



**APPROVED BY**  
Order of the Chief Executive Officer of  
JSC Ilim Group  
No. GD- of \_\_\_\_\_

**Developed by (Department):** Environmental, Health and Fire Safety Department

**Storage location:** Records Management

**To be updated on:** December 31, 2021

# **STANDARD GOVERNING**

Health and Safety Requirements for Contractors of JSC Ilim Group  
**(REVISED VERSION)**

St. Petersburg  
2017

## **TABLE OF CONTENTS**

<b>STANDARD GOVERNING .....</b>	<b>1</b>
<b>HEALTH AND SAFETY REQUIREMENTS FOR CONTRACTORS OF JSC ILIM GROUP .....</b>	<b>1</b>
<b>(REVISED VERSION) .....</b>	<b>1</b>
<b>TABLE OF CONTENTS.....</b>	<b>1</b>
1. OBJECTIVE .....	3
2. SCOPE .....	3
3. REGULATORY REFERENCES, TERMS AND DEFINITIONS .....	3
4. STANDARD REQUIREMENTS .....	5
5. CUSTOMER REQUIREMENTS .....	6
6. CONTRACTOR REQUIREMENTS .....	8
7. CONTRACTOR EMPLOYEE TRAINING AND AWARDING ACCESS TO SITE AND FACILITIES OF THE COMPANY .....	9
8. PERSONAL PROTECTIVE EQUIPMENT (PPE) .....	10
9. CONTRACTOR VEHICLES, OPERATING MACHINERY, EQUIPMENT AND TOOLS .....	10
10. ENVIRONMENTAL PROTECTION AND SUSTAINABLE FOREST MANAGEMENT REQUIREMENTS .....	10
11. TENANT CONTRACTOR REQUIREMENTS .....	11
12. REQUIREMENTS AIMED TO PREVENT CONTRACTOR EMPLOYEES FROM PERFORMING WORK IN A STATE OF ALCOHOL INTOXICATION .....	12
13. CONTRACTOR'S LIABILITY FOR VIOLATING THE EHS REQUIREMENTS .....	12
14. BRINGING CONTRACTOR TO RESPONSIBILITY FOR SAFETY INFRACTIONS .....	14
15. EXECUTION FOLLOW-UP .....	15
APPENDIX 1 .....	15
APPENDIX 2.....	16
APPENDIX 3.....	18
APPENDIX 4.....	20

## 1. OBJECTIVE

- 1.1. This Standard has been developed in order to establish a unified approach of JSC Ilim Group (hereinafter, the CUSTOMER or COMPANY) to the relations with the companies that are contracted to perform work at Ilim Group's facilities and lease Ilim Group's property as well as with other **third parties which need to be present at the facilities and the industrial site of JSC Ilim Group in order to ensure performance of an agreement** (hereinafter, *the CONTRACTORS*) with regard to occupational, industrial, environmental, and fire safety and access control at the Customer's industrial sites (hereinafter, the health and safety requirements).
- 1.2. Whenever the Customer and the Contractor engage into an agreement, the staff in charge of contractor safety management shall share a copy of this Standard with the Contractor and obtain signature of the person authorized by Contractor which certifies the Contractor is aware of the requirements in the Standard. This Standard may also make an integral part of the respective agreement in the form of an appendix.

## 2. SCOPE

- 2.1. This Standard shall apply to all organizational units, Branches, Representative Offices, remote structural units and contractors of JSC Ilim Group. This Standard is recommended for adoption by the subsidiaries and affiliates of JSC Ilim Group (hereinafter, the Group Companies). The requirements established by this Standard shall be adopted by subsidiaries and affiliates through approval and implementation of corresponding internal regulations by duly authorized management bodies of the subsidiaries and affiliates.
- 2.2. In-house regulations and orders issued by JSC Ilim Group with regard to the environmental, health and fire safety relations with the Contractors must not conflict with the provisions outlined herein.

## 3. REGULATORY REFERENCES, TERMS AND DEFINITIONS

- 3.1. The requirements of the following internal and external regulations, including the amendments and addenda thereto, have been referred to during development of this Standard:
  - Federal Law No. 116-FZ of July 21, 1997 “On Occupational Health at Hazardous Production Facilities”
  - Labor Law of Russia No. 197-FZ of December 30, 2001.
  - Federal Law No. 14-FZ of February 08, 1998 “On Limited Liability Companies”.
  - Federal Law No. 117-FZ of July 21, 1997 “On Safety of Hydraulic Engineering Facilities”
  - Federal Law No. 196-FZ of December 10, 1995 “On Road Traffic Safety”.
  - Federal Law No. 68-FZ of December 21, 1994 “On Protection of the Population and Areas Against Natural and Man-Made Emergencies”.
  - Federal Law No. 69-FZ of December 21, 1994 “On Fire Safety”.
  - Federal Law No. 123-FZ of July 22, 2015 “Technical Regulation on Fire Safety Requirements”.
  - Federal Law No. 125-FZ of July 24, 1998 “On Compulsory Social Insurance Against Industrial Accidents and Occupational Illnesses”.
  - Federal Law No. 52-FZ of March 30, 1999 “On Sanitary and Epidemiologic Well-Being of the Population”.
  - Federal Law No. 7-FZ of January 10, 2002 “On Protection of the Environment”.
  - Federal Law No. 3-FZ of January 09, 1996 “On Radiation Safety of the Population”.
  - GOST R 12.0.006-2002. Occupational Safety Standards System. General Requirements to Managing Occupational Safety in an Organization.
  - GOST R 12.3.047-98 OSSS. Operations Fire Safety. General requirements. Verification Methods.
  - Resolution of the Ministry of Labour and Social Development of the Russian Federation and Ministry of Education of the Russian Federation No. 1/29 of January 13, 2003 On approval of occupational safety trainings and examinations for company employees.
  - Rostekhnadzor Order No. 667 of July 31, 2009, Guideline Document 03-19-2007 “Training and Certification of Specialists Working at Companies Regulated by the Federal Service for Environmental, Technological and Nuclear Supervision”.
  - Rostekhnadzor Order No. 667 of July 31, 2009, Guideline Document 03-20-2007 “Training and Assessment of Workers Working at Companies Regulated by the Federal Service for Environmental, Technological and Nuclear Supervision”.

