

Sanction Rules in the field of EHS for services

Examples of significant breach of rules health and safety, fire safety and environmental safety (EHS rules) at Siemens sites, for which a supplier is, as a result of a breach of the rules by its employee, a person organised by the supplier or by a contractual partner, obliged to pay to Siemens a contractual penalty of CZK 50,000 for each individual breach, and, further (based on a decision of Siemens), also expelling of supplier's employees or other persons organised by the supplier – contractual partners, who have committed a breach, from the Siemens sites:

1. Failure to comply with an express instruction to interrupt work and to immediately ensure occupational health and safety (OHS), fire protection (FP), or environmental protection (EP) given to prevent directly impending damage to life, health or property by authorised persons of Siemens. For the purposes of this Annex, the following are deemed the authorised persons of Siemens: senior employees at all management levels, project managers, OHS and PO managers, EHS managers, professionally qualified persons of occupational health and safety, professionally qualified persons of FP and, where appropriate, other designated persons of Siemens who will be specified in advance by suppliers.
2. Breach of the prohibition to bring in alcoholic beverages or other narcotics in any form into the premises and workplace of Siemens. Positive result of the alcohol breath test, measured at a value higher than 0.30 permille. Positive result of the narcotics test.
3. Failure to undergo the alcohol breath test or the narcotics test upon request by an authorised person.
4. Breach of the ban on smoking, prohibition of working with open fire or other sources of possible fire/explosion initiation (e.g. also grinding, etc.), in places where it is prohibited by regulations (including internal regulations of Siemens) or by signs and signals.
5. Other non-compliance with the laws and other regulations and rules relating to fire protection or non-compliance with Siemens internal regulations in this area. Non-compliance with restrictions and instructions in local operational safety rules the supplier has been informed.
6. Movement of a person in the premises or workplace of Siemens without a person authorized by Siemens.
7. Decommissioning of fire security and other protective safety devices.
8. Failure to secure workplace against the spread of impurities to the surroundings of the workplace, unsecured protection of the surrounding equipment.
9. Infringement of the principles of controlled movement of persons, goods and property protection with which the supplier was duly informed in advance.
10. Physical aggression against others
11. Failure to comply with any other obligation, not separately described in these Rules, stipulated directly by the laws of the Czech Republic (e.g. regulations like the law, decree, government regulation).

Siemens is entitled to reduce the amount of the supplier's obligation to pay the contractual penalty, taking into account the level of materiality of breach of the respective EHS rules and potential results and consequences arising out of such breach.

Examples of other breaches of the EHS rules at Siemens sites, for which a contractor is, as a result of a breach of the rules by its employee, a person organised by the supplier or by a contractual partner, obliged to pay to Siemens a contractual penalty of CZK 25,000 for each individual breach, and, further (based on a decision of Siemens) also expelling of supplier's employees or other persons organised by the supplier – contractual partners, who have committed a breach, from the Siemens sites:

12. Positive result of the alcohol breath test, measured at a value up to 0.30 permille, inclusive.
13. Non-use of relevant personal protective equipment (PPE) by an employee during work or movement in workplaces.
14. Precluding or restricting the access to emergency exits, escape/evacuation pathways or distribution devices, switches and closures of energy (e.g. storage of material in front of them).

15. Entry of employees of the supplier or its sub-suppliers to the client's premises without a valid document (entry cards, etc.) or movement outside designated places and paths.
16. Violation of other orders or prohibitions stipulated by local security and other signs (unless the violation is specified in another paragraph of these Sanction Rules).
17. Performance of non-approved activities that may lead to the occurrence of an extraordinary event.
18. Unauthorised handling of property of other legal and natural persons in the premises or workplaces of Siemens.
19. Non-reporting of an extraordinary event (accident, fire, explosion, theft, other property damage, etc.).
20. Refusal to prove the identity to a person authorised by the client or verbal aggression against persons.
21. Unauthorised warehousing of material (without further damage, violation of regulations and principles).
22. Failure to comply with any other obligation, not separately described in these Rules, arising from other regulations of the Czech Republic (e.g. technical standard) and an obligation arising from internal central or local norms of a Siemens plant, with which the supplier was duly informed in advance.

Siemens is entitled to reduce the amount of the supplier's obligation to pay the contractual penalty, taking into account the level of materiality of breach of the respective EHS rules and potential results and consequences arising out of such breach.