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STANDARD BANK LTD

INDEPENDENT ENVIRONMENTAL AND SOCIAL REVIEW OF INTERNATIONAL LENDER COMPLIANCE: Roofings Rolling Mills Ltd, Kampala, Uganda

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REPORT

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EXECUTIVE SUMMARY

Golder Associates Africa (Pty) Ltd was appointed by Standard Bank Ltd to undertake a review of Roofings Rolling Mills Ltd (hereafter “Roofings”) environmental and social policies, procedures and environmental impact assessment (EIA).

Standard Bank Ltd will utilise this report in their review of the application from Roofings Rolling Mills Ltd for project funding. In order to meet the requirements for funding Roofings’ EIA must comply with international banking standards with particular reference to the International Finance Corporation (IFC) Performance Standards and the Equator Principles.

The environmental and social compliance review involved a literature review of appropriate Ugandan legislation and a site visit to the Roofings site in Namanve, Uganda. The site visit was undertaken to gain an understanding of Roofings operations and associated environmental and social issues. During the site visit the reviewer held discussions with management and collected relevant documentation.

In terms of the Equator Principles the Roofings project can be classified as a Category B project under the IFC project categories. Category B projects are described as those which have:

- i *Potential adverse impacts on human populations and environmentally important areas- less adverse than category A;*
- i *Impacts are site specific;*
- i *Few or no irreversible impacts ;*
- i *Mitigation measures can be designed to abate most negative impacts;*
- i *EA is narrower than category A assessment;*
- i *EA must recommend all measures needed to prevent, minimise, mitigate or compensate for adverse impacts;*
- i *EA must recommend methods for improved performance;*
- i *Project sponsor is required to provide full environmental and social information; and*
- i *EA may be curtailed in scope and determined on a project by project basis.*

Although the Roofings Environmental Impact Statement (EIS) report conforms to Ugandan requirements it does not currently comply fully with international standards i.e. IFC Performance Standards and the Equator Principles. The environmental management plan (EMP) and monitoring plan contained within the EIS report addresses all relevant environmental and social issues, and is in line with Ugandan requirements, but lacks adequate detail required in terms of international best practise.

In terms of the IFC Performance Standards, the following risks were noted:

- i The EIS Report lacks an adequate level of detail regarding impact assessment;
- i There are gaps in aspects of the EMP and Environmental Monitoring Plan. On this basis, Performance Standard 1 is partially compliant;
- i Performance Standard 2 has been complied with;
- i The EIS Report outlines measures for pollution prevention and mitigation; the Quality and Environmental Management Policy that was made available to Golder for review included continuous improvement statements and the commitment that Roofings will comply with relevant regulations to ensure pollution prevention. Roofings further demonstrated their commitment by selecting state-of-the-art equipment and technology to limit adverse environmental impacts on the receiving environment –



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

especially in terms of waste management, waste water management, water conservation, emission management etc.. Hazard assessment and risk analysis lacked adequate detail and thus there is only partial compliance with Performance Standard 3;

- i Performance Standard 4 has been complied with;
- i Based on findings of the review the Roofings project will not cause any physical or economic displacement of people, therefore, Performance Standard 5 is not applicable;
- i Impacts upon the environment and biodiversity will be low - negligible. As the business park has an already approved EIA, done to meet World Bank requirements, it is felt that this meets Performance Standard 6;
- i Performance Standard 7 has been complied with as no indigenous people will be impacted by the project; and
- i As part of the original approval for the business park, an EIA was undertaken, this took into consideration cultural heritage and is therefore in compliance with Performance Standard 8.

Based upon the environmental and social compliance review the key recommendations are that:

- i Gaps in the EIS should be addressed such that it complies with international standards;
- i All applicable SHEQ (safety, health, environmental and quality) policies, procedures, best operating practises, works instructions, relevant documentation, management plans/programs, monitoring programs in operation at the main Roofings Limited factory at Entebbe Road, should be copied across to the new Namanve site and revised where necessary;
- i An updated, EMP should be compiled. This EMP should address relevant concerns noted in this report. It must also address all environmental related issues, including international best practise (which has been omitted in some instances in the EIS). The EMP must describe mitigation measures in detail e.g. risks associated with a certain activity, consequences of mitigation not taking place, a detailed description of mitigation measures (based on international best practise), reference to relevant Environmental Management System procedures and works instructions, responsible persons, etc. The EMP should be a stand-alone document that can be added as an appendix to the legal contracts of contractors/vendors working on site. This should ensure that Roofings fulfils its national and international obligations and operates according to environmental and social best practice in terms of all of its operations in Uganda;
- i An updated, detailed environmental monitoring plan must be compiled. All relevant environmental aspects requiring monitoring should be described in this document in line with international best practise. The monitoring plan must describe and illustrate all monitoring localities, parties responsible for monitoring, sampling methodologies, frequency of sampling, standards to be used, reporting frequency, etc.; and
- i Pro-active communications with stakeholders should continue to ensure transparency and to address any concerns that neighbouring businesses and communities might have. Records of such communications must be kept. This process of ongoing consultation with communities is in line with IFC principles. Such a process is beneficial as it serves to provide sufficient project information, understand the concerns/grievances, manage their expectations, and relay information on how suitable mitigation measures are implemented to reduce residual and cumulative impacts.

In conclusion, from the site visit and review of relevant documentation it is clear that on the ground and in its operations Roofings is making a concerted effort to limit impacts on the environment. However, in its current state, the EIS (including the EMP) that was approved by the Uganda NEMA, does not currently meet international standards. The EIS thus requires revision and updating, as per the attached action plan, so that it is developed into a document that meets international standards.



Table of Contents

1.0 INTRODUCTION.....	1
1.1 Background.....	1
1.2 Approach	2
1.3 Report Structure.....	2
2.0 POLICIES, DIRECTIVES AND GUIDELINES.....	4
2.1 Ugandan Legislative Requirements.....	4
2.1.1 Background.....	4
2.1.2 National Environmental Regulations.....	4
2.1.3 The EIA process in Uganda.....	4
2.1.3.1 Annexure 1 – Projects that require EIA	4
2.1.3.2 Annexure 2 – Projects likely to be exempted from EIA.....	5
2.1.4 Other National Environmental-related Regulations.....	6
2.1.5 International Conventions and Treaties	7
2.2 International Lending Requirements.....	7
2.2.1 The Equator Principles	7
2.2.2 Exhibit I: Environmental and Social Screening Process.....	8
2.2.3 Exhibit II: Illustrative list of issues to be included in an Environmental and Social Impact Assessment	9
2.2.4 Exhibit III: IFC Performance Standards	10
2.2.5 Exhibit IV: Industry Specific EHS Guidelines	10
2.2.6 Good Practice Guides	10
3.0 DESCRIPTION OF THE PROPOSED PROJECT.....	13
3.1.1 Project and technology description.....	13
4.0 PROJECT ENVIRONMENTAL AND SOCIAL COMPLIANCE REVIEW.....	19
4.1 Background and approach	19
4.2 Compliance with the Equator Principles.....	19
4.2.1 Review Outcomes and Observations	25
4.2.2 Construction and Operation Requirements.....	26
4.2.3 Compliance with IFC Performance Standards	27
5.0 SUMMARY OF REVIEW RESULTS	43
5.1 The EIA Process.....	43
5.2 Content of the EIA	43



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

5.3	Public consultation and disclosure.....	43
5.4	Health and Safety Policy	44
5.5	HR Policy	44
5.6	General	44
6.0	GAPS AND KEY RECOMMENDATIONS	45
7.0	DOCUMENT LIMITATIONS	48
8.0	REFERENCES.....	49
TABLES		
Table 1:	Environmental Conventions and Treaties ratified by the Ugandan Government.....	7
Table 2:	IFC Environmental Performance Standards	11
Table 3:	Equator Principle and IFC Performance Standard Evaluation Framework Assessment Criteria.....	19
Table 4:	Equator Principles compliance review.....	21
Table 5:	Compliance matrix with Equator Principles 6 to 9.....	26
Table 6:	IFC Performance Standards compliance review.....	28
Table 7:	Summary of IFC Performance Standard Compliance	42
Table 8:	Gaps and recommendations	45
FIGURES		
Figure 1:	The Ugandan EIA Process.....	6
Figure 2:	Location of Kampala Industrial and Business Park.....	14
Figure 3:	Location of the Roofings Rolling Mills Ltd. site within the Kampala Industrial and Business Park	15
Figure 4:	Hi-tech equipment supplied and commissioned by German, Italian and Canadian companies	16
Figure 5:	Phase 2 construction activities	17
APPENDICES		
APPENDIX A		
NEMA authorisation		
APPENDIX B		
A detailed description of the Equator Principles		
APPENDIX C		
Key characteristic of IFC project categories		
APPENDIX D		
LPG authorisation permit		
APPENDIX E		
Roofings Ltd. Quality and Environmental Management Policy		
APPENDIX F		
EMS audit letter		



1.0 INTRODUCTION

Golder Associates Africa (Pty) Ltd ("Golder") was appointed by Standard Bank Ltd to undertake a review of the Ugandan firm Roofings Rolling Mills Ltd. (hereafter "Roofings") environmental and social related policies, procedures and the completed environmental impact assessment (EIA). Standard Bank Ltd will utilise this report in their review of the funding application from Roofings for project funding. In order to meet the requirements for funding Roofings' EIA must comply with international banking standards, with particular reference to the International Finance Corporation (IFC) Performance Standards and the Equator Principles.

The Project in this case refers to the development of the Roofings project, Phase 1 to 3 at their Namanve site within the Kampala Industrial and Business Park. Phase 1 has almost been completed. This report details the key environmental and social issues associated with the Project, to determine whether it complies with the IFC Performance Standards and the Equator Principles. Where issues of non-compliance have been identified, an action plan to address these gaps has been developed.

1.1 Background

Roofings Limited was founded in 1994 in Uganda and it is their vision to produce high quality steel products meeting ISO 9001:2000 requirements. Roofings Limited main operations are based at Lubowa on the Entebbe road, approximately 11 km from Kampala. The footprint of the main factory is about 15 hectares of which 30 000 m² is covered by warehouses and factory operational areas. By 2008, Roofings had invested more than US\$ 55 million to produce around 120 000 tonnes/annum of various steel products at its main factory. The staff complement is around 850 permanent workers.

The Uganda Investment Authority (UIA) is in the process of establishing the Kampala Industrial Business Park, at its site situated close to Namanve, Kampala. This governmental agency was set up by an Act of Parliament (Investment Code 1991) to promote and facilitate private sector investment in Uganda¹. The UIA and Roofings Limited have been working together closely and the UIA provides assistance in obtaining relevant authorisations for development from the relevant Ugandan government departments.

Roofings Limited has been allocated about 12 hectares of land in the Kampala Industrial Business Park. Roofings Limited has obtained all the relevant governmental authorisations to establish their new factory, under wholly owned subsidiary called Roofings Rolling Mills Limited, at the business park and aims at producing an estimated 166,800 tonnes/annum of steel products at an estimated establishment cost of around US\$ 96 million.

The phases of the project are as follows:

- i Phase 1 – Wire Galvanising Complex – construction completed, commissioning in progress – to be completed in February 2010. The latest technology for galvanising wire (1.5 mm – 4.0 mm diameter) from hot rolled low carbon steel has been procured and installed. This hi-tech equipment has been sourced from various sources worldwide. The wire drawing lines were sourced from Germany (Koch), pay offs and take ups from Italy (M+E) and galvanising equipment from Canada (QED). The wire galvanising complex will produce around 10 800 tonnes/annum of galvanised wire;
- i Phase 2 – Hot Rolling Mill Complex – construction in progress, earth works in progress. Projected completion date is toward the end of 2010. This complex will manufacture rolled steel bars and will comprise of a scrap steel separating plant, an induction furnace, billet caster, reheating furnace and a hot rolling mill. The hot rolling mill complex will produce around 36 000 tonnes/annum; and
- i Phase 3 – Cold Rolling Mill Complex – construction to commence in 2010. This complex will consist of a pickling line, six high reversing mills, a galvanising plant and a paint coating line. This complex will produce around 120 000 tonnes/annum.

¹ <http://www.ugandainvest.com>



An Environmental Impact Assessment (EIA) was completed in December 2008 by Enviro and Industrial Consult (U) Ltd. The UIA was actively involved in this study and the relevant authorisation for this project was obtained for the proposed project in April 2009, from the National Environmental Management Agency (NEMA) of Uganda (Appendix A).

1.2 Approach

In order to evaluate whether the Project is operating in compliance with the requirements for funding by Equator Principle Financial Institutions (EPFIs), a number of tasks were undertaken by Golder. These are outlined in this section.

A preliminary desk top study and site visit was undertaken, comprising:

- i A review of the EIA Report prepared by Enviro and Industrial Consult (U) Ltd., with a particular focus on the recommended mitigation and monitoring measures included in the Environmental Management Program;
- i A review of relevant Ugandan environmental legislation, regulations and international treaties (that Uganda is signatory to);
- i A review of publicly available reports, documents, plans, etc. with a view to understanding the environmental conditions in Uganda and key environmental and social issues/risks regarding the Roofings Rolling Mills Ltd. Project;
- i A site visit for the purpose of understanding the project environment and collecting additional relevant documentation; and
- i A series of discussions with appropriate Roofings staff members.