- FSC-STD-RUS-V6-1-2012 Russian National Forest Stewardship Council Certification Standard (hereinafter FSC-STD-RUS- V6-1-2012),
  - PEFC-FCR-01-2013 Forest Management Certification Standard.
- 3.2. The following terms have been adopted for use in this Standard to describe events and concepts
- **MANUFACTURING SAFETY** – this term encompasses occupational, environmental, industrial, fire, radiation and chemical safety, building and structural safety, vehicles safety, safety of the manufacturing processes and work site access control.
  - **OPERATIONS CERTIFICATE** – written permission issued to the Contractor to start work in an allocated process area or mill site in accordance with the established procedure.
  - **JOB PERMIT** – written authorization to perform a job in a safe manner; this is a special standardized form which includes the scope and location of the job to be performed, the job start and end time, safe working conditions, crew members and/or persons in charge of safe performance of the job.
  - **CONTRACTOR** – an entity that entered into a formal agreement/deal with the Customer to deliver to the latter construction, installation, maintenance and other works, to provide services at the Customer’s facilities and site or to lease the Customer’s facilities, premises, site with a view to use the leased assets while performing the works/services.
  - **TENANT CONTRACTOR** – a party to a rent agreement that exercises temporary ownership and use or temporary use of assets sourced from the landlord (JSC Ilim Group) for a fee in accordance with the terms and conditions of such agreement.
  - **CONTRACTOR SAFETY SUPERVISOR** – branch safety department employee in a leadership role or specialist who reports directly to branch OHS director<sup>1</sup>.
  - **SAFETY COORDINATORS** – JSC Ilim Group employees in leadership roles or specialists from a business unit (hereinafter BU employees) that hired contractor to deliver works, or BU employees from a respective team that initiated an agreement with contractor or dedicated safety specialists.
  - **CUSTOMER, COMPANY** – JSC Ilim Group.
  - **EMERGENCY EVENT** - an incident, emergency, breakage, explosion, fire outbreak, fire, radiation damage, breakdown, destruction, excessive emissions and pollution, hazardous substance and material leaks, road or water accident, an event involving a person and Company assets that may result or resulted in an emergency or an incident.
  - **ASSET** – a building, structure, construction, vehicles, operations process units, equipment, area of a business unit, branch, representative office and other stand-alone divisions of JSC Ilim Group.
  - **CUSTOMER’S SITE** – a territory owned or leased by JSC Ilim Group, protected by JSC Ilim Group from harmful impacts of third parties, designated for business activities of both its own business units and contractors for the benefits of JSC Ilim Group.
  - **ASSET MANAGER** – an official appointed to oversee and manage the Company’s building, structure, construction, vehicle, process units, equipment, territory of the business units.
  - **CONTRACTOR MANAGER** – the Contractor’s official in charge of direct management of an entity regardless of its form of ownership with the right, without a power of attorney, to take any actions on behalf of the company and represent its interests in any instances, including court instances.
  - **SUBCONTRACTOR** – entity involved by the General Contractor to perform work at the Customer’s facilities.
  - **CUSTOMER SAFETY SUPERVISION NOMINEES** – persons holding the position at manufacturing units of the Company’s branches, occupational, industrial fire and environmental safety department staff, fire protection team staff at the Company’s branches, Company asset security department staff, including those contracted with the delegated rights.
  - **CUSTOMER SAFETY MANAGEMENT NOMINEES** – persons holding the position at manufacturing units of the Company’s branches, including those contracted with the delegated rights.

---

<sup>1</sup> May also report to branch occupational safety team lead

- **CONTRACTOR'S SAFETY PERSON** – the Contractor's employee in leadership position formally responsible for safety compliance (floor supervisor, foreman, taskmaster).
- **CONTRACTOR'S SAFETY MANAGEMENT ASSIGNEE** is the representative of a Contractor formally assigned to be in charge of supervision of Contractor's safe performance (safety engineer for organizations with 50+ employees, or a person assigned by the order for organizations with headcount below 50).
- **FSC** – Forest Stewardship Council Certification Standards.
- **PEFC** – Pan-European Forest Certification Scheme.

- **BLACK LIST** – contains names of employees or organizations that are banned to access to JSC Ilim Group site. Contractor safety supervisor at each branch is responsible for black list updates.

#### 4. STANDARD REQUIREMENTS

- 4.1 JSC Ilim Group uses contracted services and works, besides, it functions as landlord. In this regard the level of JSC Ilim Group site security and employee safety is related to Contractor's staff competence, using honed design solutions, operability of Contractor's materials, tools, equipment, vehicles. That is why it is important for the Company and contractors to be aligned and move same direction on safety to be able to achieve the goals specified in JSC Ilim Group policy and Russian laws on occupational, industrial, fire and environmental safety.
- 4.2 The following requirements must be met in interaction with Contractors.
  - Availability of contact information of Contractor safety management officials and authorized representatives.
  - Definition of Contractor liability for compliance with safety requirements when performing works and rendering services at the Customer assets and sites.
  - Definition of interaction on safety-related issues between the Customer staff and the Contractor staff when the latter is going to perform works and render services at the Customer assets.
  - Definition of major safety requirements to Contractor in relation to the kind of work/services<sup>2</sup>.
  - **Customer safety requirements list** (hereinafter "safety list") includes in-house policies and procedures or certified extracts from those and sets up site access regime, occupational, industrial and fire safety rules, waste handling, storage and disposal practices and other current dos and don'ts applicable at specific business unit of the Customer. The safety list is accompanied by either these policies and procedures or certified extracts from those.
- 4.3 Branch safety director, branch fire and emergency response team leader must be included in the customer specifications approval list if the specifications assume involvement of contractors.
- 4.4 Organizations that guarantee to deliver works without subcontractors will be given preference in the process of competitive selection of contractors for performance of works (civil construction and installation, checkout and startup, maintenance, engineering services, wood transport services).
- 4.5 It is acceptable for Contractor to involve a subcontractor in extraordinary occasions only (to perform civil construction and installation, checkout and startup, maintenance, engineering services, wood transport services), e.g.: if Contractor does not have skilled labor and/or resources to deliver work. Subcontractor will be permitted as soon as the assets security dpt. and other stakeholders provide their positive opinion as per cl. 5.11 of the Standard, and a respective FLT manager or his/her duly authorized nominee approve. This requirement has to be included the agreement with the Contractor.  
To accomplish this, Purchasing team official must send an internal memo to the FLT manager.
- 4.6 After the approval of subcontractor, further alignment with the teams involved takes place as per Regulation "On Competitive Tenders that Result in the Award of Goods/Materials Delivery Contracts and Services Contracts with JSC Ilim Group".

---

<sup>2</sup>Mandatory safety requirements for Contractors are formally set up and approved at each individual business unit of the Company by respective leaders on occupational, industrial, environmental and fire safety.

