

Reportable EMP Situations

Contractor and Project field monitors recorded a total of 25 Project-reportable Environmental Management Plan non-compliance situations this quarter, the second lowest level in two years. No critical (Level III) non-compliance situations have been recorded by the Project to date.

Context: Contractors and Esso/TOTCO/COTCO personnel are required to report all situations that could put the Project out of compliance with the Environmental Management Plan and the suite of environmental, socioeconomic, and health plans filed by each prime contractor. There are two kinds of Project reportable situations: spills and non-compliance situations. In addition, the Project gathers reports related to compliance initiatives.

Project Reportable Situations

- Spills of hydrocarbons or hazardous materials require immediate reporting within one hour of discovery under the following circumstances, with written follow-up reports required to be filed within 24 hours:
 - All spills into a water body must be reported regardless of volume.
 - All spills onto a land surface greater than 150 liters (40 gallons) in volume must be reported.
- Non-compliance situations are ranked according to three levels, a system designed to provide early warning of developing problems so the Project can act to resolve issues before they escalate and result in actual environmental damage.
 - Level I: A situation not consistent with specifications or other requirements, but not an immediate threat to an identified sensitive or important resource.
 - Level II: A non-compliance situation that has not yet resulted in clearly identified damage or irreversible impact to a sensitive or

important resource, but requires expeditious corrective action and site-specific attention to prevent such effects.

- Level III: A critical non-compliance situation, involving observed damage to a specifically protected sensitive resource or a reasonable expectation of impending damage.
- Compliance initiatives are situations that do not rise to any of the non-compliance levels mentioned above. This classification is often used to describe proactive steps taken in response to situations that are not yet non-compliant but could lead to a non-compliance situation if not appropriately addressed.

Spills One Project reportable spill took place on land this quarter. There were no spills into water or wetland areas.

12 October: Approximately 190 liters of diesel fuel leaked from one of the pipeline contractor's fuel trucks onto the pipeline right of way near the village of Ndzana. A side valve was slightly twisted when the truck was being pulled out from a soil depression near the open pipeline trench. Most of the spilled diesel fuel was recovered during the clean-up. The spill was confined to the pipeline right of way, it was properly cleaned up, and no environmental damage was observed.

**Non-Compliance
Categories of
Most Concern**

About 80% of the fourth quarter's 25 recorded non-compliance situations fell into five categories. In order of frequency, the top five categories were: working outside approved areas; effluent discharges; health issues; erosion control; and waste management. About three-quarters of the non-compliance situations recorded during the fourth quarter had been rectified and closed out by the end of the quarter.

Working Outside Approved Areas

The twelve non-compliance situations recorded in this category included cases of mining laterite without the prior submission and approval of an environmental baseline assessment, clearing vegetation outside the limits of the pipeline right of way, clearing vegetation prior to the payment of individual compensation, parking of vehicles outside the pipeline right of way, unauthorized construction of temporary pipeline right of way access roads, and storing cut trees outside the pipeline right of way.

Effluent Discharges

The two non-compliance situations in this category included cases of discharging treated sewage effluent from a camp septic tank into an open channel, and discharging turbid water directly into a farmland area near the Loule River crossing.

Health Issues

The two non-compliance situations in this category included the absence of a contractor medical officer at the Ngaoundal Camp, and failure by a contractor medical supervisor to immediately notify COTCO's in-country medical advisor of a medical evacuation case.

Erosion Control

The two non-compliance situations in this category involved construction of a ramp over a watercourse without first installing adequate erosion and sedimentation control measures, and the implementation of poor water diversion procedures that resulted in a short period of increased sediment levels in a village water resource situated 15 meters from the pipeline right of way.

Waste Management

The two non-compliance situations in this category involved cases of not filling in a Waste Burial Record Form, and the open-air burning of inappropriate waste materials such as plastics and used oil filters.

Level II Non-Compliance Situations

Seven of the 25 non-compliance situations recorded this quarter were classified as Level II situations. Five of the seven Level II situations had been rectified, and the remaining two were in the process of being closed out at the end of the quarter.

