VF's.							
Close-out evidence:							
Monitoring of HC VF has been specified in the management plan. This includes the monthly monitoring as well as the annual monitoring and specifies who is responsible for the monitoring. Monitoring of the forests has already commenced with recommendations available. Work necessary as a result of the monitoring has been phased and has commenced (e.g. weed control in B6 Fire Tower HC VF). This CAR is closed.							
M19 (Major)		Date Recorded>	24 Apr 2008	Due Date>	Oct 2008	Date Closed>	10 Oct 2008
Non-Conformance:							
Failure to ensure adequate continued compliance with the FSC standard.							
Objective Evidence:							
Very high level of non-conformance. See CARs 1-18 above with 7 majors and 12 minor CARs.							
Close-out evidence:							

CAR #	Indicator	CAR Detail					
		<p>Peak Timbers have demonstrated excellent commitment and hard work in closing out 16 of the 18 CARs. Two of these CARs were replaced with minor CARs to continue monitoring, and a further 4 CARs were raised due to related activities (Mganda community). Four of the key forest managers have been sent on FSC training (in Nelspruit by Stellenbosch University. After the 28 October 2008 Clearance of findings visit, 6 minor CARs remain open until the first surveillance visit.</p> <p>This CAR is closed.</p>					
M20 (Major)	1.5.1	Date Recorded>	10 Oct 2008	Due Date>	31 Oct 2008	Date Closed>	28 Oct 2008
		Non-Conformance:					
		Forest Managers have not taken reasonable measures to identify, monitor and control illegal and unauthorized activities.					
		Objective Evidence:					
		<p><u>Evidence:</u> See Minor CAR 01.</p> <p>.01 Illegal gold mining activities close to Mganda (Z010) valley. Alluvial mining in the streams (in Z006A conservation area) is causing extensive environmental damage to the riparian zones, and miners are illegally living in the forest (potential HCVF area).</p> <p>.02 Unauthorised timber harvesting in the Gunwane (Z306) conservation area. Evidence of numerous stumps of indigenous trees that were cut and log stacks were seen in the road awaiting collection.</p>					
Close-out evidence:							
<p>The illegal mining has been reported to the Royal Swazi Police (letter dated 10/10/2008), who have acknowledged the case and been out to visit the site on 14/10/2008. A report was also sent to the Commissioner of Mines (Minerals Management Board) in order to inform them and to establish if there are any legitimate mining rights in the area. The commissioner replied that there were prospecting rights in the area, but that they condemn the illegitimate activities as mentioned by Peak. Peak Timbers has also had meetings with the community with regard to the issue (minutes dated 13/10/2008 available). In terms of the rehabilitation of the site, Peak Timbers has closed the river diversion, and re-directed the river back to its original course. All of the disturbed areas have been levelled and stabilised with cross logs and Vetiver grass. All mining implements have been confiscated, shelters demolished and the mine adit sealed closed with cement. Peak are monitoring the site carefully, and are showing a strong presence in the area to deter the miners from returning. Peak Timbers were commended on their effort and work in dealing with this issue. With regard to the illegal harvesting, the adjacent community was approached and the issue discussed (minutes of meeting available). Alternative wood sources would be sought and the presence of forest guards patrolling the area has increased, especially along the boundaries where indigenous forest occurs. This CAR is closed.</p>							
21	6.3.3	Date Recorded>	10 Oct 2008	Due Date>	Next Surv	Date Closed>	27 Oct 2010
		Non-Conformance:					
		Extremely high levels of alien weed infestation in the FMU.					
		Objective Evidence:					

CAR #	Indicator	CAR Detail					
		<p><u>Evidence:</u> See Major CAR 06.</p> <p>Despite the fact that control has been initiated and a long term control plan is available, 60% of the "Z compartments" (conservation areas) are still heavily infested with weeds. Progress may be measured against the following figures:</p> <p>Area needing Initial control (51-100% infested) = 2656.2 ha (24% of area)</p> <p>Area needing Follow-up control (21- 50% infested) = 3863.5 ha (35% of area)</p> <p>Area needing Maintenance control (0-20% infested) = 4547.4 ha (41% of area)</p> <p>It is recommended that this CAR remain open for monitoring until at least 60% of the area is in the maintenance phase. This should be achieved by the first surveillance visit.</p> <p><u>2009 Update:</u></p> <p>Current infestation levels are as follows (Cons area = 10 376 ha):</p> <p>Area needing Initial control (51-100% infested) = 1521 (14.7% of area)</p> <p>Area needing Follow-up control (21- 50% infested) = 3818.8 (36.8% of area)</p> <p>Area needing Maintenance control (0-20% infested) = 5036.9 (48.5% of area)</p> <p>The conservation area quoted in 2008 was apparently elevated since it included certain infrastructure such as roads, but apparently the latest figures are correct. The fact is that the maintenance areas have improved and the focus has been on the Phophonyane catchment and the Mhlatane catchment, which were both visited and were both improved. Due to the inaccuracy of the figures as well as the fact that weed control in the Phophonyane catchment was very recent (slashing of weeds prior to the audit?) this CAR should remain open for further monitoring until at least 50 % of the conservation areas can be proved to be in maintenance phase (i.e. with the required follow up).</p> <p>Close-out evidence:</p> <p>The budgetary constraints are still a legacy of the fire of 2007, but despite this, the effort and money was focussed on keeping the areas in Maintenance phase clean and increasing the total hectares of this phase. Updated figures have been included in the checklist section of the report. This CAR is closed, but continued monitoring is necessary, especially of the maintenance figures. The budget allocated to weed control has increased, so the results of 2011 will be promising.</p>					
22	8.1.1	Date Recorded>	10 Oct 2008	Due Date>	1 st Surv	Date Closed>	6 Aug 2009
Non-Conformance:							
Monitoring programmes identified have not all been fully implemented.							
Objective Evidence:							
<p>See Major CAR 12</p> <p>No monitoring of rare, threatened and endangered species yet, although this is scheduled for February 2009.</p> <p>Inadequate monitoring and control of unauthorised and illegal activities (see MCAR 20).</p> <p>Inadequate internal auditing. This is based on the following: 1. NCT template used has not been customized and this checklist has been limited in use to the contractor's operations only, and not own systems. 2. Internal checklist/ audit on village B4 did not adequately address waste management.</p>							
Close-out evidence:							

