

Annex No. 2 to the Contract

"EHS Rules of Conduct and Penal Code"

for contractors and service providers active at work sites of Siemens Energy, s.r.o.,

1. Application of these "Rules/Penal Code"

The acceptance of these "EHS Rules of Conduct and Penal Code" (hereinafter also the "Regulations") is the necessary requirement for the conclusion of the contract and at the same time are an agreement under Section 101(3) of the Labour Code, provided that the work carried out at the work sites is coordinated by the Client's representative who shall check the Contractor and order the Contractor to perform work/activities, unless the relevant contract/order specifies otherwise.

To ensure the safety and protection of the health and life of all persons at the work sites of the Client and furthermore to ensure a coordinated procedure for the implementation of the contractor's activities, each Contractor carrying out such work is obliged to notify all persons who enter through the Contractor the Client's work sites about these instructions in their entirety prior to the first entry.

Familiarization of all the Contractor's employees participating in activities at the Client's work sites with these conditions shall be documented in writing and the record shall be made available for inspection upon request.

2. Terms and abbreviations:

"Client": Siemens Energy, s.r.o., (also "Siemens Energy")

"Client's work site": all spaces that are used by the Client in a particular place of work, also all other spaces of enclosed Premises where the Client's work site is located.

"Contractor" (also "Supplier") / Contractor's workers": Contractor's own employees, as well as natural and legal persons hired by the Contractor as sub-contractors, or persons working for the Client on behalf of the Contractor or in its interest.

"Premises": an enclosed, structurally separated area, not accessible to the general public, in which Client's work sites are also located (if such area exists at the place of work).

"Owner of Premises": a legal or natural person owning the premises where the Client's work sites are located (if such premises exist at the place of work)

"Authorised Persons": persons authorised to act in contractual matters, the OSH and fire safety manager of Siemens Energy, OSH and fire safety officers, persons acting under the Client's special power of attorney.

"EHS": Environment, Health, Safety (i.e. EP, OSH, FS)

"OSH": Occupational Safety and Health

"FS": Fire safety

"Environment": Environment (and its protection)

3. Selected OSH hazards/risks present at the Client's work sites (written description of risks involved):

- collision with a transportation means – vehicles, machinery, cranes or sidings (railcars),
- entrapment by moving parts, compression and other mechanical hazards – working machines and other technologies
- cuts occurred during contact with sharp objects or chips at production sites or in warehouses (chips from machining, sharp edges, etc.)
- mechanical risks after the fall of loads or collision
- eye damage caused by flying debris during machining or when using chemicals (at work sites)
- tripping over, slipping, falls on level ground (wet floor, uneven floor, negligence, etc.)
- risk of fire of flammable liquids or explosion of their vapours (production sites and warehouses)
- risk of fire or explosion of combustible gases during leakage from pipes or pressure cylinders (production sites and warehouses)
- fire hazard from solids
- risk of electric shock especially when tampering with switchboards and other electrical equipment
- risk of harm from contact with chemicals and/or preparations having at least one of the following hazardous properties: extremely flammable, highly flammable, flammable, toxic, harmful to health, corrosive, irritant, hazardous to the environment (production sites and warehouses)
- risk of over-limit noise and related health damage (production sites)

Unrestricted

- contact with hot surfaces (welding, heating etc. - production sites and warehouses)
- falling from height when working at elevated work sites or sinking into a depression/free fall
- risk of injury / fall on outdoor roads caused by seasonal climatic conditions

The Contractor shall be informed of other risks by the Client at the place of work if the nature of its activity so requires.

4. Duties and obligations of the Contractor:

The Contractor is obliged, and by signing the contract expressly undertakes, to:

1. - comply with the legal and other regulations and rules in the field of occupational safety and health (hereinafter also “OSH”), fire safety (hereinafter also “FS”) and environmental protection (hereinafter also “EP”). Selected regulations are attached at the end of this Annex.
2. - include in its activities and comply fully with the internal OSH, FS and EP regulations issued by the Client and also the regulations issued by the Owner of Premises where the activity is carried out. The Contractor must be duly informed of the regulations in advance. Furthermore, the Contractor is obliged to permanently require and control fulfilment of the regulations by its own employees and other persons coordinated by the Contractor who enter the “Premises” in its interest.
3. - comply with the instructions issued by the authorised persons of the Client in accordance with the regulations and on the basis of risk assessment to ensure OSH, SF, EP and the protection of the property of the Client and other entities.
4. - coordinate its activities with the relevant managers and also with the Client’s employees and employees of other entities operating on the “Premises” so as to avoid endangering the lives and health of persons or property.
5. - as for work activities posing elevated fire hazard (for example welding, working with open flames, etc.), arrange the necessary “Order” for performance of work under Decree No. 87/2000 Coll. Observe the fire safety documentation, installed safety signs and signals introduced at the work sites.
6. - equip its employees for the performance of manual work or for movement around the work sites with the appropriate personal protective equipment (PPE) according to the Client’s local standard. Basic personal protective equipment for all production sites, operations and warehouses: work shoes, work clothes, hard hat (helmet) and other PPE according to the regulations and risk assessment for individual work. For the purpose of this Annex, work shoes for manual work at production sites and warehouses and for movement outside roads mean enclosed safety shoes with a steel toe cap, with S1 resistance or higher according to CE – EN 345 (without holes, i.e., not working sandals). Work clothes mean cotton or similar work clothing bearing the logo or name of the Contractor. Work helmet means a helmet with EN397 certification). “EN” standards can be replaced with equivalent harmonised CSN EN standards. The specific conditions for equipping persons with PPE shall be communicated to the Contractor in advance by the authorized persons of the Client at the place of work.
7. - observe the principles for working at heights and above free depth according to Government Regulation No. 362/2005 Coll. (in particular workers are obliged to secure themselves with a safety harness when working at heights or above a clear depth of more than 1.5 m, unless they are protected by technical measures (guardrails, etc.).
8. - inform the Client in writing about the risks related to the activities conducted, equipment and technologies operated and chemical substances and mixtures used by the Contractor.
9. - secure equipment for its activities, at its own expense and within the legal scope, with physical means required under FS (e.g. fire extinguishers) and ensure compliance with other obligations imposed on by Act No. 133/1985 Coll., and the related regulations.
10. - not to store on the Client’s Premises or work sites any explosives, poisons, narcotics or substances and mixtures listed as dangerous, whose marketing and use is prohibited by law or restricted (e.g. PCBs, PCTs, DBBT, asbestos and others, radioactive material such as waste and hazardous substances harmful to the environment), nor handle them in any way on the Premises or at the Client’s work sites. Handle chemical substances and mixtures at the Client’s work sites only on the basis of the Client’s prior consent.
11. without the permission of the Client’s “Authorised Persons”, not to store or handle at the Client’s work sites other substances or mixtures with hazardous properties (e.g. extremely flammable, highly flammable, flammable, highly toxic, toxic, etc.)
12. - operate/use on the Client’s work sites only technical equipment, machinery, devices, tools, equipment, personal protective equipment and protective devices, whose type and technical condition comply with the applicable regulations in the Czech Republic and for which the Contractor has the relevant documentation available, in particular the documentation on inspections, tests and revisions according to the applicable regulations and demonstrate this to the Client on request.

