

Contractor Safety Policy



1. PURPOSE

- This Policy applies to all [*insert name of company*] “Company”) operations and is intended to govern all aspects of the contractor management process. It is intended to supplement all applicable laws, rules, regulations and other corporate policies.
- The purpose of this policy is to define the requirements and provide guidelines for the prequalification, selection, monitoring, evaluation and administration of the health and safety capability and performance of all levels of contractors, subcontractors and suppliers (referred to collectively as “contractors” throughout).
- The objectives are to ensure the health and safety of workers, prevent loss to property and maintain compliance with all rules and regulations.
- For the purpose of this Policy, a “contractor” is defined as a company or person contracted to provide, and receiving payment for, services for any aspect of operations including exploration, development, construction, operations and reclamation.

3. POLICY

- The Company’s vision of everyone going home safe

and healthy every day extends to our contractors, their subcontractors and suppliers. Contractors are exposed to activities with varying levels of risk. The Company's policy includes ensuring that risks are minimized, when contractors are engaged, by diligent application of proven standards of risk management policies, work processes, systems and procedures, which fully integrate health and safety evaluation, planning and design. The Company requires all contractors to commit to and abide by these standards to maintain superior levels of health and safety performance.

- It is imperative that the Company's and all contractor's senior management demonstrate their sustained commitment to this policy in a visible and vigorous manner.

4. SCOPE

- The scope of this policy includes all contractors that provide services or perform work on Company property (on site) and may be extended, at the discretion of the responsible Company manager, to include locations which are not on Company property where work is being performed for, or on behalf of, the Company (off site). The scope specifically applies to the prequalification, selection, monitoring, evaluation, and administration of health and safety capability and performance of contractors.

5. CATEGORIES OF CONTRACTORS

- A risk assessment must be carried out on the scope of work to be undertaken by the contractor to determine the risk group:

A – Low exposure, where contractors are not exposed to operations hazards and/or work in low risk environments. Examples include administrative staff, office janitorial work, catering, delivery vehicles to warehouse, consultants.

B – Moderate exposure, where contractors are engaged to carry out tasks which may include exposure to operations hazards that have been identified as moderate risk or where contractors introduce moderate risks into a low risk area as identified in the preliminary risk assessment.

C – High exposure, where contractors are required to undertake extreme or high risk tasks or perform tasks in areas that have inherent extreme or high risks such as, working in confined spaces, hazardous materials, fragile environment, public exposure, working at heights or depths, working in traffic, performing hot work.

- All contractors shall develop health and safety management plans appropriate for the scope of work and identified exposure levels. This plan shall provide a thorough description of how a contractor (and their subcontractors) will ensure that injuries, illness, and damage are prevented.

5. GENERAL (ALL CONTRACTS)

- A review of the health and safety performance of a contractor must occur **before** that contractor is employed.
- When the contractor does not have an established written health and safety program, the Company may assist with the development and implementation of a program.
- All contractors shall report to a designated Company site representative ("The Company Representative") who is familiar with the details of the contractor's scope of work and the health and safety requirements associated with this work. The Company Representative is responsible and accountable for the oversight of all aspects of the contract.
 - Pre-qualifying a contractor prior to the bidding and/or award of a contract or the

start of a job will result in a higher level of health and safety performance. The following classification system is suggested:

A= fully qualified contractors who have already been trained

B= partially qualified contractors who need re-training

C= provisional contractors who must be allowed access to the site to perform unique or specialized tasks but who require 100% escort and/or supervision.

- The requirements for a contractor health and safety program are determined through a risk analysis that will measure the job requirements against contractor capabilities.
- Contractor performance must be evaluated on a regular and ongoing basis throughout the duration of the contract.
- It is the contractor's responsibility to fully understand the health and safety requirements of any job and to have the necessary programs in place, operational and communicated to employees.
- Health and safety must be considered to be aspects of quality management and have similar weighting as scheduling and costs.
- It is the responsibility of the Company Representative to monitor and evaluate the performance of the contractor.
- Major projects requiring a capital expense justification will be evaluated and signed by the appropriate health and safety staff prior to final senior management approval.
- Health and safety staff will be involved in the contract process during the pre-bid, contract award and project oversight stages appropriate to the level of risk identified by the Company Representative.

- A contractor who is unable to demonstrate a record of acceptable and continuously improving health and safety performance shall not be awarded a contract without approval of the appropriate member of the Company's senior management.
- Contractor health and safety responsibilities shall be clearly communicated in the scope of work document.

