



**APPROVED**  
by Order of the Chief Executive Officer  
of Ilim Group JSC  
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**ILIM GROUP JSC STANDARD**

**“MANAGEMENT OF OCCUPATIONAL SAFETY OF  
CONTRACTING ORGANIZATIONS”**

**The direction of the “Protect Life” program Safety of contractors of the Ilim Group  
Production System (GMS)**

Saint Petersburg  
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## 1. DOCUMENT PURPOSE

- 1.1. Ilim Group JSC (hereinafter referred to as the **Company**) is a consumer of the services provided by contracting organizations and also leases equipment, premises, territory, and other property to the contracting organizations. In this regard, the level of safety of the facilities and personnel of the Company largely depends on the level of safety of contracting organizations, including the qualifications of their personnel, the serviceability of the materials, tools, equipment, and transport used by them. Therefore, in order to achieve the goals determined by the requirements of the Russian Federation and the Company's policy in the field of health, safety, environmental, industrial and fire safety, a unified approach to solving issues of ensuring occupational safety is required.
- 1.2. This Standard is developed to establish a unified approach to the relationships of the Company, in terms of meeting the requirements of occupational safety, with contracting organizations involved in works at the facilities of the Company and leasing its property, as well as subcontracting organizations engaged thereby, the presence of which at the facilities and territory of the Company is required for execution of contracts.
- 1.3. The Standard determines the requirements of the Company for the management of occupational safety in contracting organizations to ensure the safe performance of works at the Company's facilities by employees of contracting organizations.
- 1.4. The requirement for the mandatory execution of this Standard shall be included in contracts concluded between the Company and contracting organizations.
- 1.5. This Standard shall be included in the tender documentation sent to contracting organizations being bidders for the right to conclude contracts with Ilim Group JSC for the performance of works / provision of services.

## 2. SCOPE OF APPLICATION

- 2.1. This Standard shall be binding for all structural units of the Company: units of the head office, branches, representative offices, local separate subdivisions, as well as contracting organizations and tenants who have entered into agreements with the Company.
- 2.2. This Standard is recommended for use by subsidiaries and affiliates of the Company. Application of the requirements established hereby shall be reached in subsidiaries and affiliates by approval and enforcement of the relevant internal regulations by the authorized governing bodies of subsidiaries and affiliates.
- 2.3. The requirements hereof shall be equally applicable to subcontracting organizations which shall be ensured by the inclusion of the relevant requirements in contracts between contracting organizations and the Company.
- 2.4. The requirements hereof shall not apply to contractors activities of which are performed outside the Company's facilities, as well as to buyers of products, suppliers, and visitors with an accompanying person.
- 2.5. Organizational, administrative, and local regulatory documents issued by the Company in the field of interaction with contractors on health, safety, environmental, industrial and fire safety shall not contradict this Standard.

## 3. TERMS AND DEFINITIONS

- 3.1. Within the scope of this Standard, the following terms, definitions, and abbreviations are accepted:
  - **OCCUPATIONAL SAFETY** is a set of measures and actions, means and methods of maintaining the safe condition of production facilities provided for by the Company in order to ensure safe operation, as well as prevent, detect, localize and eliminate threats to life, health, environment, property and the readiness of the management and staff to emergency response.

- **CONTRACTOR** is an organization that carries out works or provides services (repair, construction and installation, transport, etc.) at the Company's facilities. Contractors are divided into three categories:

**KEY:**

- ✓ Carry out maintenance, repair and overhaul (MRO) and/or construction and installation works (CIW);
- ✓ Timber producers in a rental base;
- ✓ Domestic carriers (within production branches);
- ✓ Long-term relations; generally, contracts are concluded for a period of one year or more;
- ✓ Engaged for the implementation of strategic and major investment projects.

**PERMANENT:**

- ✓ Organizations performing works in a smaller volume than key ones.
- ✓ Provide services for several years;
- ✓ Perform a small amount of works or one type of work.

**TEMPORARY / SEASONAL:**

- ✓ Engaged for a single performance of works;
- ✓ Perform a special type of works;
- ✓ Perform a limited range of tasks (for example, engaged for capital shutdowns);
- ✓ Carry out seasonal works (for example, engaged for rafts formation).

Key and permanent high-risk contractors are subject to mandatory occupational safety certification in the manner established by the Company.

- **FACILITY** is a building, structure, vehicle, technological installations, equipment, technical device, production area and other movable and immovable property and tangible assets of the Company.
- **OPERATIONS CERTIFICATE** is a written permit to perform the work by a contractor at the duly allocated individual production site or area of the Company where the manufacturing process is completely terminated. The operations certificate shall include safety requirements and shall be signed by authorized representatives of the Company and the contractor.
- **TENANT** is an individual or legal entity that has concluded a lease (property lease) agreement with the owner of any property (or an authorized person thereof) and received such property for temporary possession and use (or use only).
- **PERMIT TO WORK** is a written order for the safe performance of hazardous works executed on a special letterhead and determining the scope, place of work, time of its beginning and end, composition of the crew, and conditions for safe performance.
- **CONTRACT SUPERVISOR** is an employee from among the senior management of the relevant functional area of the Company whose responsibility includes making strategic decisions on the management of contractors. Generally, they are:
  - when concluding contracts based on an agreed investment proposal (FEL): the owner of the relevant project;
  - for contracts concluded for the implementation of major strategic projects: the functional manager of the SVP level; if necessary, VP;
  - for contracts concluded for the implementation of nonstrategic investment projects; VP level manager; if necessary, branch directors;
  - for contracts concluded as part of normal course of business (not as part of an investment project): the director of branches;
  - for contracts concluded in the head office: the SVP/VP level manager of the relevant functional area.
- **CONTRACT HOLDER** is an employee from among the management of the Company who

is the person responsible for making operational decisions at all stages of the contractual relationships with a contractor and is responsible for the business result of the relevant contract. Generally, it is:

- when concluding contracts on the basis of an agreed investment proposal (FEL): the project manager / the project team leader (for management projects);
- for contracts concluded for the implementation of major strategic projects: the functional manager of the VP level.
- for contracts concluded for the implementation of nonstrategic investment projects;
- branch directors.
- for contracts concluded as part of normal course of business (not as part of an investment project): the manager of the level of the direct subordination to the branch director, in accordance with the area of responsibility under the contract.
- For contracts concluded in the head office: the director of the relevant functional area.
- **CONTRACT COORDINATOR** is an employee from among the managers, chief specialists of the Company’s services, managers of the Company’s investment projects whose responsibility is to manage the activities of contractors taking into account the requirements of occupational safety within the framework of the concluded contract. He/she is responsible for the result of the work of contractors. Generally, it is:
  - for contracts concluded for the implementation of investment projects: the project manager;
  - for contracts concluded within the framework of normal course of business: manager of the unit of the relevant business area.

The matrix of compliance of the functional roles “Contract Supervisor,” “Contract Holder,” “Contract Coordinator” determined by this Standard, and the positions of the organizational structure of the Company are given in [Appendix 10](#) hereto.

- **PERSON RESPONSIBLE FOR CONTROL OVER OCCUPATIONAL SAFETY** is an employee from among the managers or specialists of the Directorate for Occupational Safety and Industrial Safety of the SSD of the Company or a strategic investment project.
- **PERSON RESPONSIBLE FOR THE PERFORMANCE OF WORKS AT THE FACILITY** is an employee from among the managers, specialists or, in the absence of the MSE, senior workers of the SSD of the Company who ensure the organization of safe performance of works by contractors at the sites of SSD. Generally, they are persons issuing or admitting under permits to work, as well as officials signing the operations certificate on the part of SSD.
- **CONTRACT ENGINEER** is the senior / leading specialist with specialized competencies, if necessary, appointed to support the contract (can be appointed from the maintenance department, electrical, instrumentation service, etc.).
- **SUBCONTRACTING ORGANIZATION** is an organization engaged by a contractor to carry out works at the Company’s facilities, to which requirements similar to those to the Contractor shall apply.
- **MANAGER FOR SAFETY OF WORKS PERFORMED BY A CONTRACTOR** – an official of a contractor who is made by an order responsible for ensuring compliance with occupational safety requirements in the contracting organization (site manager, foremaster, and foreman).
- **PERSON RESPONSIBLE FOR CONTROL OVER OCCUPATIONAL SAFETY ON THE PART OF THE CONTRACTOR** is the contractor’s employee responsible for activities in the field of occupational safety (H&S specialist if the number of employees of the organization is more than 50 people, or the person appointed by order if the number of employees is less than 50 people).

- **PURCHASING SPECIALIST** is an employee of the relevant procurement service of the Company whose responsibility is to verify the coordination of terms of reference with the H&S and FS Director of the head office / branches, the manager of the FS&E services of the head office / branches, the chief ecologist of the head office / branches, receive commercial proposals, execute, coordinate and sign contracts with the contractors.
- **FSC** is the forest certification system according to the standards of the Forest Stewardship Council.
- **PEFC** is the Pan-European Forest Certification System.
- **OHSAS** is the Occupational Health and Safety Management System. Requirements.
- **“BLACK LIST”** is a list containing the full names of employees and their passport details and the names of organizations to whom entering the Company territory is prohibited. Responsibility for maintaining the “black list” in a branch shall be entrusted with the person responsible for control over the occupational safety.
- **ASM** – the Asset Security Management.
- **BSA** – the behavioral safety audit.
- **MSE** – managers, specialists, and employees.
- **SSD** – structural subdivision.
- **OHS&IS** – occupational health and safety and industrial safety.
- **FS&E** – fire safety and emergencies.
- **MRO** – maintenance, repair and overhaul.
- **Full name** – surname, name, patronymic.
- **MS** – method statement.
- **TR** – terms of reference.
- **OHSAS** – Occupational Health and Safety Assessment System.
- **PPE** – personal protective equipment.
- **NACWP** – National Attestation Committee on Welding Practice.
- **PPI** – pulp and paper industry.
- **USCW** – Unified Standard for Contractual Work.

The terms and definitions specified in this section shall apply specifically to the procedure regulated by this Standard. All other terms and definitions used in this Standard and not specified individually in this Section 3 shall be applied in the sense in which they are defined in other applicable local regulations of the Company, including in the USCW.

#### **4. REQUIREMENTS FOR MANAGEMENT OF OCCUPATIONAL SAFETY OF CONTRACTORS IN SUBDIVISIONS OF THE COMPANY**

- 4.1. In order to organize effective work with contractors, distribute duties, functions and responsibilities, responsible officers shall be appointed in the Company for each contract in accordance with the Key Parties Interaction Pattern (Fig. 1).

**Fig. 1. Pattern of Key Parties Interaction**



4.2. All officials specified in Fig. 1 must be trained in the requirements of this Standard. Managers and specialists appointed by the Contract Coordinators, Persons Responsible for the Control over Occupational Safety, Persons Responsible for the Performance of Works at the Facility, and Schedulers / Estimators shall additionally be trained in internal special training programs for the occupational safety MSE. For this purpose, the lists of internal training courses shall be determined at the branches of the Company depending on the works performed by the contractor. The list of courses may include the following areas:

- Hazardous works.
- Works in confined spaces.
- Hot works.
- Work at heights and on scaffolding.
- Zero energy application.
- Behavioral safety audits.
- Safe work commencement.

Based on the results of internal training, a knowledge test shall be organized in the manner established in the Company.

4.3. In order to determine if there is an opportunity to lease out auxiliary premises to the contractor, as well as to monitor the use of the leased premises for their intended purpose, a list of auxiliary premises leased and a list of premises operated by the Company shall be compiled in each SSD of the Company.

4.4. Each contract with the contractors shall contain an Appendix that includes at least:

- Full name and position of
  1. the Contract Holder;

2. the Contract Coordinator;
  3. Person Responsible for the Control over Occupational Safety;
  4. The Manager of Safety of Works Performed by a Contractor (from among engineers and technicians who ensure occupational safety when performing works or services);
  5. Contract Engineer;
  6. Person Responsible for the Control over Occupational Safety on the part of contractor;
- Occupational Safety Requirements for the contractor;
  - Penalties applied to the contractor shall be specified in the appendix mandatory to the agreement (certain requirements shall be specified in Appendix 4 of this Standard).

## **5. RIGHTS AND OBLIGATIONS OF THE COMPANY'S OFFICIALS IN THE FIELD OF MANAGEMENT OF OCCUPATIONAL SAFETY OF CONTRACTORS**

### **5.1. Contract Supervisor**

- Shall:
  - ✓ Analyze and evaluate the lessons learned on completed investment projects and agreements significant for the Company.
  - ✓ Provide support and assistance in resolving complex issues arising to the Contract Holders.
- Shall be entitled to:
  - ✓ Initiate meetings with the leaders of the contractors.
  - ✓ Initiate an incentive for the contractor for the safe performance of works under the contract.
  - ✓ Initiate blacklisting of a contractor.
  - ✓ Coordinate the opportunity of engaging by the contractor of subcontractors to carry out works under the contract.

### **5.2. Contract Holder**

- Shall:
  - ✓ Coordinate / approve the results of the works under the contract;
  - ✓ Analyze and assess the lessons learned due to the contracts;
  - ✓ Determine the contract coordinator.
- Shall be entitled to:
  - ✓ Initiate a change in the composition of the contract management group determined in accordance with the Key Parties Interaction Pattern (Fig. 1).
  - ✓ Initiate meetings with the leaders of the contractors.
  - ✓ Initiate an incentive for the contractor for the safe performance of works under the contract.
  - ✓ Initiate blacklisting of a contractor.

### **5.3. Contract Coordinator (generally, the manager of a SSD of a branch: department, service, workshop, etc., in case of strategic capital projects – the project manager)**

- Shall:
  - ✓ Develop TR for the performance of works involving contractors.
  - ✓ Coordinate TR with the Person responsible for the control of occupational safety; if necessary, engage the required services and specialists.
  - ✓ Participate in the selection of contractors for the performance of works or services in the manner established by the local regulations of the Company.
  - ✓ Check the availability of the contractors' necessary permits corresponding to the type of works performed.



