



Wärtsilä Contractor EHS Requirements

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1 Introduction

1.1. Purpose of this document

Wärtsilä EHS Contractor Requirements is the global and mandatory document and is to be used with all contractors. The process of identifying appropriate levels of documents to be used with contractors is described in the Figure 1.

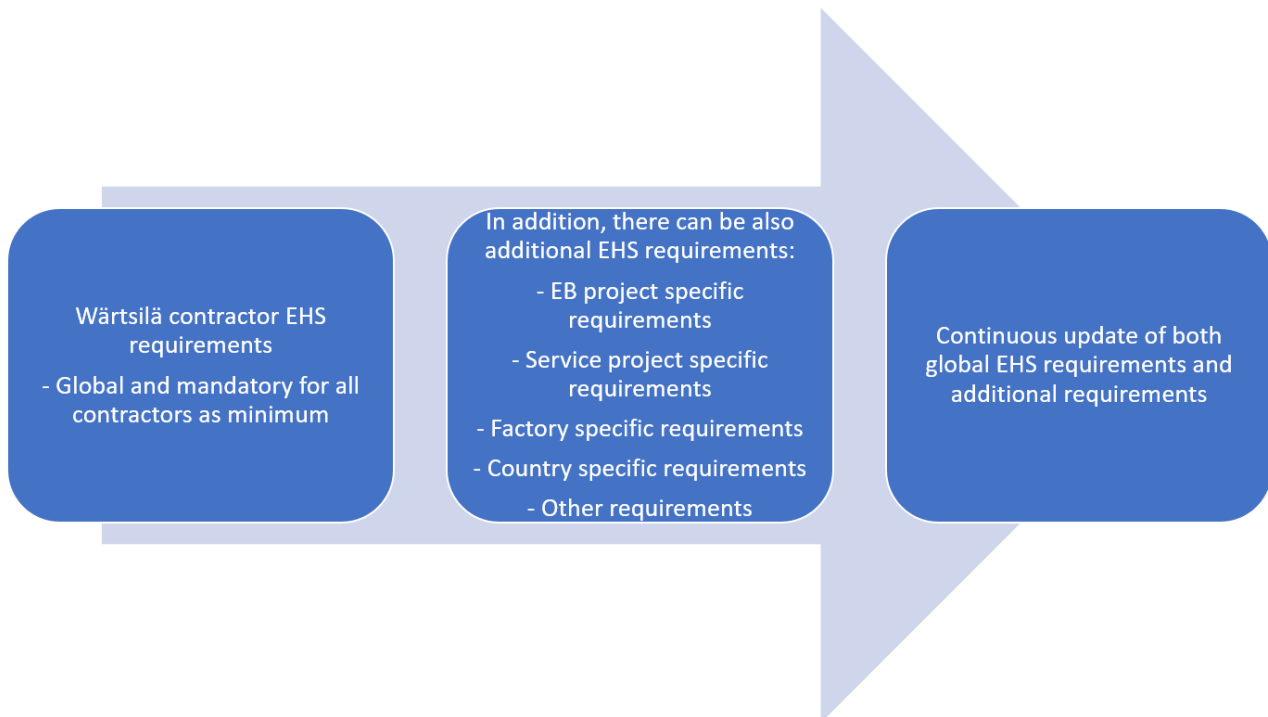


Figure 1 - Levels of EHS documents for contractors

Wärtsilä believes that all accidents are preventable. Therefore, the company is committed to continually develop environmental, health and safety practices pursuing the following goals:

- ✓ Prevent all injuries and negative environmental impacts;
- ✓ Eliminate all preventable work-related illnesses;
- ✓ Expand health, safety and environmental plans so that they are effective throughout the organization;
- ✓ Promote safe working conditions as a priority and as a major concern.

A Zero Injury policy shall be adopted also by all contractors. QEHS Policy is available [here](#).

In this regard, the purpose of these Wärtsilä Contractor EHS Requirements document is:

- a) To provide an overview on how Wärtsilä expects to work with contractors in terms of environment, health and safety.
- b) To identify the roles and responsibilities in environment, health and safety between Wärtsilä and its contractors.
- c) To provide a set of rules and minimum set of expectations for Wärtsilä employees and contractors performing activities on behalf of Wärtsilä, taking place inside Wärtsilä premises or the worksite designated by Wärtsilä.
- d) To provide a guideline for contractors and Wärtsilä employees working with contractors

on how activities shall be planned following environmental, health and safety rules and requirements.

1.1.1 Definitions

In this document, a contractor is defined as:

“Any company or individual not being an employee of Wärtsilä, who is engaged to carry out work for Wärtsilä inside Wärtsilä premises or under Wärtsilä supervision in customer premises or on worksite.”

When referring to the employee of a contractor company, such person is called “contractor employee”.