The Project conducts ongoing field inspections to make sure its wildlife protection measures are being properly implemented. These inspections had success this quarter, finding two violations of the Project's anti-poaching programs. The two Level II non-compliance situations took place in the Nanga Eboko-Bélabo Induced Access Management Zone.

Biologists use the term induced access to describe the potentially adverse ecological effects that can occur when new pathways are created in formerly hard-to-access locations. Such new access, if not appropriately mitigated, could lead to the degradation of habitat or increased hunting and poaching of wildlife. The Project's Environmental Management Plan includes an array of mitigation measures designed to prevent induced access effects. These measures include, among other things, erecting of fences and gates, posting warning signs, and stationing guards at key new access points identified during pre-construction surveys.



A bushmeat inspection road block within the Nanga Eboko-Bélabo Induced Access Management Zone discovered a small quantity of bushmeat in a pipeline construction contractor truck. The inspection team consisted of representatives from the environmental and security departments of the contractor, the COTCO EMP team and a Cameroonian government representative. The team at this particular road block location stopped and inspected 56 vehicles, trucks and crew transport buses as they were returning to the Nanga Eboko construction camp. The bushmeat (smoked monkey meat) discovered in one of the vehicles was confiscated, and the driver of the truck was dismissed in accordance with the Project's zero tolerance anti-bushmeat policy. To further reinforce the Project's policy, the contractor conducted a series of toolbox meetings, organized additional bushmeat inspections, and posted letters at camps and work sites emphasizing the policy.



An inspection of the induced access mitigation measures that had been implemented in the Nanga Eboko-Bélabo Induced Access Management Zone revealed that the pipeline contractor had not fully complied with the requirements set out in their Environmental Management Plan. The contractor had failed to establish manned barriers at several specified access roads leading to the pipeline right of way. As shown here, the contractor immediately complied with the Environmental Management Plan provisions and posted trained flagmen during the day and trained security guards during nighttime hours at the required locations. Aside from this one non-compliance situation, the inspection showed that the contractor had properly implemented all of the other induced access control measures required by the Environmental Management Plan.

In addition to the two situations in the Nanga Eboko-Bélabo Induced Access Management Zone, five other Level II non-compliance situations were recorded this quarter.

- A contractor failed to follow its approved Health Plan by neglecting to immediately notify COTCO of an emergency medical evacuation. The contractor's medical team evacuated an individual with a severe case of malaria from Dompta to Douala, and then to South Africa, but failed to notify the COTCO in-country medical advisor until after the evacuation was in progress. The Project reinforced its notification requirements and procedures with the contractor.
- Inappropriate waste materials, including plastics and used oil filters, were burned in an open-air burning pit at Komé Base Camp. Open air burning is permitted for wood and food wastes, but not for other materials. Open-air burning of wastes was stopped immediately once the non-compliance situation was discovered. A refresher training session was conducted for all of the contractor's supervisors and foremen to reinforce the Project's environmental requirements, particularly the ones relating to waste management.
- An inspection of a contractor guesthouse at the Ngoumou construction camp revealed that the dwelling was not up to Project standards. The building did not have sufficient potable water, and insect protection was not adequate at the doors and windows. The contractor was instructed to comply with Project worker housing standards immediately. No further occupation of the guesthouse was allowed until the problems were fixed and the guesthouse had been inspected for compliance. The follow-up inspection confirmed that the guesthouse had been brought up to standard. To help prevent a repeat of this situation, a pre-occupation checklist was issued to the contractor to help make sure that all housing complies with Project requirements before workers move in.
- The pipeline construction contractor constructed an access road to the pipeline right of way without waiting for EMP Group review and approval of an environmental baseline assessment for the work site. The unauthorized access road was constructed to avoid a wetland area. No trees were cut down to construct the road, and no irreversible environmental damage was observed. COTCO mandated the immediate closure of the access road once the non-compliance situation was discovered. During the closure, the contractor was required to assess the land for possible damages, pay appropriate compensation, and reclaim

the disturbed land. A refresher training session was conducted for all of the contractor’s supervisors and foremen to reinforce the Project’s environmental requirements, with emphasis on the ones relating to land use and clearing.

