



HEALTH, SAFETY AND ENVIRONMENTAL ESSENTIAL TERMS



INDEX

1	Scope	3
2	Recitals.....	3
3	Definitions and acronyms.....	3
4	Language	6
5	General obligation on occupational law, health, safety and environment.....	7
6	Hazardous Substances.....	8
7	Protection of the environment	8
8	Consequences of breaches regarding Health, Safety and Environmental requirements.....	8



1 SCOPE

1.1 These Health, Safety and Environmental Essential Terms First Edition (the “HSE Essential Terms”) govern the Parties obligations in connection with health, safety and environment matters in the relationship between Enel and its Contractors¹.

2 RECITALS

2.1 This document provides Contractor’s obligations concerning significant health, safety and environmental aspects that the Contractor shall and shall cause its Subcontractors to comply with during performance of scope of Contract.

2.2 The obligations reported in this document shall be considered as contract conditions and if these conditions are not met by Contractors and/or its Subcontractors, consequences as per Section 8 herein are applied by ENEL to Contractors.

2.3 Contractor shall use and cause its Subcontractors to use this information to develop suitable and sufficient Health, Safety and Environmental documentation, identifying the Health, Safety and Environmental measures to be implemented during the contractual activities performance and defining the relevant costs, maintaining a safe and neat facility, promoting best practice in Health, Safety and Environmental management. Every requirement included in this document must be implemented when the specific hazard exists.

2.4 In ENEL, no work can be done compromising Health, Safety and/or Environment. For this reason, as established in the Stop Work Policy, any risk situation or unsafe behaviour will determine the suspension of work and the restoration of Health, Safety and/or environmental conditions.

2.5 ENEL is strongly and constantly engaged in promoting and consolidating a culture of health, safety and environment protection. Such commitment is further detailed in the “Declaration of Commitment to Health and Safety”, “Stop Work Policy” and “Environmental Policy” that can be found at the following addresses:

<http://globalprocurement.enel.com>, in the section “Other Useful Documents” and
<https://globalprocurement.enel.com/documents/health-and-safety-documents> and
<https://corporate.enel.it/en/company/policy-environmental-enel>

3 DEFINITIONS AND ACRONYMS

“Accident”: means the Incident that has given rise to injury, with absence from work of at least one day², excluding the one of the occurrence.

“Affiliates”: mean, with respect to any legal entity, any legal entity directly or indirectly controlling, controlled by or under common Control with, such other legal entity, but such legal entity shall be deemed to be an Affiliate only so long as such control exists. Control, with respect to any legal entity, means the possession, directly or indirectly, of the power to direct or cause the direction of management and/or policies of such legal entity, whether (i) through the ownership of voting securities entitling to the right to elect or appoint, directly or indirectly, the majority of the board of directors, or a similar managing authority, (ii) by contract or (iii) otherwise.

“Complex Work”: means a work activity involving (or performed by) more than one party (ENEL/Contractor) - which may or may not work simultaneously at the Work Site - or more than one working group of a single party (ENEL/Contractor), depending on the HS Plan and/or Environmental Plan risk assessment and according to the following (indicative and non-exhaustive):

- o High number of Personnel at the Work Site,
- o complexity of involved installations and/or construction sites,
- o proximity of third parties within the Work Site.
- o other projects on the vicinity areas that could be impacted by the works

“Contract”: means the contract entered into between a Contractor and ENEL to which these HSE Essential Terms are attached.

¹ HSE Essential Terms is applicable only to Contracts without any Complex Work or operative activity, other than loading/unloading and/or supervision activities (to erection, to commissioning, site surveys), at ENEL Work Sites or Third Parties Work Sites

² In Countries where local regulation requires that the prognosis shall be defined only the day after the accident, the absence from work is counted starting since the day the prognosis was released, excluding the day of the event (e.g. if the event happens on day 1 and prognosis is defined on day 2, with return to work on day 3, the event is classified as medication and not as Accident).



“Contractor”: means natural or legal person or groups of the latter with whom ENEL signs Contracts for services and/or supplies.