1.1.2 How to use this document

Every contractor shall have a copy of this document or an accessible way to it. This document is available on Wärtsilä website: <https://www.wartsila.com/suppliers/requirements/environment-health-and-safety-requirements>

The contents of this document shall be reviewed, discussed and understood both by Wärtsilä representatives and the contractor before starting the activities. In addition to these requirements, other specific EHS requirements may be applied, if required by legislation or any interested party.

In case any EHS issue is not considered in this document or in the contractor’s EHS program, refer to Wärtsilä or Contractor representative.

This document does not replace the contractor’s own EHS program. If the contractor’s EHS instructions and procedures are in conflict with Wärtsilä instructions and procedures, then the most stringent one shall apply.

2 Roles & Responsibilities

2.1 Wärtsilä Responsibilities

Main responsibilities of Wärtsilä on the scope of this document are:

- ✓ Ensure all contractors receive a copy of both Contractor EHS Requirements and Safety Handbook and take notice of the requirements and expectations Wärtsilä has in relation to the contractor’s EHS performance.
- ✓ At shared workplace or places with simultaneous activities, Wärtsilä will engage the contractor to identify EHS risks, and plan safe operations, including co-ordination of those simultaneous activities.
- ✓ Ensure that contractor employee has been trained and informed about the EHS risks and regulations related to the tasks they have to perform.
- ✓ Be a driver to ensure that contractors are in compliance with regulations and requirements and are meeting Wärtsilä expectations in terms of EHS performance.
- ✓ Collect and process any EHS related issue reported by contractor.

2.2 Contractor Responsibilities

Main responsibilities of Contractor Company on the scope of this document are to:

- ✓ Read, understand and apply the content and provide Wärtsilä Contractor EHS Requirements and Safety Handbook to own employees assigned to work.
- ✓ Ensure understanding and create working conditions to meet Wärtsilä EHS requirements and expectations.
- ✓ Be aware and apply local occupational safety and environmental regulations, standards and specific requirements for the contracted work.
- ✓ Be responsible for contractor employees' safety and follow applicable EHS management procedures and instructions to meet Wärtsilä requirements.
- ✓ Ensure that all employees working for Wärtsilä as contractors are aware and follow the instructions and guidelines included in this handbook.
- ✓ When working in a shared workplace, contractor shall communicate to Wärtsilä all EHS risks which may endanger the safety of Wärtsilä employees or other parties at site
- ✓ Ensure that every contractor employee is equipped with required personal protective equipment.
- ✓ Ensure that tools and equipment provided by the contractor company are according to relevant safety standards, inspected regularly and maintained in good condition.
- ✓ Ensure that own employees are competent to do assigned tasks and are fit to duty.
- ✓ Have a nominated person for EHS matters. This person shall train and communicate EHS matters to their employees and report EHS matters according to Wärtsilä's requirements.

All the items detailed above shall be extended to further levels of subcontracted activities done by the contracting company.

Main responsibilities of Contractor employees are:

- ✓ Follow the rules and instructions provided by Wärtsilä and own company related to EHS behaviour and practices.
- ✓ Understand and apply the content of Wärtsilä Contractor EHS Requirements and Safety Handbook.
- ✓ Be aware of and follow Wärtsilä Life-saving rules.
- ✓ Be proactive in identification of work EHS related risks and report them to Wärtsilä responsible person.
- ✓ Take care of themselves and others who may be affected by their actions.

All the items detailed above shall apply to all workers working on behalf of Wärtsilä that belong to further levels of subcontracted activities done by the contracting company.

2.3 Stop-Work Authority

Wärtsilä follows the Stop and Care rule: It is Wärtsilä policy that everyone has the responsibility and authority to intervene and stop work if they observe noncompliance with the life-saving rules or any other unsafe activity/situation.

- ✓ Contractor employee is authorized to intervene on any unsafe act or condition.
- ✓ Contractor's work can be stopped in case of unsafe act or conditions.
- ✓ Contractor can be involved in a discussion of discovering / enforcing a safe way of working.



Contractor shall report immediately any EHS unsafe act or condition, accident, incident or observations to Wärtsilä contact person / supervisor.

Wärtsilä is committed to Stop Work authority by preventing any retaliation in response to exercising this authority.

3 Wärtsilä EHS Principles and Rules

3.1 Wärtsilä Safety Handbook

The Wärtsilä Safety Handbook offers assistance and guidance for performing work safely at Wärtsilä project sites, in factories or workshops, or in the offices.

The Safety Handbook provides a quick guide and summary of the minimum, basic safety practices to be applied worldwide by Wärtsilä personnel and contractor employees, without overriding any local additional rules and regulations.

Local regulation should always apply in addition to this Wärtsilä Safety Handbook.

For further details on the Wärtsilä Safety Handbook, please refer to Appendix I.

