

Sanction Rules in the field of EHS

Examples of significant breach of rules health and safety, fire safety and environmental safety (EHS rules) at Siemens sites, for which a contractor is, as a result of a breach of the rules by its employee, a person organised by the contractor or by a contractual partner, obliged to pay to Siemens a contractual penalty of CZK 50,000 for each individual breach, and, further (based on a decision of Siemens), also expelling of contractor's employees or other persons organised by the contractor – contractual partners, who have committed a breach, from the Siemens sites:

1. Failure to comply with an express instruction to interrupt work and to immediately ensure occupational health and safety (OHS), fire protection (FP), or environmental protection (EP) given to prevent directly impending damage to life, health or property by authorised persons of Siemens. For the purposes of this Annex, the following are deemed the authorised persons of Siemens: senior employees at all management levels, project managers, OHS and PO managers, EHS managers, professionally qualified persons of occupational health and safety, professionally qualified persons of FP and, where appropriate, other designated persons of Siemens who will be specified in advance by contractors.
2. Breach of the prohibition to bring in alcoholic beverages or other narcotics in any form into the premises and workplace of Siemens. Positive result of the alcohol breath test, measured at a value higher than 0.30 permille. Positive result of the narcotics test.
3. Failure to undergo the alcohol breath test or the narcotics test upon request by an authorised person.
4. Performance of work without relevant and valid qualifications and competencies to perform a particular work or failure to provide the relevant documents, if required. Qualifications/competencies under this paragraph also include training in health and safety at work, training in fire protection, completion of prescribed trainings and tests for work on dedicated facilities, etc.
5. Performance of work without the relevant special qualifications (the so-called "certified professions"), if required by law or other regulations, or, where appropriate, if required by central or local norms of a Siemens plant or by a project implemented by Siemens. These include, for example, works on dedicated electrical, gas, pressure and lifting equipment - including bindings and hanging of loads on lifting equipment, further, handling of gas cylinders for the transport of gases, welding of metal or non-metallic materials, operation of propane-butane burner kits, controlling motorised trucks, operating chain saws, etc. Failure to document special qualifications by evidence in the place of work, if required.
6. Performance of work without verified and valid medical fitness according to applicable regulations, failure to provide evidence of medical fitness, if required.
7. Lack of or insufficient provision of personnel for work at height or above free depth and under the place of work. Failure to comply with the rules for the construction or use of scaffolding and other means of elevating the place of work - missing railing, failure to cover holes or excavations, non-use of personal protective equipment against falling, failure to secure material against falling from height or into depth, failure to delimit area under the place of work at height, access to that area, etc. - any condition contrary to regulations.
8. Breach of the ban on smoking, prohibition of working with open fire or other sources of possible fire/explosion initiation (e.g. also grinding, etc.), in places where it is prohibited by regulations (including internal regulations of Siemens) or by signs and signals.
9. Other non-compliance with the laws and other regulations and rules relating to fire safety or non-compliance with Siemens internal regulations in this area (within the meaning of this paragraph, also storage of flammable substances, handling and manipulation with them, work with open fire, welding, grinding, etc.) or further with instructions specified in local operational and safety regulations with which the supplier has been acquainted.
10. Performance of work without a valid written permit, order or other mandatory document issued in cooperation with Siemens (e.g. applies to works with an increased fire risk, for LOTO, LMRA and other norms documented in writing, if applicable in the given locality, and information on obligations in this area was duly provided to the contractor in advance).