CAR #	Indicator	CAR Detail					
		<p>Assessment and monitoring of RT&E species has been planned for 19-25 September 2009 and this will be carried out by contracted specialists. An email dated 3 August 2009 confirms this.</p> <p>In terms of illegal activities, resource personnel have been expanded through community policing and better/ more established relationships with the police. Successful mitigation of illegal activities include the reduction of illegal mining and also destruction of various Cannabis plantations.</p> <p>Internal audit reports were available, and numerous internal SHEARS were raised to follow up on these non-conformances. The NCT template has been customized for this purpose.</p> <p>The grassland specialist was busy with grassland survey and monitoring at the time of the assessment.</p> <p>Water quality bio-monitoring results were available for 9 sites on the FMU and water potability tests were also available. This CAR is closed.</p>					
23	6.1.2	Date Recorded>	10 Oct 2008	Due Date>	1 st Surv	Date Closed>	6 Aug 2009
Non-Conformance:							
Site specific assessments of the potential environmental impacts of the construction of stream crossings are not carried out.							
Objective Evidence:							
Rehabilitation work has commenced on the roads and crossings since the re-assessment. There has been no impact assessment prior to the construction of the new crossings that have been built (including crossing upgrades). This was evident for two crossings D305, in progress and completed that were visited and numerous other crossings in the Phophonyane catchment.							
Close-out evidence:							
This CAR is closed and replaced with Major CAR M27 , since such assessments were still lacking for new roads and crossings in Mganda Valley.							
24	4.1.4	Date Recorded>	10 Oct 2008	Due Date>	1 st Surv	Date Closed>	27 Oct 2010
Non-Conformance:							
Support is not provided for the local infrastructure and facilities at a level appropriate to scale of the forest resources.							
Objective Evidence:							

CAR #	Indicator	CAR Detail					
		<p>Approximately 315 people stay in homesteads within the Mganda (Z010) valley. The community and its members have a substantial impact on the company and its operations. From environmental and social impacts the following aspects were noticed: No (or little) assistance is provided to the community in terms of infrastructure and facilities (i.e medical, water supply and sanitation, education). Consideration must also be given to adequate and constructive consultation as provided for in indicators under criterion 4.5.</p> <p><u>2009 Update:</u></p> <p>Support provided is done in an ad hoc manner. The CSI system is allocated within the Silvicultural Department and foresters present a project on an ad hoc basis for approval. Many proposed projects for 2008/9 financial year were not implemented. Over the last financial year assistance was provided in the form of soccer kit to a local school, a donation of fire wood to a school and a pilot study initiated to ascertain whether a peanut project would be feasible.</p> <p>As such support for local infrastructure/ facilities (or SCI) remains unstructured. As example, industry-wide an annual budget would be allocated for such assistance, a policy and/or procedure would be in place. Assistance would realize in the form of applications for projects, evaluation and decision on the merits of the proposed project against the backdrop of pre-identified focus areas by a company. Once a project is decided it on, it would be monitored and the subsequently evaluated. With specific reference to the Mganda community, a road was constructed with a view of providing the community with access. Members interviewed were positive about the impact and value of the road. A related CAR was raised as the impacts of the road on the environment was not considered/ mitigated. This CAR is to remain open for further monitoring.</p> <p>Close-out evidence:</p> <p>The company responds to ad hoc requests for assistance with the supply of for instance poles and water. Records of these requests and company responses are maintained. So for instance was a request for 100 cloeziana poles from the Ebuhleni Royal Residence granted on 11 May 2010 and permit number 26847 was issued. Included in the clinic and extension expenses budget is a budget to supply mobile clinic services to the Mganda community. These two weekly clinic visits will commence in November 2010. Considering the difficult financial period Peak is experiencing these activities are deemed appropriate to the scale of the forest resources</p>					
25	6.1.1	Date Recorded>	10 Oct 2008	Due Date>	1 st Surv	Date Closed>	6 Aug 2009
Non-Conformance:							
The owner has not systematically identified and assessed the potential environmental impacts of communities and habitants in the Mganda area.							
Objective Evidence:							
Approximately 315 people stay in homesteads within the Mganda (Z010) valley. The community has a severe environmental impact on the surrounding environment (river, forest, HCVF and grasslands). Impacts noted include cattle grassing, erosion, washing in river, waste disposal in the valley, cultivation edging river, and other activities.							
Close-out evidence:							

