



SEACOM Social and Environmental Management System

Compliance Report

Prepared for:

SEACOM

Prepared by:

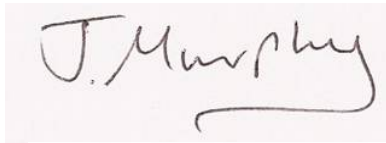

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Executive Summary

This document comprises the Social and Environmental Management System (SEMS) Compliance report for the SEA Cable System Project. It has been prepared by ENVIRON, the Environmental Control Officer (ECO) for the Project, in order to meet Lender reporting requirements,

The scope of this report comprises a review of SEACOM's activities against each of the SEMS elements to determine the extent to which SEMS requirements have been met during the construction phase of the Project to date. The table below provides a high level summary of the conclusions of this report.

Element of the SEMS	COMPLIANCE STATUS			
	Fully Compliant	Substantially Compliant	Partially Compliant	Non-compliant
Social and Environmental Policy	✓			
EIA and Action Plan		✓		
Competence, Training and Awareness		✓		
Internal Communication		✓		
External Communication	✓			
Emergency Planning and Incident Reporting	✓			
Monitoring & Auditing	✓			

The table indicates that the SEA Cable System Project is considered to be fully or substantially compliant against all elements of the SEMS for the construction phase to date. Where the requirements have not been fully met, either further activities are planned or it is considered that the outstanding issues are not material especially in the context of the evolving SEMS for the operational phase of the Project.

1 Introduction

1.1 Background & Scope

This report is part of a package of material that has been prepared in order to meet SEACOM's commitments to Lenders for the SEA Cable System Project ('the Project') with respect to social and environmental requirements. As the Environmental Control Officer (ECO) for the Project, ENVIRON has been requested by SEACOM to prepare this report for submission to Lenders.

The Project is being developed in compliance with the relevant requirements of the Equator Principles and thus SEACOM has developed and maintains a Social and Environmental Management System (SEMS) for the Project, in accordance with and to meet the requirements of International Finance Corporation (IFC) Performance Standard 1 (Social & Environmental Assessment and Management Systems, 30th April 2006).

More specifically this document comprises the annual Social and Environmental Management System (SEMS) Compliance report referenced in a letter dated 23rd March 2009 from the Lenders Intercreditor Agent to SEACOM.

The scope of this report comprises a review of SEACOM's activities against each of the SEMS elements to determine the extent to which SEMS requirements have been met.

1.2 Structure of the Report

Section 2 of the report is split into seven sub-sections reflecting the seven SEMS elements as follows:

- Social & Environmental Policy;
- EIA & Action Plan;
- Competence, Training & Awareness;
- Internal Communication;
- External Communication;
- Emergency Planning and Incident Reporting; and
- Monitoring and Auditing.

Each sub-section provides a summary of SEACOM's activities against the specific requirements of the SEMS. More detailed information can be found in the compliance tracking table that comprises Annex A of this report.

Section 3 presents the overall conclusions of the report.

2 Summary of Compliance

2.1 Social & Environmental Policy

SEACOM has a Social and Environmental Policy which has been signed by Brian Herlihy, the SEACOM President (see Annex B). This policy has been communicated to all SEACOM employees. In addition the policy has been communicated to all project contractors for the construction phase of the Project.

Based upon the above, ENVIRON considers that SEACOM is fully compliant with the requirements of the SEMS relating to Social & Environmental Policy.

2.2 EIA & Action Plan

The EIA and Action Plan are key elements of the SEMS involving both an overarching Equator Principles EIA (EP EIA) and an EP Action Plan (EPAP) as well as country specific EIAs. The SEMS therefore requires that these are not only adequately completed, but also that they are updated as necessary and communicated widely both internally and externally including to local communities.

An EP EIA has been prepared in line with the requirements of the EP. In addition, where required by national legislation in the project landing countries including Egypt, South Africa, Mozambique, Tanzania and Kenya, country specific EIAs have been prepared. These EIAs are considered adequate by ENVIRON. (Compliance with the environmental approval requirements of Djibouti did not require the preparation of an EIA as an approved environmental assessment for a similar new cable already existed, and in India all approvals were obtained by the local landing partners.)

Based upon the EP EIA, the EPAP was developed and in addition several of the country specific EIAs include country specific action plans. The EP EIA including the latest version of the EPAP and the country specific action plans have been (and continue to be at the time of the writing of this report) publicly disclosed on the SEACOM website. Country specific EIAs which include the country specific action plans have been disclosed to the local communities in line with national requirements for example by making them available in public buildings such as town halls and libraries. These documents were also made available to local groups during public consultation meetings.

The SEMS includes a specific requirement on SEACOM to produce quarterly summary reports indicating progress against the EPAP and progress in undertaking the required construction audits. A single such report was produced early in May 2009, which is timely and includes the elements required. However since only one of these reports has been produced it is not considered that SEACOM has fully met the requirements of the SEMS in this respect.