- ✓ Coordinate the agreement of the organizational and technological documentation for construction or repair works necessary for production: MS or another document regulating the procedure for the implementation of works (construction organization plan, implementation sheet, technical guidelines, regulations, etc.) which shall contain a detailed description of the sequence of safe works. When developing, coordinating, and approving MS, the requirements of the Company's Standard *On the Procedure for the Development and Coordination of Work Projects* must be observed.
  - ✓ If necessary, transfer to the contractor layouts of the enterprise's territories, permissible driveways, passages, and personnel access procedures.
  - ✓ Hold monthly meetings on health and safety with the contractors based on the results of their work, the BSA, inspections, incidents and accidents, the status of corrective and preventive measures. Based on the results, draw up a free-form minutes specifying the date, participants, agenda, and decisions made.
  - ✓ During a capital shutdown, or during the implementation of strategic investment projects when performing construction and other hazardous works, participate in daily meetings with the contractors involved in the work.
  - ✓ Conduct regular checks of the contractors' compliance with the sequence of works and safety requirements specified in the organizational and technological documentation.
  - ✓ Organize joint BSA with the contractors' managers.
  - ✓ Immediately stop works in case of violations of occupational safety requirements that could lead to an incident or accident. If violations are detected, prepare a report to the Audit Modern system which shall specify the reasons for the suspension of works and the measures taken / necessary to eliminate unsafe actions or conditions.
  - ✓ Conduct checks on the elimination by contractors of all issued comments on security issues and enter data on the results of the comments into the Audit Modern system.
  - ✓ Immediately inform his/her supervisor and specialists of the OHS&IS directorate, the FS&E service of the branch of the contractor's accident or incident.
  - ✓ Participate in the investigation of incidents, accidents, prerequisites, and microtraumas that occurred to the contractor's employees. Provide the necessary documentation and assist the commission for identifying the causes of the accident, prerequisites and microtraumas, etc.
  - ✓ Conduct a monthly assessment of the contractor according to the list of questions from the checklist ([Appendix 2](#)).
  - Shall be entitled to:
    - ✓ Check documents / permits to work of the contractors' employees when performing works.
    - ✓ Test the knowledge of the contractors' employees on occupational safety issues.
    - ✓ Coordinate and initiate the imposition of penalties on and application of incentives to the Counterparty.
    - ✓ Send letters to the head of the contractor on identified violations of occupational safety.
    - ✓ Submit to the OHS&IS director, the head of the FS&E service of the branch proposals on the exclusion of the contractor from participation in tendering procedures and the contractor's employees from the performance of works.
    - ✓ Suspend the contractor's employees from work, initiate a pass blocking.
- 5.4. Person responsible for control over occupational safety (they are employees of OHS&IS directorates)**
- Shall:

- ✓ Provide methodological assistance to the Contract Coordinators and the Persons Responsible for the Performance of Works at the Facility to organize the safe conduct of works by the contractors at the facilities and in the territory of the Company.
- ✓ Issue to the contractor all the necessary internal regulatory documents governing occupational safety at the facilities and in the territory of the Company.
- ✓ Check compliance and completeness of the provided occupational safety documents.
- ✓ Provide control over the development and implementation of the contractors' action plans based on the results of audit and pre-qualifications.
- ✓ Participate in occupational safety meetings with the contractors.
- ✓ Organize and conduct inspections of contractors for compliance with occupational safety requirements. Frequency of inspections shall be determined by the schedule approved by the OHS&IS Director of the respective branch, but at least once every two years.
- ✓ Suspend the works of contractors that are performed in violation of occupational safety requirements.
- ✓ Organize and assess effectiveness of the corrective and preventive measures taken to ensure occupational safety, confirm the elimination of the identified comments.
- ✓ Gather statistics of and analyze incidents and violations committed by contractors when performing works in the SSD of the Company.
- ✓ Bring information on the violations of occupational safety requirements by the contractors' employees to the immediate supervisor of the contractor, the Contract Coordinator and his/her immediate supervisor.
- ✓ Check the contractors' compliance with penalties.
- ✓ Receive monthly reports on injuries and the number of hours worked from contractors (the report form is given in Appendix 8).
- ✓ Arrange storage of all information provided by the contractors, provide it to the interested parties of the Company upon request or during investigations.
- Shall be entitled to:
  - ✓ Check documents / permits to work of the contractors' employees when performing works.
  - ✓ Test the knowledge of the contractors' employees on occupational safety issues.
  - ✓ Invite to a meeting on occupational safety with contractors managers and specialists of the OHS&IS directorate, managers and specialists of the FS&E service, managers and specialists of the branch.
  - ✓ Initiate the imposition of penalties on and application of incentives to the contractors.
  - ✓ Submit to the OHS&IS director of the branch proposals on the exclusion of the contractor from participation in tendering procedures and the contractor's employees from the performance of works.
  - ✓ Suspend the contractor's employees from work, initiate the blocking of a personal pass to the territory of the branch of the Company.

#### **5.5. Person Responsible for Works at the Facility**

- Shall:
  - ✓ Organize access to the work for the contractors' employees after checking the readiness of contractors before the works commencement in accordance with applicable legislation and internal regulations on the organization of high-risk works, fire and gas hazardous works, works in confined spaces. Generally, this is the performance of the function of an official signing an operations certificate on the part of SSD or issuing, admitting under the permits to work.

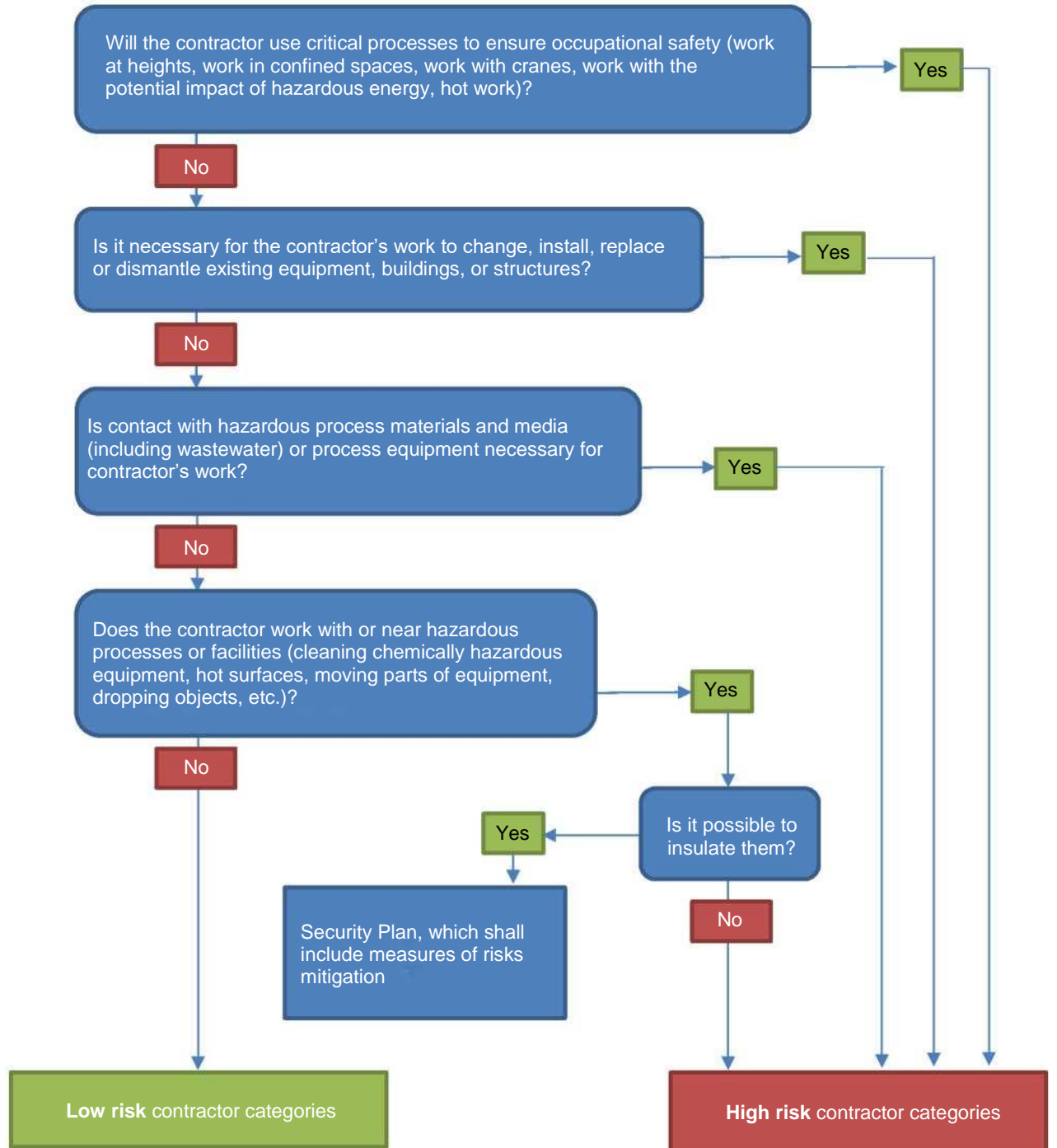
- ✓ Monitor the performance of the risk assessment by the contractor prior to works commencement according to the methodology in force in the Company or according to the current provisions of the contractor.
  - ✓ Check the availability, serviceability, and correct use of PPE, tools and equipment of the contractors during the performance of works.
  - ✓ Immediately stop the works in case of violation of generally applicable safety rules by the contractor's employees that could lead to an accident or incident. If violations are detected, prepare a report which shall specify the reasons for the suspension of works and the measures taken / necessary to eliminate unsafe actions or conditions.
  - ✓ Immediately inform his/her supervisor, Contract Coordinator and specialists of the OHS&IS directorate of the branch of the contractor's accident or incident.
  - Shall be entitled to:
    - ✓ Check documents and permits to work of the contractors' employees when performing works.
    - ✓ Test the knowledge of the contractor's employees on health and safety and the measures provided for in the operations certificate and the permit to work.
    - ✓ Initiate the imposition of penalties on and application of incentives to the contractors.
    - ✓ Submit to the Contract Coordinator proposals to suspend works under the existing contract or on further participation of the contractor in the tender procedures, as well as suspend the contractor's employees from performing works in case of violations of generally applicable occupational safety requirements.
- 5.6. Contract Engineer (generally, they are specialists in the areas of maintenance, power engineer, electrician, constructor, process engineer services, etc.):**
- Shall:
    - ✓ Conduct periodic inspections of works performed by contractors.
    - ✓ Immediately stop the works in case of violations of generally applicable safety rules by the contractor's employees, which can lead to an accident or incident; in case of violations, draw up a report specifying the reasons for the shutdown and the measures taken / necessary to eliminate unsafe actions or conditions.
  - Shall be entitled to:
    - ✓ Take part in the meetings with the contractors.
    - ✓ Initiate the imposition of penalties on and application of incentives to the contractors.
    - ✓ Submit to the Contract Coordinator proposals to suspend works under the existing contract or on further participation of the contractor in the tender procedures, or blacklisting the contractor.
- 5.7. Purchasing Specialist of the Head Office and Regional Separate Subdivisions:**
- Shall:
    - ✓ Send this Standard to potential contractors before the tender.
    - ✓ Include the requirements of Section 15 of this Standard as an appendix to the contract.
    - ✓ Include occupational safety specialists in the tender committee for the selection of a contractor.
    - ✓ Control the coordination of the TR with the specialists of the OHS&IS, FS&E services, the chief ecologist of branches and the head office.
    - ✓ In case of a competitive selection, send a set of occupational safety documents to the occupational safety experts for approval.
    - ✓ Submit tenders to the contract coordinator and a person responsible for occupational safety control in order to analyze the compliance of the contractor with occupational

safety requirements.

## 6. PROCEDURE FOR THE SELECTION OF CONTRACTING ORGANIZATIONS

6.1. In accordance with the algorithm for categorizing contractors by risk level (Fig. 2), all contractors by type of works performed are divided into:

- ✓ contractors performing works with a low degree of risk;
- ✓ contractors performing works with a high degree of risk.



**Fig. 2: Algorithm for Categorizing Contractors by Risk Level:**

- 6.2. When holding a tender for the selection of a contractor, preference shall be given to the organizations that guarantee the works performance without involving subcontractors.
- 6.3. Selection of contracting organizations shall be carried out in accordance with the requirements of the Regulation *On the Organization and Conduct of Tenders for the Right to Conclude Supply Contracts and Material and Resource Contracts and Contracts for the Provision of Services and Performance of Works for the Needs of Ilim Group JSC* and the Regulation *On the Organization of Competitive Selection of a Counterparty for the Procurement of Services / works for the Needs of Ilim Group JSC*.
- 6.4. When conducting a tender / competitive selection, the list of persons agreeing on the selection of a contractor, shall without fail include the Contract Coordinator and the Person responsible for control over the occupational safety.
- 6.5. The assigned categories shall be taken into account when determining the requirements for occupational safety for the contractors listed in [Appendix 7](#). For high-risk contractors, all occupational safety requirements shall apply, regardless of the category. For low-risk contractors, the occupational safety requirements highlighted in green in [Appendix 7](#) shall apply.
- 6.6. Prior to the tender, the head of the high-risk contractor must fill in and submit to the purchasing specialist a completed checklist in accordance with [Appendix 1](#). Together with the checklist, the contractor shall provide:
- A letter of guarantee signed by the head of the contractor on the familiarization with the requirements of this Standard and the readiness of the contractor's personnel to comply with all established and applicable occupational safety requirements for the provision of services in the territory and facilities of the Company, as well as the reliability of all provided documents and information for performing the works under the contract.
  - Information on the availability of the contractor's permits (licenses, permissions, etc.) and a copy of the said documents.
  - OHSAS Regulation.
  - Annual plan of measures to improve health and fire safety, including the availability of primary fire fighting equipment in the organization.
  - List of officials responsible for ensuring occupational safety when performing works in the territory of the Company, with copies of orders on their appointment, authorities, duties, and areas of responsibility.
  - Information on the certification of MSE and certain categories of employees on HSE, industrial, radiation, and fire safety.
  - Copies of minutes or certificates confirming the qualification and attestation (knowledge assessment) of the contractor's personnel having access to the Company's territory.
  - List of contacts of officials and telephone numbers of the contractor's managers.
  - Proposals and explanations on the scope of the planned works, the technologies used in order to determine the contractor's capabilities to perform the stated works in accordance with the requirements of occupational safety.
- 6.7. The volume and deadlines for the submission of documents shall be determined by the Contract Coordinator with the obligatory agreement with the Person responsible for control over occupational safety based on the nature of the works or services performed by the contractor and shall be specified in the TR for purchase of services.
- 6.8. The Purchasing Specialist shall submit tenders received from contractors to the Contract Coordinator and the Person Responsible for Control over the Occupational Safety in order to analyze the compliance of the proposals with the occupational safety requirements.
- 6.9. The Contract Coordinator and the Person Responsible for Control over the Occupational

- Safety shall consider the proposals received within three business days and send a scanned version of the signed checklist (in the form of [Appendix 1](#) hereto) to the Purchasing Specialist.
- 6.10. If it is planned to involve the contractor in a strategic, major investment project, the person responsible for the control of occupational safety can initiate an audit of the contractor at its location. Audit of works performed by the contractor in other organizations shall be allowed, in agreement with such organizations.