CAR #	Indicator	CAR Detail					
		<p>Numerous meetings with the communities have been held to identify actual and potential impacts. This CAR is closed on the basis of the following identified impacts and mitigation measures.</p> <ol style="list-style-type: none"> 1. Cattle tracks and grazing. Cattle are to be driven via alternative routes and a grassland specialist will carry out a grassland survey to determine carrying capacity. 2. Sewage and management: The people were told to dig pit latrines and waste pits for domestic waste. 3. Illegal mining. Community consultation and regular patrols to stop this. 4. Agriculture within riparian buffer zones: Peak staff, together with the community farmers, have pegged a 30m buffer zone where crops are and no further planting is allowed within this zone. 5. Impact on HCVF's. Scouts will patrol these areas to ensure that there is no timber theft or other impacts such as medicinal plant harvesting and growing of Cannabis. 					
Major CAR M26	9.1.1	Date Recorded>	6 Aug 2009	Due Date>	6 Sep 2009	Date Closed>	29 Oct 2009
		Non-Conformance:					
		The FMU has not been adequately assessed (in consultation with conservation organizations, authorities and stakeholders) for the presence of HCVF attributes (see Minor CAR 16).					
		Objective Evidence:					
		An assessment of 6 forests was carried out in May 2006 by Dobson and Monadjem, which recommended that 4 of the 6 forests be considered as HCVF's and that the other forest sites within Peak Timbers be surveyed. This confirms that not all forests have been surveyed and that there has not been consultation with other stakeholders, besides the specialist survey. Clearly communities are using these forests for medicinal plant harvesting and for dagga cultivation.					
		This was raised as Minor CAR 16 in April 2008, 15 months ago, and the only evidence of some effort to do something to close out this CAR is an email dated 29 July 2009 to a specialist requesting such a survey, but there is no definite contract or schedule for this survey. It is not confirmed that this survey will happen or not.					
Close-out evidence:							
A team of two acknowledged specialists carried out an initial survey of the additional identified forests and a re-survey of Mganda Forest using the same method as was originally used. This was done in September 2009 and a report details the findings. The forests were rated against 10 criteria and scored on each criterion. This survey was followed up on in October 2009, where the specialists were busy with the assessment of forests during the audit and were interviewed. Portions of the report were seen, and it was confirmed that the report would include recommendations and monitoring protocols. This CAR is closed but the issue will be followed up on with the presentation of the final report at the next surveillance. Observation 07 was raised to flag this issue.							
Major CAR M27	6.1.2	Date Recorded>	6 Aug 2009	Due Date>	6 Sep 2009	Date Closed>	29 Oct 2009
		Non-Conformance:					
		Site specific assessments of the potential environmental impacts of the construction of stream crossings are not carried out (see Minor CAR 23)					
		Objective Evidence:					
		A new road in the Mganda Valley has been constructed with a TLB and crosses the Mganda River 8 times. There was no impact assessment for either the road or the crossings. All crossings are unprotected and will cause sediment to enter the river, the roads have no drainage and cattle have already trampled the crossings, causing further destabilization.					
		Close-out evidence:					

CAR #	Indicator	CAR Detail					
		<p>Staff interviewed were all aware of the need to carry out site specific assessments prior to the building of roads, crossings and any site disturbing activity, and have embarked on monitoring and rehabilitation of the disturbed site. Actions are as follows:</p> <ul style="list-style-type: none"> • Crossings have been stabilised with rocks and the banks shaped and stabilised. • Mitre drains and water bars have been constructed on the road in strategic portions. <p>The entire road was inspected and there was no evidence of new erosion, despite the rain at the time of assessment. Grass has come back naturally and there will be no more use of machinery in that area. The road and crossings will continue to be monitored. This CAR is closed.</p>					
Major CAR M28	4.2.9	Date Recorded>	6 Aug 2009	Due Date>	6 Sep 2009	Date Closed>	4 Feb 2010
		Non-Conformance:					
		Worker's accommodation does not comply as a minimum with ILO Code of Practice on Safety and Health in Forestry (see Minor CAR 04)					
		Objective Evidence:					
		<p>During the audit A5, B2 and B2 Fire tower Housing units/ villages were visited. A previous CAR was closed based on the efforts made in respect of renovation/upgrading existing housing and the completion thereof. Also water quality was potable. During the 2009 Surveillance, it was observed that the A5 and B2 villages did not meet the requirements of the ILO Standards for Safety and Health in Forestry. At both villages, the actual structures of buildings were damaged (cracked and plaster missing). Cooking areas were not suitable at both A5 and B2. Ventilation may further be problematic within individual units where stoves are available. Dormitories also exceeded the ILO number of people residing per dormitory and other specifications within the code. Flooring at certain sanitary facilities could further be improved. In particular at B2 village various broken windows were observed, housing units had holes in the roofing and roofs were kept in place by rocks. Various other structural/ maintenance aspects can be improved on at both villages.</p> <p>October 2009 Clearance of Findings Visit: The Forestry Manager has written a letter (dated 28 October 2009) appealing for an extension in time to close out this CAR since all expenditure has been reduced and the budget for the housing has been temporarily withheld. An extension until 6 February 2010 was granted.</p>					
		Close-out evidence:					
<p>At a clearance of findings visit on 4 February 2010, it was verified that Peak Timbers had an auditable action plan to address the housing problems. Villages B2 and A5 were visited and there was good progress with the rehabilitation of the villages. At A5 there was work in progress: repairing walls, fixing ventilation in the kitchen areas and proper drainage at the washbasins. At B2 the village had been cleaned and the overcrowding issue addressed by relocation of some of the workers. There are detailed action plans for each village with responsible people allocated. The contractors were happy with the agreement with Peak in terms of delegation of maintenance duties. This village assessment and action plan will be rolled out to all 10 villages (A1, A5, B2, B4, B5, B6, B7, C2, D3 and D4), however, A5 and B2 were the worst. The implementation of the maintenance in all of the above villages will be closely monitored. This CAR is closed.</p>							
29	1.1.1	Date Recorded>	6 Aug 2009	Due Date>	Next Surv	Date Closed>	27 Oct 2010
		Non-Conformance:					
		Evidence of legal non-compliance					
Objective Evidence:							

