

# Western Canada HSE

## Schedule 3.2

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## 1. INTRODUCTION

The purpose of this Schedule is to identify requirements of Cenovus relating to key elements of health, safety and environment (HSE) management for visitors to a Cenovus site or when Cenovus staff visit a supplier site.

For clarity, “supplier” in this document has the same meaning as “contractor” in the Agreement to which it is appended.

### ***Cenovus’s Health and Safety Management Commitments***

Health and safety are core values at Cenovus and apply to everyone involved directly and indirectly in our activities.

Cenovus’s eight safety commitments outline the attitude and behavior we expect to see from anyone who works with us and for us. They empower workers to speak up if they feel the work they are asked to do is unsafe.

The commitments are a promise from every leader at Cenovus to every worker at any level of the company that safety will always be our top value. Our commitment to workers and their families is that they return home safely every day. Working at Cenovus really does mean working safely.

### **Cenovus’s Eight Safety Commitments**

1. Our work is never so urgent or important that we cannot take time to do it safely.
2. All injuries are preventable.
3. Everyone is obligated to refuse and/or stop unsafe work.
4. Everyone is obligated to raise concerns about the hazards seen.
5. All levels of supervision are accountable for safety performance.
6. Employee and contractor commitment is essential to safety performance.
7. Excellence in safety leads to excellence in business.
8. Safety attitude off the job is as important as on the job.

The supplier is expected to maintain its own safety management system or program to best suit its needs and risks and to inform its workers of the requirements stated within this Schedule.

The HSE requirements that are referenced in this Schedule are not intended to be an all-inclusive or definitive set of rules to meet all situations. However, they are to be understood as the minimum acceptable levels of performance regarding those aspects that all supplier personnel must follow when visiting a Cenovus work site or project or when Cenovus staff visit a supplier’s site. Any reference to the supplier in this Schedule is also to be considered a reference to its subcontractors.

## 2. SUPPLEMENTARY HSE REQUIREMENTS

Appendix 1 sets out any additional HSE requirements to be complied with by the supplier while performing services at certain Cenovus work sites. Such requirements are in addition to, and not in replacement of, the requirements in this Schedule.

### 3. COMPLIANCE WITH LAW

The supplier must, at all times during the performance and execution of the work, abide by and be responsible for meeting or exceeding the requirements of all applicable laws and ensure that all workers at the work site engaged in the work of their employer are aware of their responsibilities and duties under applicable laws.

The current version of applicable laws must be followed, including any required licensing of workers and inspections and certification of equipment.

### 4. ACCESSING CENOVUS HEALTH AND SAFETY STANDARDS

Cenovus's health and safety standards are accessible on the external website ([link to Supplier H&S Document Page](#)).

### 5. FIT FOR DUTY POLICY

The supplier is responsible to ensure its workers arrive and remain fit for duty while visiting a Cenovus work site. Fit for duty means being physically and mentally fit to perform assigned duties. Cenovus considers a worker unfit for duty if injury, illness, physical or psychological health issues, fatigue or the use of alcohol, drugs or medications results in, or could result in, a reduced ability to perform work safely or effectively. The supplier is required to meet or exceed the expectations set out in Cenovus's Fit for Duty Policy, including ensuring that:

- ☐ Its workers are in a condition to carry out their day-to-day job duties safely and effectively without putting at risk their own health and safety, or the health and safety of other workers, the public, the environment or Cenovus assets.
- ☐ Safety issues are reported to their Supervisor and the Cenovus representative, if a worker has reasonable grounds to believe they or someone else is unfit for duty.

### 6. ALCOHOL AND DRUG STANDARD

Cenovus is committed to protecting the health and safety of all individuals affected by our activities, as well as the communities in which we live and operate. We recognize that the use of alcohol, drugs, and certain medications can adversely affect job performance, the work environment, and the safety of our staff, suppliers, and the public.

The Supplier must develop and enforce alcohol and drug policies and procedures that comply with applicable laws and industry standards that meet or exceed Cenovus's A&D Program. This includes ensuring that the Supplier's personnel are fit for duty and free of alcohol, drugs, or medications which may cause impairment at all times while engaged in Cenovus business on Cenovus premises, when on call, when assisting with an emergency or when operating Cenovus vehicles and equipment.