## **7. REQUIREMENTS TO THE CONTRACTOR**

- 7.1. The main documents regulating the requirements of occupational safety for contractors are available on an external web-site: <https://www.ilimgroup.ru/zakupki/dokumenty-dlya-podryadchikov/>.
- 7.2. Prior to the works commencement, the contractor is obliged to determine and establish the minimum requirements for occupational safety with the Contract Coordinator:
- The list of internal regulatory documents governing occupational safety at the facilities and in the territory of the Company when performing works and providing services by a contractor.
  - Requirements for the qualifications of employees of the contractor, the procedure for confirming and passing the necessary training in occupational safety measures established at the facilities and in the territory of the Company.
  - A list of PPE of the contractor's personnel admitted to the territory and facilities of the Company.
  - Procedure for familiarizing the contractor's employees with the requirements for the use of production and other equipment of the Company in case the equipment is transferred to the contractor.
  - A list of hazards and risks identified for the SSD in which the work will be performed.
  - Procedure for sharing information on the incidents, as well as procedure when receiving reports of emergencies.
- 7.3. Prior to the commencement of works, it is necessary to obtain written consent from the contractor (inter alia in the form of inclusion of the relevant clauses in the contract) that if the contractor's employees, as well as its subcontractors do not comply with the norms and rules of occupational safety, access control rules established by the Company at their facilities, as well as if they fail to comply with the requirements of the current legislation in the field of health, industrial, fire, and environmental safety it shall entail material responsibility of the contractor within the limits established by this Standard. The contractor is obliged to familiarize its subcontractors with the requirements of occupational safety.
- 7.4. During the performance of works, the contractor is obliged to:
- Perform works / provide services to the Company in accordance with the terms of the contract, applicable legislation of the Russian Federation, and internal regulatory requirements. The Company reserves the right to carry out control checks of compliance by the contractor's employees with the requirements of occupational safety in the territory and at the facilities of the Company, inter alia in the leased territories.
  - Issue a permit to work, which includes all the necessary security measures if the territory has been transferred under the operations certificate.
  - According to the procedure established by the SSD of the Company, coordinate the places of installation of mobile household premises, the number, points and procedure for connection, and the frequency of use of water, steam, heating, electricity, lighting, and other resources, equipment, machinery, and materials of the Company necessary for the works performance. If, for the purpose of performing works / rendering services, the contractor uses the premises

and equipment of the Company, the contractor shall before the commencement of works draw up a lease agreement and ensure compliance with the requirements for occupational safety.

- Provide the Company with comprehensive assistance in conducting inspections of compliance with health and occupational safety requirements and eliminate identified violations.
- Carry out activities at the facilities and in the territory of the Company only if it has all the permits (licenses, certificates, permissions, approvals, etc.) provided for by the legislation of the Russian Federation issued by authorized state bodies for this type of activity under the contract.
- Ensure the constant presence of the person responsible for the control over occupational safety on the part of the contractor if more than 50 contractor's / subcontractor's employees work in the territory or at the facilities of the branch. If less than 50 contractor's / subcontractor's employees work in the territory or at the facilities of the Company, ensure the presence of the person responsible for the control of occupational safety on the part of the contractor.
- Ensure the presence of the contractor's work safety managers at the location of hazardous works in the territory and at the facilities of the Company.
- Ensure that the requirements of the occupational safety of the Company are met by its own personnel and the personnel of third parties engaged by the contractor.
- Assume responsibility for any negative consequences for the environment and occupational safety of the Company caused by the actions of its employees and third party employees brought by the contractor to the territory and facilities of the Company.
- Immediately inform the dispatching services of the Company, the Contract Coordinator, the Person Responsible for the Control over the Occupational Safety in the manner established by the Company, of all incidents with the contractor's employees at the facilities and in the territory of the Company.
- Conduct incident investigations and keep records of injuries of its employees and employees of subcontractors.
- Include a representative of the Company in the incident investigation commission with the participation of employees of the contractor or its subcontractor at the facilities and in the territory of the Company. Ensure the implementation of corrective measures to prevent the recurrence of similar incidents.
- Provide a report on the implementation of measures to prevent the recurrence of similar incidents to the Contract Coordinator and the Person Responsible for Control over the Occupational Safety.
- Provide a monthly report in the form of [Appendix 8](#), which shall be sent to the person responsible for control over occupational safety **not later than 12:00 a.m. on the 5th day of each month following the reporting one.**

7.5 The head of the contractor shall be liable for:

- Passing and confirmation of the required training and courses on occupational safety of its own personnel and subcontractor's personnel.
- Familiarization of personnel with local regulations on ensuring occupational safety of the Company included in the List (or their extracts) of all employees of the contractor and subcontractors involved in the work admitted to the facilities and territory of the Company with a personal signature on familiarization. A document with a record of familiarization shall be submitted to the Contract Coordinator.
- Ensuring testing of knowledge of the internal requirements of the Company (hazardous works, works in confined spaces, hot works, works at heights, zero energy application, etc.) by own personnel and subcontractor's personnel according to the procedure established by the



Company.

- Compliance with occupational safety requirements by involved subcontractors. Their familiarization with liability for violations of industrial safety requirements in accordance with the requirements of this Standard.
  - Maintenance and serviceability of equipment, technical means, tools, instruments, and PPE used by employees of contractors and subcontractors at the facilities and in the territory of the Company.
  - Passing of mandatory preliminary and periodic medical examinations, as well as pre- and post-trip / pre- and post-shift medical examinations if this is required by the requirements for the performance of works by employees of contractors and subcontractors. Letter on the passage of preliminary and periodic medical examinations signed by the head of the contractor shall be provided to the Person Responsible for Control over the Occupational Safety before issuing passes for admission to the facilities and territory of the Company.
  - Development and coordination with the Contract Coordinator and the Person Responsible for the Control over the Occupational Safety of the Plan for Bringing the Contractor's Occupational Safety to the Necessary Requirements.<sup>1</sup>
- 7.6 The contractor involved in welding works during the installation of pipelines, tanks and vessels, and critical metal structures must have welding technology certified by NACWP, trained and certified specialists in welding production, welders with a certificate of NACWP, and welding equipment certified by NACWP.
- 7.7. Involvement of subcontractors by contractors without agreement with the Contract Supervisor in the prescribed manner is forbidden, as well as the re-transfer of the territory transferred thereto under the operations certificate.
- 7.8. If the contractor does not fulfill the obligations specified in this section, the Company shall be entitled to suspend the works / services performed by the contractor and apply the penalties established in the contract for violation of occupational safety requirements.

## **8. SPECIAL REQUIREMENTS FOR ENSURING OCCUPATIONAL SAFETY IN MAJOR CAPITAL PROJECTS**

- 8.1 For each investment project, a project manager shall be appointed who shall be liable for:
- Organization of identification, assessment, and analysis of the impact of possible risks in the field of occupational safety, analysis based on the lessons learned, on achievement of key indicators in the field of occupational safety and other reporting documents on the implementation of the investment project.
  - Organization of control over compliance with the occupational safety requirements by contractors involved in major capital projects.
  - Inclusion of occupational safety specialists in the project team.
  - Distribution of areas of responsibility for the management of occupational safety of contractors among members of the project team.
  - Preparation of an Appendix to the contract specifying the Contract Coordinators, Persons Responsible for Control over the Occupational Safety and Persons Responsible for Occupational Safety at the Facility.
  - Organization of the development of the "Plan for the Occupational Safety of the Investment Project" according to the standard one given in [Appendix 5](#).
  - Organization of the monthly preparation of the Safety Question Card ([Appendix 6](#) to this

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<sup>1</sup>If the organization does not fully comply with the requirements and a contract is concluded on a single bidder basis



- Standard), which the Project Manager shall submit when considering the status of the project.
- 8.2. **Requirements for the Terms of Reference and Specifications** for the design and construction and installation works (hereinafter, TR or Spec.):
- TR shall be developed in accordance with the standard template adopted by the Company<sup>2</sup>.
  - TR and Spec. must be necessarily agreed upon with the specialists on occupational safety of the Branch / Head Office;
  - The design and detailed documentation shall take into account:
    - ✓ assessment and coordination of the adequacy of measures to ensure occupational safety during the implementation of the project and subsequent commercial operation;
    - ✓ obtaining permits required for the implementation of the project.
- 8.3. **Requirements for assessing the safety of potential Contractors and for their selection:**
- Prior to the selection of the contractor and before the contract conclusion, the contractor shall be assessed in accordance with Section 6 of this Standard.
  - When assessing a contractor, it is necessary to establish and confirm its technical capabilities, availability of resources, qualifications of employees, obligations under current contracts, management structure, and experience in performing previous works.
  - Contractors involved in the implementation of major investment projects shall have positive experience of work at the Company’s facilities or at other PPI enterprises confirmed by reference lists. In the absence of work experience at PPI enterprises, the project manager shall necessarily organize a reference visit to the stock of the contractor or to the facility of previously completed / performed work.
  - At the stage of submitting tender documentation, the contractor is obliged to specify how many subcontractors (including the number of their personnel) it plans to involve and for what volumes of work.
- 8.4. **Requirements for the admission of contractors to work:**
- Prior to the work commencement, the contractor shall:
    - ✓ Coordinate with the Company: MS and process chart, determine the requirements for the schedule of multiple operations and measures for industrial safety when performing works;
    - ✓ Conduct a risk assessment by type of works and identify measures to reduce the risks to acceptable levels taking into account the hierarchy of control measures;
    - ✓ Confirm the direction to the territory and/or the construction site of the Company of stated (in tender) machinery and equipment that meets the requirements of occupational safety;
    - ✓ Confirm the direction to the territory and/or the construction site of the Company of stated (in tender) personnel of appropriate qualifications;
    - ✓ Send a list of contractors’ occupational safety specialists who will be at the construction site;
    - ✓ Ensure a constant (daily) presence of occupational safety specialists or a designated responsible person of the contractor at the facility during the performance of works and the person responsible for control over the occupational safety;
    - ✓ Ensure an induction briefing, training on corporate requirements for occupational safety and test passing after training of all employees admitted to the Company’s facilities.
- 8.5. **Requirements for the transfer of territory under an operations certificate:**
- When projects are implemented in an “open field” or in a SSD with the manufacturing process completely stopped, the territory may be transferred to the General Contractor or to the

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<sup>2</sup> Under development

contractor performing the function of the General Contractor<sup>3</sup> under an operations certificate. When executing the operations certificate, it is necessary to determine measures to ensure occupational safety and allocate responsibility to the Company and the contractor;

- When transferring the territory under an operations certificate, responsibility for its execution, incl. for the completeness and accuracy of safety measures, shall be assigned to the General Contractor or organization performing the function of the General Contractor. This requirement shall be reflected in the contract.
- Re-transferring of the territory under a subcontractor's operations certificate is prohibited.
- Hazardous works shall be organized by the General Contractor in accordance with the requirements established by the Company.
- At the work performance facilities, there shall always be a person responsible for control over the occupational safety on the part of the contractor in accordance with Clause 7.4. of the Standard.

**8.6. In order to monitor compliance of the Contractor's employees with the requirements for occupational safety during the works performance, the following shall be provided:**

- Selective testing of contractor's employees for knowledge and understanding of the main risks of the upcoming works;
- Control of works for compliance with the requirements of MS and TC, compliance with the schedules of multiple operations;
- Conducting of BSA and application of the procedure for safe work commencement;
- Checking the completeness and correctness of the execution of permits to work (at least 75% of the total number shall be checked by specialists of the OHS&IS directorates of branches and FS&E services) at least once a quarter.
- Conducting occupational safety audits;
- Holding daily occupational safety meetings;
- Tracking the implementation of corrective and preventive measures for occupational safety;
- Installation of video surveillance at the construction site to record violations, as well as equipment by DVRs of all vehicles used at the site.

**8.7. Requirements for ensuring occupational safety during commissioning and acceptance of facilities into operation**

- Prior to acceptance of the facility into operation, a working group shall be created to verify compliance with the design solutions, RD, and occupational safety requirements with the participation of occupational safety specialists of the branch in the manner established by the Company.
- Based on the results of the check, it is required to:
  - ✓ Determine the procedure for applying the "Zero Energy" system during commissioning in the manner established by the Company.
  - ✓ Prepare an Analysis on the Lessons Learned from the project in the field of occupational safety.
  - ✓ Analyze and assess the achievement of key safety indicators during the implementation of the project.
  - ✓ Prepare a plan of corrective measures in case of violations of industrial safety requirements and/or deviations from design solutions and RD.

## **9. TRAINING OF PERSONNEL AND ADMISSION OF PERSONNEL OF A**

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<sup>3</sup> If the works are performed by several contractors. The function of the General Contractor and the duty of executing permits to work shall be specified in the contract.

