



# Corporate Policy on Safety Management

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## **Corporate Occupational Health & Safety Policy**

Blue Star's Management firmly believes that health & safety of its employees and all the stake holders associated with our project sites and manufacturing facilities is of utmost importance. Occupational health & Safety is an essential and integral part of all our work activities which includes planning, design, procurement, fabrication, construction, installation and commissioning of facilities, products, manufacturing processes and services. We believe that incidents or accidents and risk to occupational health are preventable through the active involvement of all the stake holders, thereby creating a safe and accident free work place.

With regard to occupational health & safety objectives, Blue Star will:-

- Comply with the requirements of all relevant statutory, regulatory and other provisions.
- Create and promote safety awareness to protect all stake holders from foreseeable work hazards and risks through campaigns and training programmes among employees, business associates and clients.
- Provide appropriate level of training and support to management and employees to ensure that they are able to fulfill occupational health & safety responsibilities.
- Work with major suppliers, business associates and customers to facilitate their safety performance improvement and also make it obligatory for them to follow the project site safety rules, procedures, systems and safe practices.
- Ensure that appropriate resources are available to fully implement the Safety Policy and continuously review the policy's relevance with respect to legal and business development.

The management sincerely believes that health & safety related incidents are preventable by coordinated team effort of all stakeholders, consultation & Participation of workers at all applicable levels & Functions and through shared individual responsibility at all levels for health & safety issues thereby aiming to achieve continuous improvement and overall success of our health & safety program.



**Vir S. Advani**

**Managing Director**

**24<sup>th</sup> October 2018**



## 2.0 Objective

Most accidents are preventable. They are due to unsafe acts or unsafe mechanical or physical conditions.

Unsafe actions or unsafe conditions exist due to improper attitude to safety or faulty processes on the part of people involved. There is always a safe way of doing any job or activity.

Site/Manufacturing engineers can prevent accidents with a positive approach towards safety and support from all levels of the organization.

This policy document contains guidelines on how to achieve safety in various work areas involving installation/construction/service/manufacturing. It describes the Essential Safety Practices (ESPs) that need to be followed and also the management structure that will take responsibility for safety. Equally, it specifies penalties for acts of non-compliance to safety norms.

The contents of this document apply to all assignments undertaken by Blue Star as a company, whether it is done directly or through business partners or through any other source/s.

## 3.0 Organizational Structure For Managing EHS/Safety

The management of Safety requires that there be a structure to the process of Safety Management and that it is integrated in the overall management of the division/project/manufacturing unit of the organization. In particular, safety needs to be a line function responsibility and should be accordingly reflected in the structure of the Division/ Project/ Mfg unit.

Simultaneously a strong Safety Management support structure must be put in place to support the line managers with effective advices, audits and trainings. The safety advisory function must have the necessary independence to work as a conscience keeper for the organization and alert the line management as well as the top management if there are any lapses which may lead to major safety issues in the long run.

The Safety Management support structure of Blue Star shall be as follows:

There shall be a Corporate EHS Safety manager, overseeing the safety programmes. In addition, each major LOB shall have dedicated EHS Managers as sanctioned.

<b>Div/Region</b>	<b>West</b>	<b>North</b>	<b>East</b>	<b>South</b>	<b>Total</b>
<b>Corporate</b>	01	--		--	01
<b>EMPG</b>	01	01	01	01	04
<b>CSG &amp; ACRPSG</b>	02 West1&West2	01	*	01	04
<b>Mfg- plants **</b>	02	01		--	03
<b>Total</b>	06	03	01	02	12

## **CSG & ACRPSG :**

West 1- Mumbai/Gujarat/Goa. West 2- Rest of Maharashtra.

### **\* Safety Management responsibility in East region is shared as follows:**

Kolkata: West 2 region Manager & Rest of East region: North region Manager.