‘Electrical and Electronic Equipment’ or ‘EEE’ means, unless otherwise specified by the applicable Law, an equipment which is dependent on electric currents or electromagnetic fields in order to work properly and equipment for the generation, transfer and measurement of such currents and fields and designed for use with a voltage rating not exceeding 1 000 volts for alternating current and 1 500 volts for direct current;

“ENEL”: means the particular entity (whether Enel S.p.A. directly or one of its Affiliates) that is a party to the Contract signed with the Contractor.

“Environmental Event”: means the occurrence or the modification of a particular set of circumstances which has caused or could have caused an impact on the environment and / or on organization due to environmental problems “Equipment”: means any assembly of items intended to be used by Personnel with the aim of executing a specific work activity.

“Government Authority”: means any national, federal, state, local, municipal or other governmental, regulatory body, administrative, judicial, public or statutory instrumentality, court or governmental tribunal, agency, commission, authority, body or entity, or any political subdivision thereof, other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union).

“Hazard”: means a source with a potential to cause Injury, Ill Health and Environmental Event. Hazards can include sources with the potential to cause harm or hazardous situations, or circumstances with the potential for exposure leading to Injury, Ill Health and Environmental Event.

“Hazardous Substances”: means any and all substances now or at any time subject to regulation, control, trade restrictions, remediation or otherwise addressed under applicable Law, including Laws relating to the discharge, emission, spill, release, or threatened release into the environment or relating to the disposal (or arranging for the disposal), distribution, manufacture, processing, storage, treatment, transport, or other use of such substances. Hazardous Substances include, but are not limited to, chemicals, constituents, contaminants, pollutants, materials, wastes, any other carcinogenic, corrosive, ignitable, radioactive, reactive, toxic or otherwise hazardous substances or mixtures - whether solids, liquids, gases. Hazardous Substances can cause Injury or Ill Health. “HSE”: means Health, Safety and Environment.

“HSE Requirements”: means documents and/or requirements (relevant to HSE) that complements this HSE Essential Terms and contains project specific HSE obligations, generally included in ENEL Technical Specifications and/or in a document that details Particular Conditions which is an annex to the Contract.

HSE Essential Terms: General Terms and Condition relevant to HSE, as specified in Par.1 of this document.

“Incident”: means an unplanned and undesired event in which an injury or ill health occurred or could have occurred. Furthermore, Incidents are classified as follows:

- o Accident
- o First Aid
- o Near Miss.

“Injury and Ill Health”: means an adverse effect on the physical, mental or cognitive condition of a person. These adverse effects include occupational disease, illness and death. The term “injury and ill health” implies the presence of injury or ill health, either on their own or in combination.

“Law”: means all legislation, statutes, ordinances, codes, rules, orders, decrees, judgments, injunctions, permits, licences, authorizations of any legally constituted Governmental Authority, as the same may be amended, modified or repealed.

“Minor Accident”: an Accident due to clumsy behaviour in simple acts of the injured person and with slight consequences to the injured person.

“Parties”: means jointly ENEL and Contractor/Subcontractors.

“Personnel”: means any individual performing activities related to the Contract that are under the control of the Contractor or of a Subcontractor regardless of the particular legal arrangement for such activities (i.e. whether employees, individuals working as independent contractors, agents, representatives etc.).

“Relevant Accident”: means all other Accidents different from Minor.

“Relevant Accident”: Accident with severe damage to the injured person and/or with industrial relevance in terms of damage potential. It means all other Accidents different from Minor. Within Relevant Accidents are included **Fatal (FAT ACC)**, **Life Changing (LC ACC)**, **High Potential (HPO ACC)**, and **Other Relevant Accidents (REL ACC)**:

- o **Life Changing (LC ACC) Accident**
 - o A Relevant accident whose consequences change the life of a person.
 - o A Life Changing injury causes a permanent damage which substantially interferes with one's activities of daily life. Generally, are injuries that result in long-term medical problems, permanent disability, shortened life expectancy, and anything that is life altering for the injured person.