## 5. CUSTOMER REQUIREMENTS

- 5.1. In order to arrange efficient interaction with Contractors, Company's branch manager formally assigns a Contractor safety supervisor (hereinafter **Contractor safety supervisor**). Besides, each contractor will be appointed to a safety coordinator (hereinafter **Safety coordinator**).
- 5.2. Contractor safety supervisor must pass safety knowledge assessment at least once every three years to meet the program for leaders, specialists and salaried employees.
- 5.3. Contractor safety supervisor is bound to:
- Share all required in-house safety policies and procedures with the Contractor's safety management nominee and obtain his/her signature certifying receipt of such documents.
  - Check relevance and completeness of shared safety documents.
  - Follow up the development of action plans by contractors to close gaps against check lists.
  - Arrange and run safety meetings with contractors in attendance of coordinators.
  - Arrange and run checks for contractor compliance with safety requirements.<sup>3</sup>
  - Check closure of the identified punch items.
  - Keep statistics of and analyze contractor incidents<sup>4</sup> and infractions that took place at the Company's business units.
  - Communicate safety infractions by contractors to the immediate supervisor and the authorized contractor representative.
- 5.4. Contractor safety supervisor has the right to:
- Invite EHS, fire and emergency response leaders and specialists, branch leaders and specialists to participate in contractor safety meetings.
  - Suspend contractor activities if there are any safety infractions.
  - Trigger imposition of penalties to contractor.
- 5.5. Make suggestions to branch safety director to ban contractor from tenders and contractor employees from work.
- 5.6. Safety coordinators shall be formally appointed by the branch or the branch business unit and shall report to the branch safety manager.
- 5.7. Coordinator's responsibility shall be formally identified either by geographical (e.g., manufacturing area, section) or by functional principle (power/energy contracts coordinator), or other criteria shall be utilized – by roles in the job description.
- 5.8. Safety coordinators must pass safety knowledge assessment at least once every three years to meet the program for leaders, specialists and salaried employees.
- 5.9. Safety coordinators are bound to:
- Track preparation of work areas for contractors by branch personnel.
  - Make sure that Contractor's employees are familiar with the safety requirements applicable at the Company's assets and site.
  - Participate/Run daily meetings<sup>5</sup> with contractors involved in Annual outage or strategic capital projects, construction, installation and lifting works, works at height.<sup>6</sup>
  - Take part in /provide authorization of contractor works – contractor preparedness must be checked prior to commencement of works.
  - Monitor safe performance of contractor employees.
  - Check safety documentation that is required for safe performance of works by contracted employees.
  - Check availability, fitness for use and appropriateness of PPE, tools and equipment while contractor is performing the works.
  - Make sure that contractor completes internal investigation of incidents (including near-misses and minor injuries).
  - Arrange safe behavior audits together with contractor leadership.

---

<sup>3</sup> Frequency of the checks is according to the schedule approved by branch EHS director, however the checks shall be performed at least once every two years.

<sup>4</sup> Events that occurred at a site controlled by the customer will be analyzed.

<sup>5</sup> Daily meetings shall be run at manufacturing branches and operations bases (e.g., transportation department, repair shop) of forest branches.

<sup>6</sup> Meeting minutes shall be taken and include the following information: date, participants, agenda and decisions made.

- Perform contractor assessment on a monthly basis as per the check list (Appendix 2).
  - Run contractor safety meetings at least once per month to discuss the assessment results and corrective actions.
  - Share, as needed, site maps, allowed traffic routes and permitted facility layouts labelled with hazards and important utility systems.
- 5.10. Safety coordinator has the right to:
- Check contractors' documents /permits when they perform the works.
  - Assess knowledge of safety topics in the form of oral quizzes of contractor employees.
  - Suspend contractor activities if there are any safety infractions.
  - Trigger imposition of penalties to contractor.
  - Prepare letters to the address of contractor leadership about safety infractions identified; send such letters for approval by branch EHS director.
  - Make suggestions to branch safety director to ban contractor from tenders and contractor employees from work.
- 5.11. Preliminary selection of contractors relies on the questions in the check list (Appendix 1)<sup>7</sup>. The check list shall be signed by the following team members:
- Contractor safety supervisor.
  - Safety coordinator.
  - Branch EHS director or branch safety team leader.
  - Branch fire and emergency response team leader.
  - Branches are eligible to invite more persons into the team.
- 5.12. The check list (Appendix 1) shall be filled in by Contractor and checked by the team members using the documents provided by Contractor to contractor safety supervisor:
- Order that assigns an authorized safety representative of the organization and proof of the credentials.
  - Information and copies of permitting documentation (licenses, permits and etc.) issued to Contractor and/or subcontractor.
  - List of positions/names in charge of ensuring safety while at the Customer's sites and copies of the appropriate orders and documents describing their credentials, roles and areas of responsibility.
  - Information on certification of leadership, specialists and specific categories of employees in occupational safety, industrial, radiation and fire safety.
  - Copies of certification acknowledgement or certificates to confirm qualifications and assessment of Contractor employees that are going to attend the Customer's site.
  - List of contact persons in charge of safety and their phone numbers.
  - Contractor safety supervisor and Customer's business unit safety coordinator shall jointly agree on scope and timeline of the documents based on the type of works/services to be performed by contractor; the scope and timeline for the documents shall be specified in customer specifications.
- 5.13. The chair of tendering committee, which is assembled as per Regulation "On Competitive Tenders that Result in the Award of Goods/Materials Delivery Contracts and Services Contracts with JSC Ilim Group", shall pass competitive contractor quotes to the Customer for analysis. The Customer shall share suggestions and clarifications on the scope and technology of planned works with contractor safety supervisor for the latter to determine contractor capability to perform the said works in accordance with the safety requirements.
- 5.14. Contractor safety supervisor shall review the documents within three business days and hand over the signed check list (Appendix 1 to this Regulation) to the tendering committee.
- 5.15. If there is a plan to get the Contractor involved into a large capital project, – project budgets equivalent to or above USD 300 M – safety department may initiate contractor site audit as per the check list (Appendix 2); the audit must be agreed upon with the contractor. Contractor works performed at other organizations can be audited upon agreement with the organizations.
- 5.16. Unified Standard of contractual and legal handling shall govern the relations with the Contractor in terms of safety and set up the Contractor's liability for infraction of the rules and procedures

---

<sup>7</sup> The requirements in the check list are minimal. Branches are eligible to add up items into the list, but must never do the opposite.

defined by this Standard and other in-house policies. This requires a separate agreement with the Contractor, or general contract may include clauses that deal with the Contractor/subcontractor roles and responsibilities and liability for safety infractions.

- 5.17. No employee of the Customer shall interrupt regular activities of the Contractor unless safety infractions are observed. The infraction identified must be reported to the Contractor leadership, the Customer's safety management nominees, safety supervisor and safety coordinator. If there is an imminent hazard of loss to the Customer, Contractor or hazard of injury to the Customer/Contractor employees or any other person, any of the Customer's employees must take the required and appropriate measures to stop hazardous activity and communicate the event to the Customer's officials or Customer's operations control center.
- 5.18. The Customer's business unit leader shall coordinate activities to execute the integrated work schedule and safety preparation work.