6. RESPONSIBILITIES

▪ GENERAL, OPERATIONS, OR PROJECT MANAGEMENT

- The [*insert appropriate person, such as Project or Operations Manager*] must assign a knowledgeable, trained and competent employee (the Company Representative) direct responsibility for management and oversight of each contract prior to signing and awarding a contract. This person and/or position shall be identified in the contract.
- The Project or Operations Manager must require Risk or Management of Change Assessment and OHS review of any AFE's, capital expense justifications and contract awards prior to submission for final approval.

▪ THE COMPANY REPRESENTATIVE

- The Company Representative must be thoroughly familiar with the nature and location of the work to be performed by contractors. The expected duration of the project, the type of work to be performed and location of the work (off or on-site) are some of the factors the Company Representative must consider prior to developing the health and safety requirements for the bid package. Emergency work may result in additional hazards, which

must be identified.

- Expected hazards should be identified by the Company Representative with the assistance of the contractor. The contractor is expected to submit written procedures to manage the identified hazards. In all cases, unless otherwise specified in writing, the Company procedures and requirements will take precedence over the contractors' procedures.
- With assistance of a Health and Safety Professional, the contractor and/or other applicable parties conduct preliminary risk assessments of scope of work to be undertaken by contractor.
- The risk of injury or illness to contractors and Company workers is an important consideration in determining how to apply components of the contractor health and safety program. Factors to consider may include:
 - Nature of the work to be performed
 - Location of the work performed
 - Altitude and climate
 - Potential for the contractor performing the work to expose themselves, other contractors or the Company's workers to hazards
 - Duration of the work to be performed
 - Contractor's experience and expertise in performing similar type of work.
 - The Company Representative and the Contractor must agree on the scope and delivery of emergency services for contractor employees for the duration of the contract.
 - The Company Representative and the Contractor are responsible for communicating

information regarding workplace hazards, health and safety requirements to all workers working on the project and site workers affected by the project. The communication of this information may include many formats such as medical screening, orientation, training, Material Safety Data Sheets (MSDS), safe work permits, signs, posters, procedures and other written materials.

- The Company Representative for the contract will ensure that:
 - Health and safety management plans are completed, reviewed and approved **prior** to starting work.
 - Contractor's management is a safety leader and is actively involved in the safety and health process on an ongoing basis.
 - A process is in place to review health and safety performance, systems and plan as part of the contractor selection process.
 - Each contractor provides an adequate health and safety plan for the required work based on a risk assessment for the scope of work.
 - All pre-qualification checks are complete prior to opening a Purchase Order or the contractor may not be paid for work.
 - The contractor has conducted the appropriate training for their employees prior to starting work.
 - The contractor demonstrates he has sufficient quantities of PPE and specialized (I.e. cold weather) clothing systems to provide for the sustained safe execution of the work.
 - The work is conducted in a safe and responsible manner in compliance with standards and applicable regulations.
 - There is timely, effective reporting,

investigation and review of all incidents.

- Ongoing performance monitoring of the contractor by the Company includes health and safety performance review, evaluation and corrective actions.
- Inspections and audits will be conducted on a scheduled basis throughout the term of the contract.
 - At the close of each contract, health and safety performance will be reviewed and documented by the Company Representative with a copy forwarded to the Contracts Administrator.
 - The Company Representative has the authority and obligation to close down any work that is deemed unsafe to workers or property, or which represents a significant risk to the environment.
 - If applicable by contract, the Company Representative shall be responsible to produce the recommendation for safety performance penalties or bonuses with sufficient backup information and financial approval.
- **HEALTH AND SAFETY PROFESSIONAL**
 - Provide technical assistance in evaluating hazards present or that may be introduced by a contractor.
 - Provide assistance in facilitating risk assessments conducted by the Company Representative and contractor.
 - Assist in reviewing past health and safety performance of bidding contractors.
 - Assist in developing performance improvement plans for contractors who are accepted with conditions.
 - Assists in developing KPI's.

- Review and approve contractor health and safety management plans.
- Review and approve AFE's, capital expenditures and contracts for health and safety aspects.

- **COMMERCIAL REPRESENTATIVE**

- Identify potential contractors or suppliers.
- Prepare and distribute Request for Quote.
- Receives bids and prepares bid evaluation.
- Assists in developing KPI's, deliverables, such as hours worked, lost time injury rate, etc.
- Negotiate and develop contracts.
- Identifies the Company Representative by name and/or position to be included in contract language.
- Ensures all documentation is received and complete prior to signing contract.
- Assists in completing risk assessments.
- Maintains documentation.
- Maintains list of pre-qualified contractors.
- Participates in audits.