**\*\* Safety Management process in Manufacturing Plants:** Manufacturing plants Heads shall identify suitable Managers from among the Operations team as Plant Safety coordinators to oversee deployment of Safety processes in individual plants. Overall coordination/reporting of the entire Manufacturing division shall be handled by designated resource not below the level of D.G.M (H.R). He shall discharge Safety coordinator's responsibilities in addition to his H.R responsibilities.

Reporting relationship of Safety Managers would be as follows:

- 1) Corporate EHS Mgr reports to Chief Human Resources Officer .
- 2) Safety Managers in business Divisions will report directly to Corporate EHS Manager and shall have an administrative reporting relationship with the Divisional Heads for deployment of safety processes..

## **4.0 Accountability for Safety Management**

### **4.1 Level 1 (Implementation)**

- a) For Manufacturing Plants: Production Manager
- b) For Field Sites (All Divisions): Area Manager + Project Engineer concerned.

They will be responsible for safety practices enforcement, in all assignments under their control. In particular they are required to:-

- ☞ Be fully knowledgeable on the mandatory safety practices.
- ☞ Review safety compliance in person through random site visits along with the EHS Safety manager.
- ☞ Help the EHS manager in developing a site auditing programme, on a monthly basis.
- ☞ Take prompt remedial action whenever safety lapses are brought to his notice.
- ☞ Go through safety audit reports and take corrective actions by clear communication to the engineers and business partners.
- ☞ Ensure that all engineers and business partners are trained in the safety practices by sending them to the training programmes conducted by Corporate EHS Safety/CTDO.
- ☞ Submit action taken reports to the Divisional Head under copy to the Corporate EHS Manager on action points highlighted in the Safety Audit Reports.

### **4.2 Level 2 (Monitoring)**

- a) For Manufacturing: Head of the plant.

- b) For Field Sites (Divisions): Regional Manager of the Division concerned.
- c) Regional Safety Manager.

They will be responsible for inspection, audits, remedial training, enforcement directives, actioning of rewards and incentives.

### **4.3 Level 3 (Policy Review & Enforcement)**

- a) For Manufacturing: Divisional Head.
- b) For Field sites: Divisional Head.
- c) Corporate EHS Manager.

They will be responsible for setting annual goals for safety, monthly reviews and clear messages/actions for enforcement. Level 3 will be accountable to the Board on all Safety matters.

### **4.4 Corporate EHS Manager**

The duties will include:-

- ☞ Drafting Policy guidelines and advice to the management
- ☞ Guidance to Regional/Plant EHS Safety managers
- ☞ Conducting Safety Audits / Inspections (randomly) for checking the safety measures and the compliances
- ☞ Attending Corporate Management Review Meetings
- ☞ Monitoring performance of Regions / Mfg-plants through regional EHS Safety Mgrs
- ☞ Publishing MIS on Safety.

### **4.5 Regional EHS Safety Manager/Manufacturing EHS Safety Manager**

The duties will include:-

- ☞ Developing a safety audit programme on a monthly basis by working with the concerned line managers.
- ☞ Publishing safety audit reports to the concerned line managers under copy to the regional managers/plant managers.
- ☞ Investigating all near fatal/fatal accidents and submit detailed reports.
- ☞ Monitoring whether the engineers are delivering site safety talks as per corporate safety policy.
- ☞ Helping engineers in coaching business partners on safety implementation.
- ☞ Conducting training programmes as needed

## **5.0 Specific Duties and Responsibilities of Business partners:**

Every business partner is required to:

- ☞ Sign a one time undertaking with the concerned business division that he will comply with the safety practices mandated by the company.
- ☞ Be fully knowledgeable about the safety practices that he/she is expected to follow in different work areas and in turn communicate the same to his technicians through training programmes/site safety talks.
- ☞ Provide stipulated Personal Protection Equipment (PPE) to his/her workmen and ensure that they are used without fail.
- ☞ Deploy safety warnings, safety gadgets at sites as stipulated by the company safety policy.
- ☞ Ensure good house keep at site, in the area under his control.
- ☞ Bring to the attention of the Blue Star engineer if he is facing any unsafe working conditions beyond his control.
  