## CONTRACTOR TO THE TERRITORY AND FACILITIES OF THE COMPANY

- 9.1. Prior to the works commencement, the Contract Coordinator with the participation of the Person Responsible for the Control over the Occupational Safety shall hold a kick-off meeting with the head of the contractor on the readiness for the works and the lack of open questions on occupational safety.
- 9.2. The admission of the contractor's and subcontractor's personnel to the territory of the Company's facilities may be executed in the manner prescribed by the Company only after:
- Passage by the employees of the contractor and the subcontractor involved thereby of induction briefing on health and fire safety, and subsequent testing.
  - Testing of knowledge of the internal requirements of the Company by its own personnel and personnel of subcontractors in the manner established by the Company. For this purpose, lists of internal programs for testing employees of contractors and subcontractors depending on the works performed by the contractor shall be determined at the branches of the Company. The lists of training programs shall be agreed upon with the HSE and FS director. The list of courses may include the following areas:
    - ✓ Hazardous works.
    - ✓ Works in confined spaces.
    - ✓ Hot works.
    - ✓ Work at heights and on scaffolding.
    - ✓ Zero energy application.
    - ✓ Behavioral safety audits.
    - ✓ Safe work commencement.
- In case of negative test results, the admission shall not be issued, the employee shall be sent for re-briefing (if necessary, training) and re-testing.
- 9.3. The works may be performed and the services may be rendered at the Company's facilities (for all categories of employees) only by qualified personnel who have passed training in safe work practices required by the RF legislation and internal regulatory documents of the Company, and those without medical contraindications. When performing works and rendering services, each employee of the contractor shall have a health and safety certificate, and for certain types of work, a document with a mark on training in industrial and fire safety (certificates for the right to carry out special works, with power tools, work at heights and others).
- 9.4. Contractors providing wood supply, logging and forestry services shall be informed before the works commencement of the requirements of FSC/PEFC certification for compliance with international FSC/PEFC standards.
- 9.5. The contractor's safety works manager and the contractor's personnel involved in the fire hazardous works shall pass training on the fire safety basics program before proceeding with works at the Company's facilities in the manner established by the internal regulatory documents of the Company.
- 9.6. The contractor is obliged to ensure that the personnel performs the works only for those professions in which the employees have been trained, except for emergency actions determined by the legislation of the Russian Federation.
- 9.7. The Company is obliged to organize and conduct briefings on fire safety and actions in case of fire for the contractor's personnel having workplaces at the Company's facilities, as well as to verify knowledge of fire safety in accordance with the internal regulatory documents of the Company.

## 10. PERSONAL PROTECTIVE EQUIPMENT

- 10.1. All employees of the contractor engaged in activities at the facilities and in the territory of the Company shall be provided with PPE in accordance with the Standard Industry Sector Codes for their provision. The provision of PPE to the contractor's employees shall be the responsibility of the contractor.
- 10.2. All PPE used by the contractor's employees shall comply with the requirements of the State Standards of the Russian Federation.
- 10.3. On overalls of employees of the contractor and the subcontractors engaged thereby, the logo with the name of the contractor/subcontractor shall be applied and clearly read. All overalls shall have reflective tapes at least 50 mm wide located on the jacket and trousers round.
- 10.4. Contractor's employees shall use PPE in accordance with the conditions of the works performed and the requirements established in the regulatory documents of the Russian Federation and the Company.
- 10.5. Contractor's employees not using the necessary PPE when performing works shall immediately be suspended from the works by the work manager or officials organizing and monitoring the works safety on the part of the Company until this violation is eliminated; the fact of violation shall be documented in accordance with this Standard.

## **11. VEHICLES, TECHNICAL MECHANISMS, EQUIPMENT, AND TOOLS OF THE CONTRACTOR**

- 11.1. All vehicles, hoisting machinery, equipment, and tools of the contractor used during the work at the facilities and in the territory of the Company shall comply with the requirements of regulatory documents of the Russian Federation and the Company.
- 11.2. Permits to the facilities and the territory of the Company can be issued for hoists, cranes, construction, road equipment, loaders, and other specialized vehicles after checking the documentation and the actual commission inspection of the equipment by the Person Responsible for the Control over the Occupational Safety, if necessary, with the involvement of fire and industrial safety employees of the SSD of the Company, employees of branches of Fintrans GL LLC and other specialized services.
- 11.3. When admitting vehicles, mechanisms, and equipment of the contractor to the territory and objects facilities of the Company, the contractor shall ensure:
  - Training and sufficient qualifications of drivers, operators, and other personnel involved in their use;
  - Regular maintenance and tests of vehicles, equipment and machinery;
  - Use and application of vehicles, equipment and mechanisms only for their intended purpose;
  - Compliance with the speed limit established by the requirements of regulatory documents of the Company;
  - Traffic and parking of mobile equipment according to the marking and road signs in the territory of the Company, in places specified by the Company.
  - Pre- and post-trip medical examinations of drivers and operators / machinists;
  - Inspections of vehicles before departure to the line;
  - Provision to the Company or the use in the course of work of serviceable transport and other technical means equipped in accordance with fire, industrial, and electrical safety standards;
  - Use of technical means, equipment, mechanisms, and tools that have certificates of compliance with State Standards of the Russian Federation, fire safety and sanitary certificates.
  - Availability of DVRs on all types of vehicles.

## **12. ENVIRONMENTAL AND SUSTAINABLE FOREST MANAGEMENT REQUIREMENTS**

- 12.1. When carrying out works at the facilities and in the territory of the Company, the contractor is obliged to:
- Perform works / provide services in accordance with the environmental safety requirements of the Company in accordance with the environmental legislation of the Russian Federation, and the internal regulations of the Company.
  - At its own expense, ensure the collection, safe temporary accumulation, disposal, export, delivery to a specialized enterprise in due manner of unused chemical reagents, mercury waste and other production and consumption wastes generated as a result of works / services.
  - Compensate at its own expense the damage to the environment, losses caused to the Company or third parties, eliminate in full all environmental consequences of accidents that have occurred through the fault of the contractor.
- 12.2. It is prohibited to the contractor to:
- Dispose of petroleum products, chemical reagents, and various wastes outside the designated areas stipulated by the contract, a separate agreement, a decision, a local regulation of the Company, and incinerate any kind of waste in the territory of the Company outside facilities specially designed for this purpose.
  - Use in production chemical reagents that do not have:
    - ✓ hygienic certificates of conformity GOST RF;
    - ✓ substances safety data sheets (if there are requirements for such substances),
    - ✓ safety instructions for working with the relevant chemical reagents;
    - ✓ first aid instructions for adverse effects on human health.
- 12.3. The contractor shall grant the right to the representative of the Company and the certification body to conduct audits of compliance with the requirements of international standards FSC and PEFC, with the provision of the original documents, inspections of warehouses and production facilities of contractors / subcontractors if any.
- 12.4. The contractor is obliged to eliminate the inconsistencies identified during the audits.
- 12.5. When conducting forestry activities, the contractor is obliged to ensure the conservation of biological diversity, as well as to improve the characteristics of high nature-value forests.
- 12.6. The contractor shall be liable for violations of environmental, land, water, forestry legislation, legislation on the protection of atmospheric air, on production and consumption wastes, as well as for compensation for damage caused through the fault of the contractor to the environment or its components during the works / services.

## **13. REQUIREMENTS TO TENANTS**

- 13.1. To ensure the occupational safety of the Company, the Tenant is obliged to operate the leased facilities in accordance with the requirements of the legislation of the Russian Federation and internal regulatory documents of the Company.
- 13.2. Provision to the contractor of premises without a lease agreement is prohibited.
- 13.3. The Tenant is obliged to:
- Carry out its activities only if all the permits provided for by the legislation of the Russian Federation (licenses, certificates, approvals, etc.) issued by authorized state bodies are available.
  - Put a sign at the entrance to the leased premises / territory specifying the name of the Tenant and the phone numbers of the representative responsible for occupational safety and the

contract coordinator.

- Maintain and keep in an operable condition fire safety systems, primary fire extinguishing equipment, prevent blocking of paths, means of escape, and emergency exits.
  - Keep in working condition and ensure the safe operation of the leased facilities / equipment, its communication, heating, ventilation, energy, water, sewer, information, and technological networks.
  - Timely perform maintenance works on all types of equipment and communications at the leased facilities.
  - Ensure the safe movement of people and vehicles across the leased area.
  - Ensure timely cleaning and removal of garbage from the leased territories, timely cleaning of snow and ice from components of any structures, buildings, constructions, and equipment, the load on which can lead to their collapse, and melting – to damage, destruction, and injury of the personnel or third parties.
  - Ensure timely filling of slippery areas with anti-slip materials.
  - Pay environmental and waste disposal charges unless otherwise provided for by the terms of the contract.
  - Equip places of temporary accumulation of generated production and consumption wastes.
  - At its own expense, ensure the collection, disposal, removal, and delivery of generated production and consumption waste in the established manner.
  - Conduct inspections, checks of the leased facilities in order to determine the need for their repair, revision, cleaning, and the extension of the safe working period.
  - Assign by administrative documents persons responsible for the safe works performance, for the operation and maintenance of tools, equipment, vehicles, and other leased property, for the safe handling of production and consumption waste, for the implementation of occupational control and technical supervision at hazardous production facilities, and for fire safety of leased facilities.
  - In case of lease of hazardous production facilities, register them in the State Register of Hazardous Production Facilities, as well as insure liability for harm to life, health, or property and the environment in case of an accident / incident at a hazardous production facility in the manner established by the Federal Laws of the Russian Federation.
  - Immediately inform the dispatching services and the head of the SSD of the Company of all emergencies in the territory of the leased facilities and with the leased property.
  - Conduct an investigation of incidents in cases established by the legislation of the Russian Federation and the requirements of internal regulatory documents of the Company with the involvement of Company officials organizing and monitoring compliance with the occupational safety requirements. During the investigation, provide them with access to the leased premises and equipment.
  - Ensure the timely implementation of the instructions issued by the Company's officials organizing and monitoring compliance with the occupational safety requirements, as well as the instructions, decrees, and other legal requirements issued by the state supervision authorities of the Russian Federation.
  - If necessary, upon termination of the lease term, ensure that remediation, reclamation, and other types of restoration works are carried out at its own expense.
  - Provide training and timely provision to all interested parties of reports in the field of health, industrial, fire, and environmental safety, provided for by the legislation of the Russian Federation and the requirements of the Company's internal regulatory documents.
- 13.4. The company reserves the right to carry out control checks of compliance with occupational

safety requirements at leased facilities. The results of the checks shall be provided to the Tenant who is obliged to eliminate the revealed violations with subsequent notification of the work done of the Contract Coordinator and the head of the relevant SSD of the Company.

- 13.5. The checks shall be carried out in accordance with the schedule approved by the OHS&IS director, but at least once every two years with the obligatory drawing up of a free-form act. Tenants who leased workshops and buildings shall be checked at least once a year. It is allowed to carry out inspections of utility rooms as part of a three-stage control.
- 13.6. The Tenant shall be fully responsible for compliance with the requirements of the occupational safety of the Company by the involved subcontractors.
- 13.7. The Tenant shall be responsible for damage to the Lessor's property. In case of damage by the contractor's employees of the leased property of the Company or, loss of operability of the equipment, inability to carry out manufacturing activities by the personnel of the Company as a result of performing works/rendering services by the contractor, the Tenant is obliged to compensate for direct and indirect damage.

#### **14. REQUIREMENTS FOR NON-ADMISSION OF THE CONTRACTOR'S EMPLOYEES IN STATE OF ALCOHOL, TOXIC, OR NARCOTIC INTOXICATION**

- 14.1. The contractor is obliged to prevent employees with signs of alcohol, toxic, or narcotic intoxication from working at the Company's facilities.
- 14.2. If employees of the contractor / subcontractor with signs of alcohol, toxic, or narcotic intoxication are detected at the Company's facilities or territory, the head of the contractor is obliged to suspend such persons from work and send them for medical examination, as well as to notify the Contract Coordinator or the Person responsible for control over the occupational safety in the manner prescribed by the Company.
- 14.3. Upon confirmation by a medical examination of the fact of alcohol, toxic, or narcotic intoxication, this employee of the contractor / subcontractor shall lose access to the territory of the Company's facilities.
- 14.4. If the Company's employees suspect that there are employees of a contractor / subcontractor with signs of alcoholic, toxic, or narcotic intoxication at the facilities or places of inter-shift breaks, the works manager of the contractor is obliged, at the request of the Company's employees, to suspend such persons from work and send them for medical examination, as well as notify thereof the Company's officials responsible for organizing and monitoring compliance with the requirements of occupational safety.

#### **15. LIABILITY OF THE CONTRACTOR FOR VIOLATION OF THE OCCUPATIONAL SAFETY REQUIREMENTS**

- 15.1. In case of violations by the employees of the contractor or subcontractor of the norms and rules of HSE and fire safety, the "Golden Rules," the access control rules established by the Company, as well as their failure to comply with the requirements of the current legislation of the Russian Federation in the field of HSE and fire safety, labor relations and the legal order, the contractor shall pay a fine in the following amount:

Violation	Penalties	
	for the contractor	for the contractor's employee
For violation of the "Golden Rules" of the Company	<p><b>First violation:</b> Fine:</p> <ul style="list-style-type: none"> <li>– if the contract value is less than 1 mln rubles – 10% of the contract value;</li> <li>– if over 1 mln rubles – 200,000 rubles;</li> <li>– if over 100 mln rubles – 300,000 rubles,</li> </ul> <p>and/or suspension of the crew from the work for one month without compensation for damages to the contractor under the contract with respect to which the violation has been found.</p>	Blacklisting of the employee and prohibition of admission to the territory of all branches of the Company for a period of two years.
	<p><b>Repeated violation, within 6 months:</b> Fine:</p> <ul style="list-style-type: none"> <li>– if the contract value is less than 1 mln rubles – 15% of the contract value;</li> <li>– if over 1 mln rubles – 400,000 rubles;</li> <li>– if over 100 mln rubles – 600,000 rubles,</li> </ul> <p>and/or suspension from participation in tendering procedures for a period of one year, and/or suspension of the organization from works up to 6 months without damages and/or termination of the contract (at the discretion of the Contract Supervisor)</p>	
	<p><b>Third violation, within 6 months:</b> Fine:</p> <ul style="list-style-type: none"> <li>– if the contract value is less than 1 mln rubles – 20% of the contract value;</li> <li>– if over 1 mln rubles – 500,000 rubles;</li> <li>– if over 100 mln rubles – 1,000,000 rubles,</li> </ul> <p>and/or the contract may be terminated, and the organization may be blacklisted for a period of two years, and/or deprived of the right to conclude a</p>	



	contract with the GI to perform any work in the future, without statute of limitations (at the discretion of the contract supervisor)	
Appearance of the employee of the contractor/subcontractor within the Company's territory in a state of alcoholic, toxic, or narcotic intoxication	<b>First violation:</b> <ul style="list-style-type: none"> <li>– if the contract value is less than 1 mln rubles – 10% of the contract value, but not less than 50 thousand rubles;</li> <li>– if over 1 mln rubles – 100,000 rubles;</li> <li>– if over 100 million rubles – 200,000 rubles</li> </ul>	Blacklisting of the employee and prohibition of admission to the territory of all branches of the Company for a period of two years
	<b>Repeated violation, within 6 months:</b> The initial fine amount shall be doubled and/or suspension of the organization from works up to 6 months without compensation for damage + the possibility of termination of the contract (at the discretion of the contract supervisor)	
	<b>Third violation, within 6 months:</b> The initial fine amount shall be tripled and/or suspension of the organization from works up to 6 months without compensation for damage + the possibility of termination of the contract (at the discretion of the contract supervisor)	
Violation by the contractor's / subcontractor's employee of the HSE and fire safety standards and regulations	<b>First violation:</b> if the contract value is less than 1 mln rubles – 10% of the contract value. If over 1 mln rubles – 100,000 rubles.	If a contractor's employee committed three violations within 6 months, this employee shall be blacklisted without the possibility of issuing a pass to the territory of the Company's branches
	<b>Repeated violation, within 6 months:</b> Fine – 200,000 rubles and/or suspension of the crew or organization for one month without compensation for damages (under the contract with respect to which the violation has been found)	
	<b>Third violation, within 6 months:</b> Fine – 300,000 rubles and/or suspension of the crew or organization from works up to 6 months without compensation for damage + the possibility of termination of the contract (at the discretion of the contract supervisor)	
Violation of the Regulation "On Access Control"	RUB 50,000	At the discretion of the head of the contractor

15.2. Should damages be caused to the Company as a result of any violation by the contractor's

employee or employee involved by the contractor's subcontractor of the HSE and fire safety standards and regulations, the contractor shall, in addition to payment of a fine, compensate the Company for 100% of the documented losses incurred.