Enviro and Industrial Consult Ltd. and Roofings provided the following information, which was used in the review process:

- i The EIA Report, which includes the following sections:
 - § an overview of the scope of the EIA;
 - § The Ugandan regulatory framework applied to the EIA;
 - § The EIA process/steps followed;
 - § A list of the specialist studies undertaken as part of the EIA;
 - § Key impacts assessed through the EIA; and
 - § Recommended mitigation and monitoring measures.

1.3 Report Structure

This report is structured as follows:

SECTION 1: INTRODUCTION: Outlines the background to the Project and describes the approach that was used for the compliance.

SECTION 2: POLICIES, DIRECTIVES AND GUIDELINES: Details the relevant and applicable standards and guidelines that have been used in the review process.

SECTION 3: DESCRIPTION OF THE PROPOSED PROJECT: A detailed description of the different phases and processes in each phase is described.



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

SECTION 4: DESCRIPTION OF THE RECEIVING ENVIRONMENT: A brief description of the receiving environment within the context of the project is given.

SECTION 5: ENVIRONMENTAL AND SOCIAL RISK IDENTIFICATION: Presents the rationale for project categorisation and compliance review through an assessment of the potential environmental and social risks associated with the project. The risk identification is based on a concise description of the project and an understanding of the baseline environmental and social conditions.

SECTION 6: ENVIRONMENTAL AND SOCIAL COMPLIANCE REVIEW: Provides an assessment of the likely environmental and social performance of the project in relation to international lender requirements, using Golder's evaluation framework.

SECTION 7: RECOMMENDATIONS: Summarises the results of the compliance review, provides an indication of areas of concern and provides guidelines to resolve these concerns.

SECTION 8: LENDER COMMITMENTS AND CONCLUSION

SECTION 9: DOCUMENT LIMITATIONS

SECTION 10: REFERENCES



2.0 POLICIES, DIRECTIVES AND GUIDELINES

2.1 Ugandan Legislative Requirements

2.1.1 Background

The Ugandan National Environmental Management Agency (NEMA) is the lead authority for environmental issues (National Environmental Act Cap. 153). The Ugandan Investment Authority (UIA) was closely involved during the authorisation process for the Roofings project and has a close working relationship with the company management. The fact that the Roofings project is situated in the Kampala Industrial Business Park, will ensure that the UIA will play an active monitoring role on the operational performance of the project, as per Section 19 of the UIA Investment Code of 1991.

2.1.2 National Environmental Regulations

The basis of environmental policy in Uganda is contained in the 1995 Constitution of Uganda. Environmental protection in Uganda is principally governed by the following legislation:

- i The Constitution of Uganda, 1995;
- i The National Environmental Act, Cap 153;
- i The National Environment Management Policy, 1994;
- i The Environmental Impact Assessment Regulations, 1998;
- i The Environmental Impact Assessment Guidelines, 1997;
- i The National Environment (Waste Management) Regulations, 1998;
- i The Land Act, Cap 227;
- i The Water Act, Cap 152;
- i Town and Country Planning Act, Cap 30;
- i The Local Governments Act, 1997;
- i Workers Compensation Act, 2000;
- i The Occupational Safety and Health Act, 2006;
- i The Employment Act, 2006; and
- i The Investment Code, 1991.

2.1.3 The EIA process in Uganda

According to the Environmental Impact Assessment Regulations (1998), projects in Uganda are broadly categorised as follows:

2.1.3.1 Annexure 1 – Projects that require EIA

- a) Urban development (establishments of industrial estates, shopping centres/malls, expansion of recreational townships in areas like national parks or protected areas);
- b) Transportation (all major roads, all roads in scenic, wooded areas, railway lines, airports / fields, water transport, pipelines);
- c) Aerial spraying;



- d) Mining (quarrying and open cast extraction of precious metals, metalliferous ores, limestone etc.);
- e) Dams, rivers and water storage sources (storage dams, river diversions and water transport catchment areas, drilling for purposes of utilising ground water resources);
- f) Forestry activities (timber harvesting, use of pesticides and fertilizers, introduction of new crops);
- g) Processing and manufacturing products (mineral processing, foundries, glass works, oil refineries, tanning and dressing of hides and skins, food processing, brewing and malting);
- h) Electrical infrastructure (generation stations, transmission lines, electrical substations, manufacturing storage schemes);
- i) Waste disposal (sites for disposal, sewage disposal, works offensive odours, atmospheric emissions); and
- j) Natural conservation areas (creation of buffer zones, national parks, establishment of wilderness areas, introduction of alien species of fauna and flora, policies for management of ecosystems).

2.1.3.2 *Annexure 2 – Projects likely to be exempted from EIA*

- a) Clearing and farm construction for subsistence use;
- b) Construction or repair of individual houses;
- c) Small/minor land use changes in sloping areas;
- d) Information collection/ scientific and education, and Environmental enforcement actions; and
- e) Emergency repairs to facilities

The Roofings Namanve Project, being an industrial project, is classified as an Annexure 1 (a) project.

The steps in the Ugandan EIA process are show in Figure 1.

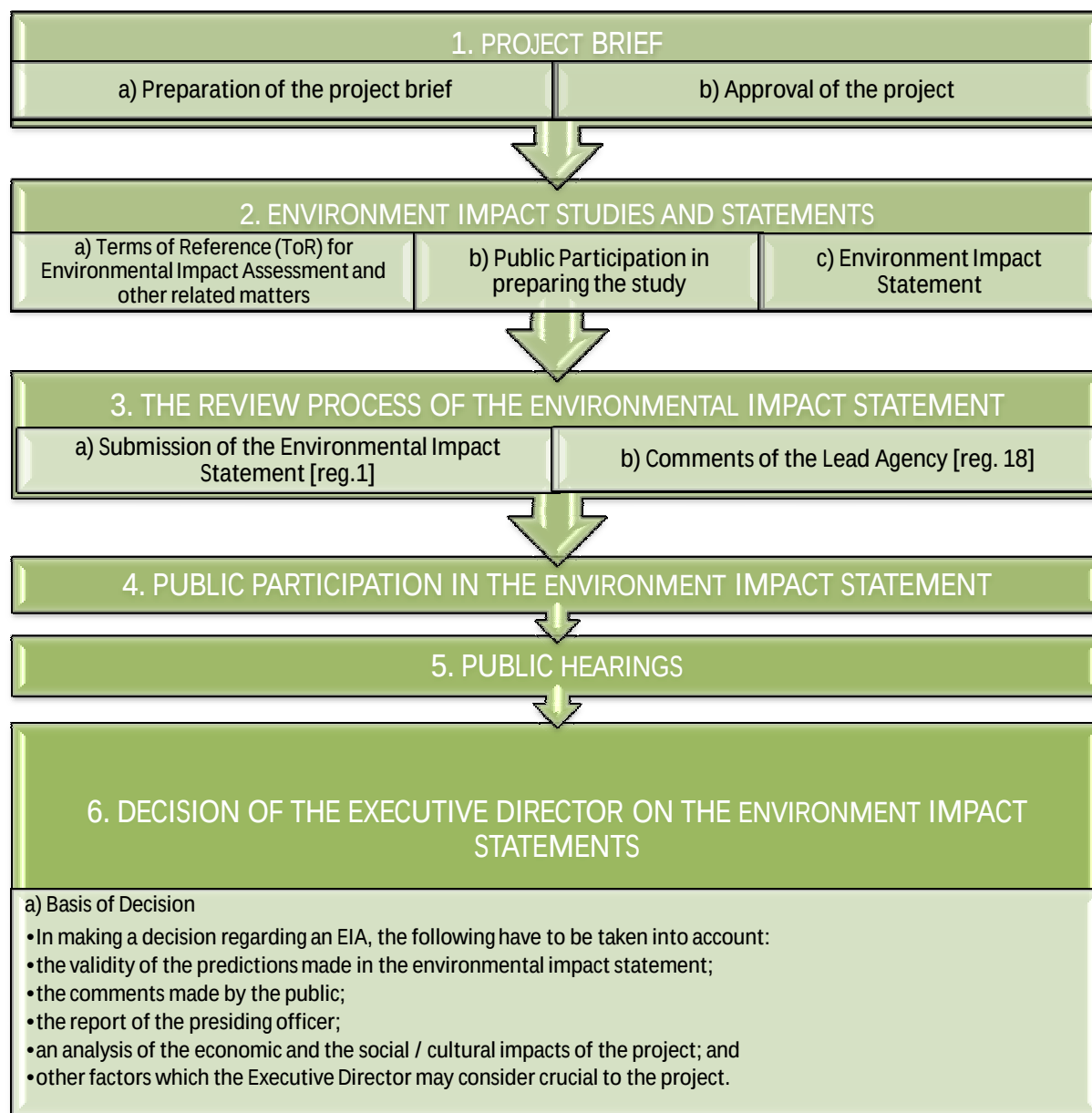


Figure 1: The Ugandan EIA Process

2.1.4 Other National Environmental-related Regulations

In addition to the requirements of environmental regulations highlighted, Roofings has to comply with a number of additional requirements including the following:

- i Sub-regulation (1) of Regulation 37 of the EIA Regulations (1998) stipulates the fees payable for approval of environmental impact statements – amounts prescribed in Schedule 3 of the Regulations (Annexure 3);
- i Part V of the National Environmental Act, Cap 153 stipulates the different environmental standards for air quality, water quality, discharge of effluent to water bodies, noise control, soil quality.
- i Section 108 of the National Environmental Act also includes the National Environment (Waste Management) Regulations of 1999 and the Control of Noise Pollution Regulations of 2003.



2.1.5 International Conventions and Treaties

The Ugandan Government has ratified several international environmental conventions and treaties, as summarized in Table 1 below.

Table 1: Environmental Conventions and Treaties ratified by the Ugandan Government

Convention/Treaty	Year ratified by the Ugandan Government
Convention on the Protection of the World Cultural and Natural Heritage 1974	1987
Montreal Protocol on Substances that Deplete the Ozone Layer	1988
Convention on the Protection of the World Cultural and Natural Heritage	1988
Convention on the International Trade in Endangered Species (CITES)	1991
Convention on Biological Diversity (CBD)	1993
Framework Convention of Climate Change (FCCC)	1994
Basel Convention on the Transboundary Movement of Hazardous Wastes and their Disposal	1999
Bamako Convention on the Ban of the Import into Africa and the Control of Transboundary Movement of Hazardous Wastes within Africa	1999
International Convention to Combat Drought and Desertification	1999
Convention on the Conservation of Migratory Species of Wild Animals	2000
Vienna Convention on the Protection of the Ozone Layer	2001
Cartagena Protocol on Biosafety	2003
The Stockholm Convention on Persistent Organic Pollutants	2004
The Kyoto Protocol to the Convention on Climate Change	2005

2.2 International Lending Requirements

2.2.1 The Equator Principles

The Equator Principles are used by lenders as a means of ensuring that the projects they finance are socially and environmentally responsible and sound. As such, they serve to establish a common baseline and framework for the implementation of environmental and social procedures and standards for financing activities across all industry sectors globally in which finance is sought. The Principles apply to all new project financings globally with total project capital costs of US\$10 million or more, and across all industry sectors. In addition, while the Principles are not intended to be applied retroactively, they are applied to all project financings covering expansion or upgrade of an existing facility where changes in scale or scope may create significant environmental and/or social impacts, or significantly change the nature or degree of an existing impact.

Equator Principle Finance Institutions (EPFI) will provide loans to projects that conform to Principles 1-9 (the Principles are explained in more detail in Appendix B).



In addition, the Equator Principles are augmented with four distinct “exhibits”:

- i Environmental and social screening (Exhibit I);
- i Illustrative list of issues to be included in an Environmental and Social Impact Assessment (Exhibit II);
- i IFC Performance Standards (Exhibit III); and
- i Industry Specific EHS Guidelines (Exhibit IV).

These are outlined in more detail below:

- § Principle 1: Review and Categorisation;
- § Principle 2: Social and Environmental Assessment;
- § Principle 3: Applicable Social and Environmental Standards;
- § Principle 4: Action Plan and Management System;
- § Principle 5: Consultation and Disclosure;
- § Principle 6: Grievance Mechanism;
- § Principle 7: Independent Review;
- § Principle 8: Covenants; and
- § Principle 9: Independent Monitoring and Reporting

2.2.2 Exhibit I: Environmental and Social Screening Process

The environmental and social review procedure outlines the process by which Lenders determine the categorisation of a project. Projects are categorised as either A, B or C. The detailed description of each category is provided in Box 1 below and outlined in more detail in Appendix C.



Box 1: Description of Project Categories

Category A: A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. A potential impact is considered "sensitive" if it may be irreversible (e.g., lead to loss of a major natural habitat) or affect vulnerable groups or ethnic minorities, involve involuntary displacement or resettlement, or affect significant cultural heritage sites. These impacts may affect an area broader than the sites or facilities subject to physical works. EA for a Category A project examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives (including, the "without project" situation), and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. A full environmental assessment is required which is normally an Environmental and Social Impact Assessment (ESIA).

Category B: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas-including wetlands, forests, grasslands, and other natural habitats-are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigatory measures can be designed more readily than for Category A projects. The scope of EA for a Category B project may vary from project to project, but it is narrower than that of Category A EA. Like Category A EA, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance.

Category C: A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. Beyond screening, no further EA action is required for a Category C project.

2.2.3 Exhibit II: Illustrative list of issues to be included in an Environmental and Social Impact Assessment

A significant number of social and environmental issues need to be addressed in an EIA conducted according to the requirements of the Equator Principles (Box 2). The list is for illustrative purposes only and needs to be carefully considered within the context of each project.



