



## HEALTH AND SAFETY POLICY

**Revision:** 0  
**Date:** 15.12.2020  
**Scope:** All OESS activities  
**Locations:** Baku, Azerbaijan

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### POLICY GOALS

- The unified approach to the health and safety system and its continuous improvement in accordance with the requirements of the international standard ISO 45001
- Compliance with the national labor health standards
- Continuous analysis, improvement and development of workplace health and safety
- Developing of HS risk assessment and monitoring system to guarantee compliance with legal and international standards
- Including HS goals to business plans, strategy and business processes in order to ensure health and safety integrating into the company's activity
- Ensuring open and transparent communication regarding health and safety protection as well as providing employees with knowledge base and resources for effective performance
- Cooperating with suppliers, clients, contractors and partners to ensure OESS OHS standards being a part of their obligations



### WORK PLACE HEALTH AND SAFETY PRINCIPLES

**Life and health of each employee is a priority**

**Responsibility for workplace health and safety at all levels:** from employer to employee both at the facilities and in the Company. Functional requirements for health and safety protection, rights and responsibilities of each manager (official) are clearly stated in job descriptions or other documents (regulations, orders, etc.)

**Risk-oriented approach:** In-depth workplace risk and hazard analysis

**Staff trainings** regarding health and safety protection

**Compliance with local HS legislation and key international standards**

**Openness to structural transformations** supporting sustainable development of the Company

**Openness and ensuring all involved parties are informed**



## **SOCIAL SUSTAINABILITY PRINCIPLES IN ACCORDANCE WITH INTERNATIONAL REQUIREMENTS**

Key requirements managing OESS while planning and implementing investment projects with regard to workplace health and safety:

### **Social impact assessment and management:**

- Identifying and assessing of the impacts associated with labor protection and industrial safety
- Adopting of approach involving the use of measures to mitigate adverse social impacts on employees
- Improving of social indicators through the effective management system.

### **Labor Relations and Labor Conditions:**

- protection of the basic principles and rights of employees
- fair and non-discriminatory treatment of employees and equal opportunities for them
- building normal relations between management and employees.

### **Health and safety:**

- workplace health and safety implementation that is appropriate to the nature of the issues and risks associated with activities and supporting it by ensuring of safe and healthy working conditions
- risk assessment, prevention, minimization to an acceptable level and risk control concerning the company's activities
- prevention, assessment and minimization of negative impact on the health and safety of affected populations while carrying on business.



## OESS APPROACH TO WORKPLACE HEALTH AND SAFETY

### Planning / Investment activity:

- Planning of health and safety protection is the definition of objectives for solving labor protection issues in the Company and its subsidiaries. The Company carries out annual and operational planning
- OHS protection processes are considered when making strategic and operational decisions on managing the Company
- Adoption of a long-term strategy regarding the implementation and continuous improvement of the OHS protection system based on the requirements of the international standard ISO 45001

### Motivation and staff development:

- Improving the competence of participants in OHS protection. Safety training for all employees is an integral part of professional training and advanced training
- Supporting of social projects and solo efforts regarding the OHS protection.
- Continuous conducting of training and certification of employees in the field of OHS protection, providing functional and high-quality means of individual and collective protection
- Continuous improvement of both workplace ergonomics and working condition
- Awareness raising and involvement of employees in activities to identify and reduce safety risks, the continuous improvement of OHS management system
- Capacity building and awareness of the role of employees in addressing issues related to OHS protection
- Consulting employees of production facilities and their representatives on issues of ensuring industrial safety in order to increase responsibility regarding the compliance with OHS protection requirements
- Developing high sustainable OHS culture

### Day-to-day activity:

- Daily compliance with local legislation and international standards in workplace health and safety
- Cooperation and interaction with regulatory state bodies regarding the workplace health and safety
- The Company's subsidiaries are prepared for emergency situations that can have a negative impact on health and safety, the procedure for responding to them and minimizing possible negative impacts
- Continuous hazard identification, risk assessment and management to minimize to an acceptable level, the impact of hazards in order to prevent accidents, labor diseases and emergency situations
- Identification, analysis and forecasting of hazards of production processes, assessment of risks concerning them, implementation of measures to reduce risks, minimization them to acceptable level and control them to prevent accidents, occupational illness, emergency situations
- Continuous improvement of the existing OHS system ensuring working conditions and safety at every workplace.