CAR #	Indicator	CAR Detail					
		<p>See Observation 01 and 06. This CAR was raised due to the fact that the sawmill dump site has continued to grow and is illegal in terms of lack of authorization from the Swazi Environmental Authority. Under Schedule 3 of the Waste Regulations (2000), waste from wood processing is listed as hazardous. This issue was originally raised in April 2008, and there was no effort to mitigate impacts and the issue was only re-opened in July 2009 with a report confirming the illegal status and the need to close and rehabilitate the site.</p> <p>The sawmill dump is still smouldering, as it has been since the re-assessment of 2008 and even prior to that. This also needs to be dealt with in terms of air pollution.</p> <p>Close-out evidence:</p> <p>The sawmill dumpsite has been closed and no further dumping is allowed. A proposal for the rehabilitation of the dumpsite and the development of a new dumpsite was received from Integrated Development and Engineering Consultants in September 2010. Quotations for the fencing of the dumpsite were also received. Peak received a permit from the Swazi Environmental Authority for the new dumpsite on an old sports ground.</p>					
30	4.2.1	Date Recorded>	6 Aug 2009	Due Date>	Next Surv	Date Closed>	27 October 2010
Non-Conformance:							
Managers have not systematically assessed the risk associated with all tasks and equipment and prescribed appropriate safe procedures.							
Objective Evidence:							
All risks associated with certain tasks/ activities have not been identified or addressed. At B210 harvesting operation no risk assessment had been done in terms of dealing with medical waste such as used swabs, bandages, etc. The first aider on site said that he would burn it if necessary. Peak does not have a procedure or the appropriate equipment to deal with medical waste. Also there was no fire-fighting equipment (extinguisher/ hoses) at any of the villages visited. Also, at night, smouldering fires in cooking areas may also present a risk which has not been considered. .							
Close-out evidence:							
A risk assessment is conducted at the commencement of any new forestry operations. Such an assessment was done in August 2010 for the PMD harvesting operation at compartment C318. The field visit inspection checklist which Peak uses to audit contractors then also contains a point about verifying if a risk assessment has been conducted. In relation to medical was a procedure developed whereby medical waste from the field is brought to the clinic where it is disposed in a proper manner. This procedure was initiated in November 2009. First aiders were also trained on the waste disposal procedure.							
31	6.5.3	Date Recorded>	6 Aug 2009	Due Date>	Next Surv	Date Closed>	27 Oct 2010
Non-Conformance:							
Buffer zones for water courses are not consistently respected.							
Objective Evidence:							
<ol style="list-style-type: none"> 1. Timber in the Murie Deck is stacked within 30m of the river 2. Widespread use of SMZ's to stack timber especially along the Phophonyane River at A156A and other compartments in this catchment. Harvesting debris in the river and damage to the bank by the road. 3. The river crossing N001 has caused an impoundment and there are harvested logs in the stream at the crossing. 							
Close-out evidence:							
The timber at the Murie Deck has been removed and the Murie deck has been decommissioned as a log deck. The Poponyane River riparian zone was checked and timber stacks had been removed. New plantings at B104 respected buffer zones for the watercourse. This CAR is closed.							
32	4.4.5	Date Recorded>	6 Aug 2009	Due Date>	Next Surv	Date Closed>	27 Oct 2010

CAR #	Indicator	CAR Detail					
		<p>Non-Conformance:</p> <p>Issues raised by stakeholders are not always treated constructively and objectively</p> <p>Objective Evidence:</p> <p>As example, issues raised by the Mganda community (i.e.: assistance with access, bridges, electricity and clinics) have been ongoing since 2006. A meeting was held during August 2008 which promised feedback on the specific issues raised during November 2008. This scheduled meeting never took place and a subsequent meeting took place in July 2009. Issues still remained unresolved. Consideration should also be given to frequency of engagement and a structured approach to both stakeholder and community engagement.</p> <p>Close-out evidence:</p> <p>Interviews with external stakeholders showed that most feel that Peak address their issues and they are happy with the interaction between the company and stakeholders. Frequent meetings have been conducted with the Mganda community in 2010 (meetings 09/07/09, 09/09/10, 21/09/10, 15/10/10) and a census of the Mganda area was conducted on 16/09/10. Peak is addressing the need for a clinic service at Mganda with a mobile clinic that will visit the area every second week from November 2010. Peak is also allowing the Imphulu Multipurpose Cooperative Society to place beehives in the plantation (meeting records 09/09/09).</p>					
33	6.2.6	Date Recorded>	27 Oct 2010	Due Date>	Next Surv	Date Closed>	
		<p>Non-Conformance:</p> <p>Authorised grazing is not managed to ensure that sustainable levels are not exceeded</p> <p>Objective Evidence:</p> <ol style="list-style-type: none"> 1. Evidence of a large number of cattle on the FMU, and damage to riparian zones (e.g. pump house monitoring point) physically witnessed. 2. F.de Wet report of Dec 2009 states that 5 of the 7 grassland monitoring sites are overgrazed. 3. Stream Condition Assessment (G. Diedericks, Sep 2009) cites cattle as cause of stream bank damage and stream condition deterioration. 4. Cattle numbers on the FMU exceed those permitted (Permit records vs physical visible assessment). <p>Close-out evidence:</p>					
34	2.2.1	Date Recorded>	27 Oct 2010	Due Date>	Next Surv	Date Closed>	
		<p>Non-Conformance:</p> <p>All existing legal or customary tenure or use rights that local communities have within the FMU are not documented and mapped.</p> <p>Objective Evidence:</p> <p>According to the Farm Dwellers Control Act of 1982 there should be a formal, written agreement between owners of farms and other persons residing on such farms. Although the Company acknowledges the people from the Mganda community area living on Peak Timber property and has verbal agreements with the community about tenure, no formal, written agreement could be found.</p> <p>Close-out evidence:</p>					
M35	8.3	Date Recorded>	15 Apr 2011	Due Date>	Immediate action	Date Closed>	20 Apr 2011
		<p>Non-Conformance:</p>					