Based upon the information provided and the evidence available ENVIRON considers that SEACOM is fully compliant with all but one of the six key requirements relating to the EIA and action plan. An overall status of substantially compliant has therefore been assigned.

2.3 Competence, Training & Awareness

Appropriate competence, training and awareness of all those involved in the Project is essential for ensuring that the requirements of the SEMS including the detailed measures included in the EPAP and the country specific action plans are met and thus potential social and environmental impacts are avoided or minimized. For this reason the SEMS includes a training needs analysis (TNA) to assess the training needs of different groups of project personnel.

The training requirements of the SEMS as defined by the TNA include:

- General social and environmental awareness training for all SEACOM personnel;
- Specific training to those in roles with the potential to have social and environmental impacts; and
- Training for Tyco Telecommunications, SEACOM's system supplier, including Tyco's construction contractors.

Evidence in the form of training records (sign in sheets, photos, individual personnel training records etc), documented training material, monitoring reports and training summaries have been provided for many of the landing countries as well from Tyco Telecommunications, to prove that appropriate and specific training has taken place for SEACOM personnel directly involved in the construction work as well as contracted onshore and offshore construction workers. In particular the documentary evidence indicates that personnel have been trained in the specific requirements of the EPAP and/or the country specific action plan.

It is understood that the requirement for more generic high level training on general social and environmental awareness for all SEACOM personnel has not been met, apart from general communications regarding the SEACOM social and environmental policy (see Section 2.1 above). It is recognized that whilst this training should have been undertaken in order to fully meet the SEMS requirements, of the training requirements, this element is possibly the least important in terms of ensuring actual social and environmental impacts are avoided and minimized.

Based upon the information provided and the evidence available ENVIRON considers that SEACOM is substantially compliant with the requirements of the SEMS relating to competence, training and awareness.

2.4 Internal Communication

The SEMS requires regular and appropriate communication regarding social and environmental issues between all levels of SEACOM personnel as well as with key contractors.

Evidence has been provided indicating that daily communication has taken place between the Tyco Telecommunications marine vessel and SEACOM including information on any environmental issues of note as well as location and work progress. Meeting minutes also indicate regular communication between SEACOM and its landing partners during which a range of issues are discussed including social/environmental issues if appropriate.

Monthly reports prepared for the SEACOM Board indicate that the Board has been regularly updated with issues arising including those related to social and environmental issues. Extracts from Board meeting minutes indicate that such issues have been discussed at this level as necessary and appropriate.

The SEMS also requires an annual Management Review with the aim being that top management representatives take the time to review the effectiveness of the SEMS, in particular by looking back at the activities that have taken place in the preceding year. At the time of writing, a Management Review has not yet taken place, however the SEACOM Construction Manager has scheduled such a Review for mid-June 2009. The preliminary agenda for the mid-June 2009 Management Review is considered to be in line with the management review requirement of the SEMS.

Based upon the information provided and the evidence available ENVIRON considers that SEACOM is substantially compliant with the requirements of the SEMS relating to internal communication. As soon as the planned Management Review is undertaken and presuming it is attended by appropriate senior personnel, then this status assessment would be upgraded to fully compliant.

2.5 External Communication

Two-way communication with external parties including local communities, regulators, educational organizations who may benefit from the SEACOM project and other interested parties is important for enabling the views of these parties to be taken into consideration in project planning as well as for helping to ensure acceptance of the project. In order to maximize these benefits it is important that communication is undertaken at an early stage in the project planning process and for this reason the SEMS required external communication to be undertaken during preparation of the country specific EIAs as well as during the preparation and execution of construction activities.

The country specific EIAs include information on communications undertaken with local communities during the preparation of the EIA including public consultation meetings where local community members were given the opportunity to ask questions and raise any concerns regarding the Project. These consultation programs met the requirements of national legislation. Evidence has also been provided indicating that local communities have been provided with contact names, addresses, telephone numbers and/or email addresses for project personnel whom they could contact in the event of any concerns arising during the construction process. In South Africa notices in the local area were used to inform local residents when noisy/dusty work had been scheduled and these included contact details of appropriate personnel.

It is also important that external communications are logged and followed up as appropriate and necessary in order to demonstrate that action has been taken. This is also a requirement of the SEMS. Evidence in the form of completed communications registers have been provided for the landing countries which give details of the nature of the communication and the follow up action taken. These include communications with local communities as well as with the regulatory authorities where relevant.

As part of SEACOM's commitment to social responsibility, the decision was made during project planning to support the African university and research community by providing very attractive capacity on the SEA Cable System. This commitment was incorporated as a requirement within the SEMS. Evidence including minutes of meetings has demonstrated that this commitment is being fulfilled as the construction phase nears completion.