## OESS APPROACH TO WORKPLACE HEALTH AND SAFETY

### Monitoring and control of activities:

- Measurements and monitoring of the effectiveness of OHS system are carried out to prevent and identify deviations from the requirements of standards, norms and safety rules at the design, construction and operation of production facilities, as well as to verify that services, officials and workers fulfil their obligations regarding OHS protection.

### Organizing the activities:

- Identification of causes and factors that lead or may lead to a deterioration in the working conditions of employees
- Implementation of favorable and safe labor protection technologies in everyday work
- Clarifying the priority areas that allow in the shortest time, at the lowest cost, to ensure the maximum possible improvement in OHS system
- Development and implementation of appropriate organizational, technical, sanitary and hygienic, medical and preventive, social economic measures.

### Improvement and development:

- The results of monitoring activities on OHS protection issues are collected and consolidated in the Company with the established frequency
- The basis for continuous improvement and development are decisions taken, which are based on the results of analysis by senior management who determine and ensure the setting of goals and related activities for all levels in the Company.

### Transparency and openness:

- To achieve sustainable development, Kernel ensures a high level of social responsibility regarding OHS protection, interacting with the public, government bodies and other interested parties
- Information accessibility related to investment and production activities in the field of OHS protection, which contributes to an open dialogue with all stakeholders
- Increasing the level of interaction with third parties (contractors, agents, etc.) in the area of compliance with the requirements of local legislation on OHS protection
- The Company openly and objectively conducts a dialogue with the public on emerging issues in the field of health and safety.



## WORKPLACE HEALTH AND SAFETY MEASURES

The information base for the development of OHS measures is the legislative and regulatory acts on labor protection as well as information on the situation in the Company, which is contained in the acts on industrial accidents, the statistical form "Report on injuries", data certification of workplaces, the results of examinations of working conditions, inspections, orders of supervisory authorities and control over compliance with OHS legislation, internal audit protocols, orders and directions of the Company Management, proposals of the employees.

### Organization activities:

- determination of rights and obligations of employees regarding OHS management system in job descriptions
- development and improvement of the OHS management system
- organization of training and briefings
- organization of an office and OHS desk
- provision of employees with personal protective equipment (PPE) and first-aid kits
- control of harmful and dangerous factors, etc.

### Technical measures:

- equipment modernization to ensure safe working conditions
- implementation of active and passive protection systems against unsafe actions of employees
- implementation of alarm and protection systems against harmful and dangerous factors
- implementation of automatic, semi-automatic and remote-control systems to manage technological processes
- partial change of process technology
- measures to reduce levels of dangerous and harmful factors
- replacement of production equipment

### Measures to ensure proper sanitary conditions and preventive medical work:

- Launching new or expansion of existing premises, walk-in closets, showers, washrooms, rooms for personal hygiene, rest rooms, rest areas, rooms for employees heating, stationary or mobile dining rooms, eating rooms, rooms for cleaning and repairing of the PPE, dryers, heat transitions, vestibules, etc.
- Organization of health screenings
- Creating optimal working and resting conditions
- Construction of new or reconstruction of existing premises of health centers in the regions of presence
- Installation of various medical treatment equipment
- Organization of drinking water supply, etc.



**Social and economic activities include:**

- stimulation of working process without injuries and violations of health and safety requirements
- insurance of employees against temporary disability due to illness as well as from industrial accidents and labor diseases, etc.

