

BEFESA

Our Safety, Health, Environmental and Quality Policy



In Befesa safety, health,
environment and quality are
integral part of the
way we do business.

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Our main mission is to achieve business excellence and for that reason we focus all our efforts in achieving excellence also in our operations. This level can only be achieved by making Safety, Health, Environment and Quality management an inseparable and integral part of the way we do business in all its areas of operation and activities.

Making SHEQ an integral part of business decisions contributes to satisfy the needs of our stakeholders: customers, employees, community and shareholders while strengthening our core values.



Vision

We are committed to continuous improvement of our SHEQ performance and we are convinced that this is the only way towards achieving operational excellence.

Our goal is to achieve and maintain Befesa as a world reference company in safety, health, environment and quality.

Our aspiration is to be a World Reference Organization in Safety, Health, Environment and Quality performance and management.

We believe that continuous improvement is the only way to achieve operational excellence.

Every day we will challenge ourselves to do something better than the day before.

To achieve this vision of excellence we will:

- 👉 Benchmark against best practices
- 👉 Measure performance of leading and lagging indicators
- 👉 Set ambitious targets
- 👉 Involve everybody



Principles

1. Management, from top direction to all line management, leads by example, is committed and accountable for Safety, Health, Environment and Quality.

This includes everyone from company executives to first line supervisors.

At Befesa we believe that Safety, Health, Environment and Quality is responsibility of all those who form part of the line of people in charge, because they must accept the responsibility of taking care and developing the most valuable asset of the company: its people.

If the leaders do not visibly change, nothing will. In this sense, the visible attitude of responsibility of the leaders of the company is the model to be followed by everybody in the organization. With their individual actions they demonstrate that shortcuts and unsafe behaviours are not acceptable.

It is essential that managers are seen to support, lead and sponsor safety,

health, environment and quality initiatives in a consistent way since this is a foundation stone for people's engagement.

The performance of health and Safety is included in the people's assessments and influences decision regarding internal promotion and professional careers.

All levels of management from top direction and down must be available and be motors of Health and Safety, welcoming all proposals for improvement so that they are analysed studied and answered, leading Safety, Health, Environment and Quality committees, audits or being the first facilitator and defender of resources needed for SHEQ purposes.

2. Our belief is that all accidents can and must be prevented and for that reason we aspire to ZERO accidents to our people, either internal or contractors.

We do everything in our hands, according to industry best practices, to prevent accidents and incidents.

We do not consider accidents and occupational illnesses to be a normal part of our activities and we make continuous efforts to eliminate them.

In the same manner we believe that incidents causing damage to environment or generating non quality can and must be prevented.

Our conviction is that ZERO accidents are possible and for that reason we will put our best continuous effort to move towards this goal.

Negating that ZERO accidents is possible is not acceptable for us, since this would represent that, in some cases, it would be accepted to do nothing as result of a serious incident or injury.

To move towards this goal, we implement a comprehensive Safety, Health, Environmental and Quality management system that includes risk and environmental impacts assessments, Preventive Safety Observations, customer satisfaction and hazard identification to prevent injuries, illnesses and losses.

3. We never put the production or economic benefit before people's safety or health.

Every employee is empowered to stop any work or process, in a responsible and constructive manner, if it is unsafe or unhealthy. For some this may represent a cultural barrier for such an action but we believe that, using that principle in a fully responsible, honest and serious manner, will reduce dramatically accidents and incidents and will reinforce employee commitment to work safely without shortcuts and unsafe behaviours.

Good Safety, Health, Environment and Quality are a good business and have a positive impact on employees. Engaging people in their improvement will have a positive impact on business results.

Preventing injuries and illnesses creates a competitive advantage by

having the most valuable resource, our people, at work. All resources are jeopardized by workplace accidents, because it results in production losses and downtime for investigations. The costs of accidents and incidents undermine our competitiveness.

Putting the immediate or short term economic result ahead of health and safety will jeopardize the long term profitability and viability of the company and that is one of the reasons why this approach is not acceptable in Befesa.

In the same manner we will not put production or economic benefit before environmental care and we will put maximum effort in operating according to environmental requirements and best practices.



4.

Accidents and incidents must be notified and investigated as basis for continuous improvement.

It is our responsibility as managers, in the entire chain of command, to prevent accidents, occupational illnesses and incidents. For that reason, we report them, investigate them in a constructive manner looking for solutions that will allow that these events do not repeat.

We train people, develop and maintain rigorous procedures for investigating and reporting accidents and incidents in such an effective way, that we identify the root cause of problems, so we can prevent them.

Actions committed for accident and incident prevention during the investigation process are followed up by line management who is

accountable of ensuring they are completed on time.

Sharing knowledge about lessons learned from accidents and incidents will help Befesa to protect its people, to prevent losses, prevent damages to the environment and ensure quality consistency. This is one of the essential improvement tools.

Involvement in the notification, investigation process and communication of the conclusions of all levels of the organization is part of our way of management SHE&Q since this promotes operational excellence and engagement of the entire organization.

5.

It is necessary to thoroughly train all employees to work safely.

Safety and environment protection are not something that we are born with, they are something that we learn through personal exposure, study and acquiring experiences of others and, for that reason, a good safety and environment culture is established over a strong, consistent and well managed training program.

All employees and contractors must have the necessary training, skills and tools as a pre-requisite to do the work safely and respecting environment. Employees need to

show a willingness to be trained and to apply the acquired knowledge and skills. With the right training, each person can perform independent risks assessments.

Employees must know how to keep themselves and those around them safe.