Box 2: Illustrative list of issues to be included in an Environmental and Social Impact Assessment

- (a) Assessment of the baseline social and environmental conditions
- (b) Consideration of feasible environmentally and socially preferable alternatives
- (c) Requirements under host country laws and regulations, applicable international treaties and agreements
- (d) Protection of human rights and community health, safety and security (including risks, impacts and management of project's use of security personnel)
- (e) Protection of cultural property and heritage
- (f) Protection and conservation of biodiversity, including endangered species and sensitive ecosystems in modified, natural and critical habitats, and identification of legally protected areas
- (g) Sustainable management and use of renewable natural resources (including sustainable resource management through appropriate independent certification systems)
- (h) Use and management of dangerous substances
- (i) Major hazards assessment and management
- (j) Labour issues (including the four core labour standards), and occupational health and safety
- (k) Fire prevention and life safety
- (l) Socio-economic impacts
- (m) Land acquisition and involuntary resettlement
- (n) Impacts on affected communities, and disadvantaged or vulnerable groups
- (o) Impacts on indigenous peoples, and their unique cultural systems and values
- (p) Cumulative impacts of existing projects, the proposed project, and anticipated future projects
- (q) Consultation and participation of affected parties in the design, review and implementation of the project
- (r) Efficient production, delivery and use of energy
- (s) Pollution prevention and waste minimisation, pollution controls (liquid effluents and air emissions) and solid and chemical waste management.

2.2.4 Exhibit III: IFC Performance Standards

The IFC has published a set of "Performance Standards" for Social and Environmental sustainability. The Performance Standards are listed in Table 2, which includes a brief summary of the important aspects of each policy as well as the implications for the Project.

2.2.5 Exhibit IV: Industry Specific EHS Guidelines

Industry specific EHS guidelines have been developed by the World Bank Group and the IFC. The World Bank's Pollution Prevention and Abatement Handbook (PPAH) apply to all projects to be funded by the World Bank. The handbook covers over 41 production processes for various industrial applications and projects. The IFC guideline that is directly applicable to this environmental and social compliance review is the Environmental, Health, and Safety Guidelines for Metal, Plastic, and Rubber Products Manufacturing, 2007.

2.2.6 Good Practice Guides

The IFC has also produced a series of good practice publications and notes. An IFC note that is applicable to the Project is the Good Practice Note: Addressing the Social Dimensions of Private Sector Projects.



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Other IFC reference materials used in reviewing projects include:

- i Techniques for Assessing Industrial Hazards: A Manual. World Bank Technical Paper No. 55, 1988;
- i The Safe Disposal of Hazardous Wastes: Volumes I, II and III, World Bank Technical Paper No. 93, 1989;
- i Environmental Assessment Sourcebook, Volumes I, II and III, World Bank Technical Paper No. 139, 1991; and
- i Doing Better Business Through Effective Public Consultation and Disclosure: A Good Practice Manual, International Finance Corporation.

While not directly applied into this environmental and social compliance review, these documents are referenced for the sake of completeness.

Table 2: IFC Environmental Performance Standards

Performance Standard	Description/Objectives	Implications for ROOFINGS ROLLING MILLS LTD.
Performance Standard 1: Social & Environmental Assessment & Management System	Outlines the requirements for Social and Environmental Impact Assessment and Management, including: Preparation of Environmental Management Plans and Systems, such as: (i) Management Program; (ii) Organisational Capacity; (iii) Training; and (iv) Community Engagement Social and Environmental Impact Assessment, outlining: (i) Scope of Assessment to cover all project related risks and impacts in a cumulative sense; (ii) Project life-cycle issues; and (iii) Focus on critical and key issues in a scientifically defensible, qualitative assessment.	A full Environmental and Social Impact Assessment (ESIA) and a comprehensive Environmental and Social Action Plan (ESAP) are required.
Performance Standard 2: Labour and Working Conditions	Sets out conditions for the protection of the basic rights of workers, including: Maintaining worker-management relationships; Fair treatment of workers including provision for: (i) non-discrimination; (ii) equal opportunities; (iii) labour and employment laws; and (iv) child and forced labour prevention; Promotion of safe working conditions (Occupational Health and Safety)	
Performance Standard 3: Pollution Prevention and Abatement	Outlines approaches for the minimisation and prevention of emission, effluent and wastes, including: The avoidance or minimisation of impacts on human health and the environment through pollution prevention or abatement; and Reducing the emissions that contribute to climate change. These actions should be read in conjunction with Performance Standard 1 and the Industry Specific EHS guidelines. The Standard takes account of both emissions and ambient environmental considerations.	Best environmental practice technology should be employed wherever possible so as to reduce emissions to meet international quality standards.



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Performance Standard	Description/Objectives	Implications for ROOFINGS ROLLING MILLS LTD.
Performance Standard 4: Community Health, Safety and Security	Aims to reduce the risks (health and safety) to communities as a result of the project and sets out guidelines so as to reduce risks wherever possible. The standard includes requirements for: Infrastructure and Equipment safety; Hazardous materials; Community exposure to disease; and Emergency preparedness and response.	Community health and safety is key to the assessment of impacts and need to be included into the social and environmental management plan.
Performance Standard 5: Land Acquisition and Involuntary Resettlement	This standard is applied wherever land, housing or other resources are taken involuntarily from people and outlines approaches for the assessment and management of the resettlement process – including the avoidance thereof.	Not applicable.
Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management	Sets out guidelines for the protection and conservation of biological diversity. In doing so, the standard outlines: The protection of habitats; and The management and use of renewable natural resources.	The potential impacts on natural habitats should be assessed as part of the social and environmental impact assessment. In the case of habitat destruction appropriate mitigation/rehabilitation measures should be incorporated into the social and environmental management plan.
Performance Standard 7: Indigenous Peoples	The standard sets out to: Ensure that the development respects the culture and rights of local peoples; Minimise impacts on local communities and their way of life; and Establish mechanisms for local community engagement and good faith negotiation on issues of grievance.	Not applicable
Performance Standard 8: Cultural Heritage	Aims to protect culture heritage and ensure that its use (where appropriate) equitably shared.	It should be determined what information is known about aspects of cultural and heritage significance of the project site.



3.0 DESCRIPTION OF THE PROPOSED PROJECT

3.1.1 Project and technology description

The phases of the project are as follows:

- i Phase 1 – Wire Galvanising Complex – construction completed, commissioning in progress – to be completed in Feb 2010. The latest technology for galvanising wire (1.5 mm – 4.0 mm diameter) from hot rolled low carbon steel, has been procured and installed. This hi-tech equipment (Figure 4 with pictures 1 - 4) has been sourced from various sources worldwide. The wire drawing lines were sourced from Germany (Koch), pay offs and take ups from Italy (M+E) and galvanising equipment from Canada (QED). The wire galvanising complex will produce around 10 800 tonnes/annum of galvanised wire at a rate of 1650 kg/hr. Eighteen strands of wire can be produced simultaneously at an average running speed of around 68m/min. The process would start off with annealing, then pickling and then the galvanising of the final product. All the equipment is sealed off in state of the art technology with minimal emissions, heat radiation and minimal waste water production.
- § Annealing: Annealing would take place in a fluid bed furnace which would be the heat treatment to soften the wire. Wire would be passed through a fluid sand bed of aluminium oxide at 730°C – 800°C. Fuel used in this furnace would be natural gas (LPG) for which Roofings Rolling Mills Ltd. has been issued a permit by the Ugandan Ministry of Energy and Mineral Development (Appendix D).
- § Pickling: Wire then passes through a cleaning process in a high turbulence pickling system. The heated wire from the annealing process will be cooled down through quenching in a closed circuit water cooling system. Water in the cooling system is recycled and treated at an effluent treatment facility on site. Any waste water produced would then be disposed of to the effluent reticulation system provided by the UIA at the Kampala Industrial Business Park from where the effluent would be treated at a central treatment facility. Wire would then pass through a hydrochloric acid solution section (20% maximum HCl) as a first stage cleaning process after which it would be rinsed with water. Wire would then undergo a surface pre-treatment for the galvanizing process, in a flux process using ammonium chloride at a temperature of 70°C – 90°C.
- § Galvanizing: Wire would be zinc galvanized in an immersion burner galvanizing furnace at a temperature of 450°C - 480°C. LPG would be used as fuel for this furnace. The galvanized wire would then be wiped by nitrogen gas and pads. Wire would then be passed through a quenching stage to cool the final product and then the last stage would involve a wax coating of the wire to prevent corrosion and to lubricate the wire with water soluble wax and rolled at the finishing roller.



LEGEND

- KAMPALA Industrial and Business Park



NOTES

Figure 2

REFERENCE

DATUM / PROJECTION WGS 1984

PROJECT

KAMPALA INDUSTRIAL AND BUSINESS PARK

PROJECT No. 12581

TITLE

LOCALITY



GIS	OA	January 2010
CHECK	NS	January 2010
REVIEW	MT	January 2010



NOTES

Figure 3

REFERENCE
DATUM/PROJECTION UTM/1996

PROJECT	KAMPALA INDUSTRIAL AND BUSINESS PARK	TITLE	STRUCTURAL LANDUSE	
PROJECT No. 12581			GIS	CA : January 2010
			CHECK	NS : January 2010
			REVIEW	NT : January 2010



Figure 4: Hi-tech equipment supplied and commissioned by German, Italian and Canadian companies

- i Phase 2 – Hot Rolling Mill Complex – construction in progress, earth works being done (5 – 7). Projected completion date is toward the end of 2010. This complex will manufacture rolled steel bars and will comprise of a scrap steel separating plant, an induction furnace, billet caster, reheating furnace and a hot rolling mill.

Stage 1 would include screened scrap steel that would be loaded into an induction furnace through vibratory feeders. During stage 2 the scrap will be melted at a temperature of 1650°C in the induction furnace and alloys will be added to achieve mechanical properties in line with the desired end use. The melting capacity will be 10 tonnes/hr by using 4750 kW power. During stage 3 the furnace would be tilted by hydraulic cylinders and during stage 4, the molten steel will be poured into a billet caster. As the steel solidifies, long steel bars (dimensions 150mm x 150mm x 6m) will be formed and shifted for slow cooling in the billet storage area. Stage 5 will include the loading of billets into a re-heating furnace which is the first stage of the hot rolling process (heating capacity of 15 – 18 tonnes/hr). During stage 6 heated steel billets will be passed through high speed rolling units to obtain the required dimensions. Following the hot rolling during this stage, the rolled products will be moved to an automatic cooling bed for slow cooling. Products of this process include rebars (including TMT bars), angles, flats and other hot rolled products as per market demand.

The hot rolling mill complex will produce around 36 000 tonnes/annum.



Figure 5: Phase 2 construction activities

- Phase 3 – Cold Rolling Mill Complex – construction to commence in 2010. This complex will be made up of a pickling line, 6 high reversing mills, a galvanising plant and a paint coating line.

The raw material for this phase would be 2mm x 1.3m hot rolled low carbon steel strips (imported in coil form for approximately 25 tonnes per unit). Stage 1 of Phase 3 would involve pickling where the raw material strips would be cleaned using HCl (max 20% concentration) at 80°C to remove the oxide scales from the metal's surface, and then cleaned with hot water and passed through an air dryer. Oil will be applied on the strip prior to storage before rewinding. Stage 2 will be at the cold rolling mill – the main plant of this complex where pickled coils will be passed through pairs of hardened steel rollers loaded with approximately 1500 tonnes, forward and backward for as many times as required to produce the desired thickness to a minimum of 0.12mm. This type of rolling mill is a 6-high reversing type mill with a 1200m/minute maximum speed. During stage 3, coils from the cold rolling mill will be loaded and strip edges will be trimmed to obtain uniform width and it could also be rewound to smaller sized coils if required. The maximum line speed of stage 3 will be 400m/minute. Stage 4 will involve the galvanising phase where coils from the rewinding line will be loaded, oil will be removed from the surface with high velocity alkali jet sprays and brushing. The cleaned strip would then move to a non-oxidation furnace where LPG will be used as fuel. The heated strips will then be passed through a zinc pot where metal coating would take place and cooled down after which it will pass through a skin pass mill to enhance the mechanical properties and shape and improve the surface condition of the product. A tension leveller would then be used and a chromate solution would be applied as chemical treatment on the strip's surface. The strips will then move to the rewinder. The maximum speed of stage 4 will be



120m/minute. Stage 5 will be the paint coating line where the galvanised strips will be cleaned with alkali and hot water before the application of base chemical coating. Strips will then move to a prime coater (5-7 microns thick coating) and the paint is then dried in a gas (LPG) fired prime oven and then through a water quench for cooling. The strips will then move through a finishing oven for drying followed by water quench cooling. An air dryer will be used to clean the strips before rewinding and packing. During packing, coatings can be polyester, epoxy, polyurethane, PVDF or acrylics. The speed of this stage could be 60m/min at maximum capacity. This complex will produce around 120 000 tonnes/annum.

An EIA was completed in December 2008 by Enviro and Industrial Consult (U) Ltd. The UIA was actively involved in this study and the relevant authorisation for this project was obtained for the proposed project in April 2009, from the National Environmental Management Agency (NEMA) of Uganda (Appendix A).