## **6. CONTRACTOR REQUIREMENTS**

- 6.1. Prior to the start of the work, the Contractor shall determine and establish in cooperation with the Customer's EHS Coordinator:
- The list of external and internal EHS regulations applicable to the work and services rendered by the Contractor at the Customer's facilities and premises.
  - Contractor employee skills requirements, safety training and proof of training procedure to comply with the Customer's specification.
  - List of personal protective equipment to be used by Contractor employees at the Customer's site and facilities, induction on site/facility access procedure.
  - Procedure on the use of the Customer's process and other equipment<sup>8</sup> by contractors.
  - List of hazards and risks that exist on the job site.
  - Incident communication procedure and emergency response procedure.
- 6.2. Prior to the start of the works, the Contractor must confirm in writing (including specifically respective clauses in the agreement with the Contractor) its financial liability as stipulated for in this Standard<sup>9</sup> for failure to observe the in-house safety and site access policies and procedures by the Contractor employees and subcontractors as well as failure to comply with the applicable EHS legislation.
- 6.3. The Contractor is bound to<sup>10</sup>:
- Deliver works/services in accordance with the terms and conditions of the agreement, applicable Russian legislation and the Customer in-house policies and procedures. The Customer reserves the right to check the Contractor employees for compliance with safety requirements at the Customer's site and facilities, including leased out areas.
  - Follow the procedures applicable at the Customer's business unit and get alignment on the number and location of tie-ins and the use of water, steam, heating, power, lighting and other necessary resources, equipment, machines and materials owned by the Customer. Prior to the start of works, the Contractor must sign rent agreement and ensure compliance with the safety requirements if the Contractor uses the Customer's premises and equipment to deliver works or services.
  - Support the Customer in every way to run safety compliance checks and eliminate the infractions identified.
  - Perform activities at the Customer's site and facilities with all permitting documentation required by Russian legislation (licenses, certificated, permits, approvals and etc.) at hand; these should be issued by authorized state agencies.
  - Ensure authorized safety management representative attends the site/facility if over 50 Contractor/subcontractor employees are involved. The Customer has the right to request attendance of authorized safety management representative even if less than 50 Contractor/subcontractor employees are involved to works at the Customer's site or facilities.
  - If the Contractor is hired to perform highly hazardous works at the Customer's site and facilities, the Contractor must ensure safety person attendance.

---

<sup>8</sup> If equipment is transferred to the contractor

<sup>9</sup> Contractor undertakes to communicate safety requirements to its subcontractor

<sup>10</sup> Terms and conditions that are compulsory for both parties must be included into respective agreement with the Contractor.



- Ensure the Customer's safety requirements are observed by the Contractor's own and third party personnel.
- Take responsibility for any adverse impact on the environment and negative safety consequences to the Customer that resulted from actions by the Contractor's own and third party employees.
- Any and all incidents with the Contractor employees at the Customer's site and facilities must be immediately communicated to the Customer's operations control teams and safety coordinator as per the procedures applicable at the Company.
- Investigate safety incidents and keep track of injuries sustained by the Contractor's own and subcontracted employees.
- Involve the Customer's representative to investigations of the incidents with the Contractor's employees at the Customer's site and facilities<sup>11</sup>. Ensure implementation of corrective actions to prevent reoccurrence of the incidents.
- Report completion of the activities aimed at prevention of incident reoccurrence to safety coordinator and contractor safety supervisor.

6.4. The Contractor shall be accountable for the following:

- All employees of the Contractor and subcontracted employees shall certify with their signatures that they were briefed on the Customer's in-house safety policies as per the List (or extracts from those). The appropriate document shall be sent to safety coordinator.
- Subcontractors must follow the safety requirements. If Subcontractors are found to violate safety policies, the Contractor shall communicate this to the Customer in writing and supply documents (confirming the instance of infraction) specified by safety coordinator as per this Standard.
- The required safety training and drills shall be provided to own and subcontracted personnel, and proof of training shall be available.
- Equipment, hardware, devices, tools and personal protection equipment to be used by the Contractor/Subcontractor employees at the Customer's site and facilities shall be available and fit for use.
- Contractor/Subcontractor employees must pass compulsory pre-placement and periodic health checks as well as pre-/post-trip and pre-shift/post-shift health checks, as applicable. The appropriate proof shall be sent to contractor safety supervisor.

6.5. Failure to fulfill the standard Contractor commitments set forth in this section enable the Customer to suspend delivery of works/services and impose penalties for safety infractions as per the agreement.

## **7. CONTRACTOR EMPLOYEE TRAINING AND AWARDING ACCESS TO SITE AND FACILITIES OF THE COMPANY**

- 7.1. Prior to the start of the works at the Customer's facility (including those transferred to the Contractor for the period of work), the authorized safety representative of the Contractor shall ensure that all employees permitted to access the Company's site and facilities obtain safety orientation as per the procedure set up by the Company's business unit.
- 7.2. Site/facility passes can be issued as per the Company's procedure that requires Contractor/Subcontractor employees to get safety orientation in the first place, and become familiar with the specific site access policy.
- 7.3. Only qualified personnel trained on safety as required by the Russian<sup>12</sup> and the Company's in-house policies and procedures without medical contraindications can deliver works and services at JSC Ilim Group facilities (applies to all kinds of positions). Each contracted employee shall have a safety card, and an industrial and fire safety training certificate for specific types of work (authorizations to perform special work (using electric tools, work at height and etc.)
- 7.4. Prior to the start of work, wood supply and forest management Contractors shall take an FSC/PEFC standards course where the Customer's specialists on FCS/PEFS are involved.

---

<sup>11</sup> Upon the Customer's request

<sup>12</sup> Employees of foreign companies, Russian aliens, who render the equipment/process survey services are allowed to submit safety certificates obtained in their own country. However they must be accompanied by the Customer's representatives when visiting the manufacturing sites.

- 7.5. The Contractor's authorized safety representative and employees involved in works where special fire hazard exists, prior to the start of the work at the Customer's facilities, shall complete a fire safety basics course as per the procedure set up in the Company's in-house policies.
- 7.6. The Contractor shall ensure that employees perform the functions they were trained to do only. It is not acceptable that the Contractor employees do jobs they are not authorized to, except for emergency response actions set forth in the Russian legislation.
- 7.7. The Customer shall arrange and provide fire safety and fire response induction to the Contractor employees working at the Customer's facilities; the Customer also shall check knowledge on fire safety in accordance with internal policies and procedures of the Company.

## **8. PERSONAL PROTECTIVE EQUIPMENT (PPE)**

- 8.1. All Contractors' employees carrying out operations at the Customer's facilities and site shall be provided with personal protective equipment in accordance with the Standard industry-wide standards rates of PPE provision. The Contractor shall be responsible for provision of PPE to its employees.
- 8.2. All PPE to be used by the Contractor's employees shall comply with the state standards of the Russian Federation.
- 8.3. Working clothes of the Contractor/Subcontractor employees shall have legible logo and name of the organization. All working clothes (jackets and trousers) shall have at least 50 mm wide light reflecting stripes located around its sides.
- 8.4. The Contractor employees have to use personal protective equipment as per the requirements applicable at the Customer's business units.
- 8.5. Work supervisor or the Customer's safety persons/supervisors shall immediately ban the Contractor's employees from proceeding with the works for not using the required PPE up until the observed infraction is fixed. While the violation shall be recorded in accordance herewith.