- For first classification purposes any accident causing damages described in Table 1 shall be classified as *Life Changing*. It should be noted that Table 1 is not exhaustive and that specific evaluations have to be done case by case according to the description provided above.

○ **TABLE 1 – examples of Life Changing damages**

Injury	Example of damage
Spinal and back damage	<ul style="list-style-type: none"> • Reduction of mobility • Permanent reduction of sensitivity
Paralysis	<ul style="list-style-type: none"> • Any degree of paralysis
Amputations	<ul style="list-style-type: none"> • Limb loss • Loss of a hand / foot
Serious burns	<ul style="list-style-type: none"> • Second- and third-degree burns with permanent consequences on the normal function of organs or the appearance of the injured person (social impact on the person's life)
Permanent loss or reduction of one of the senses	<ul style="list-style-type: none"> • Sight loss/reduction • Hearing loss/reduction • Other sense loss/reduction
Brain and head injury	<ul style="list-style-type: none"> • Permanent cognitive, memory or mobility problems • Deformation, or the permanent face scarring
Permanent damages to internal organs	Any permanent damages to internal organs

- **Fatal Accident (FAT ACC):** A relevant accident that has caused the death of a person³.
- **High Potential Accidents (HPO ACC):** a Relevant Accident whose dynamic could have resulted in a Life Changing Accident or in a Fatal Accident.
- **Other Relevant Accident (REL ACC):** All Relevant accidents not classifiable as Fatal Accidents, Life Changing Accident or High Potential Accidents.

A Safety Incident and Safety Observation is classified as High Potential if its dynamic could have resulted in a Life Changing Accidents or in a Fatal accident.

HSE included in Table 2 has to be considered as High Potential. Table 2 is not to be considered either exhaustive or sufficient in itself: a specific assessment shall be made on a case-by-case basis.

○ **TABLE 2 – Examples of dynamics for HPO Safety Incidents and Observations**

Typology (type/subtype)	Dynamics descriptions
Fall from Height	Free fall through holes, Fall from ladders, Fall from scaffolding and temporary platforms, Fall from slopes/ditches, Fall from structures, cranes, etc, Fall from high into rivers, lakes, canals etc. with a difference in height of two meters
Falling Objects	Fall of objects (equipment, material, tools or debris) with energy that can cause significant damage to a person, during lifting or movement or other activities and in general falling objects from above (even if no activities are ongoing), on a workplace or adjoining areas. Adjoining areas could include a public path, a road, a square or the courtyard of a home or other building next to a workplace.

³ In case of a causal link between the injured person's death and the accident, the accident is classified as Fatal even if the death occurs within 180 days from the accident.



Entrapment	Entrapment which may be caused by hand tools, Entrapment caused by mechanisms of machines, Entrapment caused by objects, Entrapment caused by moving mechanisms, Entrapment caused by Heavy-Vehicle use (rollover and unloading). Entrapments may also be caused by detachment of permanent mountings, detachment of walls/slopes, collapse of walls/slopes, collapse of trenches and galleries whose consequence could have been an amputation or worse
Thermal Contacts	Contact with fluids or hot/cold substances or contact with sources of heat/cold or contact with hot/cold projected materials or contact with hot/cold surfaces whose energy that can cause significant damage
Chemical agents	Contact with or exposure to chemical products harmful for type or concentration
Explosion	Exposure to direct effects of explosions.
Electrical	Direct contact, Indirect contact, Electric discharging (inductive/capacitive) and Electric arc
Confined spaces	Accidents/incidents happened in closed areas with low-oxygen atmosphere, with risk of unexpected movements of parts or machinery or flood by fluids, underwater works, flammable atmosphere (fire or explosion) or toxic atmosphere
Ionizing Radiations	Exposition to any type of particle or electromagnetic wave that carries enough energy to ionize or remove electrons from an atom

“Safety Observation”: means a behaviour or situation in relation to which no incident occurred but which could contribute to an Incident.