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11. Failure to comply with an obligation set out in a written permit, order, LOTO, LMRA norm or in any other Siemens document if the contractor had duly been informed in advance of the document and the obligation the contractor breached.
12. Failure to remove other claimed defect in the field of OHS, FP or EP within the specified period of time.
13. Leakage of chemical substances or mixtures to unpaved areas, with the occurrence of damage or threat to groundwater or other environmental hazards. Handling of chemicals or mixtures in contravention of laws and other regulations (including storage).
14. Failure to comply with regulations on keeping and storage of metal pressure vessels for the transport of gases and regulations for handling them.
15. Use of machinery and technical equipment that has not undergone the prescribed inspections, tests, inspections, maintenance and repairs in the relevant time limits or whose condition does not comply with regulations.
16. Movement of a person in the premises or workplace of Siemens without a visible company name or logo or other means of marking - a tag, description of working clothes, etc.
17. Decommissioning of safety devices.
18. Infringement of a decision to exclude a thing from use, decision to prohibit an activity or interruption of work/operation.
19. Failure to secure workplace against the spread of impurities to the surroundings of the workplace, unsecured protection of the surrounding equipment.
20. Disallowing access to an administrator and control bodies to the used room or area of the user for inspection purposes.
21. Infringement of the principles of controlled movement of persons, goods and property protection with which the contractor was informed in advance.
22. Physical aggression against others.
23. Failure to comply with any other obligation, not separately described in these Rules, stipulated directly by the laws of the Czech Republic (e.g. regulations like the law, decree, government regulation).

Examples of other breaches of the EHS rules at Siemens sites, for which a contractor is, as a result of a breach of the rules by its employee, a person organised by the contractor or by a contractual partner, obliged to pay to Siemens a contractual penalty of CZK 25,000 for each individual breach, and, further (based on a decision of Siemens) also expelling of contractor's employees or other persons organised by the contractor – contractual partners, who have committed a breach, from the Siemens sites:

24. Positive result of the alcohol breath test, measured at a value up to 0.30 permille, inclusive.
25. Non-use of relevant personal protective equipment (PPE) by an employee during work or movement in workplaces. Missing or insufficient protective devices of machines, technical equipment, operating areas.
26. Precluding or restricting the access to emergency exits, escape/evacuation pathways or distribution devices, switches and closures of energy (e.g. storage of material in front of them).
27. Performance of work without rigorous coordination with the authorised senior employees of the client.
28. Entry of employees of the contractor or its subcontractors to the client's premises without a valid document (entry cards, etc.) or movement outside designated places and paths.
29. Failure to comply with obligations in waste management.
30. Leakage of chemicals or mixtures on paved areas other than that described above, without further damage and threat to underground water. Handling of chemicals or mixtures in violation of central or local norms of a Siemens plant.
31. Failure to provide workplaces with the prescribed and usable extinguishing agents for work performed by the contractor (fire extinguishers, etc.).

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32. Violation of other orders or prohibitions stipulated by local security and other signs (unless the violation is specified in another paragraph of these Sanction Rules).
33. Performance of non-approved activities that may lead to the occurrence of an extraordinary event.
34. Unauthorised handling of property of other legal and natural persons in the premises or workplaces of Siemens.
35. Non-reporting of an extraordinary event (accident, fire, explosion, theft, other property damage, etc.).
36. Refusal to prove the identity to a person authorised by the client or verbal aggression against persons.
37. Missing or inadequate securing of the workplace (building, material, etc.), including a failure to secure a workplace that has been taken over, own means of transport, mechanisation and other means against misuse.
38. Unauthorised disposal of waste material (without further damage, violation of regulations and principles). Serious deficiencies in the clean-up of entrusted or shared workplaces and spaces and a failure to meet deadlines set for remedying the deficiencies.
39. Failure to comply with any other obligation, not separately described in these Rules, arising from other regulations of the Czech Republic (e.g. technical standard) and an obligation arising from internal central or local norms of a Siemens plant, with which the contractor was duly informed in advance.

Siemens is entitled to reduce the amount of the supplier's obligation to pay the contractual penalty, taking into account the level of materiality of breach of the respective EHS rules and potential results and consequences arising out of such breach.

Requirements mentioned above, which are irrelevant with respect to the nature of the delivery of the service or material, cannot become the cause of any sanction.