## **9. CONTRACTOR VEHICLES, OPERATING MACHINERY, EQUIPMENT AND TOOLS**

- 9.1. All Contractor vehicles, lifting rigs, equipment and tools used at the Customer's site and facilities shall meet the external and internal safety requirements of the Customer.
- 9.2. For the access of the Contractor's vehicles, mechanisms, and equipment to the Customer's facilities and site, the Contractor shall ensure:
- Training and appropriate qualification of drivers, operators and other users.
  - Routine maintenance and tests of vehicles, equipment and machinery.
  - Vehicles, equipment and machinery is used as intended only.
  - The speed limit set by the Customer.
  - Motorized equipment moves around the Customer's site and makes stops according to the markings and road signs.
  - Drivers complete pre-/post-trip medical checks.
  - Inspection of vehicles prior to the start of work/route.
  - Vehicles and other machinery meet fire, industrial and electrical safety requirements, and these are in good operational order when received back by the Customer or used for the job.
  - Machinery, equipment, mechanisms and tools have certificates of compliance to Russian state standards and fire safety norms, as well as hygiene certificates.

## **10. ENVIRONMENTAL PROTECTION AND SUSTAINABLE FOREST MANAGEMENT REQUIREMENTS**

- 10.1. The Contractor shall obtain all necessary permits, environmental license and license for use of natural resources for its environmental impact sources.
- 10.2. When performing work at the Customer's site, the Contractor shall:
- Deliver works/services in compliance with the Customer's environmental safety requirements, FSC, PEFC.
  - At its own expense, ensure collection, safe temporary storage, disposal, removal, drop off to special facility of unspent chemicals, mercury-containing waste and other industrial and consumer waste that resulted from the works performed.
  - Reimburse environmental damages, losses incurred by the Customer and third parties, provide full recovery from all environmental incidents and consequences thereof caused by the Contractor.

10.3. The Contractor shall not:

- Dump petroleum products, chemicals, various kinds of waste outside of the locations designated by the agreement, separate agreement, resolution, Customer's internal policy; incinerate any kinds of waste at the Customer's site outside of dedicated processing units.
- Use chemicals that are not supported with hygiene certificates as per Russian GOST, material safety data sheets (if it is required for the chemical) and safe operating instructions and first aid measures.

10.4. The Contractor awards the Customer and certification body with the right to audit compliance with FSC and PEFC standards and undertakes to provide original documents, access to the Contractor's and subcontractor's, if applicable, storage and operations facilities.

10.5. Non-compliance found as the result of such audits shall be resolved by the Contractor.

10.6. The Contractor's forest management activities shall preserve biodiversity and facilitate improvement of the high conservation value forests.

10.7. The Contractor is liable for non-compliance with the environmental, law, water, forest laws, air protection, production and consumption waste laws and shall compensate for environmental damages inflicted by the Contractor.

## **11. TENANT CONTRACTOR REQUIREMENTS**

11.1. The Contractor shall operate rented assets in accordance with the applicable Russian legislation and policies and in compliance with the Customer's internal safety requirements.

11.2. The Contractor leasing the Company's property shall:

- Perform its activities with all permitting documentation required by Russian legislation (licenses, certificated, permits, approvals and etc.) at hand; these should be issued by authorized state agencies;
- Perform prompt maintenance of all kinds of the leased equipment and utility systems at leased facilities.
- Maintain functionality of the items and equipment designated for fire detection and suppression, keep clear egress routes, means and emergency exits;
- Maintain in good condition and ensure safe operation of a leased item and its communication, heating, ventilation, electric, water, sewer, information and engineering lines;
- Ensure safe employee and vehicle traffic at rented site.
- Ensure housekeeping and timely removal of waste from leased sites, timely removal of snow and ice from any structural elements, buildings, constructions, equipment that have a potential to fail under the excess loads, and also where melting can cause deterioration, destruction and injury to employees and other people.
- Ensure anti-slip materials are timely applied at slippery areas.
- Ensure payments for negative environmental impact.
- Fit out temporary storages for industrial and consumer waste.
- At its own expense, ensure collection, disposal, removal, drop off as prescribed of industrial and consumer waste.
- Perform visual examinations, checks of leased assets with a view to identify needs in any repair, inspection, cleaning, extension of the fitness for safe service.
- Formally assign persons in charge of safe performance of work, operation and maintenance of tools, equipment, vehicles and other leased items, safe handling of industrial and consumer waste, operations inspections and technical supervision at hazardous manufacturing facilities, fire safety of leased facility.
- Register leased hazardous manufacturing facilities in the State register of hazardous manufacturing facilities, and also take out an insurance to indemnify against harm to life, health or property of others and to the environment in case of breakdown at hazardous manufacturing facility.
- Any and all incidents occurred at leased facilities and with leased assets must be immediately communicated to the branch operations control teams and the Company's business unit safety coordinator.
- Investigate emergency events in the instances set forth by Russian legislation and involve the Customer's safety management and supervision staff. Or send its representatives to participate in the

Customer's incident investigation team. For the investigation purposes, ensure free access of the Company's safety management and supervision staff to leased premises and equipment.

- Ensure prompt action on improvement letters issued by the Company's safety management and supervision staff and state supervision authorities.
- At its own expense, ensure completion of reclamation, restoration or other recovery activities upon completion of tenancy (as needed).
- Make environmental reports as required by the legislation and the Customer's internal policies and procedures, and share the reports with stakeholders on a timely manner.
- Install environmental protection means at locations of temporary storage of industrial and consumer waste.

11.3. The Company reserves the right to conduct audits of compliance with industrial safety requirements at leased facilities. The results shall be communicated to the Tenant contractor; the contractor shall fix these safety infractions and report completion to the Company's business unit safety coordinator.<sup>13</sup>

11.4. The Tenant contractor shall be completely responsible for compliance of Subtenants with the Company's safety requirements.

11.5. The Tenant contractor shall be liable for any damage to the Landlord's assets. The Tenant shall reimburse direct and indirect losses incurred by the Customer if the Contractor employees are found to damage the leased assets or disturb equipment performance, or there is no possibility for personnel to perform the functions or for manufacturing processes to run.

## **12. REQUIREMENTS AIMED TO PREVENT CONTRACTOR EMPLOYEES FROM PERFORMING WORK IN A STATE OF ALCOHOL INTOXICATION**

12.1. The Contractor and the Customer shall not allow their employees with the signs of alcohol, toxic or drug intoxication to start work at the Customer's sites.

12.2. In the event any of contractor or subcontractor employees are found to be in a state of alcohol, toxic or drug intoxication during the shift, the Contractor shall immediately remove them from the Customer's site, refer them to medical examination and report to the Coordinator hereon.