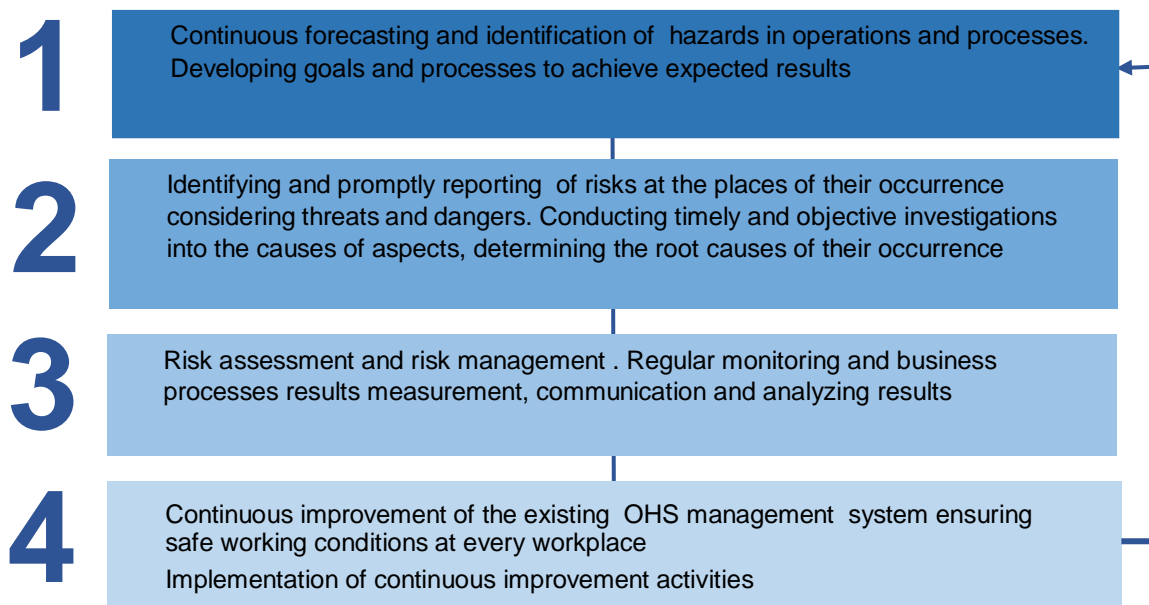
**Staff training, workplace health and safety:**

- regular training and certification of employees regarding OHS
- providing of functional and high-quality personal protective equipment
- monitoring of compliance by employees with industrial safety requirements, the rules of the internal labor schedule of the enterprise and the terms of contracts of contractors
- consulting of the employees of production assets on industrial safety issues to increase responsibility regarding labor protection requirements.

**Information on the implementation of planned activities:**

- monthly - to the HS Manager
- quarterly - to the Head of HR Department
- annually - to the Company Management and stakeholders.

**OHS RISK MANAGEMENT PROCESS FLOW**



## OHS RISK MANAGEMENT MEASURES

In case of identifying existing risks or hazards, as well as when new ones arise, the Company uses risk management hierarchy system (in order to reduce the significance of measures):

Completely **eliminate** risk or hazard

**Reduce** potential exposure to risk or hazard to an acceptable level

**Isolate** risk / hazard from employees

**Monitor**, including briefings, information, personal protective equipment, trainings, initial response tools, Lockout / Tag out devices, etc.

## OUR OBLIGATION TO REDUCE WORKPLACE HEALTH AND SAFETY RISKS

- Maintain up-to-date internal regulatory documents, organizational structure and financing mechanisms for the OHS management system based on constantly improving of technical regulations, norms and rules and conduct regular staff training and instructions
- Constantly improve technological processes and equipment to reduce production risks
- Maintain and timely repair technical equipment, buildings and structures in order to eliminate physical and moral wear and tear as well as keep operational indicators of technical equipment, buildings and structures for their safe use and functional purpose
- Implement more advanced process control and automatic systems to maximize the elimination of human error
- Take measures to comply with the requirements for the safe conduct of high risk operations (repair, fire, gas hazard) by the employees and contracting organizations
- Constantly exchange experience with other enterprises and contribute to professional development of personnel regarding the OHS system
- Develop, ensure timely financing and implement action plans to reduce the risk of accidents at the Company's production facilities
- Define and establish industrial safety requirements in contracts when selection of the counterparties.