- 15.3. Each fact of violation shall be considered to be recorded upon issuance by the Company's authorized official organizing and monitoring compliance with the occupational safety requirements of the Report on Violation of the Occupational Safety Standards (in the form of [Appendix No. 3](#) to the Standard) executed according to the procedure established hereby.
- 15.4. The ground for issuance of the Report on Violation of the Occupational Safety Standards (hereinafter, the Report) by the contractor may be both a direct violation found at the site of works or services performed by the contractor, and a decision of the Company's authorized official responsible for organization and control of compliance with the occupational safety requirements, which was made by such official when considering materials on violations, medical opinions on the state of alcoholic intoxication, speed meter video recordings, speed mode reports from the Autoscope / Interface monitoring system and results of investigation of incidents at the Company's facilities.
- 15.5. Holding a contractor liable for violation of occupational safety requirements shall be ensured by supplementing this Standard as an appendix to the contract to be signed by both parties, or by including in the contract of standard reservations from USCW reflecting the fine amounts determined hereby.

In case of amendments to this Standard, the HSE and fire safety Directorate shall initiate introduction of amendments to the USCW and/or contract templates (if necessary).

## **16. PROCEDURE FOR HOLDING CONTRACTOR LIABLE FOR VIOLATION OF THE OCCUPATIONAL SAFETY REQUIREMENTS**

- 16.1. This section establishes the peculiarities of holding a contractor liable for violation of occupational safety requirements in relation to the general requirements for conducting claims work established by the Standard *Procedure for claims Work in Ilim Group JSC*. For all matters related to the requirements for the payment of fines to contractors that are not specially covered by the requirements hereof, the SSDs of the Company shall be guided by the provisions of the Standard *Procedure for Claims Work in Ilim Group JSC*.
- 16.2. If a fact of violation of occupational safety by a contractor or its subcontractor is established, the authorized official of the Company organizing and monitoring the occupational safety shall draw up the *Report on Violation of the Occupational Safety Standards* in duplicate:
  - ✓ one copy of the Report and written claim-invoice for the voluntary payment of a fine ([Appendix 4](#)), signed by the authorized official of the Company acting on the basis of an appropriate power of attorney, and drawn up in the form of Appendix No. 3 hereto within ten (10) business days of its preparation, shall be sent (the method of sending shall ensure the possibility of documentary confirmation of the fact of sending and receiving/delivery of the Report and the claim-invoice) to the contractor. Materials confirming the fact of violation shall be attached to the Report;
  - ✓ the second copy of the Report, a copy of the claim-invoice and materials confirming the violation shall be kept by the Person responsible for control over the occupational safety with registration thereof in the logbook;
  - ✓ the Person responsible for control over the occupational safety shall send a copy of the Report and the claim-invoice to the head of the interested service of the Company whose area of responsibility includes the obligation to supervise the implementation of the relevant Contract (Agreement);

- ✓ a copy of the claim-invoice shall be placed by the Person responsible for control over the occupational safety in shared folders accessible for bookkeepers.
- 16.3. If it is necessary to conduct an investigation and clarify the circumstances of a specific violation, the Report shall be drawn up only after the completion of the required investigation, but in any case not later than three (3) business days of detection of the violation.
  - 16.4. Claims for payment of fines for violation of occupational safety, before they are presented to the contractor, may be sent for approval to a subdivision of the Office of Legal Affairs in the relevant region.
  - 16.5. Fines for violation of occupational safety requirements shall be paid by the contractor within thirty (30) business days of receipt of a copy of the Report on the Violation Found and a written claim-invoice to the Company for the fine payment, unless otherwise specified by the relevant contract (agreement).
  - 16.6. The contractor shall be entitled to submit written explanations, comments and objections to the content of the Report which may be considered and adopted for decisions on penalty recovery and shall be sent to the Contract Coordinator within three (3) business days of receipt of the Report by an authorized representative of the contractor responsible for occupational safety. In this case, the Company's Contract Coordinator shall immediately inform the SSD head whose area of responsibility includes the obligation to supervise the implementation of the relevant Contract (Agreement).
  - 16.7. In case of failure by the contractor to pay the fine within the time period established by the contract, the Company shall immediately take unconditional actions to remove (suspend) passes to the territory of its facilities from employees of the contractor and its subcontractors that have violated occupational safety requirements which shall not release the contractor from the obligation to pay a fine. The procedure for the removal of passes to the territory of the Company's facilities from occupational safety violators shall be established by local regulations of the SSD of the Company.
  - 16.8. Information on fines collected and not collected (but claimed) from contractors shall be communicated by the Person responsible for control over the occupational safety to the directors of the branches in the manner established by the respective branch of the Company, and shall be quarterly sent to the HSE and Fire Safety Directorate of the Company.
  - 16.9. In the event of disputes with contractors regarding the payment of fines, the claims work shall be carried out in accordance with the provisions of the *Standard Procedure for Claims Work in Ilim Group JSC*.
  - 16.10. All fines shall be accumulated on a separate account of the Company and can only be spent on:
    - Measures that improve the working conditions of the Company's employees.
    - Unscheduled occupational safety measures following the incident investigation that have identified hazardous conditions.
    - Incentive payments (at least 10 thousand rubles) to employees who have identified violations for which reports were drawn up and fines were recovered.
    - Incentive of employees of contractors and subcontractors:
      - ✓ Canteen meal tickets.
      - ✓ Certificates for PPE and tools.
      - ✓ Provision with water, tea/coffee during the MS/major shutdowns.
      - ✓ Year-end bonus to the best contractors, at the major stop.
  - 16.11. Expenditure of funds from the collected fines shall be supervised by the OHS&IS Director of the branch.

- 16.12. The head of the production structural subdivision of the Company / Contract Coordinator shall be entitled to issue an internal memo addressed to the OHS&IS Director of the branch specifying the activities set forth in Clause 16.12. of the standard to be fulfilled.
- 16.13. In case of a positive decision, the OHS&IS Director of the branch shall send an agreed internal memo specifying the agreed amount of expenses to the director of economics of the branch.
- 16.14. The director of economics of PPI/forestry of the branch shall provide funds for incentive.

## **17. SUPERVISION OF COMPLIANCE WITH THE REQUIREMENTS OF THE STANDARD**

- 17.1. Supervision of implementation of the Standard shall be entrusted to the HSE and Fire Safety Directorate which shall be performed by inspections of the activities of the Company's branches.
- 17.2. The inspections shall be performed according to the checklist of Appendix 9 of the Standard.
- 17.3. In case of violation of the requirements of this Standard, information thereof shall be communicated to the branch director, the relevant head of the SVP level and the Directorate for Asset Protection in order to arrange measures in accordance with the procedure and in the manner established by the Company.

**Occupational safety checklist  
for the competitive selection of a contractor**

<b>Checklist date:</b>	
<b>Full name, position and signature of the contractor's employee that filled in the checklist:</b>	

<b>Questions:</b>		<b>Information provided by the contractor:</b>	
Full name, TIN, and legal address of the company			
Experience of the company on the scope of the contract, years			
Actual location of the production site (base) if any			
Total number of employees in the company, persons			
Of them planned to be engaged in works under a contract with Ilim Group JSC:		<b>Number of personnel, persons</b>	
	Employees		
	Managers and specialists		
	Specialists in occupational safety, including:		
	- for ecology		
	- for health and safety		
	- for industrial safety		
	- for fire safety		
<b>1. Main categories of works performed by the contractor:</b>			
Civil engineering	<input type="checkbox"/>	Structural steel works	<input type="checkbox"/>
Excavation works	<input type="checkbox"/>	Foundations construction	<input type="checkbox"/>
Instrumentation and controls arrangement	<input type="checkbox"/>	Construction of buildings and structures	<input type="checkbox"/>
Heat insulation works	<input type="checkbox"/>	Dismantling of construction elements and foundations	<input type="checkbox"/>
Roofing	<input type="checkbox"/>	Metal works dismantling	<input type="checkbox"/>
On-site production of tanks and vessels	<input type="checkbox"/>	Material Handling	<input type="checkbox"/>
Pipe laying	<input type="checkbox"/>	Maintenance services	<input type="checkbox"/>
Mechanical assembly operations	<input type="checkbox"/>	Paint work	<input type="checkbox"/>
Electrical works	<input type="checkbox"/>	Scaffolds and other means of access building	<input type="checkbox"/>
Mechanical commissioning of pipelines	<input type="checkbox"/>	Climbing works	<input type="checkbox"/>
Mechanical commissioning of instrumentation and controls	<input type="checkbox"/>	Building structures repair	<input type="checkbox"/>
Commissioning of electrical equipment	<input type="checkbox"/>	Installation and/or maintenance of control systems	<input type="checkbox"/>
Technological commissioning of pipelines	<input type="checkbox"/>	Waste disposal	<input type="checkbox"/>

Technological commissioning of electrical equipment	<input type="checkbox"/>	Construction, installation, repair works with the use of welding	<input type="checkbox"/>
Technological commissioning of instrumentation and controls	<input type="checkbox"/>	Industrial cleaning	<input type="checkbox"/>
Repair and manufacturing of equipment and spare parts for PPI	<input type="checkbox"/>	Work on logging	<input type="checkbox"/>
Installation and maintenance of fire protection systems	<input type="checkbox"/>	Other (specify below):	<input type="checkbox"/>
Industrial safety examination	<input type="checkbox"/>		
<b>Planned number of subcontractors and their total number, persons</b>			
<b>Specify the types of work for which it is planned to engage subcontractors (subcontractor name – type of work)</b>			
<b>Is there a procedure (another document) in the organization that regulates your relationship with the subcontractor? If so, please specify.</b>			
<b>Are subcontractors monitored by your occupational safety management? If so, in what way (independent inspection, inspection involving third parties / organizations, etc.)?</b>			
<b>Initiatives implemented by the company for its own development and increase of the level of occupational safety, please list:</b>			
<b>2. Is training and advanced training carried out on licensed and other activities requiring special training on the scope of the contract</b>	<b>Yes</b>	<b>Type of training</b>	<b>Number of persons trained</b>
			<b>MSE</b> <b>Employees</b>
In the field of industrial safety:	<input type="checkbox"/>		
In the field of health and safety:	<input type="checkbox"/>		
In the field of fire safety:	<input type="checkbox"/>		
Availability of welding technologies certified by the National Attestation Committee on Welding Practice (NACWP) (specify types)	<input type="checkbox"/>		
Availability of trained and certified specialists of welding production with a certificate of NACWP (specify the number):	<input type="checkbox"/>		
Availability of trained and certified welders with a certificate of NACWP (specify the number):	<input type="checkbox"/>		
Availability of certified welding equipment (specify types and number)	<input type="checkbox"/>		
<b>Provide a list of available company's certificates in the field of personnel health and safety (ISO, OHSAS, FSC, etc.)</b>			
<b>3. Specify the number of incidents in the last three years:</b>	<b>20</b>	<b>20</b>	<b>20</b>
- fatal industrial accidents			
- severe industrial accidents			
- industrial accidents entailing disability			
- industrial accidents not entailing disability (cases of transfer to light labor)			
- identified prerequisites and microtraumas			
- incidents			
- fires and ignitions, accidents, incidents and emergencies			
- traffic accidents			
- occupational diseases			

- comments of state HSE supervisory bodies during scheduled or unscheduled inspections			
<b>4. Specify the existence of provisions and standards applicable to the contractor:</b>	<b>Yes</b>	<b>No</b>	
- Regulation on the Occupational Health and Safety Assessment System (OHSAS)	<input type="checkbox"/>	<input type="checkbox"/>	
- Annual plan of measures to improve health and occupational safety	<input type="checkbox"/>	<input type="checkbox"/>	
- Regulation on the identification and reporting of prerequisites (almost accidents, incidents, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	
- Regulation on risk identification and assessment	<input type="checkbox"/>	<input type="checkbox"/>	
- Regulation on conducting behavioral safety audits	<input type="checkbox"/>	<input type="checkbox"/>	
- Conducting regular meetings on occupational safety with execution of minutes of the decisions	<input type="checkbox"/>	<input type="checkbox"/>	
- Identification of hazards at workplaces before and after completion of works (checklist), by supplementing appendix to the permit to work or in another way	<input type="checkbox"/>	<input type="checkbox"/>	
- Providing the personnel with certified personal protective equipment	<input type="checkbox"/>	<input type="checkbox"/>	
- Providing the personnel with certified special clothes with a readable logo of the organization, reflective tape with a width of at least 50 mm and other signal elements	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Specify the availability of:</b>	<b>Name, brand, quantity*</b>		
Own portable mechanized tools and equipment for the performance of works under the contract			
Portable hoisting mechanisms (specify what) to perform works under the contract			
Specialized equipment for the performance of works (specify what) for the performance of works under the contract			
Availability of fire fighting equipment and fire extinguishing means staging point, trawls for transportation of equipment (for loggers).			