- Pipeline construction crews cleared native vegetation that had been designated for preservation in a pre-construction environmental baseline assessment. The native vegetation was to be preserved to help disperse treated wastewater that was to be released at the site. Clearing was immediately stopped when it was discovered and no irreversible environmental damage was observed. On-site personnel were instructed to scarify the site to hasten natural re-vegetation and to spread a layer of straw on the site to preserve the superficial humidity of the soil. These mitigation measures were immediately implemented, and a refresher training session for all of the contractor’s supervisors and foremen was conducted to reinforce the Project's environmental requirements relating to land use and clearing.

Non-Compliance Situations & Compliance Initiatives Tally

There were 25 non-compliance situations, two compliance initiatives and one reportable spill recorded in the fourth quarter of 2002. As noted above, no Level III non-compliance situations have been recorded since the Project groundbreaking in October 2000.

**◀ Total Reportable Situations by Country
4th Quarter 2002**

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total Non-Compliance Situations</i>	<i>Compliance Initiatives</i>	<i>Reportable Spills</i>
Chad	6	1	0	7	1	0
Cameroon	12	6	0	18	1	1
Total	18	7	0	25	2	1

**◀ Non-Compliance Situations by Major Contractor
4th Quarter 2002**

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Wilbros Spie Capag	12	6	0	18
TCC	3	1	0	4
Doba Logistics	1	0	0	1
Sogea-Satom	1	0	0	1
EEPCI	1	0	0	1
Pride Forasol	0	0	0	0
Schlumberger	0	0	0	0
Modec	0	0	0	0
David Terrassement	0	0	0	0

◀ **Non-Compliance Situations by Category**
4th Quarter 2002

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Work outside approved areas	10	2	0	12
Erosion control	2	0	0	2
Waste management	1	1	0	2
Health and safety	1	1	0	2
Effluent/wastewater discharges	2	0	0	2
Wildlife/bushmeat	0	1	0	1
Improper tree felling/vegetation clearing	1	0	0	1
General construction practices	0	1	0	1
Induced access management	0	1	0	1
Cultural site management	1	0	0	1
Total	18	7	0	25

Annual Summary: Reportable EMP Situations

- The record for 2002 indicates a high level of compliance with the Project's Environmental Management Plan.
- There have been no critical (Level III) non-compliance situations recorded since the Project began.
- The total number of non-compliance situations recorded per quarter followed a consistent downward trend in spite of a rising level of construction activity.
- Reportable spills have involved only small quantities of materials (most often diesel fuel) and the number of reportable spills recorded each quarter has generally followed a downward trend.

◀ **2002 Total Reportable Situations by Country**

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total Non-Compliance Situations</i>	<i>Compliance Initiatives</i>	<i>Reportable Spills</i>
Chad	58	5	0	63	10	1
Cameroon	62	19	0	81	37	15
Total	120	24	0	144	47	16

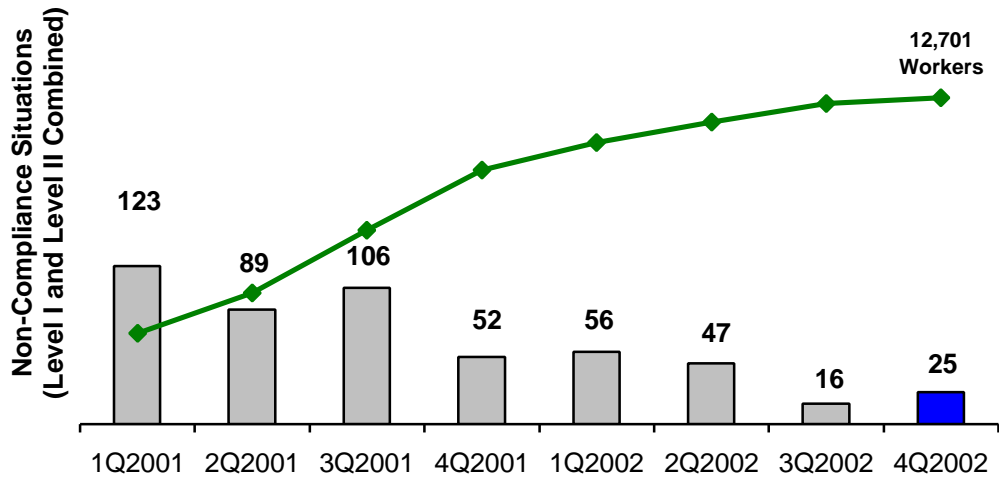
◀ **2002 Non-Compliance Situations by Major Contractor**