- ☞ Provide safe and usable tools and equipments to his employees.

## **6.0 Hazard Identification and Risk Assessment**

Each Manufacturing plant, each project site, each work site will have its own specific inherent work hazards. It is the responsibility of the concerned line manager to consciously list the hazards in his work area, educate himself on the safety practices that need to be followed to mitigate such hazards and in turn educate the people under him and equally enforce the mandated safety practices.

Drawing upon experience, the company has created a framework of Essential Safety Practices in Projects as well as Manufacturing areas.

### **6.1 Project/Installation/Service site work:**

The following work areas have been identified for the implementation of ESPs in Project Management:

- Issue and Use of Personal Protective Equipment (PPE).
- Electrical Work (Electricity).
- Material Handling and Manual Lifting.
- Ladders/ Scaffolds / work platforms.
- Working at Height and Fall Protection.
- Sheet Metal Work.
- Compressed Gas Cylinders.
- Gas Cutting and Arc Welding.
- Safety with Mobile Cranes.
- Storage/ stacking/ carrying of material.

- Barricading.
- Fire fighting.
- First Aid Treatment.

The mandatory safety practices for each of the above work areas are listed in the safety manual. (Also in the safety guides which will be given to employees and business partners during trainings)

## **6.2 Manufacturing Process:**

The following work areas have been identified for the implementation of ESPs in Project Management:

- Housekeeping.
- Electrical Safety.
- Forklift Safety.
- Machine Safety.
- Safe use of Lifting Tackles.
- Hand Tools Safety.
- Hot Work (Welding/Gas Cutting/Brazing).
- PUF Operation.
- Working at Heights.
- Emergency preparedness.
- Safe Driving.

The mandatory safety practices for each of the above work areas are listed in the safety manual. (Also in the safety guides which will be given to employees and business partners during trainings)

However, while executing new plants/expansion of current plants, Manufacturing Division is expected to take care of safety management practices listed under "Project Management" (Section 6.1).

These mandatory safety practices will be widely publicized to employees/business partners by distributing site safety guides (applicable for projects/installation/service work) and manufacturing safety guides in adequate quantities.

## **7.0 Safety Implementation Methodology**

Safety shall be managed using 3 different levels:

- Engineering controls.
- Administrative controls.
- Safety Education and Awareness.

### **7.1 Engineering controls such as:**

- ☞ Barricades and guardrails for heights and use of fall arrestors.
- ☞ Machine guards and standard safety devices for machines; limit switches and locking devices.
- ☞ Supports for excavations.
- ☞ ELCBs and Circuit breakers for electrical connections and standard connectors.
- ☞ Marking of traffic lanes in plants/project sites.
- ☞ Diversions around work zones.

### **7.2 Administrative Controls such as:**

- ☞ Restricted entry to work areas
- ☞ Mandatory use of Personal Protective Equipment
  - Helmets, Shoes, gloves, goggles and masks
  - Safety harnesses
- ☞ High visibility jackets
- ☞ Control over movement of personnel.
- ☞ Filling up of check lists.
- ☞ Prevention of use of mobile phone at work site while on the job.
- ☞ Trained staff on safety shall be engaged at sites / jobs.
- ☞ Any person reporting at site under influence of liquor, a drug etc. is strictly prohibited.
- ☞ Use of Lock out and tag out systems.
- ☞ Penalties for violation of norms.

### **7.3 Education and Awareness:**

- ☞ Training.
- ☞ Safety audits.