12.3. The Customer's health and safety employees (including representatives of the organization to which the Customer delegated this function) have the right to check fulfillment by the Contractor of its obligations hereunder at any time (including inter-shift period).

12.4. In the event the Customer's employees suspect the Contractor's or its subcontractor's employees of being in a state of alcohol, toxic or drug intoxication in the sites or in the areas for inter-shift rest, upon Customer's employee's request, the Contractor's responsible works supervisor shall immediately remove such employees from the Customer's site, refer them to medical examination and report to the Customer's EHS employees hereon.

12.5. If the medical examination confirms that the Contractor's employee has been in a state of alcohol, toxic or drug intoxication at the Customer's facilities or sites, such employee shall be denied access to the Customer's facilities and replaced by another employee by mutual consent of the Parties.

## **13. CONTRACTOR'S LIABILITY FOR VIOLATING THE EHS REQUIREMENTS**

13.1. The Contractor shall pay penalties to the Customer in the following amounts<sup>14</sup> if the Customer finds the Contractor/subcontractor employees to violate rules and policies in occupational, industrial, fire and environmental safety<sup>15</sup>, site access procedures, applicable safety and labor laws of Russia:

Non-compliance	Penalties	
	Contractor company	Contractor employee

<sup>13</sup> Audits shall be performed as per the schedule approved by EHS director, but not less than once every two years, and an act shall be issued in a freely definable form. Shop and building tenants shall be audited at least once per year. It is acceptable to audit ancillary rooms during a three-stage check.

<sup>14</sup> The amounts of penalties for safety infractions shall be written in the agreement.

Fintrans GL services are not covered with this requirement

<sup>15</sup> Including JSC Ilim Group "Golden Rules", approved by CEO order No. GD-473 of December 17, 2015.

<p>Contractor employees found at the Customer's location under the influence of alcohol, drugs, or toxic substances.</p>	<p><b>First violation</b> If contract totals under RUB 1 M – 10% of the contract, but at least RUB 50 k. If over RUB 1M – RUB 100,000.</p> <p><b>Repeated violation within 6 months:</b> Penalty of RUB 200,000 Organization banned for 1 month without any reimbursement of losses (under the agreement where infraction was identified)</p> <p><b>Third violation within 6 months:</b> Organization banned for up to 6 months without any reimbursement of losses + cancelation of the agreement (at the discretion of the branch leadership)</p> <p><b>Fourth violation within 6 months:</b> Cancelation of the agreement, Contractor put on the black list – contractor will not be able to engage into contract with IG for any type of work, without any time limitation.</p>	<p>Offender put on the blacklist</p>
<p>Infraction of EHS and fire safety procedures and rules by a Contractor employee</p>	<p><b>First violation:</b> If contract totals under RUB 1 M – 10% of the contract. If over RUB 1M – RUB 100,000.</p> <p><b>Repeated violation within 6 months</b> Penalty of RUB 200,000 Organization banned for 1 month without any reimbursement of losses (under the agreement where infraction was identified)</p> <p><b>Third violation within 6 months</b> Organization banned for up to 6 months without any reimbursement of losses + cancelation of the agreement (at the discretion of the branch leadership)</p> <p><b>Fourth violation within 6 months:</b> Cancelation of the agreement, Contractor put on the black list – contractor will not be able to engage into contract with IG for any type of work, without any time limitation.</p>	<p>Employee banned from work at Ilim Group branch for 1 month</p> <p>Employee banned from work at Ilim Group branch for 3 months</p> <p>Employee banned from work at Ilim Group branch for 6 months</p> <p>Offender put on the blacklist</p>

Infraction of the site access procedure	RUB 5,000	At the discretion of the Contractor leadership
---	-----------	--

- 13.2. On top of the penalties, the Contractor shall reimburse 100% of documented losses incurred by the Customer due to infraction of occupational, industrial, fire and environmental safety policies and rules by the Contractor/subcontractor employees.
- 13.3. Each instance of infraction shall be deemed recorded when the Customer's safety management and supervision staff fills out a safety infraction act (as per Appendix No. 1 to the standard) in accordance with the procedure set forth in this Standard.
- 13.4. Safety infraction act (hereinafter the Act) can be filled out on the basis of both an infraction observed on the scene of the Contractor work area and conclusion by the Customer's safety management and supervision staff made after revision of proof of infraction, medical record of intoxication, speed recorder clip, speed report from 'Autoskop'/'Interface' systems and incident investigation results.
- 13.5. Contractors' liability for safety infractions shall legally arise when both parties sign an agreement with this Standard appended to it, or when such agreement has standard proviso from ESDPR with the penalties defined by this Standard.
- 14. BRINGING CONTRACTOR TO RESPONSIBILITY FOR SAFETY INFRACTIONS**
- 14.1. This section describes details of bringing the Contractor to responsibility for safety infractions with respect to general requirements of claim review set forth in the 'Claim review procedure at JSC Ilim Group' Standard. The Company's business units shall use the 'Claim review procedure at JSC Ilim Group' Standard as guidance in areas related to penalty payment by the Contractor that are not specifically covered in this Standard.
- 14.2. The Customer's safety management and supervision staff shall fill out 2 copies of safety infraction act whenever safety infraction is found with the Contractor/subcontractor, and shall send<sup>16</sup> one copy of the Act and a written request/bill (Appendix 3) to the Contractor within 10 (ten) business days from the date of the Act. The Act shall be complemented with the proof of infraction. The second copy of the Act, a copy of the request/bill and evidence materials shall be kept by the contractor safety supervisor. The contractor safety supervisor shall send copies of the documents to head of the Customer's team that is responsible for supervision of execution of respective Agreement (Contract) and place a copy of the request/bill in common folders accessible to accounting staff<sup>17</sup>.
- 14.3. If there is a need to investigate and understand details of specific infraction, the Act shall be filled out only after completion of the investigation, but in any way not later than 3 (three) business days from the date of infraction.
- 14.4. Safety penalty requests can be send for approval to Legal teams in respective regions prior to release to the Contractor.
- 14.5. Safety penalties shall be paid by the Contractor within 30 (thirty) business days from receipt of a copy of the safety infraction Act and written request/bill, unless otherwise stated in the agreement (contract).
- 14.6. The Contractor has the right to submit written explanations, comments and objections on the contents of the Act<sup>18</sup> to contractor safety supervisor within 3 (three) business days from receipt of the Act by the Contractor's safety representative. The contractor safety supervisor shall immediately communicate this to head of the Customer's team that is responsible for execution of the Agreement (Contract).
- 14.7. In case the Contractor fails to pay the penalty within the timeframe stipulated in the contract/agreement, the Customer shall take immediate actions to withdraw (suspend) the site passes issued to the Contractor's and its Subcontractor's employees who have failed to comply

<sup>16</sup> Mailing the Act and request/bill shall ensure availability of documented proof of posting and receipt (delivery).