4.0 PROJECT ENVIRONMENTAL AND SOCIAL COMPLIANCE REVIEW

4.1 Background and approach

As per Section 2, this environmental and social compliance review is required to determine whether the Roofings project meets the requirements of the Equator Principles and the IFC Performance Criteria. In order to conduct the assessment in a defensible and transparent manner, Golder has formulated an evaluation Framework which is applied herein.

The basis for this Framework draws primarily on the Equator Principles, IFC Performance Standards and their accompanying Guidance Notes as indicated in Section 2. Within the framework, each theme has been broken down into a set of indicators that are based upon the Performance Standards. For each indicator, results have been compiled on a score card. The project components have been given a colour coded score of 1-4 or NA (not applicable), as shown in Table 3 below.

Table 3: Equator Principle and IFC Performance Standard Evaluation Framework Assessment Criteria

1 = Minimum risk = Best Practice
2 = Low risk = Good Practice/Compliant
3 = Medium risk = Minor Deficiencies
4 = High risk = Major Deficiencies
NA = Not Applicable

NOTE: The target for each indicator is to score '2' – **low risk**, which would indicate that in the judgement of the reviewer, the project is compliant with Equator Principles and IFC standards. The **distinction between a '2' or '3'** would be a **minor deficiency** where there would be room for improvement in order to comply with standards. A score of '3' represents a medium risk if it is left unaddressed. A ranking of '4' would indicate a problem that is clearly not in compliance with standards and could be a high risk to the project if left unaddressed. For each indicator, the reviewers' subjective opinion is explicitly explained in the commentary column to provide the opportunity for the reader to assess the rationale behind a particular score. **As a general rule, the distinction between '2' (compliant) and '3' (minor deficiencies) would be when the project appears to be in compliance, but cannot demonstrate its compliance sufficiently to the reviewer.** For example, if a project had considered global, transboundary and cumulative impacts, but not reported on these impacts, the reviewer might give a score of '3' with the recommendation to include documentation on its analysis. In contrast, the reviewer would give a score of '4' if a project could have transboundary impacts and no analysis had been undertaken, thus posing a greater risk to the overall success of the project. A score of '1' – **minimum risk** will be given when the project/client has incorporated elements of best practice and gone beyond the strict interpretation of an indicator.

In addition to the Framework reviews, the following sections provide a more detailed explanation, where necessary, for the various interpretations provided.

4.2 Compliance with the Equator Principles

The Equator Principle compliance assessment is presented in **Table 4** below. A fuller discussion of the outcomes of the review is presented in Section 6.2.1.

The following discussion has been prepared in relation to adherence to the Equator Principles requirements and they have been divided into three components:

- i Pre-Environmental Assessment requirements, including:
 - Principle 1: Review and Categorisation



- i Environmental and Social Assessment requirements, including:
 - Principle 2: Social and Environmental Assessment;
 - Principle 3: Applicable Social and Environmental Standards;
 - Principle 4: Action Plan and Management System; and
 - Principle 5: Consultation and Disclosure
- i Construction and operation requirements.
 - Principle 6: Grievance Mechanism;
 - Principle 7: Independent Review;
 - Principle 8: Covenants; and
 - Principle 9: Independent Monitoring and Reporting



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Table 4: Equator Principles compliance review

<i>Equator Principle</i>	<i>Key Question</i>	<i>Commentary</i>	<i>Score</i>
<i>Principle 1: Review and Categorisation</i>	Has the proposed project been categorised in accordance with the environmental and social screening criteria of the IFC?	The project is categorised as a Category B project. This categorisation process is undertaken by the respective financial institutions and has been confirmed by Golder Associates.	NA
<i>Principle 2: Social and Environmental Assessment</i>	For each project assessed as Category A or B, has the borrower conducted a Social and Environmental Assessment?	An Environmental Impact Assessment (EIA) was conducted by Enviro and Industrial Consult (U) Ltd. for the proposed project.	2
<i>Principle 3: Applicable Social and Environmental Standards</i>	For non-OECD and countries not defined by the World Bank Development Indicators as High-Income, has the Assessment (Principle 2) complied with the respective IFC Performance Standards and EHS Guidelines?	The EIA took the Ugandan guidelines into account. Although it contains some of the principles of the international performance standards, these standards are not specifically mentioned and some gaps appear evident.	3
<i>Principle 4: Action Plan and Management System</i>	Has the client developed an Action Plan to address the relevant findings of the Assessment?	An Environmental Management Plan is included in EIA Report Chapter 6 and an Environmental Monitoring Plan is presented in Chapter 7 of the EIA Report. Roofings Ltd provided documentation to prove that ISO 14001 Standards are being implemented at their main plant on Entebbe Road with certification anticipated later in 2010. Once Phases 1 to 3 of the Namanve project have been completed, all relevant procedures and documents will be copied from the main plant and changed to be applicable to the new plant. ISO14001 certification for the new plant will also be pursued but a definite date is not available as yet. Similar environmental monitoring program, emergency preparedness and response program, emergency plan and procedures and emergency response procedures used at the Roofings Rolling Mills Ltd. main plant will be implemented at the Namanve site; this was a verbal statement about the proposed standards to be used but no documents were presented to verify this. The quality and environmental policy of Roofings Limited makes specific commitments to sound environmental management and therefore Roofings Rolling	3



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Equator Principle	Key Question	Commentary	Score
		Mills Ltd. demonstrates their commitment to this policy as well – however, the above mentioned procedures and programs should be documented. It is noted that the main Roofings Rolling Mills Ltd. plant has received two environmental awards from the authorities as the best industrial enterprise as well as an award for energy conservation. The Environmental Management Plan (Chapter 6 of the EIS) discussed environment management issues of the project. The EIA Report also contains an Environmental Monitoring Plan (Chapter 7). A deficiency noted in the EIS is that both the Environmental Management and Monitoring Plans appear to be lacking in terms of specifics, for example: - i no reference is made to specific best practise EHS procedures (e.g. procedures for waste management, effluent management, water sampling procedures, EHS induction procedures etc.); - i where reference is made to technology to mitigate environmental impacts, no specific technology is mentioned (e.g. no reference is made to air pollution control technology); - i reference is made to PPE, but PPE is not specified and it is not clear which PPE will be used in which areas of the different areas in the 3 Phases of the project; and - i no monitoring localities and methodology is described (e.g. frequency, responsible persons, analyses methodologies, reporting structure, review of monitoring results etc). A stand alone Environmental Management and Monitoring Plan document/manual should be drawn up. The full environmental management plan/manual should be compiled in such a manner that it	



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

<i>Equator Principle</i>	<i>Key Question</i>	<i>Commentary</i>	<i>Score</i>
		can be included as attachment to vendor's contracts – which would enforce the EMP during the activities of vendors/contractors on site.	
<i>Principle 5: Consultation and Disclosure</i>	Has the client ensured “free, prior and informed consultation” with affected communities and facilitated their informed participation in the development of the project?	Ugandan environmental legislation requires public participation at various stages during the environmental authorisation process. Enviro and Industrial Consult (U) Ltd. initially consulted with communities informally and indirectly by means of the socio-economic specialist studies being undertaken as part of the EIA. The UIA is also actively involved in partnership with Roofings Rolling Mills Ltd. to consult with communities. Relevant state institutions such as NEMA and other state departments were also consulted. Activities undertaken as part of the public consultation process included information dissemination, formal and open house meetings with key stakeholders (including minutes of meetings as presented in the EIS), as well as site visits.	2
<i>Principle 6: Grievance Mechanism</i>	Has the client established a grievance mechanism that operated in the course of the community engagement process?	During the EIA process, interested and affected parties were afforded the opportunity to submit grievances to the EIA team. These concerns were also documented in the EIA report. It was also clear that the UIA and Roofings Rolling Mills Ltd. had good communications channels with local residents. An operational grievance mechanism should be established as part of the EMS system/manual.	2
<i>Principle 7: Independent Review</i>	For category A projects, has the Assessment, Action Plan and public consultation process been reviewed by an independent social or environmental expert?	This review serves as the independent review.	2
<i>Principle 8: Covenants</i>	Covenants in financial documentation should relate to a) compliance with all relevant host country laws; b) compliance with the Action Plan; c) providing periodic reports not less than annually; d) decommissioning facilities in accordance with and agreed decommissioning plan.	Covenants will be drawn up in conjunction with finance documentation in future.	NA



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Equator Principle	Key Question	Commentary	Score
<i>Principle 9: Independent Monitoring and Reporting</i>	Has the client ensured independent monitoring and reporting over the life of the project?	A comprehensive monitoring procedure should be compiled to improve current environmental performance and achieve best practice standards.	3
<i>Principle 10: EPFI Reporting</i>	Has the EPFI reported publicly on its Equator Principle performance?	Not applicable.	NA



4.2.1 Review Outcomes and Observations

This section gives an overview of the observations made during the course of the site visit and review process. The outcomes and observations are presented in relation to the Equator Principles, as follows:

Principle 1: Review and Categorization

The project is categorised as a Category B project.

Principle 2: Social and Environmental Assessment

With reference to IFC Performance Standard 1 (Social and Environmental Assessment and Management Systems), the scope of an EIA should include:

- i Full project description: This was included in Chapter 4 of the EIS Report;
- i Project life-cycle: The project description includes an understanding of the various project components, including construction and operations. However, during the site visit, Roofings Rolling Mills Ltd. provided a much more comprehensive process description which the environmental consultant should have included in the EIS report;
- i Area of influence: A detailed map of all the existing and planned Roofings Rolling Mills Ltd. operations was provided by Roofings Rolling Mills Ltd. during the site visit. A layout map was also provided for the Kampala Industrial and Business Park where the project site is located.
- i Full range of impacts: Chapter 5 of the EIS Report outlines the identified impacts. However, no impact assessment tables or impact rating calculations were presented in the EIS Report.

Enviro and Industrial Consult Ltd. is an Ugandan-based consulting company with previous experience of undertaking EIAs in Uganda.

Based on the above, it can be concluded that Principle 2 was met but the EIS Report was found lacking in some regards.

Principle 3: Applicable Social and Environmental Standards

The EIS Report included a review of social and environmental standards applicable to this EIA. These included Ugandan standards but did not specifically include IFC Performance Standards.

Chapter 2 of the EIS report outlines the applicable Uganda legal framework, which includes legislation, policies, regulations and standards, but not international conventions and guidelines. Through this review it can be concluded that the EIS partially meets the requirements of Principle 3. International guidelines and standards have not all been specifically addressed as the scope of work was drawn up to meet Ugandan legislation.

Principle 4: Action Plan and Management System

An Environmental Management Plan is included in EIA Report Chapter 6 and an Environmental Monitoring Plan is presented in Chapter 7 of the EIA Report.

Roofings Limited provided documentation to prove that ISO 14001 Standards are being implemented at their main plant on Entebbe road with certification anticipated later in 2010. Once Phase 1 to 3 of the Namanve project have been completed, all relevant procedures and documents will be copied from the main plant and changed to be applicable to the new plant. ISO 14001 certification for the new plant will also be pursued but a definite date is not available as yet.

Similar environmental monitoring program, emergency preparedness and response program, emergency plan and procedures and emergency response procedures used at the Roofings Rolling Mills Ltd. main plant will be implemented at the Namanve site; this was a verbal statement about the proposed standards to be used but no documents were presented to back this up. The quality and environmental policy of Roofings Limited makes specific commitments to sound environmental management and therefore Roofings Rolling



Mills Ltd. demonstrates their commitment – however, the above mentioned procedures and programs should be documented.

It is noted that the main Roofings Limited plant has received two environmental awards from the authorities as the best industrial enterprise as well as an award for energy conservation.

The Environmental Management Plan (Chapter 6 of the EIS) discussed environment management issues of the project. The EIA Report also contains an Environmental Monitoring Plan (Chapter 7). A deficiency noted in the EIS is that both the Environmental Management and Monitoring Plans appear to be lacking in terms of specifics, for example:

- i no reference is made to specific best practise EHS procedures;
- i where reference is made to technology to mitigate environmental impacts, no specific technology is mentioned;
- i reference is made to PPE, but PPE is not specified and it is not clear which PPE will be used in which site areas of the three phases of the project;
- i no monitoring localities and methodology is described (e.g. frequency, responsible persons, analyses methodologies, reporting structure, review of monitoring results etc).

A stand alone Environmental Management and Monitoring Plan document/manual should be drawn up. The full environmental management plan/manual should be compiled in such a manner that it can be included as an attachment to vendor's contracts. This will assist with the implementation and enforcement of the EMP during the activities of vendors/contractors on site.

Principle 5: Consultation and Disclosure

Ugandan environmental legislation requires public participation at various stages during the environmental authorisation process. Enviro and Industrial Consult (U) Ltd. initially consulted with communities informally and indirectly by means of the socio-economic specialist studies that were undertaken as part of the EIA. The UIA is also actively involved in partnership with Roofings Rolling Mills Ltd. to consult with communities. Relevant state institutions such as NEMA and other state departments were also consulted. Activities undertaken as part of the public consultation process include information dissemination, formal and open house meetings with key stakeholders as well as site visits. A stakeholder database is provided in the EIS document where stakeholders names, contact details, designation and concerns are listed and minutes of the public meetings are also included in the EIS.

4.2.2 Construction and Operation Requirements

Equator Principles 6-9 typically come into effect upon project implementation. Where possible, Table 5 provides an indication of compliance against those Principles and/or provides recommendations as to a way forward in this regard.