Based upon the information provided and the evidence available, ENVIRON considers that SEACOM is fully compliant with the requirements of the SEMS relating to external communication.

2.6 Emergency Planning & Incident Reporting

The SEMS requires SEACOM to have developed emergency plans for work locations, which include the identification of incidents that may have an impact on the environment and/or on society. When incidents occur these should be investigated and followed up and where possible action taken in order to avoid similar incidents in the future.

Emergency plans have been developed for the construction phase of the Project. Examples are the plans associated with the activity of horizontal directional drilling (HDD) undertaken in South Africa, which had considerable potential for environmental impact; and the plans developed by Tyco Telecommunications, SEACOM's system supplier, which has emergency plans in place for the marine vessels utilized in the construction of the Project. Both sets of plans reviewed are considered comprehensive and include relevant environmental issues.

The occurrence of incidents has been minimal to date during the construction period of the project; however two incidents of note have occurred:

- **Frac-outs during HDD¹:** A comprehensive 'Environmental Event Report' was prepared by an independent party on these events, which includes details of follow up actions taken and recommendations for improved actions in the event of a further similar incident.
- **Minor oil spill on board the Tyco Resolute vessel:** In line with South African regulatory requirements, an incident report was prepared and submitted to the authorities in relation to this incident, which involved the loss of ~50L of hydraulic oil on board a cable-lay vessel.

Based upon the information provided and the evidence available ENVIRON considers that SEACOM is fully compliant with the requirements of the SEMS relating to Emergency Planning and Incident Reporting.

¹ HDD for the Project involved the drilling of a sub-horizontal borehole which was subsequently used as a conduit for the cable. During drilling operations the hole is filled with a drilling fluid – the accidental loss of this fluid from the hole to the environment is termed a 'frac-out'.

2.7 Monitoring & Auditing

The SEMS recognizes the importance of monitoring the Project's activities against requirements (including legal requirements) by requiring a series of independent audits to be undertaken, documented and issues arising followed up.

Evidence has been provided in the form of audit reports which indicate that to date independent monitoring and auditing of onshore construction activities has taken place in Tanzania, Mozambique, South Africa and Kenya. These documents include evidence that the actions to address the requirements of the EPAP and country specific action plans have been audited, and that issues highlighted have been followed up and closed out as far as possible. It is also understood that a full post construction audit will take place in South Africa once final construction activities have been completed (as required by the South African Environmental Approval for the Project). An independent audit has also taken place of a Tyco Telecommunications marine vessel (the 'Resolute') during its use in the off-shore construction of the SEA Cable System. The audit report indicates that EPAP requirements were audited and issues arising were closed out.

Whilst SEACOM has not used a non-conformities register to log issues arising centrally, the difficulty of doing this with activities spread around the world is noted, and in line with the above evidence, ENVIRON is satisfied that issues that may have been logged in such a register have been documented and followed up by other means.

Legal non-compliances are considered of high importance and thus the SEMS includes a requirement for all legal non-compliances to be logged and followed up appropriately. A letter from SEACOM's General Counsel indicates that to the best of its knowledge no legal non-compliances have been associated with the ongoing development and construction of the SEA Cable System. This view is supported by the various audit reports which do not note any legal non-compliances.

The SEMS also requires an internal systems audit to take place. Whilst this requirement has not specifically been met, ENVIRON considers that the requirement has been fulfilled via this SEMS compliance review and the ongoing development of the SEMS for the operational phase which will draw upon experience of the implementation of the construction phase SEMS and will involve the detailed review, amendment and updating of the system and its procedures. During the much longer operational phase however, internal systems audits will be required on an annual basis, and this requirement will be incorporated into the operational phase SEMS.

Based upon the information provided and the evidence available, ENVIRON considers that SEACOM is fully compliant with the requirements of the SEMS relating to external communication.

3 Conclusion

This summary report and the detailed compliance tracking table contained in Annex A indicates that SEACOM has substantially fulfilled the requirements of the SEMS for the construction phase to date. Where the requirements have not been fully met, either further activities are planned or it is considered that the outstanding issues are not material especially in the context of the evolving SEMS for the operational phase of the Project.

Annex A: Compliance Tracking Table

**SEACOM SEMS Progress Tracking
27 May 2009**

	No evidence or very limited evidence is available to demonstrate that this requirement has been addressed.
	The requirement has partially been addressed, but improvements need to be made to fully meet the requirement.
	Evidence provided demonstrates this requirement has been met fully.