#### Searches

Cenovus reserves the right as a condition of entry onto Cenovus's premises to conduct unannounced searches or inspections to the extent necessary to ensure compliance with its Fit for Duty Policy and its related standards and procedures. To detect, locate and mitigate drug, alcohol and other contraband possession, searches may be conducted on premises owned, contracted, or otherwise controlled by Cenovus.

## 7. WORKPLACE VIOLENCE AND HARASSMENT

Cenovus does not tolerate any form of discrimination, violence, or harassment. The supplier is responsible for providing a work environment that is free of harassment, discrimination and violence and where individuals are treated with dignity and respect.

The supplier must have a violence and harassment program and prevention plan in place that meets regulatory requirements. Workers must be trained to recognize signs of both workplace violence and harassment, the procedures to eliminate and control the hazards associated with both workplace violence and harassment, as well as the procedures for reporting, investigating and documenting these events. The potential for workplace violence and harassment must be evaluated using the supplier's hazard assessment program and appropriate controls must be identified and implemented to eliminate, or if not reasonably practicable, control the hazards of violence and harassment.

All workers must report any unsafe or harmful work site act that occurs or has occurred, or an unsafe or harmful work site condition that exists or has existed.

## 8. COMMITMENT TO CONTINUOUS IMPROVEMENT

Continuous improvement enables sustainable business performance improvement. Cenovus embraces continuous improvement mindset, methodologies, and tools to sustainably improve its operational and business performance through:

- Systematically identifying and prioritizing problems or opportunities to improve.
- Engaging people closest to the problems/opportunities to participate and deliver improvement activities.
- Applying a rigorous problem-solving methodology and 'right tools, right time' practice.
- Making continuous improvement a part of the way we work.

The supplier must have its own continuous improvement process with the intent of learning and improving. The supplier may be asked to participate in a Cenovus continuous improvement initiative.

## 9. INCIDENT MANAGEMENT

The supplier must specify requirements to allow workers to effectively respond, notify, investigate, determine root cause analysis, develop corrective action(s) and communicate learnings for all incidents and near-miss incidents.

At a minimum, the supplier will have an incident management program that will include:

- Guidance on the steps to take to respond to an incident.
- Procedures to ensure that the incident is immediately reported and classified, including:
  - Internal reporting requirements.
  - External reporting requirements.
  - Client-specific reporting requirements.
    - Energy Safety Canada's Health and Safety Metric Guideline must be used for classification determination.
- Guidance on the types of events that require investigation and steps to take to conduct an investigation.
- Methods to be used to determine incident root cause(s).
- Requirements to develop corrective actions to prevent reoccurrence.

- Requirements to communicate incident learning outcomes to all workers.
- Methods to ensure that investigation learning outcomes and corrective actions are effective in preventing recurrence or reducing the risk to an acceptable level.
- Roles and responsibilities of supplier workers, supervisors, leadership and subcontractors concerning incident management.
- Training and competency requirements for those who lead investigations or are a member of the investigation team.

The supplier is responsible for all subcontractor incidents that occur while on a Cenovus worksite.

***Incident management expectations of the supplier while on Cenovus work site***

Cenovus has identified specific incident management expectations for suppliers working on Cenovus worksites:

<b>Stage</b>	<b>Supplier expectations</b>
Respond	<ul style="list-style-type: none"> <li>• Stop work and secure the incident scene to protect people, seek medical attention as required, and preserve evidence.</li> <li>• Immediately report all incidents that occur within their company, or a subcontractor, while performing work for Cenovus. A representative of the supplier is expected to verbally contact their appropriate Cenovus representative to report the event.</li> </ul>
Notify	<ul style="list-style-type: none"> <li>• Provide an email or other form of appropriate electronic correspondence that documents known facts, immediate actions and the investigation plan within four hours of the incident.</li> <li>• Cenovus will execute any regulatory external reporting, as required. The supplier, as the employer, must still adhere to their responsibilities under the Occupational, Health and Safety (OH&amp;S) Act.</li> </ul>
Investigation & determining the root cause	<ul style="list-style-type: none"> <li>• Cenovus reserves the right to determine the classification of incidents if required.</li> <li>• Cenovus reserves the right to investigate all incidents that occur on a Cenovus work site. Cenovus has established risk-based investigation processes that will be followed in the event of a supplier incident.</li> </ul> <p>Incident investigations:</p> <ul style="list-style-type: none"> <li>• Cenovus may accept a supplier’s investigation if the supplier’s incident management processes and procedures meet or exceed Cenovus’s standards.</li> <li>• When an investigation is conducted by a supplier, the supplier must: <ul style="list-style-type: none"> <li>• Certify that their workers participating in incident management and investigation activities have adequate training and competencies that meet or exceed Cenovus’s standards.</li> <li>• Implement a process whereby the senior representative for the supplier company participates in all investigations related to recordable injuries or illnesses, and significant incidents.</li> <li>• Immediately commence incident investigation upon a report of the event to collect evidence, conduct interviews, take pictures, etc.</li> <li>• Determine the root cause(s) of all incidents and demonstrate how this conclusion was reached.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• In the final written report, include quality investigation results, corrective actions and plans to verify corrective action effectiveness.</li> <li>• Significant incident investigations. Cenovus will investigate all significant incidents. <ul style="list-style-type: none"> <li>• Suppliers may be asked to participate in Cenovus-led investigations but are expected to conduct and provide to Cenovus their investigations for all incidents.</li> </ul> </li> <li>• Suppliers must provide Cenovus with any additional evidence or documentation related to an incident or an incident investigation that occurs at a Cenovus work site.</li> <li>• Completed incident investigation (both for low-impact and significant), including applicable root causes and identified corrective actions must be completed and submitted to Cenovus within 15 days of the event, or as determined by the Cenovus function/ business group.</li> </ul>
Learn & share	<ul style="list-style-type: none"> <li>• The suppliers may be required to participate in, and present incident lessons learned at Cenovus sponsored incident review meetings.</li> </ul>

## 10. TRAINING AND COMPETENCY

The supplier must ensure that personnel are competent, capable, and qualified to a level that allows them to work without creating unnecessary risk for themselves or others. The supplier must be able to show Cenovus its training and competency matrix and proof of training and competency prior to visiting a Cenovus work site. Cenovus may also request such records at any time.

## 11. PERSONAL PROTECTIVE EQUIPMENT (PPE)

The supplier must ensure that proper personal protective equipment and clothing is available to all workers in accordance with site requirements. Additionally, the supplier’s PPE program must:

- Include instructions on the use of PPE as a control measure to protect workers from hazards identified through their hazard assessment process.
- Ensure workers properly use and wear the correct PPE.
- Ensure PPE is in a condition to perform the function for which it was designed.
- Provide appropriate training for its workers for the selection, use, inspection, care and maintenance of PPE in accordance with applicable laws.

## 12. DRIVING SAFETY

If the supplier’s scope of work includes driving, the supplier must have a driving safety program which will ensure:

- All drivers have a valid driver’s license that is correct for the class of vehicle being operated.
- Driver abstracts are reviewed and evaluated for risk exposure and mitigations put in place, if required.
- Drivers must obey all applicable Traffic Safety Act requirements, not exceed posted speed limits, and must drive according to the weather and road conditions.
- The use of any hand-held device while driving is not permitted. Devices may include, but are not limited to:
  - Cell phones.
  - Smartphones.
  - Tablets.

- Laptop computers.
  - Video devices of any type.
  - Programming of Global Positioning Systems (GPS) or other geolocation devices, portable audio players and vehicle displays while operating a vehicle is prohibited.
- Drivers and passengers must wear their seat belts while in a moving vehicle.
  - Vehicles operating in fire and explosion hazard areas must adhere to all grounding, bonding, ignition source control (positive air shut-off devices), and smoking rules.
  - When applicable, the supplier must have a journey management program in place that addresses and mitigates any risks associated with a journey, including when road travel should be limited (i.e., at night, in adverse weather conditions). The program must also address that another person is aware of the journey and that there is a reliable method of communication with predetermined check-in times.
  - Drivers are responsible for maintaining their vehicle in safe operating condition and keeping their vehicles clean, neat and tidy.
  - Drivers are responsible to ensure adequate securement of all cargo inside and outside of the cab.
  - Pre-use inspections and/or walkarounds must be conducted before operating company vehicles.

