

EAST AFRICA/GRL & SHI/26506
ENVIRONMENTAL ACTION PLAN

| <i>Task</i> | <i>Indicator of Completion</i> | <i>Required Completion Date</i> |
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| 1. <u>Submit National Environment Management Council (NEMC) Operations Permits.</u> Provide documented evidence that GRL and SHI have followed the NEMC EIA process for facility permitting (www.nemctan.org). This shall include EIA approval letter(s) from NEMC for existing projects (forest plantation FMUs) and confirmation of approval for proposed new projects (e.g., SHI CCA treatment facility expansion and re-location and re-habilitation of existing CHP) | <ul style="list-style-type: none"> ▪ Provide copy of permit and/or approval letters to IFC and evidence of IFC guideline compliance | <ul style="list-style-type: none"> ▪ Condition of first disbursement |
| 2. <u>Provide EIA and NEMA approval for proposed CCA Treatment Facility in Uganda.</u> Design of facility shall be consistent with modified facility at SHI and point number 14 below. | <ul style="list-style-type: none"> ▪ Submit evidence of IFC guideline compliance and agency review and approval to IFC | <ul style="list-style-type: none"> ▪ 30 September 2008 |
| 3. <u>Obtain NEMC approval for EIA and authority to construct new CHP approximately 15MW power plant at SHI.</u> | <ul style="list-style-type: none"> ▪ Demonstrate to IFC that proposed air emissions in EIA will comply with IFC guideline limits | <ul style="list-style-type: none"> ▪ Prior to approval of supply and construction contracts for new CHP power plant |
| 4. <u>Close out FSC audit findings for GRL Plantations.</u> Provide documented evidence that the major findings as detailed in the SGS audit report and GRL Action Plan have been addressed and the remedial measures institutionalized and deemed complete and effective. | <ul style="list-style-type: none"> ▪ Provide SGS follow up report showing the major findings have been closed out. | <ul style="list-style-type: none"> ▪ 31 August 2008 |
| 5. <u>Obtain FSC certification for Tanzanian GRL Plantations.</u> Provide documented evidence of certifying authorities granting of FSC certification. | <ul style="list-style-type: none"> ▪ Provide FSC certification and effective dates of certification(s) | <ul style="list-style-type: none"> ▪ 28 February 2009 |
| 6. <u>Obtain FSC certification for Ugandan GRL Plantations.</u> Provide documented evidence of certifying authorities granting of FSC | <ul style="list-style-type: none"> ▪ Provide FSC certification and effective dates of certification(s) for | <ul style="list-style-type: none"> ▪ 31 March 2009 |

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| <u>certification.</u> | Kachung Area | |
| | <ul style="list-style-type: none"> ▪ Bukaleba or Bukaleba II Area | <ul style="list-style-type: none"> ▪ 30 June 2009 |
| 7. <u>Obtain FSC certification for Mozambique GRL Plantations. Provide documented evidence of certifying authorities granting of FSC certification.</u> | <ul style="list-style-type: none"> ▪ Sanga Area Plantations (Lichinga Operations) | <ul style="list-style-type: none"> ▪ 31 December 2009 |
| | <ul style="list-style-type: none"> ▪ Namapa | <ul style="list-style-type: none"> ▪ 31 December 2010 |
| 8. <u>Obtain FSC Certification for all other GRL reforestation and afforestation other projects.</u> | <ul style="list-style-type: none"> ▪ Provide FSC certification and effective dates of certification(s) | <ul style="list-style-type: none"> ▪ No later than two (2) years after certification of the EIA and commencement of formal planting. |
| 9. <u>Design and Implement an Integrated Environmental, Occupational Health and Safety and Quality Management System for SHI.</u> | <ul style="list-style-type: none"> ▪ Provide IFC with system design and representative operations procedures for SHI integrated management system | <ul style="list-style-type: none"> ▪ 31, December 2008 |
| 10. <u>Obtain Internationally Recognized Management System Certification for Integrated Environmental, Occupational Health and Safety and Quality Management System for SHI.</u> | <ul style="list-style-type: none"> ▪ Provide IFC with certification and effective dates of certification | <ul style="list-style-type: none"> ▪ 30 June, 2009 |
| 11. <u>Develop Community Engagement Program with the Town of Sao Hill. Consistent with IFC Stakeholder Engagement Good Practice Handbook, commence regularly scheduled informational meetings with town representatives to explain upcoming projects and ongoing operations</u> | <ul style="list-style-type: none"> ▪ Provide IFC with schedule of meetings and confirmation that meetings have started. | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |
| 12. <u>Appoint an Environmental/OH&S Manager for SHI. Hire a qualified individual who will be responsible for diverse affairs, inter alia for 6, 7 and 8 above.</u> | <ul style="list-style-type: none"> ▪ Provide IFC with confirmation of hire | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |

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| 13. <u>Modify Employee Handbook.</u> Define employee objectives with regard to performance and tie to remuneration associated with completion of annual performance objectives; define rights under national labor and employment law and rights related to wages and benefits; translate into Swahili and Portuguese for distribution to employees. | <ul style="list-style-type: none"> ▪ Provide copies of revised manual in English, Kiswahili and Portuguese to IFC. | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |
| 14. <u>Modify SHI utility pole and lumber pressure treatment facility design.</u> Provide bathing and change facilities for employees potentially exposed to CCA and other chemicals. Modify design of new pole and timber treatment facility to include emergency showers and employee bathing facilities to enable workers to shower and change out of work clothes prior to return to home and family. Further modify facility to accommodate non-CCA treatment of sawn lumber as needed. | <ul style="list-style-type: none"> ▪ Provide IFC copy of modified design of new treatment facility showing employee welfare facilities | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |
| 15. <u>Eliminate use of CCA chemical preservative for sawn lumber and substitute with a commercially available chemical compound acceptable for use in lumber destined for human contact and residential applications.</u> | <ul style="list-style-type: none"> ▪ Inform IFC of proposed chemical substitute(s) prior to integration into treatment process. | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |
| | <ul style="list-style-type: none"> ▪ Complete temporary conversion to alternative chemical compound based upon temporary import permits | <ul style="list-style-type: none"> ▪ 31 December 2008 |
| | <ul style="list-style-type: none"> ▪ Permanent Conversion to Alternate chemical compound | <ul style="list-style-type: none"> ▪ 30 June 2010 |
| 16. <u>Upgrade and reconstruct SHI internal access roads and storm water drainage.</u> Improve facility access roads and associated storm water drainage systems from Sao | <ul style="list-style-type: none"> ▪ Prepare design | <ul style="list-style-type: none"> ▪ 30 June, 2008 |

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| Hill site including relocated and consolidated pressure treatment facility. Enhance drainage for the site into GRL plantations situated to the North and to the West of the industrial plant. Ensure adequacy of access roads to support emergency response activities. | | |
| | <ul style="list-style-type: none"> ▪ Modify system according to design | <ul style="list-style-type: none"> ▪ 31 December, 2008 |
| 17. <u>Collect and Manage Hazardous Waste from SHI operations.</u> Implement a program to collect and prepare for recycle/re-use or prepare for sale to others HW emanating from mechanical workshop and petroleum, oils and lubricants (POL) operations. | <ul style="list-style-type: none"> ▪ Provide IFC a copy of management system procedure addressing these activities and issues ▪ Provide photo documentation of waste collection | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |
| 18. <u>Reconfigure and Manage Hazardous Materials and Waste management Facilities.</u> Incorporate best management practices into facility layout, design and operations for mechanical workshop, CCA pressure treatment, and POL operations. | <ul style="list-style-type: none"> ▪ Prepare design consistent with the guidance and requirements in IFC's general EHS guideline. | <ul style="list-style-type: none"> ▪ 30 June, 2008 |
| | <ul style="list-style-type: none"> ▪ Construct new systems and facilities in accordance with design | <ul style="list-style-type: none"> ▪ 31 December, 2008 |
| 19. <u>Bring Air Emissions from Charcoal Operations into Compliance with IFC Guidelines.</u> Characterize air emissions from charcoal operations. If air emissions are beyond general EHS limits, plan to reduce or eliminate them. If emissions cannot be limited according to the general EHS guidelines, then cease charcoal operations. | <ul style="list-style-type: none"> ▪ Provide IFC monitoring data that shows emissions from charcoal production are within IFC's guidelines. | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |
| 20. <u>Remove combustible wood waste from SHI operations areas.</u> Relocate wood waste fuel from | <ul style="list-style-type: none"> ▪ Provide photo-documentation to IFC that wood waste has | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |

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| Sao Hill sawmill to the wood waste storage area. | been removed. Provide management procedure governing wood waste management. | |
| 21. <u>Prepare an Emergency Response Plan (ERP) for Sao Hill Sawmill.</u> The plan shall address training, resources, responsibilities, communication, procedures and other aspects required to effectively respond to fire and other emergencies at SHI. Consistent with the Community Engagement plan required by point 11 of this EAP, inform the SHI host community of potential hazards in a culturally appropriate manner and assist and collaborate with the community to respond effectively to emergency situations. | <ul style="list-style-type: none"> ▪ Submit the ERP to IFC | <ul style="list-style-type: none"> ▪ Condition of First Disbursement |
| 22. <u>Implement the Emergency Response Plan for Sao Hill Sawmill.</u> Implement the above plan and conduct monthly emergency drills with the local community. | <ul style="list-style-type: none"> ▪ Fully implement the ERP and provide evidence of monthly simulation drills | <ul style="list-style-type: none"> ▪ 30 June, 2008 |
| 23. <u>Plan and Implement a Vehicle Operator Safety Training Program.</u> The program should affect all operators of moving equipment on public roads and other infrastructure. The program should include the adoption of safety measures that are protective of project workers and of road users, including those who are most vulnerable to road traffic accidents. The program shall emphasize: safety aspects among drivers; improving driving skills; licensing of drivers; limits for trip duration; duty rosters to avoid overtiredness; avoiding dangerous routes and times of day to reduce the risk of accidents; use of speed control devices on vehicles; and, remote monitoring of driver actions, behavior and | <ul style="list-style-type: none"> ▪ Provide IFC with a summary of the proposed program | <ul style="list-style-type: none"> ▪ 31 August, 2008 |

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| performance. | | |
| | <ul style="list-style-type: none"> ▪ Fully implement the program | <ul style="list-style-type: none"> ▪ 31 December, 2008 |
| <p>24. <u>Prepare and Implement Management Procedure for Asset Protection and Security Personnel Responsibilities and Behavior.</u> The procedure shall ensure that individuals responsible for asset protection and security of SHI and GRL property in Tanzania, Uganda and Mozambique understand and adhere to recognized best international practices. The procedure along with employee training and terms of employment shall be consistent with paragraphs G22-G26 of IFC's Guidance Note 4 (Performance Standard 4). The procedure shall include the principle of proportionality, rules of conduct, training, equipping and monitoring of security personnel, and applicable law. Moreover, SHI will develop a grievance mechanism for communities affected by security operations.</p> | <ul style="list-style-type: none"> ▪ Provide IFC with a summary of the proposed program | <ul style="list-style-type: none"> ▪ 30 June, 2008 |