### **8.0 Safety Management in the Contracting/Outsourcing Mode.**

Almost all of Blue Star's installation/construction/service delivery is through contractors, dealers and associates supervised either by Blue Star's engineers directly or by the dealers. Therefore, we have the task of educating not only our employees, but a large number of business partners including the technicians engaged by our business partners. So, a significant amount of our efforts will have to go into laying down policies, consciously training all our people including the last leg technician, but more importantly enforcing safety practices.

All Divisions are expected to deploy the following methods and processes towards this end.

**8.1** Communicate the corporate safety policy to our employees as well as business partners.

**8.2** Seek an undertaking from each business partner that he/she will implement the safety practices mandated by the company.

- 8.3** Ensure that business partners have the tools, tackles and safety gadgets mandated by the company's safety policy; if not disqualify them.
- 8.4** Communicate our safety practice expectations very clearly while appointing new dealers, contractors and associates.
- 8.5** Attach a specific Annexure stipulating the essential safety practices relevant to the work area, while releasing work orders on dealers, contractors and associates.
- 8.6** For any work order exceeding Rs.10 Lakhs value (this can be revised time to time) ensure that the contractor begins work at site only after a site safety talk is given by the Blue Star engineer.

In this safety talk, the Blue Star engineer will address all technicians engaged by the contractor and explain the essential practices relevant to that contractor, using the training flip charts. He will also explain the usage of different PPEs and other safety gadgets. He will further explain the procedures to be followed in case of an accident including information about first aid.

- 8.7** Conduct routine safety audits using the EHS Safety group and constantly improve safety compliance.
- 8.8** Implement the punishment/penalty systems explained in Section 12.0
- 8.9** Include "Safety performance" as a subject in all business reviews. Executive Committee will also review the company's performance on safety, once in a quarter based on information to be circulated by Corporate EHS Safety.

**8.10 : Management of Non routine work activities :**

Non routine Work activities ( Working on scheduled holidays/public holidays , working overtime /extra time beyond reasonable working hours (night time ) , Compressing work activities to meet customer exigencies etc).Such activities may include -

- a. Lifting, shifting of heavy machineries like chillers/Electrical panels, cooling tower equipment etc.
- b. Working at heights during night time.
- c. Commissioning/Testing of newly installed machinery and equipment
- d. Working in confined spaces.
- e. Working in heavy traffic and areas used and accessed by general public.

A specific format developed for the purpose by EHS shall be used by Operations for keeping the concerned EHS Manager, Operations Head and Mr. Blue Star of the region informed about such extraordinary works on that particular day.

## **9.0 Safety Induction and Training**

As already mentioned, all the people in the delivery value chain from the Blue Star engineer to the last leg technician need to be knowledgeable about the inherent hazards in different work areas and safety practices that they need to follow to mitigate the same.

Towards this end, the following steps would be taken.

- 9.1** The Corporate EHS Safety department would train a group of licensed trainers in each Division.
- 9.2** All new joiners are required to undergo minimum 4 hours Safety induction program prior to deployment on work or within 15days of joining .All fresh joiners shall undergo training organized by the EHS Managers in coordination with CTDO. Lateral joiners shall undergo Safety induction during the Corporate Induction program.
- 9.3** At the end of these training programmes, training flip charts, site safety guides would be handed over to each of the engineers/managers.
- 9.4** A similar programme will be undertaken to expose all our business partners (owners and their senior executives) and they too will be given training flip charts and site safety guides.
- 9.5** Thereafter, we will expect the Blue Star engineers and the business partners to be accountable for implementation of safety practices. To help them do this, we will also be distributing a large quantity of "Safety tips" booklets to be made available in English, Hindi and the South Indian languages.
- 9.6** Corporate EHS will run the required number of repeated programmes on site safety every quarter for the new engineers and business partners.
- 9.7** The safety guide books will be periodically updated so that they reflect all the core safety practices that we want to follow. The safety guides will be so designed that projects/plants will be accident free if the contents are strictly followed.