<sup>17</sup> All materials shall be posted in electronic system of claim handling (ESPIR) as soon as it is operational, and requests shall be registered in ESPIR as per claims registration rules.

<sup>18</sup> Can be considered and accepted for conclusion on imposing a punishment.

- with the Customer's EHS requirements, which does not supersede the Contractor's obligations to pay the penalty. Site pass withdrawal procedure is set forth in the Customer's internal policies.
- 14.8. Information on penalties paid and unpaid (that were filed) by the Contractor shall be communicated to mill managers by contractor safety supervisor as per the procedure in respective branches of the Company, and shall be sent quarterly to the Company's EHS department.
- 14.9. As soon as the Company launches an electronic system of claim handling (ESPIR), safety penalty requests will be approved and documented and payments will be monitored with the use of ESPIR only.
- 14.10. Controversies arising in relation to payment of penalties by the Contractor shall be handled as per the 'Claim review procedure at JSC Ilim Group' Standard.
- 15. EXECUTION FOLLOW-UP**
- 15.1. Execution of the Standard shall be followed up by EHS and Fire safety department in the form of checks run at the Company's branches.
- 15.2. Information on non-compliance with the requirements of this Standard shall be communicated to mill manager, respective FLT manager and asset protection department for them to take appropriate measures as per the procedures of the Company.

## APPENDIX 1

### CHECK LIST (RECOMMENDED FORM)<sup>19</sup> Selection of contractor to deliver services to JSC Ilim Group

Contractor's name:

Contractor planned work:

Type of work:

Planned work site:

Persons per area:

Assessment criteria	Comments
1. Similar work experience	<input type="checkbox"/>
2. Employees with similar work experience available	<input type="checkbox"/>
3. Fatalities for the last 5 years	<input type="checkbox"/>
4. EHS and fire safety policy known to all employees	<input type="checkbox"/>
5. Formal EHS and fire safety program is approved	<input type="checkbox"/>
6. Customer recommendations/feedback available	<input type="checkbox"/>
7. How long has company been represented on the market?	<input type="checkbox"/>
8. Company's headcount	<input type="checkbox"/>
9. Number of safety incidents for the last 3 years	<input type="checkbox"/>
10. Employees get additional training (e.g.: first aid course, defensive driving for drivers)	<input type="checkbox"/>
11. Near-misses and first aid injuries are tracked and investigated	<input type="checkbox"/>
12. Machines are planned to be used	<input type="checkbox"/>
13. All employees involved in works obtained EHS and fire safety training	<input type="checkbox"/>

<sup>19</sup> Compulsory part of customer spec from facilitating team (can be appended). More criteria acceptable

14. All employees involved in works passed pre-placement and/or periodic health checks	<input type="checkbox"/>
15. All employees have employment contracts as per Labor law of Russia	<input type="checkbox"/>
16. SRO certificate available	<input type="checkbox"/>
17. Copies of licenses for activities performed (if required)	<input type="checkbox"/>
18. Copies of certification cards, lab accreditation (if required)	<input type="checkbox"/>
19. Copies of leader, specialist and salaried employee certification cards and permits in the field of occupational, industrial and radiation safety	<input type="checkbox"/>
20. Order on establishing a committee to check safety knowledge	<input type="checkbox"/>
21. Safety committee member certification	<input type="checkbox"/>
Summary: Recommended <input type="checkbox"/> Not recommended <input type="checkbox"/>	
Committee members, signatures:	

## APPENDIX 2

### CHECK LIST (RECOMMENDED FORM)<sup>20</sup> JSC Ilim Group contractor safety audit

Contractor's name:

Contractor planned work:

Type of work:

Planned work site:

Persons per area:

Reason for audit:

Assessment criteria	Comments
1. Availability and use of PPE <input type="checkbox"/> Head protection <input type="checkbox"/> Eye protection <input type="checkbox"/> Foot protection <input type="checkbox"/> Respiratory protection <input type="checkbox"/> Ear protection <input type="checkbox"/> Hand protection <input type="checkbox"/> Fall from height protection <input type="checkbox"/> Working clothes <input type="checkbox"/> Other (describe in comments)	
2. Job permit	

<sup>20</sup> Branches are eligible to develop and approve their own list based on this one with prior alignment with HQ EHS manager



<input type="checkbox"/> Not required  <input type="checkbox"/> Required, but is missing  <input type="checkbox"/> Filled in with infractions (describe in comments)	
3. Tools  <input type="checkbox"/> Match the job  <input type="checkbox"/> Hand-crafted  <input type="checkbox"/> Made at a factory	
4. Verbal quiz to check knowledge of	
<input type="checkbox"/> JSC Ilim Group EHS policy	
<input type="checkbox"/> First aid rules  <input type="checkbox"/> How to perform the assigned work  <input type="checkbox"/> Other (describe in comments)	
5. Working at heights <input type="checkbox"/> Employees trained <input type="checkbox"/> Use harness <input type="checkbox"/> Use scaffolds (specify type in comments: wooden/metal)	
6. Safety program implementation <input type="checkbox"/> Program does not exist <input type="checkbox"/> In place and being implemented <input type="checkbox"/> In place, but no implementation	
7. Order in the workplace  <input type="checkbox"/> Yes  <input type="checkbox"/> No	
8. Person in charge of safety  <input type="checkbox"/> Assigned by order  <input type="checkbox"/> Not assigned  <input type="checkbox"/> Other (describe in comments)	
9. Sanitary and hygiene	

<input type="checkbox"/> Good <input type="checkbox"/> Norms not observed <input type="checkbox"/> Employee claims (describe in comments)	
10. Fire safety <input type="checkbox"/> Matches the requirements <input type="checkbox"/> Does not match the requirements	

Summary:

Committee members, signatures:

## APPENDIX 3

**JSC Ilim Group**

**REPORT No. \_\_\_\_**

**On non-compliance with EHS requirements**

« \_\_\_\_ » \_\_\_\_\_ 20\_\_ .

---



---



---

\_\_\_\_\_  
(position with JSC Ilim Group, name of the person who filled out this paper)

**using the “Health and Safety Requirements for Contractors of JSC Ilim Group” Standard as guidance, has filled out this safety infraction Act. Employees**

---



---



---

\_\_\_\_\_,

(Contractor's name)

**performing**

---



---



---

\_\_\_\_\_  
(location and type of work/services being delivered by contractor at JSC Ilim Group facilities)

---



---



---

\_\_\_\_\_  
(Branch BU and nature of business)

« \_\_\_\_ » \_\_\_\_\_ 20\_\_ . **Time of infraction:** \_\_\_\_\_ h. \_\_\_\_\_ min.

\_\_\_\_\_  
(employee of the contractor/contractor's contractor (specify name))

\_\_\_\_\_  
(Full name and position of the employee of the contractor/contractor's contractor)

**Has violated safety requirements:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(specify local regulation, its details and applicable provisions (article and clause No.)