- **CONTRACT ORIGINATOR**

- May be the Company Representative.
- Writes scope of work (specifications) to be used in a Request for Quote.
- Assists in evaluating potential contractors.
- Assists in evaluating bids.
- Assists in developing KPI's for contract performance.

- **CONTRACTOR REPRESENTATIVE**

- Responsible for full site performance of the contractor against full requirements of contract.
- Interface with the Company Representative frequently and as required in order to meet contract specifications.

- Ensures contractor employees are adequately trained and training is properly documented.
- Ensures all contractor employees work within the boundaries of the contract.
- Understand the full requirements of the contract.
- Maintains all documentation required.
- Immediately notify the Company of any site regulatory inspection and provide copies of health and/or safety inspection reports within 5 days of receipt.
- Ensure appropriate equipment, materials, protective devices and PPE necessary for protection of workers are provided and properly used and maintained.
- Provide required safety statistical information as required.

7. CONTRACTOR PRE-QUALIFICATION

- Prequalification of a contractor must be performed by the Company to formally evaluate all contractors prior to signing a contract. Qualifications should be reviewed at least annually for changes.
- The final choice of contractor should be based on their technical, commercial and health and safety competence which should include:
 - A good record of health and safety performance that demonstrates continuous improvement over the past 3 years
 - Active program for the management, to the Company standards, of subcontractors which the contractor may employ
 - Demonstration of a health and safety management plan
 - Well-controlled worker's compensation costs (if available)

- Compliance with legislation
- Demonstration of the contractors' senior management commitment to their health and safety program, incident reporting and risk management.
 - The Company check sheets for contractors must be completed by the Company Representative (person requesting services or providing oversight on contract) to identify the potential hazards and risks that may be introduced to contractors and/or to the Company. Once the potential risks are identified, the Commercial Representative and the Company Representative will agree to the level of risk assessment and documentation required from the contractor.
 - The contractor will be notified of required documents prior to submitting a bid. The Company document checklist must be completed by the Company Representative and Commercial Representative during review of the contractor's qualifications before the contract is signed.
 - After review of documents, the Company must provide feedback to the contractor on areas that need improvement. If the contract is awarded with conditions for improvement, a schedule must be established before the contract is signed.
 - Health and safety performance must be considered if early completion bonuses are offered.
 - Contracts awarded for emergency work may result in performing a less stringent pre-qualification step. The Company General Manager or other delegate must approve emergency work **prior** to starting work and develop management plans to ensure work performance is to the Company standards. Pre-qualification can be used to maintain a list of contractors who meet standards for emergency calls.
 - In cases where contractors may not be able to meet

the Company's health and safety criteria, such as because they are small or may be the only contractor available within reason, it is possible to offer conditional acceptance. Conditional acceptance shall have a specific time period and additional requirements or controls appropriate to the level of risk in the work to be performed.

- Contractors who use subcontractors must establish a pre-qualification process for all subcontractors sufficient to meet the Company standards. For significant contracts, managers should visit the contractor's facilities to observe how the business is being operated and to question senior management on their role and attitude to safety.

8. PROCEDURES

- Regardless of the category of contractor (i.e. Low, Moderate or High exposure) the following procedures, at a minimum, must be followed:
- **Contractor safety record.** The contractor must provide details of their safety record as well as the safety record for all subcontractors.
- **Documented safety requirements.** The written contract must include the requirements for adherence to applicable site and regulatory safety standards.
- **Emergency procedures.** Contractors and subcontractors must be trained in site emergency procedures during induction. In addition, contractors and subcontractors shall have written emergency procedures specific to the site given to each worker. Contractors are expected to participate in company drills.
- The Company Representative must provide regular feedback on health and safety performance to the contractor. Deficiencies must be resolved quickly.
- **Fitness for work.** Contractors must ensure that

there is a fitness for work drug and alcohol testing policy and program (where local law permits) that matches or exceeds the site policy and procedure. High altitude work (over 3000 meters) requires pre-work physicals for all contractors.

- **Health and safety plan.** The Site Specific Health and Safety Management Plan submitted shall contain the following elements as a minimum:

- Understanding of and commitment to meeting or exceeding the Company standards
- A risk assessment of the work to be undertaken in the contract planning and subsequent phases
- Specific Health and Safety goals or Key Performance Indicators
- Health and Safety performance reporting procedure
- A plan for communicating all requirements to all sub-contractors
- Employee training plan

- **Pre-bid information.** The Commercial Representative must ensure that contractors have appropriate health and safety requirement information prior to bidding on the work so that the contractor clearly understands requirements and associated costs.

