

THE PROCEDURE IN WHICH PENALTIES FOR NON-COMPLIANCE WITH OCCUPATIONAL SAFETY, FIRE SAFETY, ELECTRICAL SAFETY, ENVIRONMENTAL AND WORK ORDER REQUIREMENTS ARE DETERMINED

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1. For non-compliance with occupational safety, fire safety, electrical safety, environmental and/or work order requirements SCHWENK Latvija SIA (hereinafter – SCHWENK) has the right to withhold a penalty from cooperation partner (hereinafter – Contractor).
2. The penalty shall be calculated for each individual violation committed and for each natural person who committed the violation.
3. The penalty shall be calculated for cases that are documented (in writing (e.g., reports, testimonies) or visual (e.g., photos, videos)).
4. The penalty shall also be calculated for violations committed by subcontractors engaged by the Contractor.
5. SCHWENK's responsible employees assess the nature, circumstances, impact and attitude of the offender, and may change the amount of the penalty, reducing it (but no more than 50%).
6. The Contractor's representatives, employees and representatives and employees of subcontractors engaged by the Contractor who committed violations (hereinafter in the description of the violations, any of the aforementioned - employee) receive individual disciplinary penalties in accordance with the "Subcontractor Disciplinary Assessment Card" (appendix No.1).
7. If SCHWENK incurs losses as a result of non-compliance with occupational safety, fire safety, electrical safety, environmental and/or work order requirements, these losses shall be calculated and recovered from the Contractor separately.

No.	Description of violations	Contractual penalties, EUR
1.	Failure to comply with the access control regime.	100.00
2.	Failure to use or incorrect use of personal (PPE) or collective protective equipment or failure to provide employees with appropriate PPE.	100.00
3.	Failure to comply with epidemiological safety requirements established by the state or the company.	100.00
4.	Failure to comply with hygiene requirements, including failure to use or improper use of sanitary facilities.	100.00
5.	The employer has not sent the employee to SCHWENK occupational safety training before starting work or to refresher training if the training has expired.	200.00
6.	Failure to comply with occupational safety, electrical safety and work procedure requirements.	200.00
7.	The employer has not provided employee instruction, training, risk assessment or fulfilled other requirements specified in occupational safety regulations.	200.00
8.	Performing work that has not been agreed with a representative of SCHWENK (e.g., project manager, structural unit manager) or work that is not provided for in the project plan.	200.00
9.	The employee has not undergone the mandatory health check.	200.00



10.	Use of damaged, untested or unsuitable work equipment.	200.00
11.	Failure to register or inaccurate registration in the "Subcontractor Registration Logs", failure to register in the fingerprint scanning device, where installed, before and after performing work.	200.00
12.	The Contractor is unable to present the requested occupational safety documents within 48 hours.	200.00
13.	The employee does not have the certificate or licence required for the job, including a driver's licence or mobile equipment operator's licence.	300.00
14.	Failure to comply with SCHWENK's occupational safety measures in a timely manner.	300.00
15.	Failure to immediately report injuries, incidents, accidents, or emergencies that have occurred during work.	300.00
16.	Performing work without the necessary permits or authorizations or without complying with the safety requirements specified therein.	300.00
17.	Photographing and filming without the permission of a SCHWENK representative (except in cases of recording incidents, occupational safety violations, etc.), publishing the recorded material without the written permission of a SCHWENK representative.	250.00
18.	Damage to SCHWENK's reputation, e.g. publication or disclosure of false, distorted, uncoordinated and incomplete information.	500.00
19.	Physical and moral harassment of other employees, e.g. fighting, hitting, sexual harassment, rude and inappropriate behaviour.	500.00
20.	Arrival at work (including training) or presence at the workplace under the influence of drugs and/or toxic substances, or refusal to undergo testing.	500.00
20.1.	Employee arriving at work (including training) or being at the workplace with an alcohol concentration of 0.01-0.5 per mille.	500.00
20.2.	Employee arriving at work (including training) or being at the workplace with an alcohol concentration above 0.5 per mille.	1000.00
21.	Failure to comply with fire safety requirements: smoking in prohibited areas (including smoking electronic devices), performing fire-hazardous work without authorization or in violation of the safety requirements specified in the authorization.	500.00
22.	Failure to comply with equipment blocking (LOTOTO) procedure requirements.	100.00
23.	Failure to comply with occupational safety requirements when performing high-risk work.	100.00
24.	Failure to comply with environmental protection requirements or causing environmental incidents:	100.00

	<ul style="list-style-type: none"> - waste management violations in the territory (not sorted by groups or incorrectly sorted, littering of the territory); - management of chemical substances not in accordance with regulatory requirements (labelling, packaging, storage, safety data sheets); - leakage of hazardous chemicals into the environment (e.g., oil or fuel from machinery) resulting from inappropriate, damaged equipment or employee misconduct; - environmental (air) pollution (dust emissions) caused by the use of inappropriate equipment or as a result of equipment failure caused by inappropriate, damaged equipment or employee negligence; - washing and/or cleaning of vehicles or machinery in an unauthorized place and manner (except for washing car windows); - failure to report environmental incidents. 	
25.	Use of hazardous equipment that does not comply with the requirements set out in regulatory enactments or improper use of hazardous equipment.	1000.00
26.	Violation of traffic rules on SCHWENK territory or on assignment. The amount of the fine is determined in accordance with the regulatory acts of the Republic of Latvia.	
27.	Theft on SCHWENK territory (from the company, an employee, a subcontractor, etc.). The amount of the fine will be determined as a result of an investigation.	