**namely:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(essence of infraction and (or) failure to meet requirements)

**Proof of infraction:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(documents enclosed with the report)

**Signature, JSC Ilim Group», safety management and supervision official:**

\_\_\_\_\_  
(signature of person who filled out the report)

\_\_\_\_\_  
(Position, name of JSK Ilim Group employee)

**I have read and understood the report:**

\_\_\_\_\_ ( \_\_\_\_\_ )  
(full name and position of the employee who has failed to comply with the EHS requirements)

« \_\_\_\_\_ » 20 \_\_\_\_ .  
(date)

**Two copies of this report have been made.**

**A copy of the act received (*fill out if the Act is delivered to the Contractor's authorized representative in person*)**

\_\_\_\_\_ ( \_\_\_\_\_ )  
(position, name and signature of contractor's authorized representative)

**A copy of the act has been mailed with delivery notification to the address of contractor (filled out if the act is sent by mail):**

---



---



---



---

(addressee's name, address, and type of mail)

\_\_\_\_\_  
(date and sender's signature) (sender's full name)

## APPENDIX 4

*Standard request/bill to pay safety infraction penalty*

Company's BU form

\_\_\_\_\_  
\_\_\_\_\_  
(contractor name and address)  
Date: \_\_\_\_\_.\_\_\_\_\_.20\_\_.

**–Request- Bill No. \_\_\_\_\_  
To pay safety infraction penalty**

Agreement:	Amount	Request
No. _____ of _____	period _____._____._____ thru _____._____._____:	<p>In accordance with the signed agreement (contract), _____(Contractor name) is bound to ensure compliance of own employees and any subcontracted third parties with the internal requirements of JSC Ilim Group and Russian legal requirements in the field of occupational, industrial, fire and environmental safety.</p> <p>In accordance with cl.____ of the Agreement (Contract), failure to adhere to JSC Ilim Group safety/site access policies and procedures by _____(Contractor name) employees and subcontractors requires _____ (Contractor name) to pay penalty in the amount of RUB _____ for the benefit of JSC Ilim Group. The Contractor/subcontractor employees acknowledged the procedures and policies in accordance with the terms and conditions of the agreement (contract), applicable laws and JSC Ilim Group inhouse procedures.</p> <p>In relation to the safety infraction identified and in accordance with cl. ____ of the agreement (contract), we request you to pay penalty in the amount of RUB _____ on a voluntary basis to JSC Ilim Group settlement account, which is stated in the agreement (contract), within 30 days from receipt of this Request. Default on this legitimate demand will make JSC Ilim Group to file a lawsuit.</p>

**Attached to the Request: Infraction act and evidence on \_\_\_\_\_ pages.**

\_\_\_\_\_  
Position Signature Name

## **Recommended document package to complement customer specs for delivery of works/services**

### **1. For admission to competition**

- Copy of SRO certificate
- Copies of licenses for activities performed (if required)
- Copies of certification cards, lab accreditation (if required)
- Copies of leader, specialist and salaried employee certification cards and permits in the field of occupational, industrial and radiation safety
- Orders on establishing a committee to check safety knowledge
- Safety committee member certification

### **2. For admission to work**

- Documents from the section above
- Contractor order assigning a person authorized to sign safety infraction acts, incident, emergency, road accident investigation reports);
- Availability of Contractor and/or subcontractor permitting documentation (license, SRO, accreditation and etc.) that specifies exactly the type of contracted activity;
- List of positions responsible for safety at the Customer's site and copies of orders assigning these positions, authority, roles and areas of responsibility (occupational, industrial, environmental and fire safety);
- Certification of the organization leaders, members of certification teams sourced from licensed training institutions;
- Certification of specialists and specific categories of employees on safety sourced from licensed training institutions or organization's certification committee;
- Copies of certificates or license cards to confirm qualification and skills testing of contractor workers that are allowed to work at the Customer's site (occupational, industrial safety, fire fighting basics training);

### **3. The following documents are needed for engineering contractors:**

- Permits authorizing to perform activities under the contract with contractor;
- Order assigning persons in charge of safety (if personnel to visit manufacturing facilities);
- Proof of certification in EHS and fire safety.

**Standard proviso to be included in agreements with contractors involved in performance of works and services at the Company's site and facilities:**

For the Contractor/subcontractor employees to get access to the Customer's facility/site/operations area they shall acknowledge in writing that they are familiar with the following:

- JSC Ilim Group environmental, health and safety policy;
- Internal regulations and/or extracts from internal procedures, stipulating: site access, accident prevention; fire and environmental safety, occupational safety and environmental protection rules and norms at respective facility/site/operations area of the Customer;
- Other internal policies and regulations that combined with the above form a complete updated list of documents applicable at respective facility/mill/operations area of the Customer.

Contractor is bound to ensure that contractor employees and any subcontractors follow the Customer's internal policies and procedures and applicable Russian laws in the area of occupational, industrial, fire and environmental safety.

Contractor accepts that failure of the Contractor/subcontractor employees to comply with EHS, fire and environmental procedures and policies, site access rules and the applicable EHS, fire and environmental legislation entails financial liability of the Contractor set forth in this agreement.

Whenever the Customer finds infractions of the policies and procedures specified above with the Contractor/subcontractor employees, the Contractor shall pay to the Customer:

- penalty in the amount specified in section 13 of the Standard for each instance of EHS and fire safety infraction;
- penalty in the amount specified in section 13 of the Standard for each instance of infraction of site access or alcohol abuse at facilities.

Each non-compliance is considered to have been recorded once the Customer's authorized representative draws up a non-compliance report issued in accordance with the procedure stipulated in the Customer's internal regulations.

The Customer shall mail a copy of the act and penalty payment request to the Contractor within 10 (ten) business days from the date of the act.

Infraction penalties shall be paid by the Contractor within 30 (thirty) business days from receipt of the copy of the infraction act and penalty payment request.

The Customer's safety coordinator (scope of authority and responsibility of the coordinator detailed in the 'EHS requirements for Contractors of JSC Ilim Group' Standard) \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, middle name), phone, other contact information: \_\_\_\_\_.

Contractor safety supervisor from the Customer's side (scope of authority and responsibility of the supervisor detailed in the 'EHS requirements for Contractors of JSC Ilim Group' Standard) \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, middle name), phone, other contact information: \_\_\_\_\_.

The Contractor's safety person (scope of authority and responsibility of the coordinator detailed in the 'EHS requirements for Contractors of JSC Ilim Group' Standard) \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, middle name), phone, other contact information: \_\_\_\_\_.

The Contractor's authorized safety management representative (scope of authority and responsibility of the coordinator detailed in the 'EHS requirements for Contractors of JSC Ilim Group' Standard) \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, middle name), phone, other contact information: \_\_\_\_\_.

Herewith the Contractor confirms awareness of the 'EHS requirements for Contractors of JSC Ilim Group' Standard.