These may include, among others:

- PPE requirements
- Substance abuse screening
- Vehicle safety requirements
- General health and safety rules
- Work permit system
- Health and safety performance reporting requirements
- **Pre-work safety induction.** All personnel working for contractors will be required to complete an appropriate safety induction prior to starting work. The Company staff is responsible for providing a site specific induction and the

contractor is responsible for providing all other training that may be required. For long-term or ongoing contracts, a refresher for all contracted employees will be provided by the contractor at least annually.

- **Property security.** Contractors and subcontractors are responsible for their own security while performing work on site. All site security procedures must be followed.
- **Reporting incidents.** Contractor must report all incidents, injuries and property damage with associated costs to the Company Representative and appropriate regulatory agencies. The Company reporting guidelines must be given to contractors prior to commencing work. Contractors shall investigate and report incidents using the Company and regulatory guidelines. The Company may elect to participate in any contractor investigation at the Company's discretion.
- **Risk assessment.** Processes must be in place to regularly assess health and safety risks. The processes must include a field level or personal risk assessment tool and a formal risk assessment process where appropriate.
- **Shift schedules.** Copies of shift schedules shall be provided by the contractor prior to the start of work. Fatigue management principles must be applied to minimize risks due to inattention and fatigue. A contractor will not be allowed to work schedules that the Company has deemed fatigue inducing.
- **Standard work procedures.** Copies of all appropriate site work procedures and standards will be given to contractors prior to the start of work. The contractor must provide the Company at minimum, copies of Lock-out-tag-out, confined space and scaffolding procedures and standards

where appropriate. Contractors must provide documented safe work procedures for all work unusual to the site (e.g. roofing, shop door installation, hazardous material transportation, etc.) Failure to adhere to standards and safe work procedures can result in termination of the contract. The following topics must be considered at a minimum:

- Permits such as hot work, confined spaces
- Isolation including electrical, hydraulic, compressed air, etc
- Lock out and tag out
- Chemical handling
- Manual handling
- Housekeeping
- Personal protective equipment
- Hand tools
- Cranes and rigging
- Scaffolding and elevated work platforms
- Working at heights
- Equipment guarding
- Excavation and trenching
- Ventilation and gases
- Barricading
- Waste and spill cleanup and disposal
- Emergency procedures
 - **Supervision.** The Company Representative must arrange for monitoring of contractor work processes and procedures to ensure compliance with standards. Special emphasis must be given to equipment and tool maintenance, housekeeping and adherence to work procedures. Larger contracts may require full-time health and safety oversight by the Company personnel in addition to contractor safety management staff.
 - Every contractor must designate a person on site to provide the health and safety direction for the

contractor. On large contracts and projects with more than 50 employees, or for a complex project, the contractor must designate a full-time health and safety representative.

- All training and documentation must be presented to the workforce in their regional or native language. Any person directly supervising work must provide fluent translation in the regional language of all verbal and written health and safety instructions.

9. Long Term Contractors

- Long term contractors provide services on an on-going basis, regardless of the risk level. They may include janitorial services, security, mining operations, tire handling, etc.
- In addition to general requirements and work procedures listed above, long-term contractors must have the following:
 - **Health and Safety committee.** Contractors shall be represented on site health and safety committees and shall also be expected to have an appropriate safety committee structure developed and in place for themselves and their subcontractors. Details of the safety committee structure shall be included in the contract.
 - **Health surveillance.** Contractors shall provide, or participate in the Company's as appropriate, routine health surveillance for potential hazards such as dust, noise and chemicals exposure.
 - **New plant and equipment.** Contractor involvement must be sought when the Company modifications to plant and equipment are being planned which impact the contractor's work.

10. Contract Requirements

- In no event shall a Contractor commence work without a written Contract or Notice to Proceed which includes a health and safety plan and procedures to perform work in compliance with the Company and regulatory agency requirements.
- The contract must make clear that the contractor, not the site representative, retains the authority to hire, fire, discipline, supervise, control, and direct the work of contractor employees, as well as the modify the terms and conditions of their employment.
- The Company retains the right to revoke site access for contractor employees who violate any health and safety standard and/or procedure.

11. Audits

- Audits for health and safety performance shall be conducted on a scheduled basis to ensure the Company standards are being met. Audits shall be conducted by the contractor with the Company participation. Audit documentation shall include performance improvement action plans.