The Wärtsilä Safety Handbook is also available on Wärtsilä website: <https://goo.gl/k84Rxh>

3.2 Wärtsilä Life-saving rules

Wärtsilä Life-Saving rules are put in place to protect Wärtsilä employees, contractors and partners from any serious injury or even fatality. Wärtsilä wants to advocate safety partnership and treat contractors the same way as its own personnel, ensuring all Wärtsilä employees and contractors performing activities on behalf of Wärtsilä, inside and/or outside company premises perform their work in a safe manner. Wärtsilä aims for raising safety-awareness and improving safety culture by underlining the importance of safety.

It is the responsibility of Wärtsilä to ensure all contractor employees have been verifiably briefed on the life-saving rules and disciplinary actions. Contractor compliance with the life-saving rules is always the responsibility of the contractor.



Figure 2 – Wärtsilä Life-saving rules

RULE 1: Work with a valid Job Safety Analysis/ work permit when required

A Job Safety Analysis (JSA) identifies the hazards and risks and, required safety controls, related to a specific work task. A work permit describes what you must do to stay safe during the course of work.

What to do in practice?

- ✓ Identify the work which requires a JSA (Job Safety Analysis) and/or a work permit;
- ✓ Confirm that the JSA and / work permit is valid;
- ✓ Understand the JSA and / work permit;
- ✓ Implement required safety controls defined in the JSA / work permit;
- ✓ Confirm with the person in charge of the work that it is safe to start work;
- ✓ Work permits are required for several activities, including but not limited to hot work, confined space entry, working at height, excavation, lock out/tag out and electrical work;
- ✓ Make sure that the JSA and / work permit is communicated to the whole team involved to the operation.



RULE 2: Verify isolation when working on energized systems

Isolation of energy separates you from danger, such as electricity, pressure, hazardous chemicals or radiation, hot/cold liquids or mechanical energy to keep you safe.



What to do in practice?

- ✓ Understand the isolations that protect you from danger;
- ✓ Identify correct locations and systems which require isolation;
- ✓ Confirm isolation is in place, and done by approved methods;
- ✓ Isolation points shall be locked and tagged to ensure equipment cannot be switched on by accident, for example lock switches, separate pipes with spades, or lock access doors;
- ✓ Confirm no stored energy or other dangers remain;
- ✓ Confirm with the person in charge of the work that isolations are in place, and it is safe to start work;
- ✓ Communicate the status of isolations between shifts and different workgroups;
- ✓ Monitor the isolation periodically for effectiveness.

RULE 3: Always use equipment that is fit to its intended purpose

Use of improper or worn out equipment exposes you to unexpected situations like dropping load, ejecting object, pressure or chemical release, entanglement, electric shock, or falling which can be life-threatening.



What to do in practice?

- ✓ Select the equipment according to work instructions and specifications;
- ✓ Assure that equipment is in safe condition, and inspected properly;
- ✓ Get fully acquainted with all tools/machinery/ equipment that you are to use and read thoroughly the relevant technical manuals;
- ✓ Be properly and sufficiently trained on the use of equipment required for your work;
- ✓ Some examples of equipment which may cause serious injury if not fit to its intended purpose: lifting equipment, hydraulic or pneumatic tools, electrical equipment, welding equipment, rotating and cutting machinery, mobile equipment (forklifts, etc.), ladders and scaffolds.

RULE 4: Ensure safe conditions before entering a confined space

Confined space, such as a pressure vessel, tank or pipe can contain explosive gas, poisonous air or other dangers such as a lack of oxygen, things that can fall on you or you can fall from.



What to do in practice?

- ✓ A confined space is large enough for personnel to enter, has limited or restricted means of entry or exit, and it's not designed for continuous occupancy;
- ✓ A confined space entry permit shall be issued - authorized access keeps you safe;
- ✓ Make sure that all sources of energy affecting the space are isolated;
- ✓ An attendant shall be stationed at the entry point and maintains communication with entrants

- ✓ during the time the occupants are inside the confined space;
- ✓ Always make sure the confined space circumstances, such as regular gas testing, ventilation, communication methods with team members and use of approved tools, are safe before entering and during the work inside of a confined space;
- ✓ Assure that a plan for timely rescue of workers is in place in case of emergency;
- ✓ Confirm with the person in charge of the work that it is safe to start work.

RULE 5: Protect yourself against a fall when working at height

Fall from height is one of the most common cause of workplace fatalities. Use personal fall protection equipment when working outside a protective environment where you can fall over 2 meters (6.75 feet) to keep you safe.



What to do in practice?