Requirement	Status at 27 May 2009	Supporting comment
1. Social & Environmental Policy		
1.1 Evidence that the policy was issued to all project personnel		Letter provided from Gregory Meneses (SEACOM General Counsel) and dated 18 th April 2009 stating that the SEACOM social and environmental policy was distributed electronically to all employees of the SEACOM group of companies in March 2008. This letter also states that the social and environmental policy was distributed to those employees within the David Ross Group involved in the SEACOM Cable System Project. A distribution list has also been provided.
1.2 Evidence that the policy was communicated to all contractors		Email sent by Christophe Albert (dated 04 Mar. '09) to all project contractors with whom SEACOM Ltd or a subsidiary has a commercial agreement with during the construction phase. All major contractors have acknowledged receipt and have undertaken that they will pass the information on to their subcontractors. The email also requested contractors to ensure and enforce compliance with the policy.
2. EIA & Action Plan		
2.1 Evidence of a completed EP EIA which includes all the key elements as detailed in section 3.1 of the SEMS Manual		Final version of EP EIA transmitted to SEACOM by ENVIRON on 6 March 2009
2.2 Evidence of completed country-specific EIAs		Final version of EP EIA includes evidence of completed country-specific EIAs
2.3 Evidence of an updated EPAP with a generic table and country specific tables that are appropriate to the current progress of the project		Final version of EP EIA includes evidence of an updated EPAP with a generic table and country specific tables
2.4 Evidence that the EPAP was disclosed (& continues to be disclosed) via the SEACOM website		SEACOM website accessed on 27 th April 2009 and EPAP available at http://www.seacom.mu/pdf/EP-EIA-SEACOM.pdf

Requirement	Status at 27 May 2009	Supporting comment
2.5 Information on what and how country specific action plans were (will be) disclosed to directly affected communities.		Country specific action plans were part of the country specific EIAs. These EIAs were disclosed to the local community in line with national legislation. The country specific action plans are also part of the EPAP, which is and has been available on SEACOM's website (see 2.4 above). A description of a number of the public consultations that have taken place is included at 5.1 below.
2.6 An example should be provided of a quarterly summary report against the EPAP that was prepared and disclosed via the SEACOM website.		Quarterly summary reports have not been prepared by SEACOM however a timely update report on progress against the EPAP as well as a summary of the construction audits that have taken place has been prepared.

Requirement	Status at 27 May 2009	Supporting comment
3. Competence, training & awareness		
3.1 Evidence to demonstrate that training has been carried out in line with the submitted training needs analysis (SED03) and that the training incorporated the requirements listed in S4.2 of the SEMS manual. This includes:		<p>Tanzania</p> <ul style="list-style-type: none"> • Photos have been provided of health and safety training being undertaken with workers in Dar es Salaam. A report which includes details of the topics covered and who attended in appendices have also been provided. Topics covered included: <ul style="list-style-type: none"> ○ Prevention of noise & vibration ○ Minimisation of dust ○ Solid waste management ○ Waste water discharges ○ Occupational health & safety ○ Community health & safety (including general site hazards, disease prevention and traffic safety). <p>Whilst topics such as the SEACOM S&E Policy and the organisational structure of social & environmental issues does not appear to have been formally discussed it is considered that this, to the level required by these construction workers, would be an integral part of the training.</p> <p>South Africa</p> <ul style="list-style-type: none"> • A written training course document has been provided for South Africa. This includes detailed information on the requirements of the environmental management plan for South Africa (equivalent to the country specific action

Requirement	Status at 27 May 2009	Supporting comment
		plan). Signed training lists have also been provided to indicate who has received the training. A general information sheet on the training details how the training was administered (including in the appropriate local language).
a. General social and environmental awareness training for all existing SEACOM employees, contractors and landing partner personnel (and future employees within induction)		No discrete training on general social and environmental awareness training has taken place for non-construction SEACOM employees or landing partners. However all SEACOM employees have been made aware of SEACOM's social and environmental policy (see 1.1 above) and specific training has taken place for contractors directly involved in construction whose activities have the highest potential for impact on the environment.
b. Specific training to any persons performing tasks with the potential to cause significant social/env impacts as identified within the EP EIA and the country specific EIAs.		<p>Tanzania: Evidence (monitoring report & photos) has been provided to demonstrate that training of terrestrial construction workers has taken place in Dar es Salaam. This covered specific issues such as waste management and fuel storage and handling on site. This is in-line with the requirements of SED03.</p> <p>South Africa: A training course covering the requirements of the EMP for South Africa has been provided. Signed training lists have also been provided to indicate who has received the training. A general information sheet on the training details how the training was administered (including in the appropriate local language).</p> <p>Kenya It is clear from the monthly environmental monitoring reports from Kenya that the requirements of the EMP have been communicated with all construction workers on site. In addition information provided by Scott Lawrence of AECOM indicates that the subcontractor Zaisco has been provided with general HSE training.</p>
c. For Tyco, evidence that they have provided training to their employees and contractors.		<p>Tyco marine vessel A document provided by Tyco to SEACOM details the EHS training records for key personnel and contractors (Document title: EHS Training Records and Emergency Plans). This document indicates that key personnel on board Tyco vessels have appropriate training in environmental issues including environmental awareness, waste management, the requirements of ISO 14001, auditing, health & safety issues and incident training (including spills & fires). The document also details the training</p>