Table 5: Compliance matrix with Equator Principles 6 to 9

Equator Principle	Current Compliance	Comment and/or Recommendation
Principle 6: Grievance Mechanism	Compliant	During the EIA process, interested and affected parties were afforded the opportunity to submit grievances to the EIA team. These concerns were also documented in the EIA report. It was also clear that the UIA and Roofings Rolling Mills Ltd. had good communications channels with local residents. An operational grievance mechanism should be established as part of the EMS system/manual.



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Equator Principle	Current Compliance	Comment and/or Recommendation
Principle 7: Independent Review	Compliant	This review constitutes the independent review.
Principle 8: Covenants	Not applicable	Not applicable as it is expected that such covenants will be prepared in conjunction with the financing documentation in the future.
Principle 9: Independent Monitoring and Reporting	Not applicable	Monitoring will be conducted by Roofings Rolling Mills Ltd. and the UIA will monitor effluent quality during their management of the waste water reticulation system of the Kampala Industrial and Business Park. A comprehensive monitoring manual should be compiled to assess environmental performance and achieve best practise standards.
Principle 10: EPFI Reporting	Not applicable.	Applicable after EPFI funding approval.

4.2.3 Compliance with IFC Performance Standards

A number of project related issues fall outside of the scope of the EIA but are important from the perspective of the IFC Performance Standards (See Appendix C and Table 6).



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Table 6: IFC Performance Standards compliance review

<i>IFC Performance Standard</i>	<i>Criteria Reference</i>	<i>Key Question</i>	<i>Commentary</i>	<i>Score</i>
Performance Standard 1: Social & Environmental Assessment & Management System	1.1	Has the ESIA analyzed all “areas of influence,” which can be defined as any direct or indirect impacted areas, excluding only those that would have been impacted without the project or independently of the project?	The EIA did a superficial delineation of the “areas of influence”, which was an abbreviated description of each environmental impact. It should be verified if the EIA for the entire business complex addressed “areas of influence” sufficiently.	3
	1.2	Have risks and impacts been analysed for the pre-construction, construction, operations and decommissioning/closure?	The EIA did describe impacts/risks for the construction, operational and decommissioning phases of the project, however, these impacts/risks were not analysed.	3
	1.3	Have all the potential impacts, if relevant, been addressed at the a) global b) transboundary and c) cumulative levels?	The EIA focused on impacts at local/state level. Potential global and transboundary impact are not applicable. It should be verified if the EIA for the entire business complex addressed cumulative impacts of the business complex.	2
	1.4	Has the ESIA demonstrated efforts to address issues of human rights?	No reference to human rights mentioned, however it is unlikely that the Roofings project within the greater business complex would have an impact on human rights in general. It should be verified if the EIA for the entire business complex addressed the issue of human rights.	2
	1.5	Has the ESIA demonstrated efforts to identify and address disproportionate impacts on vulnerable groups, including different impacts on men and women?	It is unlikely that the Roofings project within the greater business complex would have an impact on vulnerable groups. Neighbouring community members were consulted during the EIA process. It should be taken into account that the UIA initiated the development of the Kampala Industrial and Business Park and therefore the government did play a role in the decision of the location of the business park and therefore the Roofings Rolling	2



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
			Mills Ltd. project.	
	1.6	Minimum documentation checklist should describe: a) the project its social and environmental aspects; b) maps and drawings of the project; c) compliance with the legal and regulatory framework, the applicable Performance Standards and health and safety performance levels; d) potential impacts and risks, including the affected communities; e) planned mitigation; and f) the process of community engagement	The EIA Report meets the following criteria: project description, compliance with legal and regulatory framework, applicable standards, potential impacts, planned mitigation and the stakeholder engagement process. It should be verified if the final EIA Report presented maps and drawings of the project. These maps and drawings were provided by Roofings during the site visit.	2
	1.7	Is there an Action Plan that includes: a) a description of the necessary actions required to mitigate impacts; b) a prioritised list of actions within the plan; c) a time-line for implementation; d) a schedule of reporting?	The EIA Report includes an action plan (Chapter 6). The action plan meets one of the four requirements, i.e. it does not prioritise lists of actions required, there is no timeline for implementation, and no schedule for reporting. These should be included in an updated EMP manual.	3
	1.8	Does the ESMP have defined policies and objectives for social and environmental performance?	One of the stated objectives of the Social and Environmental Assessment and Management System is to demonstrate sound environmental performance. The ESMP goes on to outline measures to achieve this.	3
	1.9	Does the ESMP have a management program to achieve these objectives?	The ESMP outlines a management program to achieve the stated objective. However, this program is lacking in some areas and should be reworked to produce a more comprehensive document.	3
	1.10	Has the ESMP established a monitoring system to assess progress on these policies and objectives?	Chapter 7 of the EIS contains the Environmental Monitoring Plan, and therefore appears to comply with requirement 1.10. Evaluation of this Plan revealed that this Plan appears insufficient by	3



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
			international standards. No mention is made to monitoring localities, no monitoring maps are presented, no monitoring frequency is described for the different environmental aspects, no methodology statements are contained in this chapter, etc.	
	1.11	Have the results of the monitoring system been reported appropriately?	Project still in construction phase, monitoring reports will be generated once operational data is available.	NA
	1.12	Has the ESMP been reviewed and adapted, demonstrating that the client is seeking continuous improvement?	No review has taken place yet – not applicable at this stage.	NA
	1.13	Has the client allocated human and financial resources to build organisational capacity, including assigning clear roles and responsibilities for implementation of the social and environmental aspects of the Action Plan? Has the client documented training for staff with direct responsibility for activities relevant to the project's social and environmental performance?	The roles and responsibilities for environmental and social functions are well documented in the Quality and Environmental Management Policy as well as in the relevant job descriptions. These have been communicated to Roofings Rolling Mills Ltd. employees. Appropriate training will commence during commissioning of Phase 1. This criterion is thus advancing appropriately.	2
	1.15	Has the ESIA considered and complied with host country laws on disclosure and public consultation?	The consultation process has involved national government authorities (i.e. the NEMA and UIA) as well as local government authorities and can thus be said to be fulfilling the requirements of Ugandan legislation.	1
	1.16	Has the Social and Environmental Assessment been disclosed to the public and affected communities.	The EIA has been disclosed to the public and affected communities.	1
	1.17	Has community engagement been free of external manipulation, interference, coercion and	Consultation to date has been fair and it appears that local communities living adjacent to Roofings	2



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
		intimidation (free, prior and informed)? Has the consultation been inclusive, culturally appropriate and tailored to meet the language preferences of the affected communities?	Rolling Mills Ltd. facilities have been adequately informed about the nature of the Project.	
	1.18	Has consultation: a) been based on prior disclosure of relevant and adequate information; b) commenced early in the ESIA process; c) focused on social and environmental risks, including mitigation issues; d) been an interactive process responsive to risks and impacts as they arise?	Consultation to date has been fair and it appears that local communities living adjacent to Roofings Rolling Mills Ltd. facilities have been adequately informed about the nature of the Project. Community concerns were also included in the mitigation measures proposed in the EIS.	2
	1.19	Has the client documented the consultation process in instances of decision-making that have been influenced by or resulted from consultation?	Yes –records of consultation meeting attendance lists, minutes and issues received from stakeholders have been included in the EIS document.	2
	1.20	Have external reports on the Action Plan been disclosed to the affected communities in a time frame that is proportionate to the concerns of them, but not less than annually?	The reports have been disclosed to the local community. A procedure should be put in place to facilitate communities submitting their concerns and grievances to Roofings.	3
	1.21	Is there a Grievance Mechanism: a) that is scaled to the risks and adverse impacts; b) that addresses concerns promptly, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities at no cost and without retribution; c) that was explained to the affected communities in the course of the community engagement process?	During the EIA process, interested and affected parties were afforded the opportunity to submit grievances to the EIA team. These concerns were also documented in the EIA report. It was also clear that the UIA and Roofings Rolling Mills Ltd. have good communications channels with local residents. An operational grievance mechanism should be established as part of the EMS system/manual.	2
Performance Standard 2: Labour and Working Conditions	2.1	Has the client explained a minimum of information required in the human resources policy?	The Roofings Rolling Mills Ltd. HR Policy has been drafted and is current. It is apparent that the HR Policy is extensive and meets the requirements of	1



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
			the IFC Performance Standards.	
	2.2	Has the project information and human resources policy been translated into a language most understandable to the workers?	English is the official language of Uganda and the reports are being produced in English; thus no translation is required.	1
	2.3	Has the client documented the working relationships from the time of hire and communicated the working conditions of the terms of employment	Yes – it is apparent that the working relationships are documented by means of employees' contracts and the working conditions are included in both the employee's contract and communicated to employees as part of the induction presentation given by Roofings Rolling Mills Ltd. to new employees.	2
	2.4	Where there is no collective bargaining agreement, has the client demonstrated that its provision of reasonable working conditions and terms of employment are compliant with national law?	Working conditions at Roofings Rolling Mills Ltd. are managed by the Roofings Rolling Mills Ltd. Legal Department gives input to and reviews employees' contracts to ensure compliance with Ugandan law.	2
	2.5	Has the client complied with national law regarding workers organizations' or, when no laws exist, ensured that there are alternative means for workers to express their grievances and protect their rights?	Roofings Rolling Mills Ltd. HR department deals with staff issues/grievances and is contained in the HR Policy.	2
	2.5	Are workers able to meet on the client's premises during scheduled breaks and before and after work?	Roofings Rolling Mills Ltd. will set up a canteen area and working hours are also stipulated in the employee contracts.	2
	2.7	Has the client demonstrated that it upholds the principles of non-discrimination and equal opportunity?	Roofings Rolling Mills Ltd. HR Policy is in line with the requirements of Section 6 (Discrimination of Employment) of the Ugandan Employment Act (2006).	2
	2.8	Does the client have a plan to mitigate the negative impacts of retrenchment that reflects exchanges	Not relevant.	NA



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

<i>IFC Performance Standard</i>	<i>Criteria Reference</i>	<i>Key Question</i>	<i>Commentary</i>	<i>Score</i>
		between the client and workers, is based on non-discrimination and reflects the client's consultation with employees, their organizations and, if appropriate, the government		
	2.9	Has the client ensured that retrenchment has been objective, fair and transparent?	As above.	NA
	2.10	Is there evidence that the client adheres to laws on child and forced labour, including corporate policies stating minimum work age?	According to Ugandan labour law a company cannot employ a person younger than the age of 18. Roofings Rolling Mills Ltd. appears not to employ workers younger than 18 years, but it is recommended that the legal age of workers is noted in the HR Policy and the vendor's contracts to ensure compliance with national and international laws.	2
	2.11	Is there evidence that the client adheres to laws on forced and bonded labour, including corporate policies?	Roofings Rolling Mills Ltd. HR Policy is in line with the requirements of Section 5 (Forced Labour) of the Ugandan Employment Act (2006).	2
	2.12	Does the client have an appropriate health and safety policy that takes into account the risks related to the given work?	The Roofings Rolling Mills Ltd. Health and Safety Policy adequately take account of risks related to the workplace. This policy will also be applied at the new Namanve site.	2



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

<i>IFC Performance Standard</i>	<i>Criteria Reference</i>	<i>Key Question</i>	<i>Commentary</i>	<i>Score</i>
	2.13	Has the client identified potential hazards and implemented preventative measures to minimize the risk of such hazards, including provision of preventative and protective measures; training of workers; documentation and reporting of occupational accidents and incidents; and emergency preparedness?	The Roofings Rolling Mills Ltd. Health and Safety Policy potential hazards related to the workplace and highlights appropriate measures to minimise the risk of such hazards. Also, from the reviewers visit to the Roofings Rolling Mills Ltd. site at Namanve, it is apparent that Roofings Rolling Mills Ltd. is taking appropriate measures to minimise risks in the workplace and workers are provided with personal protective equipment (PPE) as appropriate. Roofings Rolling Mills Ltd. will appoint a H&S officer when the plant is being commissioned to deal with health and safety related issues. Roofings Rolling Mills Ltd. need to enforce health and safety procedures and requirements with contractors on an ongoing basis – as one or two individuals employed by contractors were seen working without appropriate use of PPE – even though they have been issued with appropriate PPE.	2
	2.14	Has the client demonstrated efforts to ensure that supply chains conform to laws on child and forced labour?	No information was available to determine whether this is in place.	3
Performance Standard 3: Pollution Prevention and Abatement	3.1	Has the client demonstrated efforts to avoid, or reduce as much as feasible, the release of pollutants at the design, construction and decommissioning of the project?	Yes, state of the art technology has been sourced for the design and construction of Phases 1 – 3. The facilities will have the modern pollution prevention equipment in place. It is also recommended that pollution prevention and abatement steps be highlighted in the vendors' contracts.	2