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Wilbros Spie Capag	36	19	0	55
TCC	26	1	0	27
David Terrassement	22	2	0	24
Sogea-Satom	20	2	0	22
Doba Logistics	15	0	0	15
EEPCI	1	0	0	1
Schlumberger	0	0	0	0
COTCO	0	0	0	0
Modec	0	0	0	0
Coris	0	0	0	0
Pride	0	0	0	0

◀ **2002 Non-Compliance Situations by Category**

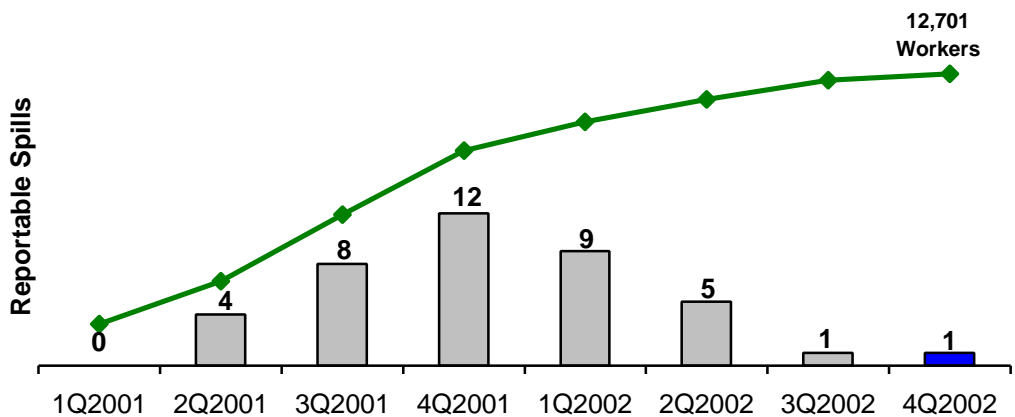
	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Work outside approved areas	45	6	0	51
Waste management	16	1	0	17
Erosion control	8	6	0	14
Health and safety	9	2	0	11
Socioeconomic issues	6	3	0	9
Maintenance/handling of equipment	7	0	0	7
Topsoil handling/management	7	0	0	7
Effluent/wastewater discharges	5	1	0	6
Improper tree felling/vegetation clearing	3	0	0	3
Inadequate SHE training	2	0	0	2
Poor spill response	2	0	0	2
Reclamation	2	0	0	2
Wildlife/bushmeat	0	2	0	2
Watercourse crossings	1	1	0	2
Materials or machinery	1	0	0	1
Extraction (fill materials, etc.)	1	0	0	1
Oil/hazardous materials storage	1	0	0	1
Water withdrawal	1	0	0	1
Administrative	1	0	0	1
Dust management	1	0	0	1
General construction practices	0	1	0	1
Induced access management	0	1	0	1
Cultural site management	1	0	0	1
Total	120	24	0	144

◀ **2002 Level I and Level II Non-Compliance Situations Compared to Construction Activity (Total Workers on Job)**



The combined number of Level I and Level II non-compliance situations per quarter has fallen during the overall course of the Project's construction period. During the same period the total number of Project workers, and therefore the level of construction activity, has substantially increased.

◀ **2002 Reportable Spills Compared to Construction Activity (Total Workers on Job)**



The total number of reportable spills has fallen over the course of the Project's construction period. During the same period the total number of Project workers, and therefore the level of construction activity, has substantially increased.