Requirement	Status at 27 May 2009	Supporting comment
		process undertaken when Tyco employs sub-contractors on shore to undertake work. This is centred around an operation plan produced by the sub-contractor and approved by the Tyco on-site supervisor.
4. Internal Communication		
<p>4.1 Examples of reports that were/are being provided by Tyco/other contractors with regard to the various work sites and project activities. These should include reference to environmental issues, progress on actions and/or outstanding actions with agreed action parties and deadlines. A format should have been agreed prior to work commencement.</p>		<p>Tanzania Three environmental, health and safety monitoring report (EHS February Monitoring report (March 2009), and EHS March Monitoring Report (April 2009) and EHS April Monitoring Report (May 2009) have been provided for terrestrial activities taking place in Dar es Salaam. These reports however appear to have been undertaken by an independent party rather than Tyco/other contractor. Nevertheless it fulfils the requirement to some extent such that it discusses environmental issues (plus health & safety) at the site and mitigation measures that have been implemented. The March report does not provide an update on the issues raised in the February report and similarly no information has been made available relating to the issues raised in the March report. The April report however does follow up on some of the previous issues raised, for example in relation to waste management.</p> <p>The SEACOM field engineer in Tanzania has confirmed that the issues associated with environmental requirements (namely the recommendations to use of a funnel for oil re-filling operations and the ceasing of burning of waste on-site) have subsequently been followed up as far as possible.</p> <p>Mozambique Four environmental monitoring reports (Progress Report VII, VIII, IX & X) have been provided for terrestrial and marine/beach activities in Mozambique. This report includes reference to environmental issues including follow up of issues raised in previous reports. It also makes reference to the EMP. The latest report (Report X) indicates some concern regarding EMP measures not being followed on the small marine vessel.</p> <p>Kenya The 'External/Independent Social, Environmental, Health and Safety Compliance Monitoring' report has been provided for the months of November & December 2008 and January & March 2009 during construction activities. These reports reference the</p>

Requirement	Status at 27 May 2009	Supporting comment
		<p>Environmental Management Plan for Kenya and reports compliance with this and national/international good practice.</p> <p>Marine Vessel An example of the daily report sent to SEACOM from the Tyco vessel has been provided. This principally includes technical information on the location and progress of the vessel and plough. A section is included for general remarks/comments – this includes reference to the oil spill that had taken place.</p> <p>It is noted that none of the monitoring reports give explicit information on outstanding actions with responsible parties and deadlines. It also appears that no standard report format was agreed. These are both considered to be minor issues.</p>
4.2 Examples of periodic updates that have been provided to the SEACOM Board of Directors with regard to the progress and effectiveness of the SEMS and in particular in relation to the EPAP.		Three examples of monthly reports on the project prepared for the SEACOM board have been provided. These include a section on update of the SEMS including mention of the frac-out in South Africa and the oil spill on board a Tyco vessel.
4.3 Examples of actions arising from any SEACOM board meetings in relation to social/env issues and how they were cascaded down		A series of extracts from Board meetings have been provided indicating that environmental issues are discussed as they arise and as appropriate. In particular Board attention was given to the status of EIAs and the obtaining of environmental permits in relation to scheduling. It also clear from the extracts that the issue of HDD was discussed and agreed at this level.
4.4 Examples of minutes of meetings that took place between SEACOM and landing partners which involved discussion of social and environmental issues and any resulting documentation of mitigation measures/actions that landing parties agree to implement.		<p>Mozambique The environmental monitoring report (Progress Report VII) from Mozambique references a meeting that took place on 20th February 2009 between SEACOM, Tyco, Maritech and Mukoque. This meeting was used to take a decision to delay work due to poor weather conditions, however no further details are provided.</p> <p>India An example of the minutes of a weekly meeting between Tata (the Indian landing partner) and SEACOM (Lance Pohling & Stephen Fitzpatrick) has been provided and includes an agenda item on the EIA. An action list has also been provided though most are unrelated to social/environmental issues.</p> <p>Djibouti</p>