13. - carry out work and all activities at the Client’s work sites exclusively through persons with medical and professional competence, or with special competence if required by regulations. The Contractor shall also ensure that all its employees, before entering the “Premises” for the purpose of the performance of their contractual obligations, undergo OSH, FS and EP training to obtain or maintain general competence for entry and safe movement and performance of the contractual tasks, if such training is required at the place of work.
14. - notify the Client immediately by phone and subsequently without delay in writing of any emergency with impending or incurred damage to the life and health of persons, the environment or property and provide all assistance to prevent the occurrence of further damage and to eliminate already incurred damage.
15. - ensure the fulfilment of all provisions of Act No. 185/2001 Coll. and the related regulations and handle waste in accordance with this act (e.g. classification of waste by categories and types, sorting and separated collection of waste, transfer of waste only to the authorised person, keeping records of waste, handling hazardous waste only on the basis of authorisations, collection of hazardous waste in containers that meet the prescribed technical requirements and are properly labelled). Unless the contract expressly provides otherwise, the Contractor is considered the creator of the waste produced during the performance of the activities of the Contractor and its contractual partners on the Client’s “Premises”.
16. - make its employees and the employees of its contractual partners who are to carry out the activities at the Client’s work sites demonstrably familiar with the obligations applicable to waste handling pursuant to Act No. 185/2001 Coll., and the related regulations and monitor the compliance with these rules.
17. - at its own expense and responsibility, secure the safety of objects carried in or otherwise brought and stored on the Client’s “Premises”.
18. - not to use in the Premises vehicles and equipment with a combustion engine without a catalytic converter in enclosed spaces and work sites of the Client.
19. - ensure compliance with the smoking ban in places where non-smokers also work or where prohibited by the legislation, other regulations (including regulations of the Client or the “Owner of Premises”), or where prohibited by safety tables.
20. - not to bring into the premises alcoholic beverages or other narcotic or addictive substances in any form, and not to enter the premises under the influence of alcohol or other addictive substances. Based on the request of the “Authorised Persons” and also the authorised representative of the Owner of Premises, incl. security shift supervisors, undergo a test or medical examination to detect the presence of alcohol or any other addictive substance. If the test is refused or in the case of a positive result, the Contractor’s employees will be removed from the Premises.
21. - assume full responsibility for any damage demonstrably incurred by the Client, third parties or the Owner of Premises e.g., as a result of sanctions imposed by state administration authorities, state supervision, local self-government and other authorities if their imposition demonstrably occurred as a result of an activity or omission of the Contractor, e.g., violation of OSH regulations, fire safety, or environmental or property protection requirements. The Contractor expressly undertakes to fully reimburse the incurred damage at its own expense.
22. - respect the expulsion from the Premises of the employee of the Contractor or its supplier or of another person coordinated by the Contractor who has violated the EHS rules and principles of property protection and, as needed, replace the expelled employee without delay with another employee so that the worker’s absence does not affect the deadlines and quality of work.
23. - on request of the “Authorised Person”, demonstrate the compliance with all the above requirements and further requirements under EHS (i.e. substantiate the relevant documents, etc.), allow inspection of the compliance with the above requirements.
24. - in case of violation of occupational safety and health, fire safety and environmental and property protection rules and regulations by the employees of the Contractor, its suppliers or by other persons coordinated by the Contractor, the Contractor is obliged upon the request of an “Authorised person” to pay the Client the contractual penalties as specified below in the “EHS Penal Code” chapter without the Contractor being exonerated from the liability for inflicted damage and from other contractual obligations. The contractual penalty may be separately imposed for each individual violation.

5. A selection of EHS legislation applicable (among other regulations) to the Client:

The Client hereby notifies the Contractor of its obligation to comply with the laws and regulations of the Czech Republic during its activities in the Czech Republic (CR), in particular the following:

Act No. 262/2006 Coll., the Labour Code

Act No. 309/2006 Coll., regulating other requirements for occupational safety and health in labour relations and on ensuring health and safety in activities or the provision of services outside employment relationships (Act on ensuring other occupational safety and health requirements)

Act No. 350/2011 Coll., on chemical substances and chemical mixtures

Act No. 133/1985 Coll., on fire safety

Government Regulation No. 378/2001 Coll., laying down more detailed requirements for the safe operation and use of machinery, technical equipment, devices and tools

Government Regulation No. 101/2005 Coll., on more detailed requirements for work sites and the working environment

Government Regulation No. 362/2005 Coll., on more detailed requirements for occupational safety and health at work sites with a risk of falling from a height or to a depth

Government Regulation No. 591/2006 Coll., on detailed minimum requirements for occupational safety and health on construction sites

Government Regulation No. 168/2002 Coll., laying down the method of work organisation and working procedures applicable to the employer when operating transport vehicles

Decree No. 48/1982 Coll., laying down the basic requirements for ensuring occupational safety and technical equipment

Act No. 250/2021 Coll., on occupational safety in connection with the operation of dedicated technical equipment and on amendments to related acts

Government Regulation No. 190/2022 Coll., determining specific lifting equipment and laying down certain conditions to ensure its safety

Government Regulation No. 191/2022 Coll., on reserved technical gas equipment and requirements to ensure their safety

Government Regulation No. 192/2022 Coll., on reserved technical pressure equipment and requirements to ensure their safety

Government Regulation No. 193/2022 Coll., on dedicated technical lifting equipment and requirements to ensure their safety

Government Regulation No. 194/2022 Coll., on requirements for professional competence to work on electrical installations and for professional competence in electrical engineering

Decree No 50/1978 Coll., on professional competence in electrical engineering (valid only during the transition period)

Decree No 87/2000 Coll., laying down fire safety conditions for welding and heating of resins in fusion vessels

Decree No 246/2001 Coll., laying down conditions for fire safety and the exercise of state fire supervision (Decree on fire prevention)

Act No 185/2001 Coll., on waste

Act No 254/2001 Coll., on water

6. Contractor's declaration

The Contractor declares that he has duly familiarised himself with the Client's internal regulations in force on the date of signing the Contract, of which this Annex forms part, to the following extent:

S 705-P1 EHS, OSH, FS Principles - Basic Level

S 705-P3 Most important safety rules

The scope of the Client's internal regulations, which the Contractor has been made aware of and which are binding on the Contractor, may be modified and extended at the discretion of the "Authorised Persons" according to the actual scope of the Contractor's activities.