- ✓ Discuss with work site management if the fall protection could be primarily arranged by installing approved scaffolds, stairs with handrails or guard rails;
- ✓ A personal fall protection system should always be used:
 - when exposed to the risk of falling more than 2 meters (6.75 ft) outside protective environment (surface with an unprotected side or edge);
 - while working on suspended platform or in a manlift basket /boom lift;
- ✓ Be aware of what fall protection equipment to use and how to use it;
- ✓ Personal fall protection system consists of anchorage, connectors, full body safety harness and may include a lanyard, deceleration device, lifeline or a suitable combination of these;
- ✓ Check fall protection equipment before using it;
- ✓ Ensure that 100% tie-off is achieved, and that equipment is properly anchored.

RULE 6: Obtain authorization before overriding or disabling safety critical equipment

Safety critical equipment must work correctly to keep you and your colleagues safe. During maintenance and commissioning operations overriding or disabling safety critical equipment requires authorization.



What to do in practice?

- ✓ Overriding or disabling of safety critical equipment may be required in case of maintenance, troubleshooting or commissioning activities;
- ✓ You shall obtain authorization from the person in charge before overriding or disabling safety-critical equipment;
- ✓ Do not change or remove any warning, forbidden or command signs, or any barrier or hazard marking;
- ✓ Examples of safety-critical equipment include isolation devices/emergency shut down valves, lock out/tag out devices, trip systems, relief valves, fire and gas alarm systems, certain level controls, alarms, crane computers, in-vehicle monitoring systems and covers of mechanical equipment.

RULE 7: Stay out from under suspended load

A suspended load is an object that is temporary lifted and hangs above the ground. Working or walking under a suspended load is unsafe as the load can fall on you.

What to do in practice?

- ✓ When you are in charge of the lift you shall isolate the unsafe area and put barriers in place to ensure that nobody walks under a suspended load;
- ✓ Never cross a barrier controlling an area with a suspended load without authorization;
- ✓ Follow the instructions of the flagman or the person in charge of the lift;
- ✓ Use tag line, or push/pull poles, to keep you out of the line of fire when guiding the suspended load.



RULE 8: Wear required personal protective equipment

Personal protective equipment (PPE) provides the last barrier between the person wearing it and the hazard necessitating it. It can save your life in case any other safety control fails.

What to do in practice?

- ✓ Personal protective equipment (PPE) refers to protective clothing, hearing protection, helmet, goggles, shoes, gloves or other garments or equipment designed to protect the wearer's body from injury or infection;
- ✓ Use the personal protective equipment provided to you for your work. It's your responsibility to use the required PPE for each activity;
- ✓ Select the right type of PPE for the job;
- ✓ PPE should be maintained in good condition throughout its prescribed life span.



RULE 9: Wear your seat belt

Wearing a seat belt keeps you from being flung out the window, hitting the dashboard or other passengers in the event of an accident. Wearing a seat belt reduces the risk of fatality among drivers and front-seat occupants by 45-50%.

What to do in practice?

- ✓ Wearing seat belts includes safety belts in (rental) cars, taxis, (mini) buses, trucks, cranes, or forklift trucks, and involves persons in moving vehicles when engaged on company business;
- ✓ Check that your seat belt works properly;
- ✓ Check that everyone in the vehicle is wearing a seat belt properly before starting to drive.



RULE 10: Comply with road safety rules

Nearly 1.3 million people are killed on the road globally every year. The main cause of these accidents is driver's behaviour, like over speeding, distracted driving, running red lights, aggressive overtaking or drunk driving.



What to do in practice?

- ✓ Always adhere to the set speed limits & other road signs, and consider prevailing conditions;
- ✓ Maintain a safe distance behind other cars;
- ✓ Do not use mobile phone while driving. Any lapse in concentration increases the risk of the vehicle being involved in a crash;
- ✓ Ensure that vehicle is equipped with the required safety features and is maintained in safe working order;
- ✓ Ensure you have valid driving license for the class of vehicle being operated and to drive in that country, and that you are medically fit to operate the vehicle;
- ✓ Being under the influence of alcohol or illicit drugs, or misuse of medication while driving is strictly prohibited.

3.3 Disciplinary actions

Wärtsilä expects contractors to be partners in HSE management to create safe working conditions and environment for all.

Contractors are responsible for monitoring and enforcing disciplinary process for their workers. Contractors shall monitor the work of their workers to assure unsafe conditions are not created. Failure of contractor supervision to enforce disciplinary process may result in disciplinary actions taken against contractor supervision.

In case any Wartsila EHS requirements or rules, including but not limited to life-saving rules, drugs and alcohol policy or others, are not followed, disciplinary actions are defined to be applied for both Wärtsilä and contractor employees.

Severity of the violation of these Life-saving rules or other EHS rules influences the type of the disciplinary action that might be taken.