Requirement	Status at 27 May 2009	Supporting comment
		<p>An example of the minutes of a weekly meeting between Djibouti Telecom (DT) and SEACOM (Stephen Fitzpatrick) has been provided. These include references to the EIA in several places as well as an agenda item on EIA impacts.</p> <p>Egypt Several emails have been provided which indicate regular communications between SEACOM, Tyco and Telecom Egypt (TE). These are from early in the process and include discussions on the status of the EIA and associated permit.</p> <p>It would be useful to understand whether this meeting was also used to discuss other (including environmental) issues, and whether other similar meetings between these parties have taken place.</p>
4.5 Agenda for and minutes/actions arising from a management review.		At the time of writing, a Management Review has not yet taken place, however the SEACOM Construction Manager has scheduled such a Review for mid-June 2009. The preliminary agenda for the mid-June 2009 Management Review is considered to be in line with the management review requirement of the SEMS.
5. External Communication		
5.1 Evidence of communications undertaken within local communities during the preparation of the country specific EIAs including how it met national legislative requirements.		<p>Public consultation was undertaken as part of the EIA process in each country in line with national requirements.</p> <p>Egypt A public consultation session was held on 1st June 2008 at the Royal Beach Resort in Ras Sudr in order to fulfil the requirements of Law 4/1994. The public were given the opportunity to raise issues and these were discussed and then addressed within the EIA.</p> <p>Kenya An extensive public consultation programme was undertaken in Kenya which included a stakeholder mapping exercises to identify interested and affected parties. Subsequently a public disclosure and consultation procedure was developed in line with World Bank requirements. Initiatives included processes for raising concerns via telephone, fax or email and focus group meetings in appropriate locations and languages. The number and range of stakeholders involved was extensive.</p>

Requirement	Status at 27 May 2009	Supporting comment
		<p>Tanzania Consultations were undertaken with 17 stakeholder groups including local fishermen and other residents as well as local and national government authorities and agencies and non-governmental organisations. The fishermen were consulted via public meeting at which there were more than 55 people in attendance. Owners/operators of four local hotels were also consulted.</p>
<p>5.2 Details of the points of contact for the local community in each landing country</p>		<p>South Africa Three separate notification documents have been provided relating to the HDD taking place. These include an office and two mobile contact numbers of personnel within TRG (the organisation undertaking the HDD work). In addition a list of contact names including name, job title, telephone number and email address has been received. The list includes contacts from SEACOM, subcontractors and landing partners.</p> <p>Kenya A list of contacts including names, job title, telephone number and email address has been received. The list includes contacts from SEACOM, subcontractors and landing partners.</p> <p>Tanzania A list of contacts including names, job title, telephone number and email address has been received. The list includes contacts from SEACOM, subcontractors and landing partners.</p> <p>It has been confirmed by the SEACOM Construction Manager that contact details were passed to local community representatives at various of the consultation meetings that took place.</p>
<p>5.3 Details of how community engagement is being managed within each of the landing countries including how communications are received and followed up and where appropriate actioned. This should include examples of how grievances are being managed on the ground and how they are being reported to SEACOM and up the line.</p>		<p>Tanzania: EHS February Monitoring report (March 2008) provides details of a meeting undertaken with fishermen (plus local government officials and other community groups) to provide information on the construction phase of the under sea cable and the cooperation required to ensure the work can be undertaken safely and securely. Photos of this meeting have also been provided. The report provides some detail of</p>

Requirement	Status at 27 May 2009	Supporting comment
		<p>the major issues raised, but no minutes are presented (see below however). No information on how the meeting was communicated to local groups to ensure appropriate attendance.</p> <p>A separate document details the minutes of consultation that has taken place including with:</p> <ul style="list-style-type: none"> • Hotel operators in the region (management representatives from four hotels were visited). No information is provided on any issues that were raised at these meetings. • The fishermen (as detailed above). An attendance list from this meeting has also been provided. <p>It has been confirmed in writing that in Tanzania no complaints or grievances have been received either formally or informally in relation to the SEACOM project.</p> <p>Mozambique The environmental monitoring report (Progress Report VII) from Mozambique clearly demonstrates that community engagement has been (& continues to be) carried out. In particular the report details how a delay in planned works were communicated to local communities and how an extension to the planned period of works into a weekend was managed. These are considered examples of good practice. The report also describes numerous job opportunities that have been provided to local communities.</p> <p>South Africa Correspondence from ACER (Environmental Monitoring consultants in South Africa) to various parties indicates two complaints regarding two spoil sites relating to the SEACOM construction work. The correspondence includes a description of the issue and the follow up actions taken including correspondence with the complainant. No information is provided on how the complainant knew to contact ACER.</p> <p>Evidence has also been provided to indicate that an email database of members of the Mtunzini Residents Association was set up and used to communicate with these businesses and individuals.</p>