7. Final provisions

- a. The Client and the Contractor have agreed that the provisions of this Annex are contractual arrangements and that this "Annex" is an integral part of the contract/order.
- b. The specification of any violations of the regulations in relation to contractual penalties shall be decided by the authorised persons of the Client. Each violation of regulations must be demonstrated.
- c. The exemption from certain provisions in the areas provided for by this Annex may be granted to the Contractor in accordance with the Client's internal regulations by the authorised person of the Client (in line with inner company regulations) and solely for the purpose of the implementation of the obligations and activities of the Contractor under the contract after the technical assessment of possible risks and determination of the measures to minimise them. Any exemption must be granted in writing and attached to the contract.
- d. Should any provision of this Annex or any other document, requirement or order of the Client regarding EHS, fire safety or environment protection be unclear to the Contractor, the Contractor is obliged to inform the Client immediately and request adequate explanation.
- e. Contractual penalties for the non-compliance with the obligations of the Contractor specified in this Annex and other regulations shall not affect the right of the Client to receive full compensation for damages.

EHS Penal Code

A) Examples of serious violation of EHS regulations at Siemens Energy, s.r.o. work sites, imposing on the Contractor the obligation to pay Siemens Energy a contractual penalty due to a violation of these regulations committed by its employees or by a person coordinated by the Contractor or its contractual partner, in the amount of CZK 50,000 for each individual violation, also including (based on a Siemens Energy, s.r.o. decision) expulsion of employees of the Contractor or other persons coordinated by the Contractor – contractual partners who have committed the given violation from Siemens Energy, s.r.o. work sites.

1. Failure to respect an express order to stop work activities and to immediately secure occupational safety and health (OSH), fire safety (FS), as well as environmental protection (EP) issued by authorised persons of Siemens Energy, s.r.o. to avoid imminent damage to personal health or damages to property. For the purpose of this Annex, authorised persons of Siemens Energy include: all management level employees, project managers, OSH and fire safety managers, EHS managers, fire safety officers or possibly other persons appointed by Siemens Energy, s.r.o. who will be specified to the Contractor in advance.
2. Violation of the prohibition on bringing alcoholic beverages or other intoxicating substances in any form onto the premises and onto the work site of Siemens Energy. A positive breathalyser test result of more than 0.30 per mille. Positive result of a test for the presence of intoxicating substances.
3. Failure to undergo an alcohol breath test or test for other toxic substances after being requested by an authorised person.
4. Performance of work activities without having the proper qualification and skills for the given work or failure to present the required documents, if requested. Based on this Article, qualifications or skills also include occupational safety and health training, fire safety training and prescribed training and examinations for work with specific equipment etc.
5. Performing work activities without having special qualification (so-called “Certified Professions”) providing that special qualification is required by legal or other regulations or by central or local standards of Siemens Energy plant or by special project requirements organised by Siemens Energy. This includes, for example, working with specific electrical, gas, pressure or lifting equipment – including load handling equipment, handling pressure bottles for gas transportation, welding of metal or non-ferrous materials, operating propane-butane burner kits, motorised carts, chainsaws, etc. Failure to present the special qualification certificate at the work site, when required.
6. Performing work activities without a verified and valid medical certificate required by the given regulations, and failure to present a medical exam certificate, when required.
7. Missing or insufficient security provided for persons working at heights or above free depths and underneath the given place of work. Non-compliance with the rules for construction or the use of scaffolding and other means for elevated work – missing railings, uncovered holes and ditches, failure to use personal protective equipment against falling, failure to secure materials against a fall from height or into a depression, failure to restrict the area below the place of work at height, failure to restrict entry into this area, etc., and any situation which is in conflict with the given regulations.
8. Failure to observe the non-smoking policy, ban on use of an open fire or other fire hazard or explosion sources (includes grinding) at locations where such activities are prohibited by regulations (including internal Siemens Energy regulations) and by warning signs or signals.
9. Any other failure to observe legal or other regulations and rules concerning fire hazard, or failure to observe Siemens Energy internal regulations addressing these hazards (based on this Article also storage, handling and manipulation with flammable substances, the use of open fire, welding, grinding, etc.).
10. Performing work activities without having a valid written Authorisation, Order or other required document issued in cooperation with Siemens Energy (applies, for example, to work which involves elevated fire hazards, or to written documented local standards (such as LOTO, LMRA) and others, if these are applied in the location of the work activities, as well as information about the responsibilities applicable to these areas, if provided to the Contractor properly and in advance.
11. Failure to observe obligations specified in a written Authorisation, Order or LOTO, LMRA standards or in other Siemens Energy documents, provided that the Contractor was properly introduced to the document and to the obligation that has been violated before such violation occurred.
12. Failure to remove a claimed defect related to OSH, FS or EP regulations within the established deadline
13. Leakage of chemical substances or mixtures onto non-reinforced areas resulting in damage or creating a groundwater or environment contamination hazard. Handling chemical substances or mixtures in conflict with legal or other regulations (including storage).
14. Failure to comply with the regulations on placement and storage of metal pressure vessels for the transport of gases and the regulations for handling them.
15. Use of machinery and technical equipment, which have not undergone on the relevant dates the prescribed inspections, tests, revisions, maintenance and repairs or which condition is contrary to legislation