The logic and sequence of approach in case of Life-saving rules violations, is presented below:

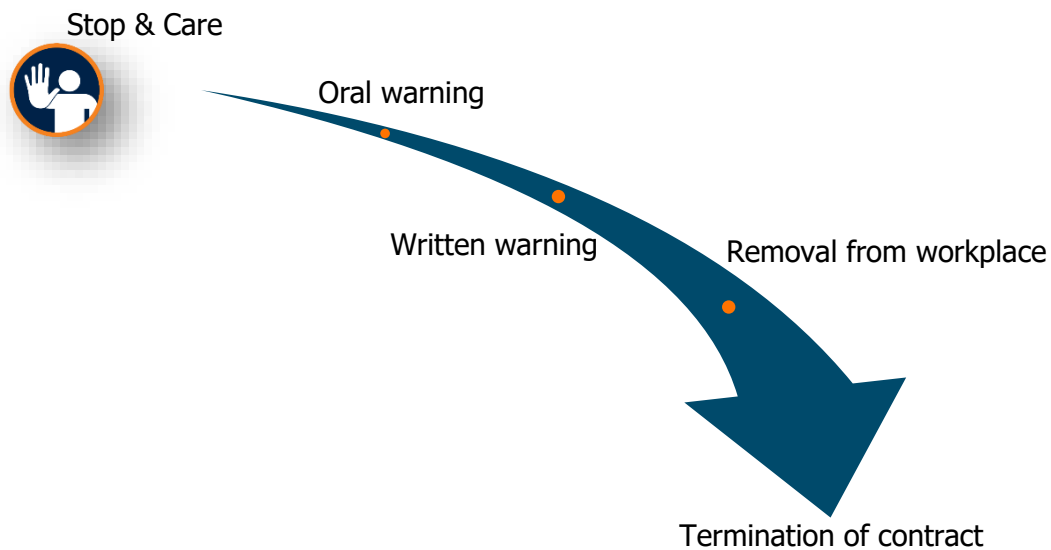


Figure 3 – Disciplinary actions for Contractors

Oral warning is given by Wärtsilä line manager both to the contractor employee and their supervisor. Written warning is given by Wärtsilä line manager both to the contractor employee and their supervisor. It is requesting contractor to take internal actions for example training or disciplinary actions.

Removal from work place takes place together with formal notice from Wärtsilä to contractor. Depending on a severity of non-compliance, removal will be temporary or permanent. However, Wärtsilä shall be entitled on objective grounds to immediately remove contractor's employees from workplace, e.g. in case of severe non-compliance.

Termination or cancellation of a supply contract takes place with formal notice. Requalification is needed before renewing contract.

3.4 Other health and safety rules

3.4.1 Housekeeping and material storage

Contractors shall follow Wärtsilä's instructions for housekeeping and cleaning, commit to tidiness and reserve adequate resources for housekeeping. Materials, supplies and equipment shall be arranged in a neat and orderly manner. All warehouses shall be properly marked including warnings for the prevention of accidents, authorized transit corridors, areas restricted to personnel, and so forth.

3.4.2 Personal Protective Equipment

It is the responsibility of the Contractor to ensure that all personnel have the necessary Personal Protective Equipment when working on Wärtsilä Sites. Each site has a Safety notice board, stating the mandatory PPE required in that specific location. It may include but is not limited to:

- ✓ Protective clothing;
- ✓ Safety shoes;
- ✓ Safety gloves;
- ✓ Eye protection;

- ✓ Head protection;
- ✓ Hearing protection;
- ✓ Flotation vest;
- ✓ High visibility clothing.

Contractor shall also ensure that its workers has the required PPE corresponding the task specific residual risks. All utilized PPE must be in good condition as described by the manufacturer of the equipment or the applicable legislation.

3.4.3 Heavy equipment

Wärtsilä's contractors are required to follow and observe safety practices for heavy mobile equipment (like excavators, road grading and surfacing machinery, loaders, bulldozers, and tractors) and lifting equipment (like cranes, man-lifts and forklift trucks).

Heavy equipment shall be operated only by properly trained and certified drivers. Vehicles shall be checked before each shift to assure that all parts, accessories and safety devices are in safe operating condition. The rated load or lift capacity of the vehicle shall not be exceeded. A seatbelt shall be worn at all times when operating a heavy mobile equipment. Barricades shall be set up around the working areas when there is a risk of employees being struck or crushed by the equipment or the load. Operators shall follow the site speed limits.

Wärtsilä has the right to check tools and equipment before they arrive to the worksite and during the activities on site. Contractor shall only use equipment which are according to relevant safety standards, inspected regularly and maintained according to the manufacturer instructions and kept in good conditions.

3.4.4 Elevated walkways and Scaffolding

Wärtsilä's contractors are required to follow and observe safety practices for working at elevated walkways and working platforms.

When working in elevated walkways and working platforms, contractor shall clear away spills, drips and leaks of oil and water, remove all obstructions in the path, make certain the lighting is adequate, secure tools and materials to prevent dropping down and hold the handrails and watch their step.