Safety Observations are classified by dynamic / potential damage in order to effectively targeting improvement actions to enhance occupational safety. According to the above principle, Safety Observations are classified as follows:

- High Potential Safety Observations (HPO SO): A Safety Observation whose dynamic could have resulted in a Life Changing Accident or in a Fatal Accident.
- Other Safety Observations: All Safety Observations not classified as High Potential Safety Observation.

“Safety Near Miss”: means an unplanned work-related Incident that did not result in injury or illness but had the potential to do so . Near Misses are classified by dynamic / potential damage in order to effectively targeting improvement actions to enhance occupational safety.

According to the above principle, Near Misses are classified as follows:

- High Potential Near Misses (HPO NM): a Near Miss whose dynamic could have resulted in a Life Changing Accident or in a Fatal Accident.
- Other Near Misses: All Near Misses not classified as High Potential Near Miss.

“Stop work”: means an event where ENEL “Stop Work” policy, or equivalent policy, have been applied.

“Subcontract”: means a contract with which the Contractor entrusts the execution of contractual services to other parties.

“Subcontractor”: means natural or legal person or groups of the latter with whom the Contractor signs Subcontracts for works and/or services and/or supplies executed in a Work Site.

“SPM Index” means Supplier Performance Management index used by Enel Procurement.

“Supplier Qualification Process”: means Enel procurement process, relies on qualified suppliers for works, goods and services, able to ensure adequate levels of reliability, quality and competency (pertaining to appropriate skills, knowledge and experience).

“Supplier Qualification System”: means the Enel system for selection and evaluation of suppliers aimed to have contractors able to ensure adequate levels of reliability, quality and competency (pertaining to appropriate skills, knowledge and experience).

“Work Site”: means any temporary or permanent site, office, workplace, asset or area where a work, delivery of components, equipment or material or service execution is to be, is being, or has been carried out by Contractor on behalf of ENEL.

4 LANGUAGE

The original version of this HSE Terms is in English unless differently provided in the Contract by the Parties. In the case of conflicts among the original version and the translations into other languages, the original version shall prevail.



5 GENERAL OBLIGATION ON OCCUPATIONAL LAW, HEALTH, SAFETY AND ENVIRONMENT

5.1 CONTRACTOR HSE REPRESENTATIONS AND WARRANTIES

Contractor represents and warrants that:

- a) the information provided by it to qualify as a supplier to ENEL and to enter into the Contract, including in particular information on its HSE performance and qualifications—was true and correct when given and that no material change has rendered that information substantially incorrect or misleading
- b) it has in place, or will timely put in place before commencement of Contract activities, adequate management systems, procedures, and practices and adequately qualified Personnel to ensure that it can fulfil its HSE obligations under the Contract.

5.2 HSE OBLIGATIONS

5.2.1 Contractor undertakes to perform its obligations under the Contract in such a manner as to ensure a healthy and safe ENEL Work Site for its Personnel, ENEL's Personnel and third parties and avoid damage to the environment, and to this end Contractor shall:

- a) comply with applicable Law in matters of social security or workers compensation insurance, health and safety at work, and protection of the environment;
- b) comply with any applicable HSE permits related to the Contract;
- c) comply with these HSE Essential Terms, HSE Requirements and other HSE obligations set out in the Contract;
- d) observe all the health, safety and environmental rules for each Work Site, including emergency plans;
- e) ensure that its Personnel are properly communicated, trained and apply the health, safety and environmental rules applicable to such Work Sites;
- f) before performing any activities under the Contract, as well as in the preparatory and travelling phases, consider all health, safety and environmental risks related to said activities, including generic risk: that could cause Incidents like impact with objects, cuts, falls, ergonomic (clumsy movement or strains) accidents, contamination, spills, fire, as well as animal aggressions, atmospheric accidents (lightning, flooding event...), heat strokes, or other similar incident;
- g) abide by good industry practice, considering, the principles set out in the Policies adopted by ENEL, namely, the "Declaration of Commitment to Health and Safety", "Stop Work Policy" and "Environmental Policy" applied by ENEL;
- h) provide, on request, all documentation showing the compliance with applicable HSE Law, including – but not limited to – obtaining permits and respect of the limits therein described, if any;
- i) provide relevant information on the activities covered by the Contract, to contribute to ENEL's calculation of the carbon footprint, circular economy index or any other indexes related to the Environmental Management System, if required in consideration of the activities' relevance; and
- j) notify Incidents and Environmental Events related to mobilization to a ENEL Work Site, or within or between ENEL Work Sites, regardless of the person affected (whether Personnel of the Contractor, ENEL or third-parties), and provide all information and details requested by ENEL in relation to said Incident, Environmental Events or Safety Observation.