## PROCESS PARTICIPANTS AND RESPONSIBILITIES

<b>General Director</b> <ul style="list-style-type: none"> <li>Responsible for implementing the Policy at all levels of the Company</li> </ul>	<b>Compliance Team</b> <ul style="list-style-type: none"> <li>Conduct internal investigations for cases/ situations of the Policy breach</li> <li>Ensures the reporting line well established in situations of the Policy breach</li> <li>Participates in the official investigations on circumstances that led to the Policy breach</li> </ul>
<b>Legal Team</b> <ul style="list-style-type: none"> <li>Checking the impact and contradiction with / situations of violation of the Policy</li> </ul>	
<b>Senior Management Team</b> <ul style="list-style-type: none"> <li>Responsible for the implementing of the Policy within their functional areas</li> <li>Control the prevention of potential situations of the Policy breach</li> <li>Control the level of awareness of new employees about the principles of the Policy</li> <li>Identify external and/ or internal risks that could potentially affect on the implementation of the Policy</li> <li>Guarantee of response to all identified risks and the implementation of appropriate mitigating actions</li> <li>Participate in the process of annual identification and risk assessment</li> </ul>	
<b>HSE Manager</b> <ul style="list-style-type: none"> <li>Responsible for implementing the requirements of the Workplace Health and safety Policy at the corporate and regional level</li> <li>Coordinates the implementation of the requirements of this Policy</li> <li>Conducts periodic Health and Safety risk assessment</li> <li>Monitor and control of OHS aspects of enterprises</li> <li>Coordinates activities on certification during the implementation of the environmental management system</li> <li>Initiates and conducts internal investigations for cases/ situations of the Policy breach</li> <li>Interact with external regulatory bodies as well as stakeholders within their powers</li> <li>Investigate and analyze of situations related to deviations from regulatory requirements</li> <li>Develop recommendations to senior management concern to preventive and/ or corrective actions</li> <li>Local implementation of management systems and certification work</li> <li>Ensures the timely Policy updates at least every year or to reflect changes in legislative requirements, if needed</li> </ul>	



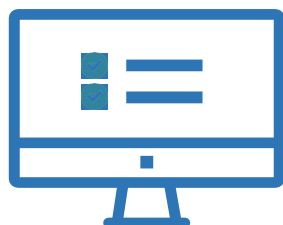
### REPORTING

- OESS regularly monitors the workplace hazards identification and observation, lessons learned communication and analyses the effectiveness of health and safety impact indicators.
- OESS regularly discloses information on sustainable development and corporate social responsibility in the performance report in accordance with the requirements of the legislation and relevant standards
- OESS regularly provides monitoring reports on the workplace health and safety conditions, investigation reports and lessons learnt.



### ILLEGAL ACTIONS

- Violation of the requirements and principles of the Policy
- Withholding of information on violations of the requirements and principles of the Policy
- Any actions that lead to financial loss or loss of reputation / goodwill of the Company
- Any illegal actions that may lead to damage to human health, company property and delay in operations



### OTHER STATEMENTS

- The Policy applies to all employees of the Company, regardless of their position
- General control over compliance with the requirements of the Policy and its relevance is entrusted to the General Manager
- The policy is the subject to review annually
- Each employee of the Company, incl. temporary employee, in situations involving a violation of the Policy should:
  - immediately inform supervisor
  - report about violation through the Hotline channels +99450 2059946 or contact the compliance manager by e-mail compliance@oess.az
  - take an active part in conducting corporate investigations.

**Process Owner:** General Director / HSE Manager

**Related Documents:**

- Corporate Code
- Sustainable Development Policy and Corporate Social Responsibility
- Equality, Diversity and Inclusion Policy
- Personnel management policies and procedures
- The procedure for receiving and reviewing information received through the Hot Line.
- Corporate investigations procedure
- Procedure of the OHS management system