Requirement	Status at 27 May 2009	Supporting comment
		<p>Kenya The communications register for Kenya indicates that a small number of complaints were received from the local community. The register indicates that a person was designated responsibility for dealing with each issue and they were followed up and closed out appropriately.</p>
5.4 Provision of the current version of the register of external communications (SED04).		An external communications register has been received for Egypt, Kenya, India, Tanzania and Djibouti. These registers detail communications with external parties including local communities and regulatory bodies.
5.5 Examples of how SEACOM has communicated with African Universities and research communities with respect to opportunities provided by the project including attractive terms for gaining use of the cable		<p>Tanzania Minutes of a meeting between SEACOM and TERNET (Tanzania Educational and Research Network) have been provided. It is clear from the minutes that the objective of the meeting was to discuss the service that SEACOM can provide and pricing for Education and Research Institutions (TERNET currently has 40 member institutions that could rise to 60). The minutes also indicate that further discussions will take place to come to an agreement.</p> <p>It has also been confirmed that SEACOM has an agreement in place with the University of Dar es Salaam and the University of Dodoma</p> <p>Kenya The minutes of the meeting for the SEACOM-TERNET meeting (detailed above) indicate that discussions have also occurred between the Kenya Educational Network (KENET) and SEACOM.</p> <p>Mozambique An email has confirmed that SEACOM are currently (May 2009) in talks with the University of Edouardo Mondlane in Maputo.</p> <p>GEANT GEANT is the main European multi-gigabit computer network for research and education purposes. SEACOM has provided evidence to indicate that they are in communications with this organisation.</p>

Requirement	Status at 27 May 2009	Supporting comment
		<p>Ubuntunet Ubuntunet is a non-profit association of African National Research and Education Networks. SEACOM has provided evidence to indicate that they are in communications with this organisation.</p>
6. Emergency Planning and Incident reporting		
<p>6.1 Examples of emergency plans that have been developed for work locations and approved by SEACOM. These should include identification of incidents that may have an impact on the environment/society.</p>		<p>Two examples of emergency plans have been provided:</p> <ul style="list-style-type: none"> • Horizontal Directional Drilling (HDD) Contingency Plan: This plan has been prepared by TRG, the company undertaking the HDD activities in South Africa. Its primary objective is to establish procedures for addressing potential impacts associated with a release of drilling fluid through hydraulically induced fractures during the HDD process (such an event is called a fracout). • Tyco's emergency plans. The document provided describes the emergency plans that Tyco has in place and indicates that all vessels and land locations within Tyco Telecommunications have a Company Contingency Manual. This manual contains guidance to personnel on ways to prevent an emergency as well as ways to minimise the effects on an incident. It includes in relation to a severe injury or death, a shipboard event and an environmental event (more than 10,000gallons or oil or a reportable quantity of hazardous material discharge. There are many related procedures including in relation to pollution (IS 0803), fire or explosion (IS 0802), flooding (IS 0815) and drills and exercises (IS 0821). Copies of the Tyco Resolute's Emergency plans are provided (in Spanish).
<p>6.2 Examples of any reported incidents which have had potential (or actual) impacts on the environment and the follow up investigation undertaken and resulting actions.</p>		<p>Frac-out Incidents Three frac-out incidents occurred during the HDD in South Africa on the 2nd, 3rd and 4th February 2009. ACER (Africa) the environmental monitoring consultants in South Africa prepared an Environmental Event Report for SEACOM for these incidents (dated 10th February 2009) and this has been provided. This document refers to three frac-out event reports prepared by TRG (the HDD drilling companies) and these have also been provided. In addition a detailed description of planned activities in order to avoid a fourth frac-out have been provided. These reports all include information on possible environmental impacts/mitigation measures taken/planned. The ACER report also provides detailed information on how mitigation and implementation of the contingency plan could be improved.</p>

Requirement	Status at 27 May 2009	Supporting comment
		<p>Oil spill on-board vessel A small hydraulic oil spill (c.50l) occurred due to a blown pipe on a winch system. The initial incident report, plus follow up emails and the formal incident report to the South African authorities have been provided. This includes details of actions taken.</p>

Requirement	Status at 27 May 2009	Supporting comment
7. Monitoring & Auditing		
<p>7.1 Evidence that demonstrates that legal non-compliances have been identified, logged and followed up appropriately.</p>		<p>A letter dated 20th April 2009 from Mr. Greg Meneses, General Counsel for SEACOM Ltd states that at this date, "... to the best of its knowledge and belief SEACOM is not aware of any legal non-compliances associated with the ongoing development and construction of the SEACOM System."</p> <p>Audit reports received from Tanzania, Mozambique, Kenya, South Africa and onboard the Tyco vessel provide no indication of any legal non-compliances and thus support the letter from the General Counsel.</p>
<p>7.2 Provision of examples of internal audit reports which have been undertaken with regard to the implementation and effectiveness of the SEMS</p>		<p>SEACOM has not undertaken internal audits of the SEMS to date but considers that it has/will fulfil this requirement in the following ways:</p> <ul style="list-style-type: none"> • The compliance review being undertaken to fulfil Lender requirements comprises a detailed review of the SEMS. • The development of an operation phase SEMS will draw upon experience of operation of the construction phase SEMS and will include detailed review, amendment and updating of systems and procedures. This is considered to be meeting the requirements of internal audit. <p>In light of the fact that the SEMS for construction has only been in place for a short period of time (c. 1 year) and that the operation phase SEMS will be developed in the very near future, it is considered that the requirements have been met. However it is considered necessary that the operation phase SEMS will require a formal internal audit at least on an annual basis.</p>
<p>7.3 Provision of the current version of the non-</p>		<p>SEACOM has not used the non-conformities register (SED05) provided as part of the</p>