5.2.2 In the event of a conflict between any of the obligations of Section 5.2.1, Contractor shall perform the Contract in the manner that maximizes protection to health, safety and the environment and may consult ENEL in the event such manner is not immediately apparent.

5.2.3 Notwithstanding ENEL's level of involvement in matters of health, safety and the environment, the Contractor remains liable for any health and/or safety and/or environmental damage caused by its Personnel or its Subcontractors' fault or breach of Contract.

5.2.4 Contractor shall ensure that all its Personnel have appropriate personal identification, identifying that the person is Personnel dedicated to the activities performed at an ENEL Work Site. Even if entry to the Work Site is controlled by ENEL, the Contractor shall perform its own control to identify its Personnel entering any ENEL Work Site.

5.2.5 During mobilization to an ENEL Work Site, or within or between ENEL Work Sites, Personnel shall always respect applicable traffic code and Work Site prescription, use the seat belts (or helmets in case of bicycle or motorcycle) and drive safely. Any driver shall have any higher qualification required as a result of a risk assessment or required by Law. 5.2.6 At all ENEL Work Sites it is forbidden to smoke (except in designated smoking areas).

5.2.7 At all ENEL Work Sites it is forbidden to:

- a. possess or use firearms or ammunition for firearms (except for specifically designated and properly credentialed security personnel),
- b. consume or be under the influence of alcohol, narcotics or illicit psychotropic substances,
- c. consume non-prescribed medication or prescribed medication which may influence the safe undertaking of work,



d. engage in disturbances such as fighting, illicit destruction of property etc.

5.2.8 At ENEL Work Sites, Contractor shall cooperate to remove its Personnel found to violate items (a), (b), (c) or (d) of this Section 5.2.7.

6 HAZARDOUS SUBSTANCES

6.1 The Contractor shall supply and use (if provided in the Contract) Hazardous Substances properly packaged and labelled so that the product contained and the risks for the Personnel and the environment are clearly identified.

6.2 Packaging and labelling shall provide information for safe unloading, storage and handling. Corresponding Material Safety Data Sheets (MSDS) shall accompany all Hazardous Substances. MSDS, provided in local language, shall include the expected uses, limitation or prescription related to their storage (if any), measures for risk mitigation and disposal instruction, in accordance with Law.

6.3 Contractor shall minimize the use of Hazardous Substances and shall conduct its activities and causes its Subcontractors to conduct their activities in a manner designed to prevent pollution of the environment or any other release of any Hazardous Substances. The Contractor shall provide evidence of the absence of asbestos, oils containing PCBs and the absence of CFCs, HCFCs, halons, substances with trade restrictions, in the supplied equipment.

6.4 Contractor shall submit in advance to ENEL a list of all Hazardous Substances to be brought onto the ENEL Work Site. ENEL reserves the right to approve or decline such Hazardous Substances list. In case of decline, the Contractor and Subcontractors are forbidden to use such Hazardous Substances.

7 PROTECTION OF THE ENVIRONMENT

7.1 The Contractor undertakes to provide, wherever it is possible and under similar purchasing conditions, Equipment or materials with eco-label and those with greater energy efficiencies, with a longer service life involving lower costs and less likelihood of waste being generated due to shelf life expiry and lower final disposal costs. The equipment and materials provided by the Contractor shall protect the environmental quality.

7.2 The Contractor will comply with any provision regarding transportation of products/materials according to applicable Law, promptly providing under ENEL's request a copy of any documents and authorization.