16. Movement of a person within the premises or Siemens Energy work site without carrying a visible logo or company name or other required label – name tag, visitor's badge, work clothes logos, etc. – (according to local requirements)
17. Disabling safety features
18. Failure to observe a decision prohibiting the use of certain equipment, or the ban on certain work or operational activities
19. Failure to secure a work site against the spread of contamination into the surrounding environment, insufficient protection of surrounding equipment
20. Failure to allow a manager or inspection bodies to enter the given area or space for the purpose of inspection activities
21. Failure to observe regulations on the movement of persons, goods and protection of property notified to the Contractor in advance
22. Physical aggression towards other persons
23. Failure to comply with other responsibilities not specifically described in this Code but set out in applicable legal regulations of the Czech Republic (such as Acts, Decrees, Government regulations)

Siemens Energy, s.r.o. is entitled to lower or waive the contractual penalty.

Other examples of serious violation of EHS regulations at Siemens Energy work sites, imposing on the Contractor the obligation to pay a contractual penalty to Siemens Energy due to violation of these regulations committed by its employees or by a person coordinated by the Contractor or a contractual partner in the amount of CZK 25,000 for each individual violation, also including (based on a Siemens Energy decision) expulsion of employees of the Contractor or other persons coordinated by the Contractor – contractual partners who have committed the given violation from Siemens Energy work sites:

24. Positive alcohol/breath analyser test up to 0.30 permille inclusive.
25. Failure to use appropriate personal protective equipment (PPE) by employees while working or moving around the work sites. Missing or inadequate protective equipment of machines, technical installations, operating premises.
26. Disabling or limiting access to emergency exits, escape and evacuation routes or energy distribution devices, switches and energy shut-offs (e.g. by storing material or items in front of access routes or exits).
27. Performing work without proper coordination with the authorised managers of the Client.
28. Entry of employees of the Contractor, or its sub-contractors, into the Client's premises without a valid document (entry card), or movement outside of designated areas or routes.
29. Non-compliance with the obligations in waste management.
30. Leakage of chemical substances or mixtures not described above onto reinforced areas without further damage or without posing a risk to groundwater. Handling chemical substances or mixtures in conflict with central or other local Siemens Energy regulations.
31. Failure to equip work sites with the prescribed and usable fire extinguishing equipment required for the work carried out by the Contractor (fire extinguishers, etc.).
32. Violation of other orders or bans defined by local safety or other safety-marking systems (providing that such violation has not already been described in other Articles of this Penal Code).
33. Performing not-yet-approved or illegal activities which could lead to dangerous extraordinary events.
34. Unauthorised handling of assets belonging to other legal or natural persons on the Siemens Energy premises or work sites.
35. Failure to report an emergency situation (injury, fire, explosion, theft, other damages to property, etc.).
36. Failure to identify to an authorised person of the Client, or possibly verbal aggression towards persons.
37. Missing or insufficient security means at the work site (facility, material, etc.), including a failure to secure the accepted work site and own transport, mechanisation and other means against unauthorised use.
38. Illegal storage of material (without additional damages or without violating other rules and principles). Serious deficiencies in cleaning the entrusted work sites and premises and non-compliance with the deadlines set out to eliminate such deficiencies.
39. Failure to comply with other responsibilities not described in this Code but ensuing from applicable legal regulations of the Czech Republic (technical standards), including further obligations defined in internal, central or local Siemens Energy plant standards properly notified to the Contractor in advance.

Siemens Energy, s.r.o. is entitled to lower or waive the contractual penalty.