

KERNEL

Workplace health and safety policy



Kyiv, November 2019

Policy goals



- ➔ Continuous analysis, improvement and development of workplace health and safety
- ➔ Compliance with the national labour health standards
- ➔ The unified approach to the health and safety system and its continuous improvement in accordance with the requirements of the international standard OHSAS 18001/ ISO 45001
- ➔ Developing of OHS risk assessment and monitoring system to guarantee compliance with legal and international standards
- ➔ Including OHS 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 Kernel OHS standards being a part of their obligations

Kernel workplace 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 plant 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 OHS legislation and key international standards**
- ⇒ **Openness to structural transformations** supporting sustainable development of the Company
- ⇒ **Openness and ensuring all stakeholders are informed**

Kernel social sustainability principles in accordance with international requirements

Key requirements managing Kernel 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 labour protection and industrial safety
- Adopting of an approach involving the use of measures to mitigate adverse social impacts on employees
- Improving of social indicators through the effective management system.

➔ **Labour Relations and Labour 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.



Kernel's approach to workplace health and safety (1/3)

Planning / Investment activity:

- ➔ Planning of health and safety protection is the definition of objectives for solving labour 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 OHSAS 18001/ 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 conditions
- ➔ 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



Kernel's approach to workplace health and safety (2/3)



Day-to-day activity:

- ➔ Daily compliance with Ukrainian 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, labour 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.

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.

Kernel's approach to workplace health and safety (3/3)

Organizing the activities:

- ➔ Identification of causes and factors that lead or may lead to a deterioration in the working conditions of employees
- ➔ Implementation of favourable and safe labour 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 Ukrainian 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 (1/2)

The information base for the development of OHS measures is the legislative and regulatory acts on labour 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.



Organizational 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

Workplace health and safety measures (2/2)



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

- 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 labour 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 labour 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 labour protection requirements.

Information on the implementation of planned activities:

- monthly - to the OHS 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 the ERIC / PD international 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 / Tagout devices, etc.

The Company's obligations 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

Chief Executive Officer

- Responsible for implementation of the Policy within the Company

Senior Management Team

- Responsible for the implementing of the Policy within their functional areas
- Control the prevention of potential situations of the Policy breach
- Control the level of awareness of new employees about the principles of the Policy
- Identify external and/ or internal risks that could potentially affect on the implementation of the Policy
- Guarantee of response to all identified risks and the implementation of appropriate mitigating actions
- Participate in the process of annual identification and risk assessment

OHS Manager

- Responsible for implementation of the Policy requirements at the corporate level
- Coordinates the implementation of the requirements of this Policy
- Coordinates activities on certification during the implementation of the OHS management system
- Initiates and conducts internal investigations for cases/ situations of the Policy breach
- Ensures the timely Policy updates at least every year or to reflect changes in legislative requirements, if needed

Local OHS Managers

- Responsible for implementing the requirements of the Workplace Health and Safety Policy at the regional level
- Identification, analysis and control of OHS risks
- Interact with external regulatory bodies as well as stakeholders within their powers
- Investigate and analyze of situations related to deviations from regulatory requirements
- Develop recommendations to senior management concern to preventive and/ or corrective actions
- Local implementation of management systems and certification work

Compliance manager

- Ensures the Whistle-blower Protection in situations of the Policy breach
- Participates in the official investigations on circumstances that led to the Policy breach

Legal Department

- Conduct internal investigations for cases/ situations of the Policy breach

Reporting



- ☰ Kernel regularly monitors the impact on the socio-economic state of society and the environment, analyses the effectiveness of its social initiatives and employees' health impact indicators.
- ☰ Kernel regularly discloses information on sustainable development and corporate social responsibility in the annual Report in accordance with the requirements of the legislation and international standards, the principles of the Global Reporting Initiative (GRI) and posts information about the principles and results of activities concern to sustainable development and Corporate Social Responsibility (CSR) on the corporate website and in other sources.

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 goodwill of the Company regarding environmental protection
- ✓ Any illegal actions that may lead to deterioration of environmental conditions and human health.

Other statements



- ✓ The Policy applies to all employees of the Company, including its related subsidiaries worldwide, regardless of their position
- ✓ General control over compliance with the requirements of the Policy and its relevance is entrusted to the Chief Executive Officer
- ✓ The policy is subject to review by the Audit Committee
- ✓ Each employee of the Company, incl. temporary employee, in the event of situations involving a violation of the Policy should:
 - ✓ inform immediate supervisor
 - ✓ report about violation through the Hotline channels 0-800-501-483 or to the email address dovira@kernel.ua, or contact the compliance manager-compliance@kernel.ua
 - ✓ take an active part in corporate investigations.
- ✓ **Process owner:** Chief Executive Officer
- ✓ **Related Documents:**
 - ✓ Corporate Code
 - ✓ Sustainable Development Policy and Corporate Social Responsibility
 - ✓ Equality, Diversity and Inclusion Policy
 - ✓ Conflict of Interest and Fraud and Anti-Corruption management Policy
 - ✓ Personnel management policies and procedures
 - ✓ The procedure for receiving and reviewing information received through the Hot Line.
 - ✓ The whistle-blower protection procedure
 - ✓ Corporate investigations procedure