7.3 The Contractor shall communicate, on ENEL request, an estimation of the foreseen quantities of waste generated by the packaging of the supply.

7.4 In case of supply of EEE, batteries, packaging or other products subject to specific HSE regulations, Contractor shall give evidence of all fulfilments required by local law. In particular, in the event the Contract calls for the supply of "EEE" or batteries, the Supplier shall comply with local Law, also in relation to the end-of-life management, including (if applicable):

- o demonstrate to have adhered to an end-of-life recycling collective system recognized and valid for the Country where the EEE or batteries will be installed;
- o demonstrate to be registered to the National Register of EEE or batteries Producers of the Country where the equipment will be installed;
- o mark the EEE with appropriate symbol (in accordance with local standard).

7.5 In case of a country without specific Law about EEE recovery system, ENEL in agreement with the Contractor will evaluate how to proceed case by case.

8 CONSEQUENCES OF BREACHES REGARDING HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS

8.1 REMEDIES FOR VIOLATIONS OF THE RULES REGARDING HEALTH AND SAFETY PROTECTION

8.1.1 In the event Contractor breaches an obligation, provided by Law or by the Contract, on Health and Safety protection, the Contractor shall indemnify ENEL for any loss or expense that ENEL may sustain or incur as a consequence of:

- a) any Accident; and/or;
- b) any claim or suit brought by the individuals or entities affected by the Accidents; and/or



c) any fine, penalty or sanction imposed by an authority to ENEL by reason of the Incident.

8.1.2 In the event Contractor breaches an obligation on Health and Safety protection, ENEL, at its sole discretion and to the extent not contrary to the applicable Law, may:

- a) suspend partially or totally Contract performance or a certain activity (depending on the H&S breach), for a number of days which correspond to the seriousness of the violation – or until the verification of any adjustments or corrective actions taken to address the violation - without this giving the Contractor any right to extend the deadline for completion of the works or payment or compensation of any kind, and/or
- b) in case of a breach or whenever the Personnel behaviour represents a risk for his/her own integrity or third parties, ENEL shall require Contractor to proceed with his/her immediate removal from ENEL Work Site and Contractor shall provide his/her replacement, and/or
- c) suspend payment of sums due to the Contractor, to the extent of 10% of the amounts accrued at the time of the HS breach, until the Contractor implements the remedy measures, and/or
- d) in the event of Fatal/Life Changing Accident, suspend the Contractor and/or its Subcontractors and/or Contractor's Affiliates from Qualification System or
- e) in the event of Fatal/Life Changing Accident, immediately terminate the Contract after Enel's written notice without any compensation and without any other prior formality nor court intervention, arbitration process or any other procedure being necessary, without prejudice of Enel's right to claim damages.

8.2 REMEDIES FOR VIOLATIONS OF THE RULES REGARDING ENVIRONMENTAL PROTECTION

8.2.1 In the event Contractor breaches an obligation , as provided by Law or by the Contract, on Environmental protection, the Contractor shall indemnify ENEL for any loss or expense that ENEL may sustain or incur as a consequence of:

- a) any Environmental Event, and/or
- b) any claim or suit brought by the individuals or entities affected by the Environmental Event, and/or,
- c) any fine, penalty or sanction imposed by an authority to ENEL by reason of the Environmental Event.:

8.2.2 In the event Contractor breaches an obligation, as provided by Law or by the Contract, on Environmental protection, ENEL, at its sole discretion, and to the extent not contrary to the applicable Law, may:

- a) suspend, for a number of days which correspond to the seriousness of the violation - or until the verification of any adjustments or corrective actions taken to address the violation - the execution of any contractual works or a certain activity (depending on the Environmental breach) without this giving the Contractor any right to extend the deadline for completion of the works or payment or compensation of any kind, and/or
- b) suspend payment of sums due to the Contractor, to the extent of 10% of the amounts accrued at the time of environmental violation, until the Contractor implements the changes to its environment management system as required by ENEL, and/or
- c) suspend the Contractor and/or its Subcontractors and/or Contractor's Affiliates from Qualification System;