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
	3.2	Has the client demonstrated efforts to treat, destroy or dispose of waste in an environmentally sound manner, including an inquiry about waste disposal that may be conducted by a third party?	Waste management is being considered in the EIA and is included in the Quality and Environmental Management Policy. Roofings Rolling Mills Ltd. works closely with the UIA to ensure appropriate waste management and obtain applicable authorisation for waste disposal from the National Water and Sewage Corporation of Uganda.	2
	3.3	Has the client demonstrated efforts to avoid using hazardous materials? Where not possible to avoid using such materials, has the client conducted a "hazard analysis" (often done with Hazard and Operability studies – HAZOP) that identifies systems and procedures that could result in accidental pollutant release?	Evidence was presented by Roofings Rolling Mills Ltd. where some hazardous materials were replaced with less hazardous materials during the design phase of Phases 1 – 3 of the Namanve project. No Risk Assessment was done as part of the ESIA. There is no evidence of a specific Hazard Analysis in the Quality and Environmental Management Policy.	3
	3.4	For existing facilities that use hazardous materials, have the phase-out been incorporated in the Action Plan?	Not applicable.	N/A
	3.5	Has the client considered its contribution to project-related greenhouse gas emissions?	There is no statement related to greenhouse gas emissions in the Quality and Environmental Management Policy, although the most modern technology has been selected during the design phase of the Namanve project and therefore emissions are limited as far as possible. Once operational, it is recommended that an emission inventory study is conducted to determine the magnitude of greenhouse emissions. It is also recommended that a statement related to potential Roofings Rolling Mills Ltd. greenhouse gas emissions is included in	3



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
			the Quality and Environmental Management Policy, if appropriate.	
	3.6	Has the client demonstrated efforts that it adheres to national legislation or IFC EHS Guidelines, whichever is more stringent, when selecting mitigation techniques?	In the Roofings Rolling Mills Ltd. Quality and Environmental Management Policy there is no specific reference to the IFC EHS Guidelines. The policy does, however, state that Roofings Rolling Mills Ltd. will address "...significant environmental aspects and impacts from the activities, products and services of our processes....complying with the applicable legal and environmental laws....and continually improve the suitability of the quality and environmental management systems by conducting internal and external audits to assess the two systems developed on a process approach..".It is recommended that the IFC EHS Guidelines be included in the Roofings Rolling Mills Ltd. Quality and Environmental Management Policy, as appropriate. The inclusion of national legislation and IFC EHS Guidelines should be verified in the EIA for the of the business park.	3
	3.7	Has the client demonstrated its consideration of the finite assimilative capacity, existing and future land use, existing conditions, the proximity to ecologically sensitive or protected areas and the potential for cumulative impacts?	Not applicable for a project of this magnitude within an industrial business park. However, it is recommended that the EIA of the business park is reviewed to determine is it complies with this aspect.	NA
Performance Standard 4: Community Health, Safety and Security	4.1	Has the client evaluated the risks and impacts on health and safety of the affected community during the design, construction, operation and decommissioning of the project?	Community health and safety risks as a result of the Roofings Rolling Mills Ltd. project are likely to be in line with or similar to that of the main Roofings Limited factory site on Entebbe Road, which is low with negligible risks. Community health and safety related	2



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
			considerations should be included in the existing Quality and Environmental Management Policy.	
	4.2	Where risks have been identified, has the client disclosed these risks in an Action Plan that is available to affected communities and allows them to engage in the issues associated with these risks?	See above.	2
	4.3	Has the client demonstrated that design, construction, operation and decommission has been or will be done in accordance with good international practice? Can the client demonstrate that qualified and experienced professionals were involved in design and construction of the project, especially in relation to potentially hazardous elements or components?	The facilities/sites are subject to international design as all the engineering companies involved with the design of Phases 1 – 3 are international companies (German, Canadian, Italian and Indian) with many years of experience in the engineering industry. The project will be subject to international performance requirements during operations (e.g. ISO9001, ISO14001 etc.). Roofings Rolling Mills Ltd. currently employs the services of international reputable vendors who in turn supervise and monitor the commissioning of the sites by sub-contractors. Documents were provided to back this up.	2
	4.4	For projects moving equipment, has the client documented efforts to reduce incidents and accidents associated with this work?	This is included in the Health and Safety Policy and will be applicable at the new project site.	2
	4.5	Has the client demonstrated special care when working to avoid or minimize contact with hazardous materials?	This is included in the Health and Safety Policy and will be applicable at the new project site	2
	4.6	Has the client documented efforts to avoid or minimize the exacerbation of impacts caused by natural hazards?	Natural hazards of this project should be minimal as the facilities are located in an industrial business park complex in an urban area.	NA



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
	4.7	Has the client demonstrated efforts to minimize community exposure to water-borne, water-based, water-related, vector-borne diseases and other communicable diseases that result from project activities?	Yes, on site waste water treatment will take place. Sewage utilities will be provided by the Kampala Industrial and Business Complex through the UIA.	2
	4.8	Has the client demonstrated efforts to minimize transmission of communicable diseases related to the influx of temporary or permanent workers?	Yes, as per Section 5.10 of the EIS report, Health Services and Welfare management will be provided.	2
	4.9	Has the client demonstrated efforts to minimize transmission of communicable diseases related to the influx of temporary or permanent workers?	Please see 4.7 above.	2
Performance Standard 5: Land Acquisition and Involuntary Resettlement	5.1	Has the client considered alternative project designs that avoid or minimize physical or economic displacement, also balancing environmental, social and financial costs and benefits?	The Kampala Industrial and Business Park has been established by the UIA and therefore the client is not responsible for resettlement and land acquisition. The area where the industrial park has been established was previously gazetted as a commercial forestry area. Performance Standard 5 is deemed not applicable.	NA
	5.2	Has the client offered compensation for loss of assets at a minimum of full replacement cost and ensured that the standards for compensation have been transparent (disclosed)?	As above	NA
	5.3	Has the client identified and consulted with all persons and communities that will be displaced by land acquisition as well as the host communities that will receive those who are resettled?	As above.	NA
	5.4	Has the client set up a Grievance Mechanism consistent with Performance Standard 1?	Please see 1.21 above.	NA
	5.5	Has the client designated an appropriate person to receive grievances and coordinate efforts to	Please see 1.21 above.	NA



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

<i>IFC Performance Standard</i>	<i>Criteria Reference</i>	<i>Key Question</i>	<i>Commentary</i>	<i>Score</i>
		redress those grievances through the appropriate channels, considering customary and traditional methods of dispute resolution?		
	5.6	Has the client conducted a census with appropriate socio-economic baseline data, including evidence of communication related to the cut-off date for eligibility for compensation?	No evidence of census provided. Not deemed applicable.	NA
	5.7	Has the client created a Resettlement Action Plan (RAP), meeting the minimum requirements: identify all people to be displaced; demonstrate that displacement is unavoidable; describe the process of consultation with affected people regarding acceptable resettlement alternatives and the level of their participation in the decision-making process; describe all entitlements; enumerate the rates of compensation; describe relocation assistance; outline the institutional responsibility for implementation of the RAP; provide details of monitoring and evaluation; provide a timetable?	Not deemed applicable.	NA
	5.8	In the case of economic displacement, has the client developed a procedure for assessing property values and methods of appraisal that were shared with affected people in a Compensation Framework?	Not deemed applicable.	NA
	5.9	Has the client offered displaced persons choices for resettlement and relocation assistance?	Not deemed applicable.	NA
	5.10	Has the client compensated for all economic displacement, which may also take the form of targeted assistance such as credit facilities, training or job opportunities?	Not deemed applicable.	NA



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

IFC Performance Standard	Criteria Reference	Key Question	Commentary	Score
Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management	6.1	Has the client conducted an assessment on all levels of biodiversity in the ESIA process, including differing values attached to biodiversity by specific stakeholders?	The site is situated within a business park and therefore biodiversity should not be of concern. An EIA was undertaken for the business park and it should be verified if the business park's EIA addressed biodiversity.	2
	6.2	Has the client taken into consideration a) the location and scale of project activities, including associated facilities and supply chains; b) the proximity to areas that have important biodiversity; and c) the types of technology that will be used?	As described in 6.1 above.	2
	6.3	Has the client demonstrated effort to avoid conversion of degradation of habitat – modified or natural?	As described in 6.1 above.	2
	6.4	Have any mitigation measures been defined in the Action Plan (a Biodiversity Action Plan in areas of expected high impact)?	No Biodiversity Action Plan was presented. However, cognisance should be taken of the fact that the Roofings Rolling Mills Ltd. project is located in an industrial business park and therefore the impact on biodiversity should be limited.	2
	6.5	If a project is in a legally protected area, has the client a) acted in a manner consistent with defined protected area management plans; b) consulted protected areas managers, local communities and other key stakeholders; and implemented additional programs to promote the conservation of the area?	The project will not be located within protected areas.	NA
Performance Standard 7: Indigenous Peoples	7.1	Has the client identified and documented all communities of Indigenous Peoples, or determined that no such groups are present, during the ESIA process?	Not applicable. There are no traditional people in the project vicinity.	NA
	7.2	Has the client developed and Indigenous Peoples Development Plan?	See 7.1 above.	NA



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

<i>IFC Performance Standard</i>	<i>Criteria Reference</i>	<i>Key Question</i>	<i>Commentary</i>	<i>Score</i>
	7.3	Has the client established a consultation process to ensure free, prior and informed interaction? Has the disclosure and consultation been culturally appropriate and included a grievance mechanism that meets the needs of Indigenous Peoples?	See 7.1 above.	NA
	7.4	Has the client identified development benefits through a consultative process that are commensurate with the degree of project impacts?	See 7.1 above.	NA
	7.5	Has the client documented, informed and compensated Indigenous Peoples in instances where a project is located within traditional or customary lands, including documentation demonstrating "good faith negotiation"?	See 7.1 above.	NA
Performance Standard 8: Cultural Heritage	8.1	Has the client documented its compliance with national law on the protection of cultural heritage?	The project is situated within a business park that was approved under an environmental assessment to World Bank standards. Cultural heritage was addressed during this assessment.	2
	8.2	Has the client done screening for cultural heritage?	See 8.1 above.	2
	8.3	Has the client consulted with affected communities, including the national or local regulatory agencies	See 8.1 above.	2



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Table 7 provides a summary of the IFC compliance. It is evident that the project falls short of full compliance in some areas.

Table 7: Summary of IFC Performance Standard Compliance

<i>IFC Performance Standard</i>	<i>Discussion</i>
Performance Standard 1: Social & Environmental Assessment & Management System	The EIS Report appears to be lacking in terms of the level of detail to which the impacts were assessed. Some aspects of the Environmental Management Plan and Environmental Monitoring Plan in the EIS report were found lacking. On this basis, Performance Standard 1 has not been complied with completely.
Performance Standard 2: Labour and Working Conditions	Performance Standard 2 has been complied with.
Performance Standard 3: Pollution Prevention and Abatement	The EIS Report outlines measures for pollution prevention and mitigation. The Quality and Environmental Management Policy that was made available to Golder for review included continuous improvement statements and the commitment of Roofings Rolling Mills Ltd. to comply with relevant regulations to ensure pollution prevention. Roofings Rolling Mills Ltd. further demonstrated their commitment by selecting state of the art equipment and technology to limit adverse environmental impacts. Hazard assessment and Risk analysis was found lacking in the EIS Report. On this basis, Performance Standard 3 has been complied with to a certain degree.
Performance Standard 4: Community Health, Safety and Security	Performance Standard 4 has been complied with.
Performance Standard 5: Land Acquisition and Involuntary Resettlement	From the documentation available it does not appear that the Roofings Rolling Mills Ltd. project would cause any physical or economic displacement, therefore, Performance Standard 5 is not applicable.
Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management	The project will have a low – negligible impact on biodiversity. An assessment of the impacts on biodiversity was undertaken during the EIA for the business park and therefore this Performance Standard has been complied with.
Performance Standard 7: Indigenous Peoples	No indigenous people were specifically identified to be impacted by the project. Performance Standard 7 is thus not applicable.
Performance Standard 8: Cultural Heritage	A cultural heritage assessment was addressed as part of the EIA for the business park and therefore compliance has been achieved with this Performance Standard



5.0 SUMMARY OF REVIEW RESULTS

5.1 The EIA Process

- i The EIA only partially complies with the requirements of an international standard EIA. Even though the EIA was approved by the Uganda NEMA, it will require some additions if it is to meet international standards; and
- i It is apparent that Roofings is devoting resources (both human, time and financial) to getting their environmental policies and procedures in order with a view to meeting international standards. However, documentary and visual evidence at the time of the site visit revealed there are gaps that need to be addressed. It should be noted that the main Roofings Limited factory situated at Entebbe Road, has implemented an EMS since 2004 and will apply for ISO14001 certification in 2010. Given this fact, it is crucial that the EMS (policies, standards, procedures, monitoring, auditing, corrective actions etc.) should be copied across to the new Namanve site and adapted/revised according to the site conditions so that it is applicable to the new development.

5.2 Content of the EIA

In reviewing the scope of work and draft Table of Contents of the Roofings EIA, the following conclusions are made:

- i A more comprehensive project description should have been given in the EIS. During the site visit, Roofings' management was able to provide a much more comprehensive description of each of the three phases of the new project;
- i The EIS Report lacks an adequate level of detail regarding impact assessment;
- i The Environmental Management Plan in the EIS lacks adequate detail. It needs to be expanded upon so that it is user-friendly and more site / aspect specific;
- i The Environmental Monitoring Plan lacks detail and needs to be expanded upon, for example:
 - § no reference is made to specific best practise EHS procedures;
 - § where reference is made to technology to mitigate environmental impacts, no specific technology is mentioned;
 - § reference is made to PPE, but PPE is not specified and it is not clear which PPE will be used in which areas of the different areas in the 3 phases of the project;
 - § no monitoring localities and methodology is described (e.g. frequency, responsible persons, analyses methodologies, reporting structure, review of monitoring results etc).
- i A stand alone Environmental Management and Monitoring Plan document/manual should be drawn up. The full environmental management plan/manual should be compiled in such a manner that it can be included as an attachment to vendors' contracts – which would enforce the EMP during the activities of vendors/contractors on site.