**\*With a large amount of information, appendix execution is possible.**

**Checklist shall be agreed upon in writing by the employee responsible for HSE and fire safety of the branch. In case of a tender in the Head Office – by the person responsible for HSE and fire safety of the Head Department.**

**CHECK LIST**  
**of occupational safety contractor audit**  
(recommended form)

Name of the contractor:

Work performed under the contract:

Place of works:

Number of employees:

Reason for audit:

Assessment criteria	Comments
<p>1. Provision and application of PPE</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Head</li> <li><input type="checkbox"/> Eyes</li> <li><input type="checkbox"/> Legs</li> <li><input type="checkbox"/> Respiratory system</li> <li><input type="checkbox"/> Hearing system</li> <li><input type="checkbox"/> Hands</li> <li><input type="checkbox"/> Fall protection</li> <li><input type="checkbox"/> Protective clothing</li> <li><input type="checkbox"/> Other (describe in the comment)</li> </ul>	
<p>2. Filling in the permit to work</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Not required</li> <li><input type="checkbox"/> Permit to work is required but is not available</li> <li><input type="checkbox"/> Issued with violations (describe violations in the comments)</li> </ul>	
<p>3. Tool</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Corresponds to the work performed</li> <li><input type="checkbox"/> Handicraft tool manufacturing</li> <li><input type="checkbox"/> Factory-made</li> </ul>	
<p>4. Oral knowledge survey</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> HSE policies of Ilim Group JSC</li> </ul>	
<ul style="list-style-type: none"> <li><input type="checkbox"/> Rules for the provision of first premedical aid</li> <li><input type="checkbox"/> Procedure for the upcoming work</li> <li><input type="checkbox"/> Other (describe in the comment)</li> </ul>	



<p>5. Works at heights</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Employees are trained</li> <li><input type="checkbox"/> Apply harnesses</li> <li><input type="checkbox"/> Use properly operating scaffoldings</li> </ul>	
<p>6. Implementation of the HS program</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Program is unavailable</li> <li><input type="checkbox"/> Is available and implemented</li> <li><input type="checkbox"/> Is available, but not implemented</li> </ul>	
<p>7. Order at the workplace</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Order is respected</li> <li><input type="checkbox"/> Order is not respected</li> </ul>	
<p>8. Person responsible for HSE and fire safety</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Appointed by order</li> <li><input type="checkbox"/> Responsible person is unavailable</li> <li><input type="checkbox"/> Responsible person conducts the inspection</li> </ul>	
<p>9. Hygiene and sanitary conditions</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Acceptable</li> <li><input type="checkbox"/> Not compliant with the norms</li> <li><input type="checkbox"/> Complaints are received from employees</li> </ul>	
<p>10. Fire security</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Comply with the requirements</li> <li><input type="checkbox"/> Do not comply with the requirements</li> </ul>	

Conclusion:

Commission members signatures:

Ilim Group JSC  
REPORT No. \_\_\_\_\_  
on violation of occupational safety

“ \_\_\_\_\_ ” \_\_\_\_\_ 20\_\_

I \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ (position and full name of the official of Ilim Group JSC who executed the report),  
**being guided by the Standard *Management of Occupational Safety Contractors of Ilim Group JSC*, have drawn up this Report on Violation of Occupational Safety Rules by Employees**

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

\_\_\_\_\_ (name of the counterparty)  
**that performs:** \_\_\_\_\_

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

\_\_\_\_\_ (place and type of works/services performed/rendered by the counterparty at the facilities of Ilim Group JSC)

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

\_\_\_\_\_ (name of SSD of the branch and type of operations)

“ \_\_\_\_\_ ” \_\_\_\_\_ **20\_** time of the violation: \_\_\_\_\_ **h** \_\_\_\_\_ **min**

\_\_\_\_\_ (employee of the counterparty / contractor of the counterparty (specify the name))

\_\_\_\_\_ (full name and position of employee of the counterparty / contractor of the counterparty in full)

**has violated the occupational safety requirements:**

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

\_\_\_\_\_ (to specify local regulatory act, its details and applicable appendices (No. of Article, Clause))

**including:**

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

(essence of the violation and/or failure to fulfill the requirement)

**The fact of the violation is confirmed by:**

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

(documents attached to the report)

**Signature of the official of Ilim Group JSC organizing and controlling the occupational safety:**

\_\_\_\_\_  
(signature of the person who executed the report)

\_\_\_\_\_  
(Position, full name of the employee of Ilim Group JSC)

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

\_\_\_\_\_ (\_\_\_\_\_)

(full name and signature of the employee who committed violations)

“ \_\_\_\_\_ ” \_\_\_\_\_ 20 \_\_\_\_  
(date)

**This Report is made in two copies.**

**I have received a copy of the Report *(to be filled in if the Report is handed over to the authorized representative of the counterparty in person)***

\_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_  
(position, full name, and signature of the authorized representative of the counterparty in relation to whom the report was made)

**A copy of the report was sent with acknowledgement of receipt to the address of the counterparty (to be filled in in case of sending the Certificate by mail):**

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

(name of addressee, its address, and type of postage)

\_\_\_\_\_  
(\_\_\_\_\_) \_\_\_\_\_  
(date and signature of the sender)

(full name of the sender)



## **Recommended set of documents for inclusion in the TR for the performance of works, the provision of services**

### **1. For admission to the tender in TR**

- Copy of the certificate of SRO
- Copies of Licenses for activities performed (if required)
- Copies of certification minutes, laboratory accreditations (if required)
- Copies of certification minutes and certificates of managers, MSE of the organization for HSE, industrial and radiation safety
- Orders on the creation of a commission to verify knowledge of the HSE and fire safety issues
- Certification of members of the commission on HSE and industrial safety

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

- Documents from previous section
- Order appointing a person authorized to sign reports on violation of the HSE and fire safety requirements, reports on investigation of incidents, accidents, and road traffic collisions involving employees of the counterparty;
- Information on the availability of permits (license, registration certificates, accreditation, etc.) of the Counterparty and/or its subcontractor, in which the permit is specified specifically for the type of activity to which the subcontractor will be involved;
- List of officials responsible for occupational safety issues within the Customer's territory with copies of orders on their appointment, powers, duties, and responsibilities (HSE and fire safety);
- Information on the certification of the heads of organizations, members of certification committees of organizations in training organizations that have licenses for the right to conduct training;
- Information on certification of specialists and certain categories of employees on HSE, industrial and fire safety in training organizations that have licenses for the right to conduct training, or in certification committees of organizations;
- Copies of protocols or certificates confirming the qualification and knowledge assessment of the Counterparty's operating personnel having access to the Customer's territory (health, occupational safety, and fire safety basics training);

### **3. If project organizations are involved in the work, the following documents shall be required:**

- authorization documents for the right of carrying out the activity to be performed by the Counterparty;
- Order on appointment of persons responsible for compliance with HSE regulations in the course of works (when the personnel is at the industrial facilities);
- information confirming certification of the organization's personnel in the field of HSE, industrial and fire safety basics

**Typical reservations to be entered into contracts concluded with contractors performing works and providing services in the territory of the Company's facilities:**

“To allow access to employees of the Counterparty and relevant involved Subcontractors to the territory of the Customer's facility / branch / production site for performance of works/rendering services, the Customer shall submit the following documents for study against acknowledgement of receipt:

- Occupational Health, Safety and Environment Policy of Ilim Group JSC;
- Local regulations establishing the access control and internal security arrangements, safety rules; fire and environmental safety rules and standards, HSE rules at the relevant facility / territory of the branch / production site of the Customer and/or extracts from the relevant local regulations;
- Other local regulations that, together with the above regulations, constitute a complete up-to-date list of documents approved and applicable to the relevant facility / branch / production site of the Customer.

The Contractor shall ensure compliance by its employees and employees of any third parties involved by it with the requirements of the Customer's local regulations as specified above, as well as the requirements of the current legislation of the Russian Federation in the field of HSE and fire safety.

The Contractor agrees that failure of the Contractor's representatives to comply with the HSE and fire safety standards and rules, traffic rules, access control arrangements applied at the Customer's facilities, with which the Contractor's representatives were familiarized, as well as their failure to comply with the requirements of the current legislation in the field of HSE and fire safety will result in material liability of the Contractor within the limits established by this contract.

If the Customer reveals a violation of the above norms and rules by the Contractor's employees / employees of the Contractor's subcontractors, the Contractor shall pay to the Customer:

- in case of violation of norms and rules of HSE, industrial and fire safety – a fine in the amount established by Section 15 of the Standard for each violation;

- in case of violation of the checkpoint, internal security policies at the facility, including being in a state of intoxication – a fine in the amount established by Section 15 for each fact of violation.

Each fact of violation shall be considered recorded when the Customer's authorized official executes a certificate of the relevant violation in the manner established by the Customer's internal documents.

The Customer shall, within ten (10) business days of the execution of the report on the relevant violation, send the Contractor a copy of the certificate and a written request for payment of the fine.

Fines for violation of the HSE, industrial and fire safety rules, checkpoint policies shall be paid by the Contractor within thirty (30) business days from the date of receipt of a copy of the certificate on the detected violation and a written request of the Customer to pay the fine.

The Contract Coordinator for the performance of works / services (the scope of authority and responsibility of the Coordinator is given in the Standard of Ilim Group JSC “Management of Occupational Safety Contractors of

Ilim Group JSC) on the part of the Customer is \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, patronymic in full), telephone number, other contact information:\_\_\_\_\_.

The Person responsible for control over occupational safety (the scope of authority and responsibility is given in the Standard of Ilim Group JSC *Management of Occupational Safety Contractors of Ilim Group JSC*) on the part of the Customer \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, patronymic in full), telephone number, other contact information: \_\_\_\_\_.

The Counterparty's Manager ensuring occupational safety when performing works/services (the scope of authority and responsibility of the Manager is given in the Standard of Ilim Group JSC *Management of occupational safety contractors of Ilim Group JSC*) on the part of the Contractor is \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, patronymic in full), telephone number, other contact information: \_\_\_\_\_.

The Person responsible for occupational safety on the part of the Counterparty when performing works / services (the scope of authority and responsibility of the Manager is given in the Standard of Ilim Group JSC *Management of Occupational Safety Contractors of Ilim Group JSC*) on the part of the Contractor is \_\_\_\_\_ (position) \_\_\_\_\_ (surname, name, patronymic in full), telephone number, other contact information: \_\_\_\_\_.

By signing this Contract, the Contractor confirms that it has read the Standard of Ilim Group JSC *Management of Occupational Safety Contractors of Ilim Group JSC*.

## Typical sections of the content of the Occupational Safety Plan for Major Investment Projects

### 1. General provisions

- 1.1. Ilim Group Safety and Environmental Policy
- 1.2. "Golden Rules" of Ilim Group
- 1.3. Ilim Group Corporate Standards binding when implementing the project
- 1.4. Requirement to immediately suspend the work in case of violations of occupational safety requirements with high risk
- 1.5. Requirement of abstinence within the project area

### 2. Organizational structure of the occupational safety management project

- 2.1. Description of key positions of the project managers and specialists
- 2.2. Occupational safety requirements to the contractor's personnel
- 2.3. Description of key positions of personnel of occupational safety contractors
- 2.4. Responsibility assignment matrix for occupational safety

### 3. Management of occupational safety when selecting contractors before the work commencement

- 3.1. Prequalification and selection of contractors
- 3.2. Procedure for obtaining documentation from contractors
- 3.3. Qualification and training requirements for workers and managers of contractors
- 3.4. Procedure for access to the territory of the Company
- 3.5. Personal Protective Equipment (PPE)
- 3.6. Meetings on industrial safety with the management of contractors before the work commencement to clarify the requirements for occupational safety

### 5. Ensuring occupational safety in the course of the works

- 4.1. Description of the sequence of work, basic solutions and methods used under the project
  - 5.1.1. Planning activities
  - 5.1.2. Permits to work system
  - 5.1.3. Daily occupational safety meetings on the project
  - 5.1.4. Safety audits
  - 5.1.5. Accident and incident investigation procedure
  - 5.1.6. Program of disciplinary measures in case of violations of occupational safety requirements
- 4.2. Program of positive motivation and encouragement of contractors' personnel for compliance with occupational safety requirements
- 4.3. Key indicators of occupational safety
- 4.4. Procedures and plans of work execution (POS, MS, TR)
  - 5.4.1. Work at heights
  - 5.4.2. Handling operations with cranes
  - 5.4.3. Rigging, sling arrangement and rejection of loose lifting gear
  - 5.4.4. Manual materials handling
  - 5.4.5. Work with the use of scaffoldings
  - 5.4.6. Initial and daily inspection of equipment
  - 5.4.7. Confined space
  - 5.4.8. Excavation works
  - 5.4.9. Concreting of foundations, construction and installation works
  - 5.4.10. Admission to hazardous work
  - 5.4.11. Procedure for disconnecting and blocking hazardous energy
  - 5.4.12. Procedure for handling and disposal of hazardous waste



- 5.4.13 Safety data sheets for hazardous substances (MSDS)
- 5.4.14 Dismantling
- 5.4.15 Occupational health
- 5.4.16 Use of instruments and equipment with ionizing radiation sources
- 5.4.17 Selection of steels and materials
- 5.4.18 Work with compressed gases and pressure cylinders
- 5.4.19 Manual and mechanized tools
- 5.4.20 Transportation to the work site and preventing falls on slippery surfaces
- 5.4.21 High pressure equipment
- 5.4.22 Equipment commissioning
- 5. Emergency response procedure**
- 6.1. Fire and emergency evacuation plans
- 6.2. Emergency response procedures
- 6.3. Procedure for chemical leaks and spills of hazardous / poisonous / toxic substances
- 6. Requirements for maintaining order and cleaning at the site**
- 7.1. Cleaning and order maintaining
- 7.2. Logistics of receipt and temporary placement of materials
- 7.3. Impact on neighboring subdivisions and projects
- 7. Monitoring of the relevance of documents and a plan for occupational safety**
- 8.2. Requirements for the plan updating