## **10.0 Safety Audits**

There will be 2 kinds of audits:

**10.1 Internal audits** by Divisional/Regional Safety managers with frequency as below. This programme will be monitored jointly by the respective Divisional head + Corporate EHS Manager. The internal audit reports will be filed by the

Safety Manager to the Regional manager/Plant manager concerned under copy to the Divisional head + Corporate EHS Manager.

EMPG	Internal audits by EHS
Projects >10 Cr	4 audits per job
5 to 10 Cr	2 audits per job
< 5 Cr.	1 audit per job
Others	
>3 Cr	2 audits per job
50L – 3Cr	1 audit per job
<50L	Random audits

For Manufacturing plants , Divisional Safety coordinator shall ensure that a minimum of 06 internal audits per plant are conducted.

The internal audits will be conducted using checklists prescribed by the company.

**10.2 External audits** by an accredited safety audit agency/ Safety Expert, as per frequency shown below. This external audit programme will be overseen by Corporate EHS department. These external audit reports will be submitted by the agency to the Corporate EHS head which in turn will be circulated to the Divisional heads copied to EC.

EMPG : 1 job randomly selected in each of the 4 regions.

ACRSD: " " "

ACRPG: " " "

Mfg.: Each plant – once a year

### **11.0 Accident/ Incident Reporting and Investigation**

Business Divisions and Manufacturing plants will report all accidents whether they result in injuries/fatalities or not on a monthly basis in formats prescribed by Corporate EHS.

Willful attempts to avoid reporting accidents shall be viewed seriously and will be liable for disciplinary action.

**11.1 Accident categorization** for purpose of reporting :

- 1) **Fatal** Accident – Loss of life due to accident
- 2) **Major** accident – Serious bodily injury resulting in Loss of body part and /or hospitalization for more than 48 hours for medical treatment and /or observation.
- 3) **Minor** Accident – Injured person away from duty for not more than 48 hours
- 4) **First Aid Accident** – Injured person away from duty only for first aid treatment and maximum for the day the accident occurred.
- 5) **Dangerous occurrence** – An unforeseen occurrence at a site /Factory which may involve occurrence of - Disintegration of a revolving vessel, wheel, grinding wheel or grindstone operated by mechanical power/ Collapse and failure of a lifting equipment and its associated tools and tackles /Explosion or fire that results in property damage or discontinuation of normal work/An electrical short circuit or electrical failure of distribution equipment resulting in fire ,explosion or damage to plant property/An explosion of a container ,receiver , cylinder pressurized with a gas at more than atmospheric pressure/Total or partial collapse of a building structure /Total or partial collapse of face ,tip, overburden of excavated portions /Overturning or collision of mechanically driven equipment /Any other occurrence which may jeopardize safe working but resulting in no injury or loss of life.

**6)Near Miss Incidents** - A near miss is an unplanned event that did not result in injury, illness, or damage – but had the potential to do so.

### **11.2: Reporting of Fatal accidents :**

**H.O.D** (Not below the level of M9) shall have to:

- 1) Prepare a detailed and independent fact finding report on the accident.
- 2) Identify systemic gaps in the deployment of safety management process at that site / location.
- 3) Suggest remedial measures to prevent reoccurrence and learning's for horizontal deployment at other sites / locations.
- 4) Present the same in person to the Board of Directors, including reasons of why the incident occurred and what Safety procedures / processes were not complied with.
- 5) A format developed by EHS department shall be used for filing the investigation report.