5.3 Public consultation and disclosure

With reference to public consultation, the conclusions are as follows:

- i Ugandan environmental legislation requires public participation at various stages during the environmental authorisation process. Enviro and Industrial Consult (U) Ltd. initially consulted with communities informally and indirectly by means of the socio-economic specialist studies that were done as part of the EIA. The UIA as a government body is also actively involved in partnership with Roofings Rolling Mills Ltd. to consult with communities.



- i Relevant government departments such as NEMA and others were also consulted. Activities undertaken as part of the public consultation process include information dissemination, formal and open house meetings with key stakeholders as well as site visits. A stakeholder database is provided in the EIS document where stakeholders' names, contact details, designation and concerns were listed and minutes of the public meetings are also included in the EIS.

5.4 Health and Safety Policy

With reference to Roofings H&S Policy, the conclusions are as follows:

- i A Health and Safety policy is in place for operations at the main factory at Entebbe Road;
- i The H&S Policy must be communicated to all employees at the new Namanve site by means of the induction programme and employees must receive H&S related training;
- i All third party contractors at the Namanve site must also be made aware of the H&S Policy. Compliance with this policy should also form part of their contracts with Roofings Rolling Mills Ltd. and all of their employees must receive appropriate H&S training and must be inducted to the site; and
- i All visitors or temporary workers must undergo induction training and be made aware of the contents of the Roofings Rolling Mills Ltd. H&S Policy.

5.5 HR Policy

With reference to the HR Policy, the conclusions are as follows:

- i The HR Policy that is in place at the Roofings Limited operations at the main factory on Entebbe Road, must be rolled out to the new operations at Namanve; and
- i It must be communicated to employees and other relevant parties.

5.6 General

From the site visit and review of relevant documentation it is clear that on the ground and in its operations Roofings is making a concerted effort to limit impacts on the environment. However, in its current state, the EIS (including the EMP) that was approved by the Uganda NEMA, does not meet international standards.



6.0 GAPS AND KEY RECOMMENDATIONS

The following gaps highlight the pertinent issues identified during the course of the site visit and key recommendations suggest action items to address these gaps.

Table 8: Gaps and recommendations

Aspect	Identified gap	Section	Recommendation
<u>Performance Standard 1: Social and environmental assessment and management system</u>			
1a) Environmental and Social Impact Assessment	ESIA did not make specific reference to: - All areas of influence; - Risks were not analysed for each phase of the project; and - Cumulative impacts were not assessed.	1.1 to 1.3	It should be verified if the ESIA for the entire business complex addressed “areas of influence”, risk analysis and cumulative impacts, sufficiently.
1b) ESMP	The ESMP did not include a list of priorities in the action plan, e.g.: - No timeline of implementation; - No schedule of reporting; - No measures stipulated to assess performance against Quality and Environmental management policy; and - No management requirements described.	1.7 – 1.9	A comprehensive ESMP manual should be compiled. This ESMP manual should include the following minimum requirements: - Timeline of implementation; - Schedule of reporting; - Measures to assess performance against Quality and Environmental management policy; - Management requirements and specific delegation of responsibilities; - A comprehensive list of action items in the ESMP based on the requirements of the IFC EHS Guidelines; - Roles and responsibilities of employees and contractors for every action item in the ESMP; - All applicable EMS procedures in place at the Roofings Limited site on Entebbe Road, should be copied and amended to be applicable to the Roofings Rolling Mills site; and - Mitigation measures during construction, operation and decommissioning must be described in details for all action items / environmental and social impacts and aspects.
1c) Monitoring plan	The monitoring plan was found lacking in terms of the detail contained therein.	1.10	A monitoring manual should be compiled. This manual should be based on all relevant aspects / impacts identified and discussed in the ESMP manual. Monitoring details for each



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Aspect	Identified gap	Section	Recommendation
			aspect / impact should include: - Methodology (including sample analyses);
			- Monitoring localities (visually presented on site maps); and Frequency and responsible person should be defined.
1d) Action plan for disclosure	No grievance system / procedure in place.	1.20	A procedure should be compiled that outlines the steps community members and neighbouring companies can follow to submit their grievances to Roofings.

Performance Standard 2: Labour and working conditions

2a) Child and forced labour	No information was presented on the conformance of the supply chain to laws on child and forced labour.	2.14	It should be verified if the ESIA of the business park addressed this issue and if it provided measures to ensure compliance to these laws. Should it be established that the ESIA for the business park didn't address this aspect sufficiently; an HR procedure should be compiled to ensure compliance.
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Performance Standard 3: Pollution prevention and abatement

3a) Risk assessment	No risk assessment as part of the ESIA and no specific hazard analysis in Quality and Environmental Policy or operating procedures.	3.3	It should be verified if the ESIA of the business park addressed the issue of risk assessment and hazard analyses. If not, a site specific risk assessment and hazard analysis procedure should be compiled.
3b) Greenhouse gas emissions	No statement in the Quality and Environmental Management Policy regarding the management of greenhouse gas emissions.	3.5	It should be verified if the ESIA of the business park addressed the issue of the management for greenhouse gas emissions. If not, it should be included in the Quality and Environmental Management Policy. In addition, an air quality specialist should conduct a desktop study to: - Determine the presence and magnitude of greenhouse gas emissions; - If present, recommend how the management of green house gas emissions could be included in the ESMP manual and the monitoring manual.



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Aspect	Identified gap	Section	Recommendation
3c) IFC EHS Guidelines	No reference is made to the IFC EHS Guidelines.	3.6	It should be verified if the ESIA of the business park included IFC EHS Guidelines. If not, these guidelines should be included in the ESMP manual and the monitoring manual as applicable.

Performance Standard 4: Community Health, Safety and Security

4a) Affected communities	Quality and Environmental Management Policy does not make specific reference to affected communities.	4.1	Community health and safety related considerations should be included in the existing Quality and Environmental Management Policy.
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Performance Standard 5: Land Acquisition and Involuntary Resettlement – Not applicable to this project

Aspect	Identified gap	Section	Recommendation
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Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management

6a) Biodiversity	Biodiversity not address in ESIA as project site is located within a business complex.	6.1	It should be verified if the ESIA conducted for the business complex addressed biodiversity issues.
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Performance Standard 7: Indigenous Peoples – not applicable to this project

Performance Standard 8: Cultural Heritage – no gaps identified



7.0 DOCUMENT LIMITATIONS

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8.0 REFERENCES

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- f) Kakuru. K, R.O. Musoke and I. Kyakuwaire (2001). *A Guide to Environmental Impact Assessment Process in Uganda*. Greenwatch.
- g) Environmental Impact Assessment Regulations (1998). Uganda.
- h) www.worldlii.org
- i) www.ecolex.org

GOLDER ASSOCIATES AFRICA (PTY) LTD.

Nelius Scheepers
Environmental Consultant

Marion Thomas
Divisional Leader

NS/MAT/ns

Reg. No. 2002/007104/07

Directors: FR Sutherland, AM van Niekerk, SAP Brown, L Greyling, SM Manyaka

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APPENDIX A

NEMA authorisation



February 2010
Report No. 12581 - 9388 - 1



CONDITIONS OF APPROVAL
(Additional Information Sheet)

CONDITIONS OF APPROVAL FOR THE PROPOSED WIRE GALVANISING PLANT

In addition to implementing the mitigation measures and the Environmental Management Plan outlined in the Environmental Impact Statement, this Certificate of Environmental Impact Assessment approval is granted on condition that the developer - M/S Roofings Limited shall:

- (i) ensure that the project conforms to the planning provisions of the site as provided for by Mukono District Authorities and Uganda Investment Authority;
- (ii) apply for and obtain a Permit from the Directorate of Water Resources Management in case of any intended abstraction of ground water in line with the Water Act Cap 152;
- (iii) ensure that implementation is carried out for only phase I (wire galvanising) and Phase II (hot rolling Mill Complex) for which Environmental Impact Assessment fees have been paid. Phase III (cold rolling mill complex) will only be implemented after payment of the Statutory Environmental Impact Assessment fees;
- (iv) in liaison with Uganda Investment Authority, ensure that where cultural property exist such as grave yards, do

Dated at KAMPALA on 23RD APRIL, 2009 19

Signed 
Executive Director (NEMA)

Printed by Uganda Printing and Publishing Corporation



CONDITIONS OF APPROVAL FOR THE PROPOSED WIRE GALVANIZING PLANT, STEEL MELTING AND HOT ROLLING PLANT, PICKLING REVERING GALVANIZING AND COLOUR COATING PLANT IN KAMPALA INDUSTRIAL AND BUSINESS PARK (continued)

- undertake to compensate the affected individuals including performance of any necessary rituals, and to fulfill any other obligations as agreed by Roofing Ltd and the affected parties before project implementation begins;
- (v) in liaison with Uganda Investment Authority, ensure that new water sources for the communities are installed to replace those that will be affected during project implementation;
 - (vi) ensure that a license is obtained from this Authority for transportation and storage of hazardous waste (used fuel oil filters, empty fuel/oil containers) as provided for in National Environment (Waste Management) Regulations, 1999;
 - (vii) ensure that there is no discharge of wastewater from the galvanizing plant and other liquid effluents into the environment without prior treatment in line with the National Environment (standards for discharge of effluent into water or land) Regulations 1999;
 - (viii) ensure that gaseous emissions from the factory comply with air quality standards as shall be prescribed by this Authority from time to time;
 - (ix) ensure that chemicals (hydrochloric acid for pickling the steel in the wire galvanizing process and in the cold rolling mill process) are labeled (including provision of Material Safety Data Sheets) so that adequate instructions and standard danger symbols on them are visible, clear and appropriate;
 - (x) ensure that chemicals are stored in places constructed of fire-resistant materials including a concrete floor;
 - (xi) ensure that unused, spilled or expired toxic chemicals are collected, kept in well labeled containers and disposed of in accordance with the National Environment (Waste Management) Regulations, 1999;
 - (xii) ensure that because of the high risk of contamination resulting from handling and exposure to chemicals, there is need to ensure internal control, self-inspection and reporting of accidents;
 - (xiii) put in place an emergency and monitoring plan for detecting fire-risk behaviour at the LPG storage facility and avert any incidents of fire outbreak;



- (xiv) install and maintain adequate fire-fighting equipment within the premises for control of fire out-break and ensure that fire assembly points and marked fire escapes routes are clearly defined;
- (xv) put in place a comprehensive contingency plan to handle any accidents of oil spillage (from fuel/oil containers, overfilling or perforations on the vehicle tanks) and associated clean-up operations;
- (xvi) carry out annual audits and submit the audit reports to this Authority in line with the National Environment (Audit) Regulations, 2006 **and submit the first Environmental Audit report by April 2010;**
- (xvii) ensure that the levels of noise generated from the various activities at the site shall comply with the National Environment (Noise standards and Control) Regulations, 2003;
- (xviii) ensure that this certificate of approval is displayed at the facility and is available at all times;
- (xix) ensure that the workers are adequately protected from risk of exposure to occupational hazards such as excessive heat, noise, bright welding light, dust or injuries among others, and ensure that workers use the gears at all times;
- (xx) ensure that a program and plan is put in place to check occupational exposure limits due to physical, chemical, mechanical and ergonomic hazards, for workers;
- (xxi) implement the Environment Monitoring plan as contained in the Environmental Impact Statement and ensure record keeping as required under Section 77 of the National Environment Act, Cap 153 and their transmission to the Authority as required under Section 78 of the Act;
- (xxii) fulfill any other conditions and requirements as may be prescribed from time to time by Mukono District Authorities, Uganda Investment Authority, NEMA for any other Lead Agency;
- (xxiii) in accordance with Section 22 (4) of the National Environment Act, Cap 153, ensure that any other undesirable environmental impacts that may arise due to implementing this project but were not contemplated by the time of undertaking this Environmental Impact Assessment are mitigated.