Requirement	Status at 27 May 2009	Supporting comment
conformities register (template provided as SED05) which demonstrates that non-conformities identified have been logged and followed up.		SEMS, however non-conformities have been identified and recorded via independent monitoring reports and have been followed up in subsequent reports, or via other evidence. In addition evidence has been provided to indicate monitoring of compliance against the EMP has been undertaken using a spreadsheet in South Africa (APR 09Report).
7.4 On-site audits should have been undertaken in addition to an audit of a marine cable laying vessel. Audits should have included a review of the findings of any audits undertaken by contractors at the site/on the vessel to ensure contractor procedures are working effectively. According to the audit programme submitted (SED06) five audits were proposed, four of which should have been undertaken by Feb 09. These comprised:		Evidence has been provided to indicate that audits have been undertaken of the terrestrial sites in Tanzania, Kenya, South Africa and Mozambique and also of a marine vessel. See comments below.
a. A facility audit of a marine vessel – due to have been undertaken in Q3 2008.		An audit of the ‘Tyco Resolute’ marine vessel was undertaken on 21 st February 2009 (report dated March 2009). This audit is comprehensive and makes reference to the SEMS Action Plan as well as relevant legislation. It is noted that the audit covered environmental issues (small section on H&S). A completed corrective action/preventive form has been provided relating to the principal requirement resulting from the audit undertaken on 21 st February 2009.
b. A systems audit – due to have been undertaken following commencement of construction activities.		See comments against 7.2
c. Three on-site audits – due to have been undertaken in Q3, 2008; September 2008 and in March 2009. These were due to have taken place in TBD, Kenya and South Africa respectively.		Kenya The ‘External/Independent Social, Environmental, Health and Safety Compliance Monitoring’ report has been provided for the months of November & December 2008 and January & March 2009 during construction activities. These reports reference the Environmental Management Plan for Kenya and reports compliance with this and national/international good practice. South Africa Several discrete reports/letters prepared by ACER for South Africa which relate to

Requirement	Status at 27 May 2009	Supporting comment
		<p>specific issues (e.g. Frac-outs during HDD, tree removal/cutting & find of bottles during excavation works). It is understood that all requirements of the environmental approval document in South Africa have been fulfilled which included the appointment of an environmental officer to undertake monitoring of the construction activities. In addition a full post-construction audit is planned once final construction activities have been completed.</p> <p>Tanzania:</p> <ul style="list-style-type: none"> • EHS February and March Monitoring reports (March 2008 and April 2008) from the beach landing construction in Dar es Salaam have been provided covering the period of February and March respectively. These reports have been prepared by an independent party with the aim of checking compliance with EMP and national legislation. <p>Mozambique</p> <ul style="list-style-type: none"> • Four environmental monitoring reports (Progress Reports VII, VIII, IX & X) from Mozambique have been provided covering the period 13/02/09 to 10/04/09, which is understood to be the principal construction period. The reports have been prepared by an independent party and clearly describe issues raised and follow up actions. They also make good use of photos.
7.5 There is also a requirement within the SEMS that it is modified as the project moves from construction to the operations phase to ensure that it remains appropriate.		The operation phase SEMS is in the process of being prepared as part of the submission to Lenders on 31 st May 2009.

Annex B: SEACOM Social & Environmental Policy

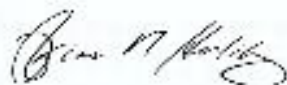
Social and Environmental Policy

SEACOM is committed to designing, constructing and operating the SEA Cable System Project in a manner that ensures environmental protection and minimises social impacts and is in line with the Equator Principles. This commitment is central to the Project's Social and Environmental Management System (SEMS), which provides the framework for social and environmental management.

In line with this commitment SEACOM will endeavour to:

- undertake its activities in line with applicable international standards and industry good practice;
- meet the requirements of national legislation in all the countries through whose territory the cable passes;
- manage construction activities, which SEACOM recognises as the main potential source of social and environmental impacts, in a sustainable manner in order to minimise such impacts;
- ensure social and environmental impacts during operation of the project are avoided or reduced as far as practicable;
- communicate and work closely with its contractors to ensure their understanding and shared commitment to conformance with this policy;
- provide training in social and environmental matters to key employees and contractor representatives where appropriate; and
- implement all reasonable precautions to protect the health and safety of its employees and promote the health and safety of contracted workers.

These objectives shall be met via provision of adequate resources by top management within SEACOM to support the implementation of the SEMS. This policy and other elements of the SEMS shall be regularly reviewed and updated in order to ensure its continued applicability to the activities of the SEACOM Project.



Brian Herlihy
President – SEACOM Ltd