## Project Card



### Occupational health, industrial and fire safety

Key indicators of occupational safety	Quantity		Comments	Status
	For the reporting period	From the project launch		
Number of accidents/LIFE				<input type="radio"/>
Number of occupational safety incidents				<input type="radio"/>
Number of fires, ignitions				<input type="radio"/>
Number of BSAs performed				<input type="radio"/>
Number of identified prerequisites, microtraumas				<input type="radio"/>
Agreed permits to hot works, pcs				<input type="radio"/>
Revealed violations on health and safety ! Fire safety, pcs				<input type="radio"/>
Reports of violations compiled, pcs				<input type="radio"/>
Compiled reports-claims for contractors – fines invoiced, pcs/\$				<input type="radio"/>
Suspended works, pcs				<input type="radio"/>
Briefings / training carried out with knowledge assessment of contractors, persons				<input type="radio"/>
MSE trained by the BSA project, persons				<input type="radio"/>
Number of the contractor's H&S engineers on the project, persons				<input type="radio"/>

H&S, industrial and fire safety engineers on the project	Full name	Occupational safety coordinators on the project	Full name

**Minimum occupational safety requirements applicable in accordance with the category of contractor with high risk**

Occupational safety requirements	Contractors categories		
	Key	Permanent	Temporary / Seasonal
Contract Coordinator	x	x	x
Person responsible for control over occupational safety	x	x	x
Person Responsible for Works at the Facility	x	x	x
Knowledge assessment before entering the territory	x	x	x
Letter of guarantee	x	x	x
Health and safety plan	x	x	
Appointment of dedicated health and safety specialists	x	x	x
Permanent availability of a work manager at the facility	x	x	x
Copies of minutes or certificates	x	x	x
Medical examination information	x	x	x
Risk assessment	x	x	x
Overalls with logo	x	x	x
Safety footwear with hard toe puff	x	x	x
Contractor weekly meetings	x	x	
Monthly audit of the contract coordinator	x	x	x
Continuous on-site monitoring	x	x	x
Monthly reports	x	x	
Tracking of key indicators	x	x	
Occupational safety certification for high-risk organizations	x	x	


**Minimum occupational safety requirements applicable in accordance with the category of contractor with low risk**

Occupational safety requirements	Contractors categories		
	Key	Permanent	Temporary / Seasonal
Contract Coordinator	x	x	x
Knowledge assessment before entering the territory	x	x	x
Overalls with logo	x	x	x
Safety footwear with hard toe puff	x	x	x
Medical examination information	x	x	x

### Contractors Monthly Report Form

<b>Report date</b>	
<b>Reporting period</b>	
<b>Contractor</b>	
<b>Number of contract</b>	
<b>Name of subcontractors included in the report</b>	
<b>Representative of the HSE Contractor</b>	

<b>Section</b>	<b>Jan 19</b>	<b>Feb 19</b>	<b>Mar 19</b>	<b>....</b>	<b>.....</b>	<b>Dec 19</b>
<b>Average number of personnel of the contractor performing work for the reporting period, persons</b>						
<b>Number of man-hours worked by the contractor's employees at the facility (including processing), persons</b>						
<b>Number of cases of medical aid (without temporary disability) to the contractor's employees in the course of works at the facility, persons/</b>						
<b>Number of cases of emergency medical care for injured at work, persons</b>						
<b>Number of accidents entailing disability of the contractor's employees due to an injury at work in the course of the works, units</b>						
<b>Number of injured with temporary disability due to an injury at work in the course of the works, persons</b>						
<b>Number of days of disability due to injuries at the work of the contractor's employees in the course of works at the facility, man-days</b>						
<b>Number of incidents with environmental consequences (pollution of soil, atmospheric air, water, etc.), units</b>						
<b>Number of incidents with material consequences (fire, accidents during systems and equipment operation, etc.), units</b>						
<b>Number of inspections and audits conducted by the internal commissions of contractors in the field of occupational safety drawn up by relevant reports, minutes, regulations, and units (further inspections)</b>						
<b>Number of violations (inconsistencies) detected during the inspections, units</b>						
<b>Number of employees brought to disciplinary liability based on the results of inspections, persons</b>						
<b>Number of meetings on occupational safety with execution of relevant reports/minutes, units</b>						

<b>“MANAGEMENT OF OCCUPATIONAL SAFETY OF CONTRACTORS”</b>	Document No. <b>0</b>	
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Listed below are the requirements of the Standard which shall be implemented and continued compliance with which by all subdivisions, subsidiaries and contractors shall be ensured. Use the drop-down list with a rating from 1 to 5: **1 – unsatisfactory, 2 – low, 3 – satisfactory, 4 – good, 5 – excellent**, in case of a rating of **1** or **2**, it is necessary to fill in the comments / activities column. Assessment shall be carried out by a team of competent employees who fully possess information, who are able to assess the situation professionally and impartially, as well as guarantee continuous compliance with the requirements after the implementation of the Standard.

**Rating criteria:**

**1 - in case of complete noncompliance with the requirement, immediate corrective actions are required;**

**2 - in case of partial compliance which requires significant improvements;**

**3 - in case of compliance with the requirement while minor improvements are required;**

**4 - in case of full compliance with the requirement;**

**5 - in case of full compliance with the requirement; may be used as an example for implementation in other subdivisions and branches of the Ilim Group.**

Name of branch / subdivision / project:		Filled in Name:	
Grounds for the assessment:		Date:	

Item No.	Requirements of the Standard to be implemented / criteria:	Assessment: (drop-down list)	Comments / events:
<b>1.</b>	<b>Appointment and training of officials</b>		
1.1.	Contract supervisors and contract holders are appointed by the internal regulatory documents for each contract with <u>contractors providing services</u> .		
1.2.	Contract coordinators are appointed by the internal regulatory documents for each contract with contractors providing services.		
1.3.	Persons responsible for control over occupational safety are appointed by the internal regulatory documents for each contract with contractors providing services.		
1.4.	Persons responsible for works performance at the facility are appointed by the internal regulatory documents for each contract with contractors providing services.		
1.5.	Contract engineer, purchasing specialist, scheduler / estimator, lawyer, and economist are appointed by the internal regulatory documents for each contract with contractors providing services.		
1.6.	All designated responsible officials under the contracts with contractors have been trained under the Standard <i>MANAGEMENT OF OCCUPATIONAL SAFETY OF CONTRACTORS</i> .		
1.7.	Managers and specialists appointed by the Contract Coordinators. Persons responsible for control over occupational safety Persons responsible for the work on site and the schedulers / estimators passed special training for MSE on occupational safety and knowledge assessment.		
<b>2.</b>	<b>Contract with contractors</b>		
2.1.	Each contract with contractors contains the full name and position of the contract holder, contract coordinator, person responsible for the control over occupational safety, the head of		

	the works safety of the contractor (from among engineers ensuring occupational safety when performing works or services), a contract engineer, person responsible for occupational safety control on the part of the contractor.		
2.2.	Each contract with contractors contains occupational safety requirements for the contractor.		
2.3.	Each contract with contractors contains penalties applicable to the contractor.		
<b>3.</b>	<b>Premises lease requirements</b>		
3.1.	A list of auxiliary premises leased out has been compiled.		
3.2.	Requirement to prohibit the provision of premises to the contractor without a lease agreement has been implemented.		
3.3.	<p>Tenants carry out their activities only if all the permits provided for by the legislation of the Russian Federation (licenses, certificates, approvals, etc.) issued by authorized state bodies are available.</p> <ul style="list-style-type: none"> <li>• Put a sign at the entrance to the leased premises / territory specifying the name of the Tenant and the phone numbers of the representative responsible for occupational safety and the contract coordinator.</li> <li>• Maintain and keep in an operable condition means and equipment designed to detect and extinguish fires, prevent blocking of paths, means of escape, and emergency exits.</li> <li>• Keep in working condition and ensure the safe operation of the leased facilities / equipment, its communication, heating, ventilation, energy, water, sewer, information, and technological networks.</li> <li>• Timely perform maintenance works on all types of equipment and communications at the leased facilities.</li> <li>• Ensure the safe movement of people and vehicles across the leased area.</li> <li>• Ensure timely cleaning and removal of garbage from the leased territories, timely cleaning of snow and ice from components of any structures, buildings, constructions, and equipment, the load on which can lead to their collapse, and melting – to damage, destruction, and injury of the personnel or third parties.</li> <li>• Ensure timely filling of slippery areas with anti-slip materials.</li> <li>• Ensure environmental impact charges;</li> <li>• Equip places of temporary storage of generated production and consumption wastes.</li> <li>• At its own expense, ensure the collection, disposal, removal, and delivery of generated production and consumption waste in the established manner.</li> <li>• Conduct inspections, checks of the leased facilities in order to determine the need for their repair, revision, cleaning, and the extension of the safe working period.</li> <li>• Assign by administrative documents persons responsible for the safe works performance, for the operation and maintenance of tools, equipment, vehicles, and other leased property, for the safe handling of production and consumption waste, for the implementation of occupational control and technical supervision at hazardous production facilities, and for fire safety of leased facilities.</li> <li>• In case of lease of hazardous production facilities, register them in the State Register of Hazardous Production Facilities, as well as insure liability for harm to life, health or property of third parties and the environment in case of an accident at a hazardous production facility.</li> <li>• Immediately inform the dispatching services and the head of the SSD of the Company of all emergencies in the territory of the leased facilities and with the leased property.</li> </ul>		

3.4.	The subdivisions carry out inspections of leased premises in accordance with the schedule approved by the OHS&IS director, but at least once every two years with the obligatory drawing up of a free-form act.		
<b>4.</b>	<b>Selection and categorization of contractors</b>		
4.1.	When holding a tender in the procurement department for the selection of a contractor, preference is given to the organizations that guarantee the works performance without involving subcontractors.		
4.2.	Selection of contracting organizations shall be carried out in accordance with the requirements of the Regulation <i>On the Organization and Conduct of Tenders for the Right to Conclude Supply Contracts and Material and Resource Contracts and Contracts for the Provision of Services and Performance of Works for the Needs of Ilim Group JSC</i> and the Regulation <i>On the Organization of Competitive Selection of a Counterparty for the Procurement of Services / Works for the Needs of Ilim Group JSC</i> .		
4.3.	At the discretion of contractors, contract coordinators and persons responsible for control over occupational safety are included in the tender commissions by an order.		
4.4.	When selecting a contractor, a category is determined in accordance with the algorithm for contractors categorizing.		
4.5.	The assigned categories of the contractors shall be taken into account when determining the requirements for occupational safety for the contractors.		
4.6.	Prior to the tender, the heads of the high-risk contractor submit to the purchasing specialist a completed checklist in accordance with Appendix 1 of the Standard.		
4.7.	The volume and deadlines for the submission of documents are determined by the Contract Coordinators with the obligatory agreement with the Persons responsible for control over occupational safety based on the nature of the works or services performed by the contractor and shall be specified in the TR for purchase of services.		
4.8.	The Contract Coordinators and Persons Responsible for the Control over Occupational Safety carry out a technical analysis of the received commercial proposals from purchasing specialists.		
4.9.	The Contract Coordinator and the Person Responsible for Control over the Occupational Safety consider the documents within three business days and send a scanned version of the signed checklist (in the form of Appendix 1) to the Purchasing Specialist.		
4.10.	When selecting contractors for strategic, major investment projects, the persons responsible for control over occupational safety conduct on-site audits of the contractor at the place of its location or performance of works in accordance with Appendix 2 of the Standard.		
<b>5.</b>	<b>Contractors' activities</b>		
5.1.	Prior to the works commencement, the contractors together with the Contract Coordinator determine and establish the list of internal regulatory documents governing occupational safety at the facilities and in the territory of the Company when performing works and providing services by a contractor.		
5.2.	Prior to the works commencement, the contractors together with the Contract Coordinator determine and establish the requirements for the qualifications of employees of the contractor, the procedure for confirming and passing the necessary training in occupational safety measures established at		



	the facilities and in the territory of the Company.		
5.3.	Prior to the works commencement, the contractors together with the Contract Coordinator determine and establish the list of PPE of the contractor's personnel admitted to the territory and facilities of the Company.		
5.4.	Prior to the works commencement, the contractors together with the Contract Coordinator determine and establish the procedure for familiarizing the contractor's employees with the requirements for the use of production and other equipment of the Company in case the equipment is transferred to the contractor.		
5.5.	Prior to the works commencement, the contractors together with the Contract Coordinator determine and establish the list of hazards and risks established for SSD where the works will be performed.		
5.6.	Prior to the works commencement, the contractors together with the Contract Coordinator determine and establish the procedure for sharing information on the incidents, as well as procedure when receiving reports of emergencies.		
5.7.	Prior to the commencement of works, written consents are received from the contractor (inter alia in the form of inclusion of the relevant clauses in the contract) stating that if the contractor's employees, as well as its subcontractors do not comply with the norms and rules of occupational safety, access control rules established by the Company at their facilities, as well as if they fail to comply with the requirements of the current legislation in the field of health, industrial, fire, and environmental safety it shall entail material responsibility of the contractor within the limits established by this Standard.		
5.8.	During the execution of works, contractors carry out works / provide services to the Company in accordance with the terms of the contract, applicable laws of the Russian Federation and internal regulatory requirements; representatives of the Ilim Group monitor the contractors' compliance with these requirements.		
5.9.	During the execution of works, the contractors issue permits to work in which all necessary safety measures shall be provided if the territory is transferred under the operations certificate; representatives of the Ilim Group monitor the contractors' compliance with the specified requirements.		
5.10.	During the works performance, contractors provide the Company with comprehensive assistance in conducting inspections of compliance with health and occupational safety requirements and eliminate identified violations. The procedure for comments elimination is monitored and documented by the Company.		
5.11.	During the works performance, contractors carry out activities at the facilities and in the territory of the Company only if it has all the permits (licenses, certificates, permissions, approvals, etc.) provided for by the legislation of the Russian Federation issued by authorized state bodies for this type of activity under the contract; representatives of Ilim Group monitor compliance by the contractors of the said requirements.		
5.12.	During the works performance, the contractors ensure the permanent availability of the person responsible for the control over occupational safety on the part of contractor in cases when more than 50 contractor's/subcontractor's employees work in the territory or at the facilities of the branch; if less than 50 employees work in the territory or at the facilities of the Company, availability of the person responsible for the control over occupational safety by the contractor is ensured.		
5.13.	During the works performance, the contractors ensure the presence of the contractor's work safety managers at the location		