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

DATED AT KAMPALA ON 23RD APRIL, 2009

Signed:

EXECUTIVE DIRECTOR (NEMA)

- c.c. The Executive Director,
Uganda Investment Authority,
KAMPALA
- c.c: The Commissioner,
Occupational Safety and Health Department,
Ministry of Gender, Labour and Social Development,
KAMPALA
- c.c: The District Environment Officer,
Mukono District
P.O. Box 72
MUKONO



APPENDIX B

A detailed description of the Equator Principles



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Equator Principle	Explanation
<i>Principle 1: Review and Categorisation</i>	When a project is proposed for financing, the EPFI will, as part of its internal social and environmental review and due diligence, categorise such project based on the magnitude of its potential impacts and risks in accordance with the environmental and social screening criteria of the International Finance Corporation (IFC).
<i>Principle 2: Social and Environmental Assessment</i>	For each project assessed as being either Category A or Category B, the borrower has conducted a Social and Environmental Assessment ("Assessment") process to address, as appropriate and to the EPFI's satisfaction, the relevant social and environmental impacts and risks of the proposed project. The Assessment should also propose mitigation and management measures relevant and appropriate to the nature and scale of the proposed project.
<i>Principle 3: Applicable Social and Environmental Standards</i>	For projects located in non-OECD countries, and those located in OECD countries not designated as High-Income, as defined by the World Bank Development Indicators Database, the Assessment will refer to the then applicable IFC Performance Standards and the then applicable Industry Specific EHS Guidelines ("EHS Guidelines") (Exhibit IV). The Assessment will establish to a participating EPFI's satisfaction the project's overall compliance with, or justified deviation from, the respective Performance Standards and EHS Guidelines. The regulatory, permitting and public comment process requirements in High-Income OECD Countries, as defined by the World Bank Development Indicators Database, generally meet or exceed the requirements of the IFC Performance Standards and EHS Guidelines. Consequently, to avoid duplication and streamline EPFI's review of these projects, successful completion of an Assessment (or its equivalent) process under and in compliance with local or national law in High-Income OECD Countries is considered to be an acceptable substitute for the IFC Performance Standards, EHS Guidelines and further requirements as detailed in Principles 4, 5 and 6 below. For these projects, however, the EPFI still categorises and reviews the project in accordance with Principles 1 and 2 above. The Assessment process in both cases should address compliance with relevant host country laws, regulations and permits that pertain to social and environmental matters.
<i>Principle 4: Action Plan and Management System</i>	For all Category A and Category B projects located in non-OECD countries, and those located in OECD countries not designated as High-Income, as defined by the World Bank Development Indicators Database, the borrower has prepared an Action Plan (AP) which addresses the relevant findings, and draws on the conclusions of the Assessment. The AP will describe and prioritise the actions needed to implement mitigation measures, corrective actions and monitoring measures necessary to manage the impacts and risks identified in the Assessment. Borrowers will build on, maintain or establish a Social and Environmental Management System that addresses the management of these impacts, risks, and corrective actions required to comply with applicable host country social and environmental laws and regulations, and requirements of the applicable Performance Standards and EHS Guidelines, as defined in the AP. For projects located in High-Income OECD countries, EPFIs may require development of an Action Plan based on relevant permitting and regulatory requirements, and as defined by host-country law.
<i>Principle 5: Consultation and Disclosure</i>	For all Category A and, as appropriate, Category B projects located in non-OECD countries, and those located in OECD countries not designated as High-Income, as defined by the World Bank Development Indicators Database, the government, borrower or third



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

	party expert has consulted with project affected communities in a structured and culturally appropriate manner. For projects with significant adverse impacts on affected communities, the process will ensure their free, prior and informed consultation and facilitate their informed participation as a means to establish, to the satisfaction of the EPFI, whether a project has adequately incorporated affected communities' concerns. In order to accomplish this, the Assessment documentation and AP, or non-technical summaries thereof, will be made available to the public by the borrower for a reasonable minimum period in the relevant local language and in a culturally appropriate manner. The borrower will take account of and document the process and results of the consultation, including any actions agreed resulting from the consultation. For projects with adverse social or environmental impacts, disclosure should occur early in the Assessment process and in any event before the project construction commences, and on an ongoing basis.
Principle 6: Grievance Mechanism	For all Category A and, as appropriate, Category B projects located in non-OECD countries, and those located in OECD countries not designated as High-Income, as defined by the World Bank Development Indicators Database, to ensure that consultation, disclosure and community engagement continues throughout construction and operation of the project, the borrower will, scaled to the risks and adverse impacts of the project, establish a grievance mechanism as part of the management system. This will allow the borrower to receive and facilitate resolution of concerns and grievances about the project's social and environmental performance raised by individuals or groups from among project-affected communities. The borrower will inform the affected communities about the mechanism in the course of its community engagement process and ensure that the mechanism addresses concerns promptly and transparently, in a culturally appropriate manner, and is readily accessible to all segments of the affected communities.
Principle 7: Independent Review	For all Category A projects and, as appropriate, for Category B projects, an independent social or environmental expert not directly associated with the borrower will review the Assessment, AP and consultation process documentation in order to assist EPFI's due diligence, and assess Equator Principles compliance.
Principle 8: Covenants	An important strength of the Principles is the incorporation of covenants linked to compliance. For Category A and B projects, the borrower will covenant in financing documentation: a) to comply with all relevant host country social and environmental laws, regulations and permits in all material respects; b) to comply with the AP (where applicable) during the construction and operation of the project in all material respects; c) to provide periodic reports in a format agreed with EPFIs (with the frequency of these reports proportionate to the severity of impacts, or as required by law, but not less than annually), prepared by in-house staff or third party experts, that i) document compliance with the AP (where applicable), and ii) provide representation of compliance with relevant local, state and host country social and environmental laws, regulations and permits; and d) to decommission the facilities, where applicable and appropriate, in accordance with an agreed decommissioning plan. Where a borrower is not in compliance with its social and environmental covenants, EPFIs will work with the borrower to bring it back into compliance to the extent feasible, and if the borrower fails to re-establish compliance within an agreed grace period, EPFIs reserve the right to exercise remedies, as they consider appropriate.



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

Principle 9: Independent Monitoring and Reporting

To ensure ongoing monitoring and reporting over the life of the loan, EPFIs will, for all Category A projects, and as appropriate, for Category B projects, require appointment of an independent environmental and/or social expert, or require that the borrower retain qualified and experienced external experts to verify its monitoring information which would be shared with EPFIs.

Principle 10: EPFI Reporting

Each EPFI adopting the Equator Principles commits to report publicly at least annually about its Equator Principles implementation processes and experience, taking into account appropriate confidentiality considerations.



APPENDIX C

Key characteristic of IFC project categories



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Category A	Category B	Category C
Likely to have significant environmental impacts which are irreversible	Potential adverse impacts on human populations and environmentally important areas- less adverse than category A	Likely to minimal or no adverse environmental impacts
Affects vulnerable population groups	Impacts are site specific	Screening required
Involuntary resettlement is required	Few or no irreversible impacts	No EA required
Affect cultural heritage	Mitigation measures can be designed to abate most negative impacts	
Affected areas extend broader than site boundary	EA is narrower than category A assessment	
EA must examine positive and negative impacts as well as evaluate "no-go" scenario	EA must recommend all measures needed to prevent, minimise, mitigate or compensate for adverse impacts.	
EA must recommend all measures needed to prevent, minimise, mitigate or compensate for adverse impacts.	EA must recommend methods for improved performance	
EA must recommend methods for improved performance	Project sponsor is required to provide full environmental and social information	
Project Sponsor is responsible for preparing full Environmental Impact Assessment and Environmental Action Plan	EA may be curtailed in scope and determined on a project by project basis	

Examples of development projects under each of the categories as sourced from Annex B of the IFC procedure for environmental and social review include:

Category A

- Large dams and reservoirs;
- Forestry (large scale);
- Agro-industries (large scale);
- Industrial plants (large-scale);
- Major new industrial estates;
- Major oil and gas developments, including major pipelines;
- Large ferrous and non-ferrous metal operations;
- Large port and harbour developments;
- Projects with large resettlement components and all projects with potentially major impacts on human populations;
- Projects affecting indigenous or tribal populations;
- Large thermal and hydropower development;
- Projects that include the manufacture, use or disposal of environmentally significant quantities of pest control products;
- Manufacture, transportation, and use of hazardous and/or toxic materials;
- Domestic and hazardous waste disposal operations;
- Projects which pose serious occupational or health risks; and



- Projects which pose serious socio-economic concerns.

Category B

- Agro-industries (small scale);
- Electrical transmission;
- Aquaculture and mariculture;
- Renewable energy (except large hydroelectric power projects);
- Tourism (including hotel projects);
- Rural water supply and sanitation;
- Rehabilitation, maintenance, and modernization projects (small scale);
- Manufacture of construction materials;
- General manufacturing; and
- Textile plants

Category C

- Advisory assignments;
- Factoring companies;
- Life insurance companies;
- Mortgage securitization;
- Securities underwriters and broker/dealers;
- Technical assistance; and
- Rights issues



APPENDIX D

LPG authorisation permit



INDEPENDENT ENVIRONMENTAL & SOCIAL REVIEW OF INT LENDER REQUIREMENTS: ROOFINGS ROLLING MILLS LTD

TELEPHONE: 230243/235895/238926
GENERAL LINE: 234733/257863/349010
FAX: 230226/234732/ 349342
E-MAIL: potendal@ecp.org
IN ANY CORRESPONDENCE ON
THIS SUBJECT PLEASE QUOTE NO:



THE REPUBLIC OF UGANDA

MINISTRY OF ENVIRONMENT
MINERAL DEVELOPMENT
P. O. BOX 7270
KAMPALA

PET/186/456/01

15th October 2009

The General Manager,
Roofings Rolling Mills,
P.O. Box 33973,
KAMPALA

PETROLEUM CONSTRUCTION PERMIT FOR LIQUID PETROLEUM GAS (LPG) TANK FARM ON PLOT 406, BLOCK 113, KAMPALA INDUSTRIAL BUSINESS PARK, NAMANVE, MUKONO DISTRICT.

This refers to your application dated 13th October 2009 for a Petroleum Construction Permit for a Liquid Petroleum Gas (LPG) tank farm at the above site.

Having evaluated your application and found that you substantially met the requirements for a Petroleum Construction Permit, you are hereby authorized to carry out construction works of the above installation. In so doing, you will be required to observe the following:-

- 1) Construct a perimeter fence / wall around the tank farm to secure the place.
- 2) Secure appropriate Insurance policy to cover fire, liabilities to third parties etc in respect of the above installation.
- 3) Install fire fighting equipment for control of any fire risk out break.
- 4) Put in place illuminated sign posts for alerting incoming and outgoing motorists about the presence of the LPG tank farm so as to minimize risks of accidents.
- 5) Install an underground leak detection facility at the location of the storage tanks (LPG plant) as the burial option (underground tanks) is less attractive in the long run because it is difficult to detect mechanical damage to the outer waterproofing of the vessel through soil.
- 6) Permit free entrance, at all reasonable times, to inspectors appointed under the Petroleum Supply Act, 2003 for the purpose of fulfilling their duty as specified under the Act and Regulations made there under.
- 7) Inform the Ministry after completing construction works of the plant for inspection prior to issuance of a Certificate of Completion and consequently an Import/Operating License.
- 8) Stick to the specifications of the approved architectural plan.

Failure to observe any of the above terms and conditions may lead to suspension or revocation of this permit.


Rev. Justaf Frank Tukwasibwe
For: PERMANENT SECRETARY

c.c.: Executive Director, National Environment Management Authority
" Town Clerk, Mukono Town Council
" Executive Director, Uganda Investment Authority



APPENDIX E

Roofings Ltd. Quality and Environmental Management Policy



1.1 Quality and Environment Management Policy

OUR VISION: We strive to be the largest manufacturer of steel products through having professionally trained work force, working as a team and providing the highest quality steel products to the population of East African Community and the region while conserving the environment and adopting modern technology.

OUR MISSION is to increase the market share and satisfy customers' requirements through a quality based approach that meets the needs of employees, shareholders, suppliers and the community.

Our aim is to:

- Create a dedicated and self-motivated work force with total integrity.
- Identify and address needs of our customers.
- Enhance shareholders returns through maximizing efficiency and reliability.
- Explore new business opportunities to achieve global presence.

We emphasize a commitment to improve the quality management system and prevent pollution to the environment by:

- Addressing significant environmental aspects and impacts from the activities, products and services of our processes.
- Complying with the applicable legal and environmental laws.
- Setting measurable quality and environmental objectives that meet the requirements of standards ISO 9001:2008, ISO 14001:2004.
- Periodically review and communicate the objectives to all employees at relevant levels within the organization.
- Continually improve the suitability of the quality and environmental management systems by conducting internal and external audits to assess the two systems developed on a process approach.

We continuously strengthen every ones' commitment to satisfy customer needs in the most cost effective and efficient way by ensuring that management behavior, image, communication and recognition systems reflect the norms and values that support quality ,environmental management, health, safety, integrity and continual improvement.

Sikander Lalani

Chairman & Managing Director



APPENDIX F

EMS audit letter



UMDA UGANDA LIMITED

Plot no. 6, Universal House, Luwum Street

P.O Box 23536, Kampala, Uganda

Tel/Fax: +256 414 253260

Web: www.umdiconsulting.itgo.com

Dated: - 07 Jan 2010

TO WHOM IT MAY CONCERN

This is to mention that Umda Uganda Ltd. is consulting Roofings Limited for development, establishment and implementation of Environmental Management System to ISO 14001 2004 since Nov 2009. They have so far been trained and documents such as Environmental Manual, Procedures, etc. have already been developed and documented.

Roofings Limited shall launch Environmental Management System for implementation in early Feb 2010. Thereafter, internal auditors shall be trained in conducting internal audit of EMS in accordance with ISO 19011.

It is understood that they have already contracted with a certification body, Nemko AS, Oslo, Norway for audit and certification to ISO 14001 2004.

As progress made so far and enthusiasm exhibited by the employees in the company, it is hoped that Roofings Ltd. shall be audited and certified for ISO 14001 2004 in Aug/Sept 2010.
I wish them best of luck.

BB Sinha
Consultant
QMS 2000 Auditor
IRCA, UK
Certificate No. 1181464

CC: Roofings Limited

Consulting in QMS ISO 9001, EMS ISO 14001, Food Safety ISO 22000,
OHAS 18001, CSR ISO 26000, SA 8000, TQM, Six Sigma, Lean/Kaizen

At Golder Associates we strive to be the most respected global group of companies specialising in ground engineering and environmental services. Employee owned since our formation in 1960, we have created a unique culture with pride in ownership, resulting in long-term organisational stability. Golder professionals take the time to build an understanding of client needs and of the specific environments in which they operate. We continue to expand our technical capabilities and have experienced steady growth with employees now operating from offices located throughout Africa, Asia, Australasia, Europe, North America and South America.

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