CAR #	Indicator	CAR Detail																		
		Sales invoices are lacking in specific CoC requirements																		
		Objective Evidence:																		
		Based on allegations of CoC fraud, SGS visited to Maydon Warf on 22 December 2010 to investigate timber movement. During this investigation it was noted that Peak Timbers was supplying <i>E. cloeziana</i> poles to Timber Link, a New Zealand company certified by SmartWood. It was noted that Peak Timbers supplied 1,238m ³ in poles of <i>E. cloeziana</i> on following invoices issued in the period Nov10-Feb11, all pertaining to the same purchase order.																		
		<table border="1"> <thead> <tr> <th>Inv.#</th> <th></th> <th>m3</th> </tr> </thead> <tbody> <tr> <td>43441</td> <td>19Nov10</td> <td>241</td> </tr> <tr> <td>43579</td> <td>30 Nov10</td> <td>208</td> </tr> <tr> <td>43579B</td> <td>31Dec10</td> <td>325</td> </tr> <tr> <td>43659</td> <td>26Jan11</td> <td>319</td> </tr> <tr> <td>43756</td> <td>21Feb11</td> <td>145</td> </tr> </tbody> </table>	Inv.#		m3	43441	19Nov10	241	43579	30 Nov10	208	43579B	31Dec10	325	43659	26Jan11	319	43756	21Feb11	145
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43579B	31Dec10	325																		
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43756	21Feb11	145																		
		None of these invoices included the product category, in this case "FSC Pure" as required by the standard. Since this resulted in an international investigation involving the FSC, it was raised as a Major CAR.																		
		Close-out evidence:																		
		Peak Timbers took the following steps to close out the Major CAR:																		
		All of the above listed invoices to Lumber Link Ltd were re-issued on 15/4/2011. The Lumber Link manager, confirmed receipt of these invoices in an email dated 18 April 2011. All correspondence was copied to SGS.																		
		Peak Timbers updated their CoC procedure manual on 18 April 2011 to include a specific chapter dealing with round log exports. The procedure includes the following statements (excerpt): "Invoicing for timber to be exported should be done a couple of days before the timber is loaded onto a truck. Invoices for timber to be exported are prepared by Peak Timber Planning Manager. The invoices are then taken to customs and the bank for stamping. On return from the bank and customs they are kept at the weighbridge. As soon a truck arrive the Peak Timber weighbridge clerk stamps the invoices with a stamp indicating FSC certificate number and Claim "FSC Pure". These documents are dispatched with the trucks to the port whereby they will be handed over to the customer's shipping agent. A packing list is emailed to the shipping agent indicating the log numbers."																		
		A work instruction (WI) based on the above procedure was issued to the two weighbridge clerks (who alternate shifts), and their received on site training in implementing this procedure. The WI and Training records with signatures, all dated 20 April was submitted to SGS.																		
		Based on the above action, Major CAR M35 was closed.																		

Note **Shaded** cells are CARS that are not closed

13. RECORD OF OBSERVATIONS

OBS #	Indicator	Observation Detail			
		Date Recorded>		Date Closed>	
01	1.1.1	Date Recorded>	24 Apr 2008	Date Closed>	6 Aug 2009
		Observation:			
		It is unknown if a permit is necessary for the sawmill waste dump. Permit for sewage treatment plant could not be found			
		Follow-up evidence:			
Legal Authorisation is necessary. This observation has been replaced by CAR 29.					
02	1.5.2	Date Recorded>	24 Apr 2008	Date Closed>	6 Aug 2009
		Observation:			
		There are only 15 forest scouts for a 30 000 ha FMU which is clearly inadequate given the fact that illegal activities are still rive (e.g. Cannabisfields, cattle)			
		Follow-up evidence:			
This observation is closed. Resource personnel have been expanded through community policing and better/ more established relationships with the police. Successful mitigation of illegal activities includes the reduction of illegal mining and also destruction of various Cannabis plantations.					
03	5.6.3	Date Recorded>	24 Apr 2008	Date Closed>	27 Oct 2010
		Observation:			
		Although permits for NTFP are issued (e.g. matt grass, herbs, poles) and copies of permits maintained; this information is not collated to calculate total harvesting rates to ensure that off take does not exceed replenishment rates. 2009: This aspect was inadequately assessed during the surveillance and must be evaluated during the next surveillance.			
		Follow-up evidence:			
This observation is closed. Permits data is captured in a spreadsheet on a monthly basis. The spreadsheet indicates date, person to whom permit is issued as well as quantity of products. Products are divided into the following categories: firewood, gum poles, wattle, cloeziana poles, firewood headloads, laths, pine pulp poles, matt grass, weighbridge use and other. Data is summarised monthly and annually. For example have there been 29,514 gum poles harvested between January and September 2010.					
04	6.5.3	Date Recorded>	24 Apr 2008	Date Closed>	6 Aug 2009
		Observation:			
		Some of the contractors are not aware of the 30m buffer zone requirement for re-planting (e.g. SSC quoted 20m when interviewed). This buffer zone must also be applied to roads, which need to be checked in terms of their proximity to the river.			
		Follow-up evidence:			
This observation has been replaced with CAR 31, since buffer zones were still an issue.					
05	6.7.1	Date Recorded>	10 Oct 2008	Date Closed>	6 Aug 2009
		Observation:			
		Waste at the village: Waste disposal and waste pits at the village B4 did not meet the relevant legislative criteria. In addition litter/ waste was disposed/ left in close proximity to and around the village.			
		Follow-up evidence:			
Waste management at villages has been addressed and waste pits meet the relevant legislative requirements.					
06	6.7.2;	Date Recorded>	10 Oct 2008	Date Closed>	6 Aug 2009