**11.3: Role and responsibility** matrix for investigation /reporting of Fatal accidents:

The role /responsibility and time lines for reporting shall be adhered to as mapped in the table below:

<b>S.No</b>	<b>Activity</b>	<b>Responsibility</b>	<b>Timeline</b>	<b>Additional inputs/support to be provided by</b>	<b>Remarks</b>
1	Report to all concerned in the reporting chain .	Project Engineer	Immediately as practically possible.	Project Manager	Fatal accident Intimation to be communicated to EC too
2	Prepare preliminary incident report	Project Engineer	Within 24 hours of the accident.	Project Manager	
3	Share FIR report with all concerned	Project Manager	Within 24 hours of the incident	H.O.D	H.O.D-Not below M9
4	Causative Investigation report by EHS department	Corp EHS Manager	Within 7 days of the incident	Project Manager	
5	Preliminary Independent investigation report by Project Manager	Project Manager	Within 7 days of the incident	H.O.D	H.O.D-Not below M9
6	Final investigation report with cause analysis	Project Manager/ Divisional Manager	Within 10 days or earlier	H.O.D	H.O.D-Not below M10
7	Final report preparation with focus on systemic gap analysis and ways to prevent recurrence.	Divisional Manager	Within 15days or earlier	H.O.D & Corporate EHS Manager	H.O.D- Not below M10
8	Presentation of the report to BOD	H.O.D	In the immediately falling BOD date	Concerned EC Member	H.O.D - Not below M10
Reporting of accidents in Service /Manufacturing division - Role and responsibility shall lie with Manager of equivalent level designation as mentioned for Projects division in the above matrix.					

## **12.0 Penalties for Safety Violations:**

We will have a graded system of penalties depending on the violation.

**12.1** For policy violations not resulting in an accident, the following 3-stages penalty:

**First violation** – a warning letter to be issued to the manager/employee concerned and the sub-contractor whose employee may have been involved.

**Second violation** – A deduction of one month's basic salary for the employee or 10% of the total contract value for the sub-contractor.

**Third violation** –Termination of the services of the contractor/ engineer/ manager.

For non-fatal accidents arising out of policy violations, the same penalties as in 12.1 above.

**12.2** Corporate EHS shall conduct investigation of causes and findings in case of fatal accidents which shall be submitted to MD. Penalties would depend on whether the accident was due to negligence of the Manager/Engineer/Sub-contractor concerned or whether the accident occurred despite full compliance with safety policy requirements.

The penalties for fatalities due to negligence would be as follows:

**First policy violation** – 1 month's basic salary cut or 10% of the contract value.

**Second policy violation** –Termination of services of the contractor, engineer or manager concerned.

Warning letters as mentioned above shall be issued by respective Regional HR Managers as per the recommendation of divisional safety manager and/or Corporate EHS head in the safety audit report. Copy of the letter shall be marked to divisional head, Corporate EHS head, RM/AM as applicable. Copy of the letter shall be kept in personal file of the concerned employees.

In case of penalty being charged to business partners, copy of the letter shall be marked to branch commercial of the division concerned who would confirm the debit within 2 weeks of the issuance of penalty letter. However, in case of penalty on employees, HR manager concerned shall initiate the process as part of monthly salary advice.

## **13. Safety Management Review**

Safety as a subject will be reviewed systematically in the following way:

**13.1** Business managers to compulsorily review the safety performance in their monthly/quarterly/annual business meet. The concerned Safety Manager will participate in these reviews.

**13.2** EC will also review company's safety track record on a quarterly basis.

EVP – HR will be responsible to make a quarterly presentation as indicated below:

Q1: Aug. EC

Q2: Nov. EC

Q3: Feb. EC

Q4: May EC

#### **14.0 Management Commitment, Leadership and Control**

Line management's commitment and leadership WILL determine the success of EHS Safety program in the organization or any part of the organization to become successful. Management's commitment needs to be demonstrated right from the Divisional head down to the supervisory level, by doing the following activities sincerely.

- Clearly holding the front line managers/engineers accountable for implementation of safety policy and practices.
- Ensuring that the managers/engineers/business partners are given required training on safety.
- Providing adequate authority and support to the EHS Safety team.
- Putting in place a regular safety auditing system to obtain feedback on progress and gaps in implementation of safety.
- Reviewing safety as a subject in all business meetings.
- Enforcing penalties stipulated in this policy, fairly and firmly.

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