Contractor shall secure the working area, prevent the access and take immediate actions if missing or loose grids, plates or hole covers, missing fastening bolts in the grid mesh, missing kickplates or handrails, or other safety hazards are observed.

3.4.5 Radiographic activities

Radiographic work requires a work permit. The Wärtsilä site management will give the final approval for the work after the equipment has been checked. The approved work permit with an area plot plan attached shall be submitted to the site management at least 24 hours prior to the required radiography work.

Contractors' employees shall be qualified to perform activities that potentially expose employees to radiation or radioactive materials. Contractors shall provide operating and safety instructions on the use of the instrumentation and shall provide an accurate account for sealed sources and equipment coming to the site. Radioactive sources shall be handled and stored according to statutory requirements. Before starting radiography work, contractors shall ensure that the area around the work location is cleared of all non-authorized employees, and that barriers, lights and warning signs

are erected in a safe distance from where the radiographic source is going to be used.

3.4.6 Explosives

The contractor is obliged to ensure that the transportation, handling, storage, and use of explosives and blasting agents are directed by a certified blaster of proven experience according to laws and regulations which pertain to explosives. The blaster shall be qualified by reason of training, knowledge, and experience in the field of working with explosives, and shall be familiar with federal, government, state, and local laws and regulations pertaining to explosives.

Employees authorized to prepare explosive charges or conduct blasting operations shall use every reasonable precaution including, but not limited to, visual and audible warning signals, flags or barricades, to ensure employee safety.

Precautions shall be taken to prevent accidental discharge of electric blasting caps from current induced by radar, radio transmitters, lightning, adjacent power lines, dust storms, or other sources of extraneous electricity: Procedures that permit safe and efficient loading shall be established before loading is started.

3.4.7 Usage of hazardous materials

Contractor shall request for Wärtsilä authorization and provide information about hazardous materials they want to bring to the site. Contractors' employees involved in activities with hazardous materials, such as asbestos or chemicals, shall be instructed and trained on safety procedures and informed about the usage of them. All precautions provided in Safety Data Sheet for the hazardous materials shall be followed.

Hazardous materials shall be stored in designated area agreed with Wärtsilä representative.

3.4.8 Gas works

Gas may cause explosion, fire or asphyxiation when not correctly controlled and made safe. Maintenance and substantial repair work carried out by contractors shall follow local procedures and have relevant certificates in accordance with local legislation. All gas work requires work permit.

3.4.9 Diving and working over water

Contractor shall establish and provide a detailed EHS plan for the diving and working over water activities, including operating and safety instructions. Contractor's employees shall be qualified to perform the activities, wear all required personal protective equipment, and follow the activities as planned.

3.4.10 Health & Hygiene

Wärtsilä and its subcontractors shall ensure availability of medical care for their personnel.

Contractors shall provide adequate amount of potable water for own employees.

Sufficient number of toilets shall be available on the site, both for men and women. The minimum requirement for amount of facilities is as follows:

- ✓ for 20 employees or less 1 toilet seat;
- ✓ 20 or more employees 1 toilet seat and 1 urinal per 40 workers;

- ✓ 200 or more 1 toilet seat and 1 urinal per 50 workers;
- ✓ Food intake shall take place in designated areas, and waste food and packages shall be placed in designated waste bins.

3.4.11 Working hours

Contractors shall follow the local laws related to working hours. Night, weekend and holiday work, within the local regulatory framework, is allowed with the consent of the site management.

Contractor shall assure that their employees have a sufficient rest period between shifts.

If work is performed at night, the contractors' employees shall be aware of, and fulfil, the requirements for the night work. Adequate lighting shall be provided to ensure a safe working environment.

3.4.12 Security

All incoming personnel and vehicles shall be registered at the gate when arriving and leaving premises. In addition, all suspicious packages, briefcases and bags shall be opened for inspection if necessary. All personnel and visitors are required to carry a Wärtsilä identification badge at the site area. Contractors shall receive a permission for their visitors to enter the site/premises from the site management.

Taking photographs at premises is not allowed without authorization.

3.5 Environmental requirements

Wärtsilä is committed to create and maintain a safe and healthy workplace, as well as to improve our performance to reduce adverse environmental impact. We expect equal commitment from our contractors.

3.5.1 Prohibited and restricted substances and materials

3.5.1.1 Black & Grey list

The contractor shall follow and comply with all relevant laws and regulations related to substance, material and radioactivity restrictions. The contractor shall confirm compliance with CLP (Classification, Labelling and Packaging) and REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), and to Black & Grey lists, which the aforementioned refer to. These define restrictions on the use of substances in Wärtsilä's products, materials, and production processes. The contractors shall regularly check updates to the Black and Grey list.

3.5.1.2 Conflict minerals

Contractors shall certify and ensure that no "conflict minerals", including tin, tantalum, tungsten or gold originated in conflict-affected or high-risk areas, are procured or contained in the supply, including those from its own suppliers.