OBS #	Indicator	Observation Detail			
	1.1.1	Observation:			
		Despite the fact that the sawmill waste is receiving attention, the sawdust is still smouldering, causing air pollution. This needs greater effort in management. Legal requirements should also be checked.			
		Follow-up evidence:			
		This observation has been replaced by CAR 29.			
07	9.1.1	Date Recorded>	30 Oct 2009	Date Closed>	27 Oct 2010
		Observation:			
		Recommendations of the final HCVF report for the 2009 assessments need to be checked since at the time of the closure of MCAR 26, the report was in preparation (specialists interviewed about final report contents).			
		Follow-up evidence:			
		Report dated October 2009 by L. Loffler and W. McClelland was available with recommendations. This is elaborated upon in Principle 9.			
08	6.3.2.2; 10.7.4.2/3	Date Recorded>	30 Oct 2009	Date Closed>	27 Oct 2010
		Observation:			
		The Peak internal burning programme needs to be checked to ensure that Grass Fire Act No. 44 of 1955 is implemented. This Act states that the interval between fires may not be shorter than 24 months (2 years) and burning is prohibited between 1 May and 30 September, otherwise permission is required. Adequate width, length and rotational burning is also to be checked.			
		Follow-up evidence:			
		Fire breaks are exempt from the 2 year restriction. They may be burnt annually. A letter dated 5 August 2010 from the Ministry of Tinkhundla Administration and Development states provides permission to continue burning fire breaks unit 31 August 2010. Fire breaks were delayed due to late rain and late frost in 2010, necessitating this permission.			
09	10.6.1	Date Recorded>	27 Oct 2010	Date Closed>	
		Observation:			
		There is currently a "blanket rule" to re-afforest with <i>Eucalyptus grandis</i> only for a sawlog/structural timber regime. Current site assessments do not take into account altitude as a selection factor (no altitude data available for individual compartments), nor effective rooting depth (ERD). Peak staff interviewed did not know the ERD requirements of <i>E. grandis</i> . Soil maps indicated numerous soils as having an ERD of ≤ 30 cm, which is suspected to be unsuitable for not only <i>E. grandis</i> , but for commercial forestry. There is a letter from Syndicate Database Solutions with a proposal to look at a range of suitable species for Peak Timbers using available data and site classification based on climate soils and terrain. This should be monitored to confirm adequate site species matching.			
		Follow-up evidence:			
10	4.4.4	Date Recorded>	27 Oct 2010	Date Closed>	
		Observation:			
		Some of the internal stakeholders (contractors) complained that they are not adequately informed of changes in budgets and work schedules, making it difficult for them to plan and conduct their business. This should be followed up with a larger group of contractors during the next surveillance visit.			
		Follow-up evidence:			
11	8.2.7	Date Recorded>	27 Oct 2010	Date Closed>	

OBS #	Indicator	Observation Detail
		<p data-bbox="499 237 1482 286">Observation:</p> <p data-bbox="499 286 1482 360">Compartment C210 should be monitored in terms of post harvest rehabilitation of SMZ's used for stacking and extracting as per harvest plan</p> <p data-bbox="499 360 1482 409">Follow-up evidence:</p> <p data-bbox="499 409 1482 450"></p>

14. RECORD OF STAKEHOLDER COMMENTS AND INTERVIEWS

Nr	Comment	Response
1	Community stakeholder indicated that they are very happy with Peak Timbers as a neighbour. Peak assists them with infrastructure projects, sports events and also approaches them when there is employment available. They do not have any problems with Peak.	Comment was considered during the audit. Community interaction is also one of Peak's strengths.
2	A stakeholder complained about the handover process between Mondi and Peak. The stakeholder felt that Mondi did not make any effort to communicate with local communities (to say good bye). The stakeholder also felt that there is not enough communication between the company and external stakeholders.	Peak cannot be held responsible for issues related to the previous owners. Current Community consultation appears to be good. It was however acknowledged by the company that they could improve this communication.
3	Many of the concerns raised are generally carried over from the previous management (Mondi), which achieved FSC certification. Consequently, one of our concerns is the rigour of the previous audit in determining the level of compliance with FSC standards.	The Mondi certificate had a scope of 400 000 ha, of which Peak had 30 000 ha. At the Mondi Re-assessment of 2003, Peak was visited, and then again in the 2 nd surveillance of 2005. Auditing is always a sample and Peak was not included in the subsequent visits. 2005 is the last record of an assessment by SGS. Peak was due to undergo a re-assessment in 2007, but appealed to SGS to postpone the assessment due to the devastation of the fires. Hence this re-assessment in 2008. Indeed, in agreement with the stakeholder, the level of conformance was very low and SGS suspended their certificate. In addition, much of the documentation that was supposed to be in place was not handed over from Mondi.
4	<p>Water Catchment Management.</p> <p>The entire catchment of the Phophonyane River occurs within the Peak Timbers plantation. Most of the tributaries of the Phophonyane River are presently infested with eucalyptus and invasive plants. Some of the trees have grown very large and are not being harvested and have become problematic to remove. Though it is understood that Peak Timbers is addressing this issue we would like to see these areas cleared under a work program with a timetable for the restoration of the entire catchment so that progress can be measured against pre-determined indicators.</p> <p>Every heavy rainfall washes large amounts of topsoil into the river and the colour of the river is generally red or brown, unlike streams occurring just outside the plantation (Shelangubo, Sheshewane) whose waters run clear throughout the year.</p> <p>Harvesting methods in the past did not prioritise erosion control over ease of access to the timber. Climate change appears to be resulting in more severe storms and heavy rainfalls and long periods of gently rain are becoming rare. This means that a greater emphasis on soil conservation is required.</p>	<p>Major CAR 06 was raised due the alien weed infestation problems and the lack of a long term control plan with measurable targets.</p> <p>Minor CAR 07 was raised due to the fact that numerous roads and crossings were resulting in the input of sediment into watercourses through erosion and lack of filtration of water before entering the stream at a crossing. In addition it was also found that there was a lack of monitoring of water quality in order to determine and measure the impact of their activities. This was raised as Major CAR 12.</p> <p>The fact that the Phophonyane river was laden with sediment and a deep reddish brown and the fact that peak Timbers had catchment control over the source of this river was brought to the attention of the company as an unacceptable impact of their activities.</p> <p>At a subsequent visit the roads and stream crossings and specifically water quality was checked in the Phophonyane catchment. The water quality had improved immensely and was running clear, and crossings and roads had been upgraded professionally by the newly appointed engineer.</p>