### 13. SMOKING

The supplier is expected to communicate and enforce the following requirements to its workers:

Smoking (including e-cigarettes) is only allowed in designated areas.

- Designated smoking areas cannot be within 5 meters (10 meters in Wood Buffalo) of a door, window or air intake of a workplace.
- Designated smoking areas cannot be within 25 metres (82 feet) of wellheads, drilling or service rigs, process or storage facilities, and other hazardous areas including motor vehicles within this distance.
- Used smoking materials (matches, cigarette butts, and cigar stubs) must be discarded in designated receptacles.

### 14. HSE VIOLATIONS

#### *Disciplinary Action*

The supplier must establish a disciplinary policy which includes consequence management guidelines and communicate it to all workers in order to ensure that HSE expectations are clear, act as a deterrent against HSE violations, and provides opportunity for continuous improvement on HSE performance. Disciplinary action imposed on a worker remains at all times the responsibility and is at the direction of the supplier.

#### *Removal from Work Site*

If, in the opinion of Cenovus, any worker is performing unsafe work practices, is not complying with applicable laws or the terms of the Agreement or this Schedule, Cenovus reserves the right to request the immediate removal of the worker from the work site. The supplier must be liable for any and all costs arising directly or indirectly from such circumstances.

If the supplier through its consequence management guidelines determine that a worker must be removed from the work site due to a violation this must be communicated formally in writing to the Cenovus work site representative.

Workers who are removed for a safety violation will not be allowed to return to any Cenovus work site without authorization from Cenovus.

## 15. ASSURANCE ACTIVITIES

The supplier is required to conduct periodic assurance activities of its work sites, consistent with its own programs to evaluate both the compliance with and degree of effectiveness of its health and safety management systems. Assurance activities include:

- Internal or external audits of safety management systems.
- Assessments and reviews of management system components.
- Scheduled and informal inspections of worksites, equipment, vehicles, and tools.
- Formal and informal observation activities to validate conformance to set practices.

The supplier's assurance program must include:

- Prescribed assurance activities and supporting tools (audit/assessment instruments, subcontractor qualification activities, and inspection templates).
- A method to capture non-conformance and gaps to ensure timely follow up.
- A method to ensure continuous improvement.

Records of all assurance activities must be recorded with the date, the activity or condition noted, and any corrective action identified and implemented. All records of assurance activities will be made available at Cenovus's request.

Cenovus may conduct periodic assurance activities to validate compliance and assess conformance to Cenovus's health and safety requirements. The scope of these audits must cover compliance with agreed policies and procedures and practices as specified during the prequalification process and in the Agreement, and with the requirements of applicable laws.

The supplier is to provide full and diligent support including site access, requested documentation, records, and availability of personnel for interviews, to Cenovus personnel or third parties operating on Cenovus's behalf to conduct any health and safety evaluation or verification activity. Cenovus may require the supplier to submit its (and its subcontractor's) health and safety program and performance information to support Cenovus's evaluation & verification activities (prequalification, audits, inspections, verification, etc.).

## 16. SITE VISITS

*Supplier personnel visiting a Cenovus Work Site*

*Work Site Access*

Prior to entering a Cenovus lease or plant site, the supplier must first contact the authorized Cenovus work site representative for permission to enter the location.

*Worker Orientation*

The supplier is responsible to ensure its workers are properly orientated to the supplier's and Cenovus's health and safety requirements. The orientation of all supplier workers is to take place prior to or upon arrival at a work site through a work site orientation.

To complete the Cenovus-provided orientations and training, visit [CenovusLearns](https://www.cenovus.com/CenovusLearns) located on [www.cenovus.com](https://www.cenovus.com). Proof of orientation completion must be retained on the worker.

*Cenovus personnel visiting the suppliers work site*

If Cenovus personnel are visiting the supplier's work site, the supplier must ensure the following is communicated and verified prior to the site visit:

- i. Visitor expectations and safety rules, including PPE requirements.
- ii. Visitor training and competency requirements.
- iii. Communicate hazards associated with the site.

**APPENDIX 1 – HSE SUPPLEMENTAL REQUIREMENTS**