Approved by:

Member of the Management Board Linda Šedlere

Member of the Management Board Evita Goša

THIS DOCUMENT IS SIGNED WITH SECURE ELECTRONIC SIGNATURES AND CONTAINS TIME STAMPS

Appendix No. 1.
to the Procedure in which Penalties for Non-Compliance with
Occupational Safety, Fire Safety, Electrical Safety, Environmental and
Work Order Requirements are Determined

Subcontractor Disciplinary Assessment Card

1. The requirements of this document apply to subcontractor employees/representatives who have committed violations of occupational safety, fire safety, electrical safety, environmental and/or work order regulations.
2. The specified penalties apply to individuals who have committed individual violations, and the relevant register is maintained by SCHWENK's Integrated Safety Department.

List of violations	Number of violations / Applicable disciplinary penalty*		
I. Violations	1st violation	2nd violation	3rd violation within 6 months
1. Failure to use personal (PPE) or collective protective equipment in designated areas, or incorrect use, or use of unsuitable and damaged/unsuitable PPE.	Registered warning (in the digital accounting system) – valid for 6 months	Registered warning (in the digital recording system) – valid for 6 months	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 12 months
2. Failure to report equipment damage, dangerous situations, risks or near misses, as well as other persons' failure to comply with applicable regulations and/or SCHWENK occupational safety, fire safety, electrical safety, environmental and/or work procedure requirements.			
3. Failure to comply with work and environmental protection instructions, rules, procedures and orders.			
4. Failure to comply with the written and verbal orders and instructions of the immediate supervisor, SCHWENK contact person or occupational safety specialist, responsible person and/or security guard.			
5. Violations of waste management rules in the territory of SCHWENK (failure to sort waste into groups or incorrect sorting, littering).			
6. Washing and/or cleaning of vehicles or equipment in an unauthorised place and manner.			
7. Failure to comply with hygiene requirements, including failure to use or improper use of sanitary facilities.			
II. Significant violations	1st violation	2nd violation within 6 months	3rd violation within 9 months
1. Use of work equipment without the appropriate permit, qualification and rights (where necessary). Use of damaged, untested or unsuitable work equipment.	Registered warning (in the digital accounting system) – valid for 6 months	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 3 months	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 12 months
2. Failure to comply with work safety instructions, rules or orders, which may result in serious consequences or damage to health.			
3. Disengaging the safety lock and/or starting up the machine when protective elements (e.g. fences, barriers, covers, etc.) are not in place.			
4. Performing work that has not been agreed with a representative of SCHWENK or work that is not specified in the project.			
5. Violation of road traffic regulations (when driving any vehicle in the territories or on behalf of SCHWENK).			
6. Leakage of hazardous chemicals into the environment (e.g., oil or fuel from machinery) as a result			

List of violations	Number of violations / Applicable disciplinary penalty*		
of inappropriate, damaged equipment or culpable actions by employees.			
7. Environmental (air) pollution (emission of gases, volatile substances, dust) caused by unsuitable or damaged equipment or employee negligence.			
8. Failure to report an environmental incident.			
III. Critical violations	1st violation	2nd violation within 6 months	3rd violation within 12 months
1. Failure to use or improper use of personal protective equipment when performing high-risk work.	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 1 month	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 6 months	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 18 months
2. Failure to comply with equipment locking (LOTOTO procedures) requirements.			
3. Causing an incident by violating occupational safety requirements.			
4. Failure to comply with access control and established safety measures, careless handling or damage to safety and occupational safety equipment, including firefighting, security, electrical installations, etc.			
5. Physical and moral harassment of other employees, e.g., fighting, hitting, sexual harassment, rude or inappropriate behaviour.			
6. Culpable conduct that could result in and/or has resulted in losses for SCHWENK or its employees.			
7. The employee does not have the certificate or license required for the job, including a driver's license or mobile equipment operator's license.			
8. Failure to immediately report injuries, incidents, accidents, or mishaps that have occurred during work.			
9. Photography and filming, publication of recorded material without the permission of a SCHWENK representative.			
10. Violation of road traffic regulation, which may lead to serious injuries and/or damage to the vehicle (when driving any vehicle in the territories or on behalf of SCHWENK).			
11. Performing work without the necessary permits, assignments and/or inspections.			
12. Damage to SCHWENK's reputation, e.g. publication or disclosure of false, distorted, uncoordinated and incomplete information.			
IV. Unacceptable violations	1st violation	Repeated violation	
1. Consumption of alcohol at the workplace, being or arriving at the workplace under the influence of alcohol:			
Alcohol detected in breath 0.01-0.5 per mille	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 12 months	Indefinite suspension from work at SCHWENK (in the territories or on behalf of SCHWENK)	
Alcohol detected in breath 0.5-1.0 per mille	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 18 months		
Alcohol detected in breath 1.0-1.5 per mille	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 24 months		
Alcohol detected in breath 1.5-2.0 per mille	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 48 months		

List of violations	Number of violations / Applicable disciplinary penalty*	
Alcohol detected in breath >2.0 per mille	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 60 months	
2. Failure to comply with fire safety requirements: smoking in prohibited areas (including smoking electronic devices), performing fire-hazardous work without authorization or in violation of the requirements specified in the authorization.	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 12 months	
3. Failure to comply with epidemiological safety requirements.		
4. The presence of unacceptable medications, narcotic or toxic substances in the body, as determined by an expert examination.	Suspension from work at SCHWENK (in the territories or on behalf of SCHWENK) for 48 months	
5. Refusal to undergo tests to determine the presence of illegal drugs, alcohol, narcotics, or toxic substances in the body.		
6. Theft or other unlawful acts against SCHWENK property or employees.	Indefinite suspension from work at SCHWENK (in the territories or on behalf of SCHWENK)	

* After assessing the circumstances and nature of the violation, SCHWENK has the right to change the amount of the penalty.