

SHE Non-Compliance in Contracts Managed by CEM

(Version 4)

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Introduction

CEM 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 current generally applicable health and safety legislation and best practices, as well as with the specific health and safety contract requirements. In regard to 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 wherever 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 everyone on-site.

Contractors that failed to comply with the Safety & Health and Environmental (SHE) 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 are considered committing SHE non-compliance and are liable to administrative charges in accordance with the attached list of "Fines/Penalties for SHE Non-Compliance".

For breach of "CEM Safety, Health, Environment and Quality Requirements & Responsibilities for Services/Materials Suppliers" and/or "Health and Safety Manual for CEM Contractors" that resulted to an accident / incident, regardless of whether causing any damages or injuries, when proven to be attributable to the Contractor, CEM has the right to immediately interrupt or to terminate the contract and to be reimbursed of the total amount required to re-establish the situation, repair the damage and put the equipment in service. Depending on the severity, CEM has the right to apply a penalty between MOP50,000.00 to MOP250,000.00 on the Contractor.

Application of Fines/Penalties

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

At the same time, CEM reserves the right to apply fines/penalties and the Contractor will receive written notification for the respective fines/penalties.

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

Use of Collected Fines/Penalties Values

The purpose of applying fines/penalties is to create awareness and, consequently, a safer 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 nonprofit organizations in Macau SAR.

Fines/Penalties for SHE Non-Compliance

Item	Non-Compliance	Amount per single Incident/Accident (MOP)
1	Not wearing suitable eye protector to avoid projectile and spilled object generated when carrying out work of cutting, welding, drilling, concrete breaking and chemical process	5,000 (per worker)
2	Suitable hearing protector not being worn in environments where the daily equivalent sound level of noise exceeds 85dBA or where instructions for wearing ear protection are posted	5,000 (per worker)
3	Proper respirators not being worn when carrying out work which generates dust or chemical fumes	5,000 (per worker)
4	Not using or using substandard safety shoes, reflective vest or safety helmet, or improperly wear the Y-chin strap of the safety helmet	5,000 (per worker)
5	Not wearing clothes that can identify you as a CEM contractor or wearing a CEM contractor work permit	5,000 (per worker)
6	Suitable life jacket not being worn when carrying out the works close to the water and/ or on the workboat	7,500 (per worker)
7	Safety harness not being used properly or not used when working at a level liable to fall from a height of 2 meters or above	10,000 (per worker)
8	Failure to wear appropriate personal flame-retardant clothing or pants when performing live work, or failure to wear appropriate personal protective equipment such as a live-work helmet with a face shield	15,000 (per worker)
9	Not using or using substandard Personal Protection Equipment while performing specific work or live work	5,000 (per worker)
10	When there is a risk of falling at a height of 2 meters or above, use an "A" ladder or ladder similar to an "A" ladder as a working platform, or use a substandard working platform/scaffolding	10,000
11	Use of "A" wooden ladder which is prohibited in CEM	10,000

Item	Non-Compliance	Amount per single Incident/Accident (MOP)
12	No protective fencing provided at open edge of working place	15,000
13	Failure to correctly place traffic signage and protect trenches and provide crossings, etc. according to statutory requirement	7,500
14	Failure to provide proper and safe access/exit	7,500
15	Failure to provide sufficient and reasonable collective protection on site according to the Project Safety Plan and/or Project Manager advice	15,000
16	While the collective protection is infeasible, the contractor hasn't provided the suitable PPE to the workers	15,000
17	Protective guarding not in place or not functioning properly for revolving part of the machine	12,500
18	Safety switch or emergency stop device not being provided or not functioning properly on the bench circular saw or steel-bending machine or other machine tools	12,500
19	Failure to provide 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	30,000
20	Lifting appliance or lifting gear not examined in compliance with statutory requirement before being put in use, or the other lifting gears found in abnormal state or haven't been checked regularly	12,500
21	Safety latch is missing, not fixated or malfunctioned on a hook of crane	12,500
22	Violate the safety of lifting operation or adopt incompetent operator / rigger during lifting operation	7,500
23	Substandard electric appliance in use or installed (including but not limited to the following: non-weatherproof plug and socket, non-industrial wire, non-insulated transformer / wire connection, and without earthing)	15,000
24	When performing live work, failure to use appropriate or good live work equipment or failure to isolate the surrounding environment	50,000