Training process must include periodic refreshment and capability evaluation to ensure its effectiveness, and that people have the skills and knowledge to do the work.



Involvement and engagement of all people by fostering dialogue and participation are essential.






Everyone must be involved in a meaningful way, on a daily basis, to support injury, illnesses prevention, environmental care and non-quality losses. Through constant exposure to safe practices, people will develop habits and behaviour that ensure each task is safe.

Engaged and empowered employees and contractors will choose to work

safely. They also feel comfortable to contribute their ideas for safety, health, environment and quality improvement.

Involvement and recognition of the employee and contractors (people, companies and management) will promote good safety, health, environment and quality results.

Active participation on day to day safety and health activities like:

-  Improvement Working groups.
-  Safety observations.
-  Incidents evaluation and investigation.
-  Procedures / Working Instruction development and upgrade.
-  Report unsafe situations.

and others is not only the best tool to engage employees and contractors in the Safety and Health goal of ZERO accidents but also in developing their skills and habits to work safely.

In the same manner, proactive participation of employees on environmental education, audits, investigations and parameters

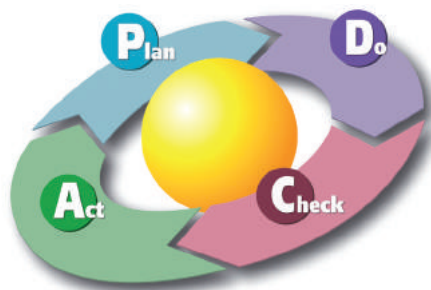
control is the best manner to prevent environmental incidents and damage and to develop their skills on that area.

In addition, Quality cannot be achieved if it is not through involvement of the entire team who participated in the manufacturing process.

7.

All process conditions can and must be controlled.

It means that all our manufacturing operations and activities, should be defined, identified, measured and controlled in a continuous way by internal and external auditors. Deviations must be raised openly with the intent of understanding their causes and correcting them under a Plan, Do, Check and Act cycle.



This principle is a corollary to the first principle that all injuries can be prevented. It holds that all industrial processes that we operate, can be controlled in a way that they

are safe, health of people is not damaged, environment will not be compromised, they can be started up and shutdown safely and their risks are mitigated and controlled.

8.

Safety is a condition of career and employment.

By making safe work practices a condition of employment, we foster the importance of safety and health in the workplace.

All employees assume that Befesa has a real commitment with Safety, Health, Environment and Quality. In this way to work in Befesa, to get promoted and develop a career path, you have to demonstrate that you have the will and knowledge to work safely.


Working Safely is a right that all employees have and it is also an obligation. These two concepts: right and obligation are tied together since accepting somebody with persistent unsafe attitudes in the organization would jeopardize the safety of others

and the entire company.

Everyone must be aware of the risks involved with their work. Encourage each person to think through their tasks and to take steps to identify and eliminate any risks.

Upon arriving at work, and while at work, employees must be in a condition that will allow them to work safely.





9. We have constructive ZERO tolerance against unsafe behaviour.

All of us, Befesa managers and employees, demonstrate consistently in all occasions a relentless passion for safety and protecting people from injury, so that they intervene immediately in case an unsafe act is detected in order to correct it.

We take actions when unsafe behaviours or unsafe conditions are observed, to look for understanding of the risks by the people doing them, since this increases motivation to behave safely. Our intent is to convince and not to bend.

Every employee can and must stop an unsafe behaviour, especially when it affects one of the lifesaving rules.

When a work is stopped for safety reasons, immediate focus should be on understanding why it was unsafe and what can be done to get it to a safe level. No work will be re-started until is safe.

Reasons for the rules and procedures that define safe acts and consequences for not following them will be made clear to enforce engagement in a constructive manner.

Employees repeating unsafe behaviours and demonstrating no will to change their attitude are not welcome into our team.

10. Audits, inspections and observations must be conducted with employee's participation.

Management must audit performance in the workplace to assess safety, health, environment and quality program success. Comprehensive inspection of facilities and programs are useful not only to confirm the effectiveness in achieving the desired performance but also detect the problems, their root causes and thus being able to implement definitive solutions that allow the organization to move in continuous improvement mode.

All plant managers and their staff conduct regular internal plant audits

and safety observations to assess whether work is done safely and put effective plans to correct unsafe acts and conditions.

We are convinced that involving employees in inspections, audits and safety observations will allow to assess the real state of implementation of the safety, health, environmental and quality program and will allow each individual expertise and commitment to be developed.

11. We ensure compliance with legal requirements and best industry practices.

We believe in best practices as the most efficient way to manage the company and from this point of view, regulations establish the frame of reference considered essential by community to operate the business, so we embrace them.

Being an example, as a company, and in front of the workers, in the compliance with regulatory requirements in Health, Safety and Environmental matters is a factor of

its competitiveness and sustainability.

Compliance with all applicable local and general legislation is a duty and requirement for all members of the Befesa organization. From this point of view, we must ensure the best conditions of work through the proper equipment, procedures, PPE (Personal Protective Equipment) and operations. Only this way we will establish the best quality of work.

12. We develop, review and maintain an integrated management system for Safety, Health, Environment, Quality and energy management according to norms and recognized international standards.

Safety, Health, Environment and Quality must be an integral part of doing business, either on managing assets, production, projects, administration or R&D. It must be reassessed periodically and when changes occur.

Excellence in SHE&Q it is not only a question of attitude, will and values, it requires also a developed methodology on top of the previous points, so that we follow recognized international standards for this management and we certify all our units according to them.



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Be Safe

Our goal and duty is ZERO