Nr	Comment	Response
5	<p>Invasive alien plants.</p> <p>The situation with alien plants is reaching catastrophic proportions. This was not effectively addressed under Mondi, despite their efforts. A program consistent with the size of the problem is required. We realise the extent and expense of the problem as we suffer it in our own land. It is impossible to deal with alien invasion in the conservancy as long as these plants continue to invade from the plantation area.</p>	<p>The audit team was in full agreement that the degree of infestation by declared alien plant invaders was unacceptable and was not adequately controlled.</p> <p>Major CAR 06 was raised due the alien weed infestation problems and the lack of a long term control plan with measurable targets.</p>
6	<p>Preservation of biodiversity.</p> <p>Existing areas of significant biodiversity in the plantation should be mapped and a conservation plan put in place to be shared with the surrounding stakeholders. The plantation covers several important ecosystems, including mountain grassland, montane forest and riverine forest. Representative examples of this should be protected and made accessible to the public. Some excellent work in this regard was done under the previous administration when they committed a large portion of unplanted land to the Phophonyane Conservancy (Mlumati Area). However, not much progress has been made in implementing conservation management in this area. Small riverine forests still remain within the plantation, but these are under threat. These need urgent protection</p>	<p>Of the 30 576 ha under Peak Timber's management, about 10 000 ha has been dedicated to conservation as land use. Agreeably, however, the problem is that due to the weed infestation, some of these conservation areas are no longer "representative". Peak Timbers is fully aware of this and is in the process of drawing up a new Conservation Management Plan for the open areas, and also state that they welcome input from stakeholders in the development of this plan. The open areas have been GIS mapped into vegetation types; however, the company is in the process of acquiring the software to use the system. Peak Timbers is approachable in terms of allowing public access to certain areas in a controlled manner.</p> <p>There has been one study of the High Conservation Value Forests in the area, but further study is still necessary (see Minor CAR 09). Major CARs 17 and 18 have been raised to ensure the management and monitoring of such HCVF's.</p>
7	<p>Landscape Planning.</p> <p>There was little or no consideration of this in the previous administrations. Tourism is an important part of Swaziland's economy and research has shown that one of the main attractions for tourists in Swaziland is its landscape. Landscape planning is an important factor in maintaining this feature and this puts the responsibility on landowners. Peak Timbers should start to consider landscape planning in its management to preserve some of the aesthetic features of the area, for instance maintaining the visual integrity of mountain ridges and horizons, particularly in areas seen or visited by tourists.</p>	<p>Given that peak Timbers are faced with a massive re-planting schedule, they have seen this as an opportunity to review all compartment boundaries, and will take this into account. The company stated that they would welcome any input into improving the visual impact of their plantations and the aesthetics of the area, especially if there are specific areas of concern that can be pointed out.</p>
8	<p>Use of roads for recreation.</p> <p>The use of Peak Timbers roads for recreational vehicles needs to be regulated. At one point, the number of quad bikes using Peak Timbers roads became intolerable to all members of the surrounding community, and Peak Timbers agreed to limit access to motorcycles and quad bikes on its roads. This restriction should be implemented with signage. This is both an environmental and social issue. Quad bikes and motorcycles use Peak Timber roads to access small roads and cattle tracks within the local community without their permission. The recklessness of some of the drivers of these vehicles puts community members at risk, as well as disturbing religious services and funerals. Use of steep cattle tracks contributes to severe soil erosion.</p>	<p>Peak Timbers stated that it was the visitors from the Orion Hotel that were using the roads. They stated that it was illegal for the quad bikes to enter their plantation and that they did have a meeting with the Orion Hotel about this issue.</p> <p>The company have also committed to alert the forest scouts to specifically look out and report quad bikes.</p>