	of hazardous works in the territory and at the facilities of the Company.		
5.14.	Contractors immediately inform the dispatching services of the Company, the Contract Coordinator, the Person Responsible for the Control over the Occupational Safety in the manner established by the Company, of all incidents with the contractor's employees at the facilities and in the territory of the Company.		
5.15.	Contractors conduct incident investigations and keep records of injuries of its employees and employees of subcontractors.		
5.16.	Contractors ensure the implementation of corrective measures to prevent the recurrence of similar incidents and provide a report on the implementation of measures to prevent the recurrence of similar incidents to the Contract Coordinator and the Person Responsible for Control over Occupational Safety.		
5.17.	Contractors provide a monthly report in the form of Appendix 8 which shall be sent to the person responsible for control over occupational safety not later than 12:00 a.m. on the 5th day of each month following the reporting one.		
5.18.	Managers of the contractors ensure familiarization of personnel with local regulations on ensuring occupational safety of the Company included in the List (or their extracts), of all employees of the contractor and subcontractors involved in the work admitted to the facilities and territory of the Company with a personal signature on familiarization.		
5.19.	The managers of the contractors ensure compliance with the requirements of occupational safety by the involved subcontractors and familiarize them with penalties for violations of the requirements of occupational safety in accordance with the requirements of this Standard.		
5.20.	Managers of the contractors ensure passage and confirmation of the required training and courses on occupational safety of its own personnel and subcontractors' personnel.		
5.21.	Managers of the contractors ensure maintenance and serviceability of equipment, technical means, tools, instruments and PPE used by employees of contractors and subcontractors at the facilities and in the territory of the Company.		
5.22.	Managers of the contractors ensure passing of mandatory preliminary and periodic medical examinations, as well as pre- and post-trip/pre- and post-shift medical examinations if this is required by the requirements for the performance of works by employees of contractors and subcontractors.		
5.23.	If the contractor does not fully comply with the requirements and the contract is concluded on a single bidder basis, then the managers of the contractors ensure the development and coordination with the Contract Coordinator and the Person Responsible for Occupational Safety of the Plan to bring the necessary safety requirements of the contractor to the necessary requirements.		
5.24.	The contractors involved in welding works during the installation of pipelines, tanks and vessels, and critical metal structures have welding technology certified by NACWP, trained and certified specialists in welding production, welders with a certificate of NACWP, welding equipment certified by NACWP.		
5.25.	If the contractor does not fulfill the obligations specified in this Standard, the Company have examples of suspension of the works / services performed by the contractor and application of the penalties established in the contract for violation of occupational safety requirements.		
5.26.	For the amount of fines imposed, the contract coordinators carry out activities aimed at improving the occupational safety of contractors and positive motivation of their employees to comply		

	with occupational safety requirements, such as the Best Contractors Alley, letters of thanks, diplomas, cups, canteen meal tickets, PPE, tools, and incentive payments to persons who have revealed gross violations of contractors, the priority order when issuing permits to work, etc.		
5.27.	All MS and TR are coordinated with the contract coordinator and person responsible for the control over occupational safety.		
<b>6.</b>	<b>SPECIAL REQUIREMENTS FOR ENSURING OCCUPATIONAL SAFETY IN MAJOR CAPITAL PROJECTS</b>		
6.1.	For each investment project, a project manager is appointed who is responsible for organizing of the identification, assessment and analysis of the impact of possible risks in the field of occupational safety during the implementation of the investment project.		
6.2.	In each investment project, a project manager is appointed who is responsible for organization of control over compliance with the occupational safety requirements by contractors involved in major capital projects. <ul style="list-style-type: none"> <li>• Inclusion of occupational safety specialists in the project team.</li> <li>• Distribution of areas of responsibility for the management of occupational safety of contractors among members of the project team;</li> <li>• Determination of the Contract Coordinators, Persons Responsible for Control over the Occupational Safety and Persons Responsible for Occupational Safety at the Facility;</li> <li>• Organization of the development of the “Plan for the Occupational Safety of the Investment Project” according to the standard one given in Appendix 5.</li> <li>• Organization of the monthly preparation of the Safety Question Card (Appendix 6) which the Project Manager shall submit when considering the status of the project.</li> </ul>		
6.3.	The investment project team includes occupational safety specialists.		
6.4.	Distribution of areas of responsibility for the management of occupational safety of contractors among members of the investment project team;		
6.5.	Developed and updated for each major investment project of the “Plan for Occupational Safety of the Investment Project,” according to the standard one of the Appendix 5 of the Standard.		
6.6.	Monthly preparation of the Safety Question Card is organized (Appendix 6 of the Standard), which the Project Manager shall submit when considering the status of the project.		
6.7.	TR for design and construction and installation works are developed in accordance with the standard template adopted by the Company.		
6.8.	TR and Spec. for design and construction and installation works are approved by the occupational safety specialists of the Branch / Head Office;		
6.9.	The design and detailed documentation for the design and construction and installation works takes into account the assessment and coordination of the adequacy of measures to ensure industrial safety during the implementation of the project and subsequent industrial operation; obtaining permits required for the implementation of the project.		
6.10.	When assessing contractors, for the purposes of selection, it is necessary to establish and confirm their technical capabilities, availability of resources, qualifications of employees, obligations under current contracts, management structure and experience in performing previous works.		

6.11.	<p>Prior to the work commencement, the contractors have performed:</p> <ul style="list-style-type: none"> <li>- Coordination of MS and process chart, determination of the requirements for the schedule of multiple operations and measures for industrial safety when performing works;</li> <li>- Risk assessment by type of works and identify measures to reduce the risks to acceptable levels taking into account the hierarchy of control measures;</li> <li>- Confirmation of the direction to the territory and/or the construction site of the Company of stated (in tender) machinery and equipment that meets the requirements of occupational safety;</li> <li>- Confirmation of the direction to the territory and/or the construction site of the Company of stated (in tender) personnel of appropriate qualifications;</li> <li>- Sending of lists of occupational safety specialists;</li> <li>- Constant (daily) presence of occupational safety specialists or a designated responsible person of the contractor at the facility during the performance of works and the person responsible for control over the occupational safety;</li> <li>- Induction briefing and training on corporate requirements for occupational safety and test passing after training of all employees admitted to the Company's facilities.</li> </ul>		
6.12.	<p>When projects are implemented in an "open field" or in a SSD with the manufacturing process completely stopped, the territory is transferred to the General Contractor or to the contractor performing the function of the General Contractor under an operations certificate. When executing the operations certificate, measures are determined to ensure occupational safety and allocate responsibility to the Company and the contractor; In this case, responsibility for execution, inter alia for completeness and correctness of safety measures is assigned to the General Contractor or the organization performing the function of the General Contractor (this requirement is reflected in the contract); re-transfer of the territory under the operations certificate to the subcontractor is prohibited; hazardous works are organized by the General Contractor in accordance with the requirements established by the Company.</p>		
6.13.	<p>For the purposes of control of compliance by the contractor's employees with the requirements of occupational safety, testing of the contractor's employees for knowledge and understanding of the main risks of the upcoming work has been performed.</p>		
6.14.	<p>Monitoring of works performance in accordance with the requirements of MS and TR has been implemented.</p>		
6.15.	<p>BSA and application of the procedure for safe work commencement have been conducted.</p>		
6.16.	<p>The completeness and correctness of the execution of permits to work (at least 75% of the total number shall be checked by specialists of the OHS&amp;IS directorates of branches, FS&amp;E services) is checked at least once a quarter.</p>		
6.17.	<p>Positive motivation of the Counterparties in the case of safe work and the absence of violations with high risk has been implemented.</p>		
6.18.	<p>Daily occupational safety meetings have been hold.</p>		
6.19.	<p>The implementation of corrective and preventive measures for occupational safety has been tracked.</p>		
6.20.	<p>Peer reviews have been hold at the facilities with the participation of specialists from other branches.</p>		
6.21.	<p>Nondestructive testing of welds has been implemented by independent experts in cases provided for by the legislation of the Russian Federation or other corporate requirements.</p>		
6.22.	<p>Video surveillance at the construction site to record violations as well as equipment by DVRs of all vehicles used at the site have</p>		

	been carried out.		
6.23.	During commissioning and acceptance of facilities into operation: prior to acceptance of the facility into operation, a working group has been created to verify compliance with the design solutions and RD with the participation of occupational safety specialists of the branch, and in order to prepare a plan of corrective actions in case of violations of safety requirements and/or deviations from design solutions and RD it is necessary to prepare the procedure for using the Zero Energy system for commissioning.		
6.24.	During the projects implementation, the achievement of key safety indicators during the implementation of the project is analyzed and assessed.		
6.25.	Upon completion of the projects, an analysis of the lessons learned from the project in the field of occupational safety, analysis, and assessment of the achievement of key safety indicators during the implementation of the project has been prepared.		
<b>7.</b>	<b>TRAINING OF PERSONNEL AND ADMISSION OF PERSONNEL OF A CONTRACTOR TO THE TERRITORY AND FACILITIES OF THE COMPANY</b>		
7.1.	Prior to the works commencement, the Contract Coordinators with the participation of the Person responsible for the control over the occupational safety shall hold a kick-off meeting with the heads of the contractors on the readiness for the works and the lack of open questions on occupational safety.		
7.2.	Admission of the contractor's and subcontractors' personnel to the territory of the Company's facilities is carried out after the contractor's and subcontractors' employees have passed an induction briefing on HSE and fire safety, and subsequent testing of knowledge of internal requirements. In case of negative test results, the admission shall not be issued, the employees shall be sent for re-briefing and re-testing.		
7.3.	The works may be performed and the services are rendered at the Company's facilities only by qualified personnel who have passed training in safe work practices required by the RF legislation and internal regulatory documents of the Company, and those without medical contraindications. When performing works and rendering services, each employee of the contractor have a health and safety certificate, and for certain types of work, a document with a mark on training in industrial and fire safety (certificates for the right to carry out special works, with power tools, work at heights and others).		
<b>8.</b>	<b>PERSONAL PROTECTIVE EQUIPMENT</b>		
8.1	All employees of the contractors engaged in activities at the facilities and in the territory of the Company are provided with the certified PPE in accordance with the Standard industry sector codes for their provision. The provision of PPE to the contractor's employees shall be the responsibility of the contractor.		
8.2.	Logos with the name of the contractor / subcontractor are applied to and clearly read on overalls of the contractors' and subcontractors' employees, and all the overalls have reflective tapes with a width of at least 50 mm located on the jacket and trousers round.		
8.3.	Contractors' employees use PPE in accordance with the conditions of the works performed and the requirements established in the regulatory documents of the Russian Federation and the Company.		
8.4.	Contractors' employees not using the necessary PPE when performing works are immediately suspended from the works by		

	the work manager or officials organizing and monitoring the works safety on the part of the Company until this violation is eliminated; the facts of violation are documented in accordance with this Standard.		
<b>9.</b>	<b>VEHICLES, TECHNICAL MECHANISMS, EQUIPMENT, AND TOOLS OF THE CONTRACTOR</b>		
9.1.	All vehicles, hoisting machinery, equipment, and tools of the contractors used during the work at the facilities and in the territory of the Company are checked for the compliance with the requirements of regulatory documents of the Russian Federation and the Company before they are admitted to the territory.		
<b>10.</b>	<b>REQUIREMENTS FOR NON-ADMISSION OF THE CONTRACTOR'S EMPLOYEES IN STATE OF ALCOHOL, TOXIC, OR NARCOTIC INTOXICATION</b>		
10.1.	The contractor's employees with signs of alcohol, toxic, or narcotic intoxication are not admitted to the work at the Company's facilities. If employees of the contractor / subcontractor with signs of alcohol, toxic, or narcotic intoxication are detected at the Company's facilities or territory, the head of the contractor suspends such persons from work and sends them for medical examination.		
<b>Total rating:</b>		<b>0</b>	<b>0</b> <i>Number of ratings 2 or less:</i>
<b>Total rating criteria:</b>			
<b>Standard is fully implemented and maintained at a good level:</b>			( <i>&gt; 390 and no ratings 1 and 2</i> )
<b>In order to implement the Standard, it is necessary to develop and implement an action plan:</b>			( <i>212–389 and/or not more than two ratings 1 and 2</i> )
<b>The Standard is not implemented, urgent measures are required:</b>			( <i>&lt; 211 and/or two or more ratings 1 and 2</i> )

**General comment / confirmation of the assessment results:**

<b>I confirm the assessment, the data are correct and true:</b>			
<b>Full name / position:</b>		<b>Signature / Date:</b>	
<b>Full name / position:</b>		<b>Signature / Date:</b>	
<b>Full name / position:</b>		<b>Signature / Date:</b>	
<b>Full name / position:</b>		<b>Signature / Date:</b>	
<b>Approved by (full name/position):</b>		<b>Signature / Date:</b>	

## Accountability Matrix

		Senior Vice President for Operating Activities	Head of Functional Area of the Level SVP/VP	Vice President for Capital Projects	Director of the Directorate for Functional Area	Project Manager	Branch Director	Head of the Subdivision immediately subordinate to the branch Director	Head of the Subdivision of the relevant line of business
<b>1.</b>	<b>Contract Supervisor incl.:</b>								
1.1.	for contracts concluded for the implementation of major strategic projects	+							
1.2.	for contracts concluded for the implementation of nonstrategic investment projects;			+					
1.3.	for contracts concluded as part of normal course of business (not as part of an investment project) for branches.						+		
1.4.	for contracts concluded in Head Office as part of the implementation of investment projects and normal course of business		+						
<b>2.</b>	<b>Contract Holder incl.</b>								
2.1.	for contracts concluded for the implementation of major strategic projects			+					
2.2.	for contracts concluded for the implementation of nonstrategic investment projects;						+		
2.3.	for contracts concluded as part of normal course of business (not as part of an investment project) for branches.							+	
2.4.	for contracts concluded in Head Office as part of the implementation of investment projects and normal course of business				+				
<b>3.</b>	<b>Contract Coordinator incl.:</b>								
3.1.	for contracts concluded for the implementation of major strategic projects					+			
3.2.	for contracts concluded for the implementation of nonstrategic investment projects;					+			
3.3.	for contracts concluded as part of normal course of business (not as part of an investment project) for branches.								+
3.4.	for contracts concluded in Head Office as part of the implementation of investment projects and normal course of business								+