Item	Non-Compliance	Amount per single Incident/Accident (MOP)
25	Flash Back Arrestor not in place on oxy-acetylene cylinders or the regulator not functioning properly, or the hose with crack	15,000
26	Oxy-acetylene cylinder in use not secured in an upright position or cylinder stored haphazardly or exposed to direct sunshine	15,000
27	Flammables / combustibles not removed from a distance of ten meters from the Hot Work point or insufficient fire prevention / Hot Work Permit taken in the Hot work process	15,000
28	Having no fire watcher or valid statutory labelled fire extinguisher provided under the hot work permit	15,000
29	Entry of the confined space without prior risk assessment and/or implementing sufficient safety control measures	10,000
30	Having no watchman assigned to guard at the entrances of or allowing incompetent entrant assigned into a confined space	12,500
31	Occupancy of the public road or parking spaces after traffic license expires	30,000
32	Occupancy of the public road or parking spaces without traffic license	30,000
33	Construction area of public road exceeds the permitted area stated in the traffic license	20,000
34	Insufficient or inappropriate temporary traffic signs or measures	15,000
35	Traffic signs or hot sols were not restored within the deadline of the traffic license after work completion	20,000
36	Traffic signs or hot sols were wrongly restored after work completion	15,000
37	Improper site restoration after work completion, including removal of fences and all necessary equipment	20,000

Item	Non-Compliance	Amount per single Incident/Accident (MOP)
38	The excavation area of public road exceeds the permitted area stated in statutory license	20,000
39	Materials are improperly stored or stacked at a height of 2 meters or above with falling risk	15,000
40	The materials or consumables on site not being fenced properly or potentially creating hazards to the others	7,500
41	Disposing of construction waste, chemicals, oil, or sewage at CEM working sites	5,000
42	Inflammable liquid and/or dangerous chemical not stored properly or a secondary container not provided while in use	10,000
43	Smoking at designated non-smoking areas	3,000
44	Causing fire on site	30,000
45	Destroy and/or damage any of the fire-fighting or safety facilities	30,000
46	Failed Alcohol Breath Test (BrAC exceeding 0.24mg/l)	2,000
47	Breach of traffic rules / control at CEM premises or at work site under the management of CEM	1,500
48	Project notice not being posted in the prominent area on site, showing the information of the relevant personnel-in-charge and safety personnel	10,000
49	Excretion not in a designated hygiene facility	2,500
50	First aid kit not available or the contents of the first aid kit are insufficient or unhygienic	7,500

Item	Non-Compliance	Amount per single Incident/Accident (MOP)
51	Absence from Weekly Inspection or Monthly Safety Meeting	10,000
52	Not properly implementing entire or part of the Project Safety Plan and risk control measures	15,000
53	Not properly implementing entire or part of the Fire Safety Plan	15,000
54	Failure to provide and/or display valid statutory certificate	10,000
55	Appointing and/or employing unskilled or untrained person to operate mechanical or electrical machinery and/or equipment	15,000
56	Based on the quantity of workers on site, having insufficient safety personnel assigned as required by the Macau Government	15,000 (per person per day)
57	Breach of "CEM Safety, Health, Environment and Quality Requirements & Responsibilities for Services/Materials Suppliers" and/or "Health and Safety Manual for CEM Contractors" requirement	50,000 – 250,000
Note	1. The penalty shall be doubled if the violation causes or contributes to the injury of workers or others.	
	2. For any violations not listed in this document, CEM can refer to the corresponding laws and regulations of the Macau Government for corresponding penalties.	