Nr	Comment	Response
9	<p>Firebreaks and fire management.</p> <p>Under Mondi, a huge amount of dry litter accumulated in the forest. This combined with inadequate firebreaks helped aggravate the intensity of the July/August 2007 fire that caused such havoc in the plantation and surrounding areas. The firebreak along the northern boundary of part of the Conservancy was not maintained and nearly resulted in the destruction of the nature reserve and the establishments within the reserve. We anticipate that under the new management much more emphasis will be given to the construction and maintenance of adequate firebreaks and the removal of forest litter/dry brush on the forest floor.</p>	<p>The fire break along the Northern boundary of the conservancy was visited and it was agreed that in some places the compartment (or old gum belt) could be excised to the road and rehabilitated to indigenous vegetation (either indigenous forest or maintained as grassland).</p> <p>The fire protection plan has been revised and the size of firebreaks has increased to 100m where possible.</p>
10	<p>Relationship with the Phophonyane Nature Conservancy.</p> <p>The Phophonyane Conservancy feel that it is very important for Peak Timbers and the Phophonyane Nature Conservancy to enter into a formalized and mutually beneficial relationship. Important steps have been already made with the previous General Manager, who was very supportive of the Conservancy. We would like to continue to see the participation of Peak Timbers in the Conservancy, and to work out a mutual conservation/plantation management plan for the Conservancy and a 'buffer zone' on its boundary with the plantation. We feel that Peak Timbers can make a huge contribution to the sustainability of the Conservancy and by so doing, greatly enhance its position in regard to FSC certification.</p>	<p>Peak Timbers acknowledges this comment and will ensure that it has representation at the conservancy meetings.</p> <p>Peak Timbers also supports the notion of a corridor on their boundary to link Mganda and the conservancy.</p>
11	<p>Lease of land:</p> <p>A representative of the relevant government department confirmed that all land leased by the company complied with the relevant requirements.</p>	<p>SGS noted that operational requirements were in line with legislative and administrative requirements.</p>
12	<p>Cattle Grazing:</p> <p>Mganda Community members confirmed that the company approached them on grazing impacts and possible alternative routes. Regular meetings were held.</p>	<p>SGS commends the company for initiatives taken to reduce adverse environmental impacts of cattle grazing. Actual sites were visited and improvement noted during the assessment.</p>
13	<p>Community Engagement:</p> <p>Mganda Community members expressed concerns on the actual involvement and assistance provided by the company.</p>	<p>Peak Timbers have committed to proactively engage with the Mganda community. Minutes of meetings with two community groups dated 13/10/2008 confirmed that Peak Timbers has initiated such open communication.</p>
Surveillance 1		
1	<p>One of the neighbours commented that one of the forest roads was causing water to be channelled onto his road, causing erosion. He also commented that he would like to improve the aesthetics of his view and if peak could soften their straight line boundary, it would help. He stated that he had a good relationship with Peak Timbers staff and that he would bring this to their attention.</p>	<p>Forest management declared that the road in question was not really necessary and would consider closing it.</p> <p>Peak Timbers has agreed to open dialog in terms of the visual aesthetics.</p>

Nr	Comment	Response
2	Concern was expressed about the levels of weed infestation on peak Timbers land as a source of seed pollution.	Peak Timbers have continued to make good progress with their weed control, and their area in maintenance phase has increased (see CAR 21) over the past year. SGS will continue to monitor this progress.
3	Community members interviewed in the Mganda Valley, confirmed that they had requested the road the Peak Timbers had started constructing. The community were also questioned about their farming activities.	Peak Timbers were acting on the request of the community, however, this road and numerous stream crossings were constructed without an environmental assessment. This was raised as Major CAR 27. The community did confirm that Peak Staff had discussed and delineated riparian buffer zones in which they were not allowed farm. There was evidence of pegs in the fields.
4	The local Piggs Peak police were interviewed to verify their relationship and co-operation with Peak Timbers in terms of controlling illegal activities on the FMU, especially the illegal mining.	Police involvement was confirmed and it was also confirmed that the resource personnel have been expanded through community policing and better/ more established relationships with the police. Successful mitigation of illegal activities included the reduction of illegal mining and also destruction of various dagga plantations. The mining area was checked, and activity has diminished significantly.
Surveillance 2		
1	Neighbour with ecolodge express satisfaction with Peak response after request for maintenance to a road. He also requested access to expert studies conducted by Peak.	The matter of communication was raised as part of Observation 10.
2	Local Piggs Peak police indicated that forest managers help to report illegal activities and that they appreciate support for aspects such as the provision of firewood for funerals. They have a very good working relationship with Peak Timbers	Interview was used as objective evidence to close CAR 32 and give an indication that Peak's stakeholder consultation process is effective.
3	Internal stakeholder expressed concern about internal communication and is not sure of company expectations. The stakeholder request better communication regarding budgets to be able to plan for the future.	The matter of communication was raised as part of Observation 10.
4	Neighbour express satisfaction with support he receives from Peak timbers in terms of help with fires and with the development of the Phophonyane Conservancy	Interview was used as objective evidence to close CAR 32 and give an indication that Peak's stakeholder consultation process is effective.
5	Internal stakeholder also expresses concern about communication between Peak and contractors. Changes in management lead to changes in agreements between Peak and contractors.	The matter of communication was raised as part of Observation 10.
6	Local community stakeholder expressed satisfaction with assistance from Peak regarding work, water and poles. He is also happy with the communication between Peak and his community.	Interview was used as objective evidence to close CAR 32 and give an indication that Peak's stakeholder consultation process is effective.
7	Local fire department also express satisfaction with communication between them and Peak regarding fires. Peak assisted at some point with fire fighting duties when local government fire fighters went on strike.	Interview was used as objective evidence to close CAR 32 and give an indication that Peak's stakeholder consultation process is effective.

Nr	Comment	Response
8	Local Forestry Extension officer explained that Peak consults them for assistance regarding Mganda community and also when they need information about indigenous trees.	Interview was used as objective evidence to close CAR 32 and give an indication that Peak's stakeholder consultation process is effective.
Surveillance 3		
Surveillance 4		

15. RECORD OF COMPLAINTS

Nr	Detail		
	Complaint:	Date Recorded >	dd MMM yy
	No complaints to date.		
	Objective evidence obtained:		
	Close-out information:	Date Closed >	dd MMM yy

End of Public Summary