3.5.2 Environmental assessment

Before entering the workplace/worksites contractor shall identify the environmental aspects of its activities and their associated impacts and plan the necessary actions to mitigate any adverse effects.

Possible environmental impacts related to the contractor activities can be divided to different types of impacts and sources. In general, at least the following types of impacts may occur and shall be considered:

- ✓ Waste;
- ✓ Waste water;
- ✓ Emissions to air;
- ✓ Noise;
- ✓ Dust;
- ✓ Vibration;
- ✓ Erosion;
- ✓ Nature;
- ✓ Chemicals;
- ✓ Exceptional situations.

3.5.3 Waste management

Wärtsilä is committed to global regulations and environmental plans to reduce generated waste and increase recycling. that are united with its own environmental policy. Waste shall be stored, sorted and disposed properly according to the local legislation. Waste handling is usually agreed separately. In case contractor is responsible for waste disposal, copies of waste records shall be provided to Wärtsilä.

3.5.4 Spill response

Contractors shall have readiness to act on chemical/oil spill according to the level of possible damage:

- ✓ Prevent the spill from reaching surface water;
- ✓ Clean up the spill and remove contaminated material;
- ✓ Store and dispose contaminated material according to the site's waste handling regulations.

Contractors shall have a spill response kit for handling spills of chemicals they use in their work. The spill response kit shall contain required absorbent materials, absorbent pads, rolls, mats, socks and sheets, disposal bags, and personal protective equipment as defined in Safety Data Sheets for the chemicals.

All spills shall be investigated and reported to Wärtsilä.

4 Contractor EHS Management throughout their lifecycle

Wärtsilä's operating model for Contractor EHS Management is presented in the picture below.

It consists of five main steps which represents the lifecycle, and contractors' safety is the main goal.

At Wärtsilä, EHS management throughout the contractor lifecycle is seen as a continuous iterative process, where the past experiences with the contractor are being considered when making new contracts or renewing their prequalification.

Continuous development will also happen on a contractor safety management level, when new, even better practices, will be developed.



Figure 4 – Wärtsilä operating model for Contractor EHS Management

4.1 Prequalification & Contract

Prequalification of contractors is either performed by Wärtsilä HR in case of agency workers, or by the Procurement department in case procured as a service, or by the line manager in case of short-term assignments. In case of Energy Business Customer Delivery Projects, prequalification is done by Supply Chain Management Subcontracting Team and Contract by Project Teams in co-operation with Supply Chain Management.

Contract with prequalified and selected contractors shall include the EHS requirements.

More details related to the selection of suppliers of Wärtsilä can be found in the [Supplier Handbook](#).

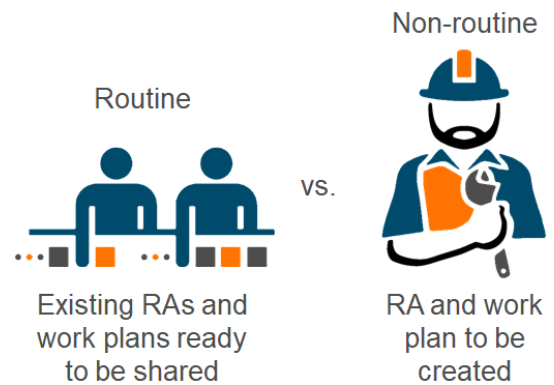
4.2 Pre-job Planning & Risk Assessment

Wärtsilä's purpose with pre-job planning and risk-assessment is to ensure all contracted work is thoroughly planned and its risks are identified and managed. This ensures all work can be carried out safely without injuries and without harming the environment.

The main factor for defining how to proceed with pre-job planning and risk assessment is whether the work assigned to the contractor will be routine or non-routine work, because this defines, whether there are already a plan and risk assessment ready or not.

In most cases, routine work has already been done before and is thus already assessed and planned. In this case, the risks and work plan shall be communicated to the contractor, and their way of working shall be aligned with Wärtsilä.

For Non-routine work a workplan and risk assessment must be created, and the results shall be communicated. Depending on the nature of the work, contractor might be required to collaborate and contribute with the development of the workplan and risk assessment. Work permit shall be in place before the beginning of the activities, when required.



4.2.1 Risk Assessment

Wärtsilä requires that risks of contracted work must be assessed and communicated to all contractor employees and other possibly influenced parties. When assessing risks, competences of employees must be taken into consideration. Risk assessments shall be documented and stored in Wärtsilä systems.



4.2.2 EHS planning related to contracted work

Wärtsilä requires that all contracted work needs to be planned to the extent seen reasonable and plan shall be communicated for all parties involved or affected. The effect of simultaneous jobs taking place close-by shall be considered.

