

SHE Non-Compliance in Contracts Managed by CEM

(Version 2)

Date: 1st July 2013

Introduction

CEM (hereinafter referred as Employer) is committed to the overall objective of ZERO ACCIDENTS not only in its own activities but also in those performed by its contractors. As such, CEM requires that contractors fully comply with the prevailing health and safety legislation and best practices, as well as with the specific health and safety contract requirements. In regard of the importance that such compliance has for CEM and to foster contractor's awareness and commitment to the above objective, a set of rules as described hereafter, shall apply to any contract celebrated with CEM if applicable.

Breach of safety obligations

The Contractor in control of the site is responsible for presiding and maintaining safe working and environmental conditions for workers and visitors.

Contractors that deliberately failed to comply with the Health & Safety and Environmental requirements namely personal safety (use of PPE, work safety conditions, installations hygiene/housekeeping, human behavior), installations safety (working installations and working preparations) as well as equipment safety (machine guards, earthed appliances, fire extinguishers) without reasonable justification commit SHE non-compliance and are liable to administrative charges in accordance with the list of SHE non-compliances categories shown below.

For breach of SHE Obligations that resulted to an environmental accident/incident which have impact on third party and/or on the surrounding public areas and/or CEM image, CEM has the right to immediately interrupt the works and to terminate the contract. CEM has also the right to be reimbursed of the total amount required to re-establish the situation, repair the damage and put the equipment in service.

Application of Fines /Penalties

Whenever a breach is observed, the Employer informs the Contractor verbally and in writing of the particular breach and sets a time limit for its rectification.

If the breach is not rectified as requested or, on a second observation of the same kind of breach, the Employer informs the Contractor in writing of the respective fine/penalty applied.

The fine/penalties will be deducted in any moneys due or to become due by the Employer to the Contractor.

Safety Non-Compliance Categories	Penalty
1. Health & Safety	MOP 500 – 5000 or above / Case
2. Civil Construction	MOP 500 – 2000 / Case
3. Engineering / Technical	MOP 500 – 3000 / Case

A detail list of the SHE non-compliance items and the respective amount of penalty / fine is define in below table, “Fines/Penalties for Safety Non-Compliance”.

Explanation of the Different Safety Non-Compliance Categories:

Health & Safety: Related to personal safety, such as use of PPE, work safety conditions, installations hygiene/housekeeping, human behavior.

Civil Construction: Related to installations safety, such as working installations and working preparations (e.g.: scaffolds, safety nets, toe boards, etc.).

Engineering / Technical: Related to equipment safety, such as machine guards, earthed appliances, fire extinguishers.

Use of Collected Fines/Penalties Values

The purpose of applying fines / penalties is to create awareness and, consequently, a safe and healthier work environment. Therefore, the monetary values accumulated shall be applied back into the system in the form of promotional actions such as training, posters, **or** the purchase of elementary personal protective equipment (safety helmet, safety shoes, eye protection, reflective vest, etc.) which are then given directly to the workers/contractor **or** donation to a nonprofit organization in Macau SAR.

Fines / Penalties for SHE Non-Compliance

Item	Non-Compliance	Amount per single incident (MOP \$)	SHE Non-Compliance Category
1	Safety harness not being used properly when working at a level from a height of 2 meters or above.	2000	1
2	Eye protection not being worn when carrying out cutting, welding, drilling and concrete breaking.	500	1
3	Ear protection not being worn when carrying out noisy work within the ear protection zone.	500	1
4	Sub standard working platform in use while working at a level liable falling from a height of 2 meters or above.	2000	2
5	Use of "A" ladder or ladder like as working platform while working at a level liable falling from height of 2 meters or above.	2000	1
6	No protective fencing provided at <i>open edge / working place</i> .	2000	2, 3
7	Protective guarding not in place or not functioning properly for revolving part of the machine.	1000	3
8	Objects falling from a height of 2 meters or above.	3000	1
9	Safety switch or emergency stop device not being provided for or not functioning properly on the bench circular saw or steel-bending machine.	500	3
10	Sub-standard electric appliance in use or installation (including non- weather proof plug and socket, non-industrial wire, non-insulated transformer, wire connection and without earthing).	1000	3
11	Proper respirators not being worn when carrying out work which generates dust or chemical fumes.	500	1
12	Proper fall arrestor devices not provided for lifting operations at open edge.	2000	2, 3
13	Suitable safety helmet or safety shoes or reflective vest not being worn.	500	1
14	Lifting appliance or lifting gear not examined in compliance with statutory requirement before being put in use.	2000	3
15	Safety latch not fixed on hook of crane.	500	1, 3
16	Flash Back Arrestor not in place on oxy-acetylene cylinders or the regulator not functioning properly.	1000	3
17	Oxy-acetylene cylinder in use not secured an upright position or cylinder stored haphazardly.	500	3
18	Rest areas and/or workplaces not tidied up.	500	1
19	Absent from Weekly Inspection or Monthly Safety Meeting.	1000	1
20	Unsafe lifting operation.	1000	1
21	Urinating not in a designated hygiene facility.	2000	1
22	Inflammable material and/or dangerous chemical not	1000	1

Item	Non-Compliance	Amount per single incident (MOP \$)	SHE Non-Compliance Category
	stored properly.		
23	Smoking at designated non-smoking areas.	500	1
24	Drinking of alcoholic beverages.	500	1
25	Failure to correctly signal and protect trenches and crossings.	2000	2
26	Unsafe storage of materials or materials stacked at a height of 2 meters or above.	1000	1
27	Not properly implement entire or part of the project Safety plan	1000	2
28	Not properly implement entire or part of the Fire Safety plan	1000	2
29	Failure of providing proper and safe access and egress.	500	2
30	Making fire on site.	>=500	1
31	Failure of providing and/or displaying valid statutory certificate.	2000	1, 3
32	Destroy and/or damage entire and/or part of safety measure without re-instatement.	>=5000	1
33	Appointment and/or employ unskilled or untrained person to operate mechanical or electrical machinery and/or equipment.	2000	1
34	Failure of providing sufficient and reasonable safety device(s) on plant and machinery that is (are) described in Contract and/or Project Safety Plan and/or Project Manager advice.	3000	3
35	Damage to Fire Fighting Facilities.	>=5000	1
36	Failed Alcohol Breath Test (BrAC > 0.24mg/l)	2000	1
37	<i>Life jacket not being worn when carrying out the works close to the water and/ or on the workboat.</i>	500	1