EHS plan for specific work shall be created by Wärtsilä and the contractor. The content of the EHS plan will depend on the nature of the work. As an example, the following topics might be included:

- ✓ description of the work;
- ✓ tools;
- ✓ materials and chemicals used;
- ✓ schedule;
- ✓ list of contractors and subcontractors;
- ✓ aligning together simultaneous or sequential work to be performed;
- ✓ necessary trainings, orientations and certificates/work permits;
- ✓ requested licenses (e.g. driving licence, truck driver licence, occupational safety card, etc.)
- ✓ main hazards related to the work;
- ✓ isolating work area and supervision;
- ✓ necessary PPE;
- ✓ environmental issues and waste;
- ✓ defining communication channels to guarantee sufficient information flow;
- ✓ contact details of contact people;
- ✓ non-disclosure agreement (NDA);
- ✓ other relevant topics.

4.3 Induction & Training

The purpose of induction and training is ensuring sufficient communication of Wärtsilä practices and risks related to their work and workplace. All contractors shall be inducted before undertaking the work. The extent of induction and training depends on the nature of the work and shall consider the risk level of the work, the competences and the length of the working period.

Life-saving rules and stop-work policy shall be part of contractors' induction.

Contractor shall ensure that each contractor employee has necessary competences, education and they have attended necessary and required training(s). In case it is missing or additional need, training must be offered by the contractor company or by Wärtsilä, as agreed. Training shall be provided by contractor and it can be complemented with Wärtsilä safety culture related trainings.

For specific types of work, a work permit system shall be in place and must be followed. In Wärtsilä, this system covers the following operations:

- ✓ Hot works
- ✓ Work at height
- ✓ Lifting operation with mobile crane or lorry crane
- ✓ Overhead crane lifting
- ✓ Work in confined spaces
- ✓ Electrical works
- ✓ Excavations
- ✓ Radiography works
- ✓ Chemical works
- ✓ Pressure testing
- ✓ Diving
- ✓ Other high-risk activities

4.4 Monitoring & Communication

Wärtsilä's purpose is to ensure sufficient and consistent information flow and communication, to keep work efficient and to prevent injuries.

Communication related to EHS issues between contractor and Wärtsilä shall be systematic, open and transparent.

Wärtsilä applies the following yearly calendar for monitoring and communication with contractors:



Figure 5 – Monitoring and communication yearly calendar

Figure 5 refers to Wärtsilä way of working. On a **daily** and **weekly** basis there are observation rounds, which mean non-recorded observation, which each employee is practicing when looking around. Safety moments are short discussions related to safety, which can for example be part of pre-shift daily task communication sessions. Near misses and injuries shall be communicated always when necessary and thus located on the most frequent level.

Monthly communication and monitoring can include for example recorded safety walks, regular safety focused meetings, ensuring communication of the updates of changes in Way of Working (WoW), learning sessions of past near miss or injury cases to ensure lessons learned and appropriate changes in WoW and safety-awareness of such hazards. The idea is to include contractors in all the same communication as in-house personnel.

Contractor is expected and might be invited to participate in any of these safety related activities. In order to trigger improvements, contractor will be encouraged to propose safe work practices, to provide feedback and comments that might lead to EHS improvements.

4.4.1 Reporting

Wärtsilä has an EHS reporting system called WeCare. Wärtsilä supports “no blame” culture, where reporting is always seen in positive light and as a basis for learning and improving.

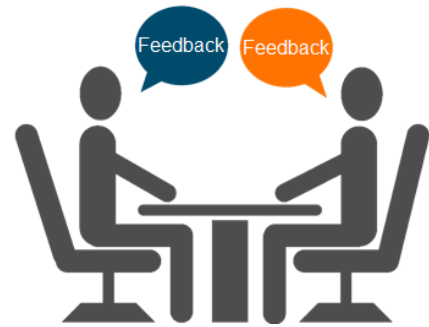
Contractor shall report to Wärtsilä all EHS related concerns and observations.

Wärtsilä shall investigate all injuries and near misses reported by contractor in cooperation with them. Actions taken to improve EHS related issues shall be communicated to the contractor to ensure lessons learned and improvement.

4.5 Post-job Evaluation

Wärtsilä's purpose of post-job evaluation is to capture all lessons learned and best practices from both sides to further improve collaboration with contractors. Evaluation shall include but not be limited to QEHS aspects.

Contractor representative might be invited for feedback session in order to review EHS performance and identify possible improvements from the perspective of both sides.



5 Appendices

5.1 Wärtsilä Code of Conduct

Information available in: <https://www.wartsila.com/sustainability/our-approach/code-of-conduct>

5.2 Wärtsilä Safety Handbook

Information related to Safety at Wärtsilä and Safety Handbook available in: <https://www.wartsila.com/sustainability/sustainability-management/occupational-health-and-safety/safety-at-work>

5.3 Supplier Handbook

Information available in: <https://www.wartsila.com/suppliers/guidelines>