

External Entities' Code of Conduct

Regarding jobs to be carried out in the area of Magyar Cukor Zrt.

Code of Conduct connected with job security

(The code of conduct makes an integral part of and is attached to the business contracts)

1. Industrial zone

1.1 The boundaries of the industrial zone

The industrial zone boundaries can be seen on the picture: “Industrial zone boundaries”

The northern boundaries of the industrial zone: beginning from the entrance of the medical clinic to the canteen and the central part between the eastern wall of the canteen and the molasses container with 1,300 cube meter capacity as well as the space between this 1,300 cube meters capacity tank's receiving station and from the western side of the biogas receiving station till the castle building.

The entrance points of the industrial zone are signed with information signs having the following designation: „Industrial zone”.



Picture 1 – Boundaries of the industrial zone

1.2 The access rights to entry of the industrial zone

Driving-in and entry into the industrial zone is allowed only for those, who are either employees or persons settling related matters there or have a separate written valid authorization to do so.

1.3 Personal protective equipment, which are mandatory for everyone within the industrial zone

- > Protective helmet

- > Protective glasses (which can be water-clear lenses or eyeglasses) in the lime kiln spaces, where lime powder directly affects them (road section limited by the railroad rails at the Northern and the Southern side, the affected part of yard and the lime preparation unit).

- > Protecting boots with minimal requirements: protection against puncture of the sole and nose insert against injury as well as non-slip sole

- > In case of limited visibility and in the sugar storage space visibility vest or such work or protecting clothing, which have parts with good visibility. Limited visibility: period of time between sunset and sunrise, dense fog resp. extreme rainfall.

- > 1.4 Exemptions from wearing personal protecting devices, which are mandatorily prescribed
 - > - *There is no need to use personal protective equipment: managers and employees of external business entities (KGSZ), when they doing they specified job activity as follows:*
 - > - *Between the technical building and the industrial zone to and fro*
 - > - *Going to and coming from the workplace using the shortest way, from the zone border to the changing room/locker room.*

- > *Wearing protective helmet in the case, when such protective device is prescribed, which must be applied on the head because hygienic or other causes (anti-collision protecting cap, hygienic headset, welding helmet or goggles, breathing masque etc.); respectively if it may cause additional risk. It is non-binding in office rooms, control rooms, maintenance workplaces, changing room for women and men, laboratories, for welders during welding operations, machine drivers – if the work unit is protected with security*

roof -, dining rooms, the company's kitchen as well as in operation places with hot temperatures in closed workplaces (28 °C).

Wearing protective helmet on the sugar factory area in the following cases:

Heat alert was ordered by the national chief medical officer with the exception when the wearing of the helmet is mandatorily required by law. Using a protecting cap is allowed instead of an anti-collision helmet, if the work activity, traffic or stay takes place in places like: in shafts within buildings, in close/tight spaces, between pipe lines and when during and at the same time there is no danger originating in falling objects.

> Use of protecting glasses in the case, when:

Wearing such other type of devices (e.g. prescription glasses) or other protecting devices (welding goggles, grinder glasses), which are prescribed and can't be applied at the same time as well as in close/tight spaces (including offices, operating cabins machines and vehicles with closed operating/driving cabins etc.)

> Use of visibility vest in motor vehicles, working machines, trucks respectively in other close spaces, if the visibility circumstances are suitable (in buildings, workshops etc.)

> Exemptions from use of protecting devices do not exist if it is prescribed by legislative rules (e.g.: in case of danger originating in falling objects)!

2. Work rules regarding activity of external business organizations

2.1 Safety documentation requirements for labour protection of KGSZ (depending on the type of work)

> Dangerous working tools (law MVT (labour protection law), paragraph 21, sub-paragraph (2); paragraph 87 and 11; order of execution Vhr., appendices 1/a. and 1/b.)

- Preliminary investigation under aspect of labour protection
- Putting into operation from point of view labour protection
- Systematically safety review
- Structural and main revision (lifting devices/machines)

- > Validation of the installation control for manually used electric tools (yearly review)
- > Review of other kind of working tools, which are prescribed for yearly review of personal protecting devices
- > Material safety data sheets of chemicals brought-in to the area of MC Zrt.
- > Machines' driving licences, commission to machine operation (issued by the employer)

Documentation needed to activities, which use occasionally flammable materials.

- Certificate on special fire protection (at least photocopy)
- Written and filed-in document on the conditions; it should be handed over to be countersigned

2.2 Tasks before working

- > Manager of KGSZ (or its delegates) takes care to contract the so called "Work agreement" prior to the beginning of the work tasks in accordance with the labour protection rules (MVSZ) of MC Zrt. Till the contracting of the work agreement the employee is not allowed to work on the area of the MC Zrt.
- > Manager of KGSZ (or its delegate) takes care to take suitable measures that the employees of KGSZ respectively its sub-contractors will participate – prior to start with their activity – and will be trained at courses for labour and fire protection, which will be held by the responsible persons of MC Zrt.
- > Prior to beginning with the work activity the given work area should be taken over. From the date of the taking-over procedure the manager of KGSZ (in case of more contractor the general contractor) will be responsible for the operation at the given workplace, till the taking over by the principal.
- > To make any work with flammable materials is allowed only after the relevant operations have been determined in writing. This permit will be issued by KGSZ, and it will be handed over by it to the responsible persons of MC Zrt. for labour and fire protection, in their absence to the area manager, to be countersigned. The issuance of this document can occur only on condition, that the labour protection have been accordingly checked and the prescribed valid fire protection certificate of the respecting person has been presented accordingly.
- > Minimum requirements to be observed during work

- > Working with flammable materials can be executed, if the conditions written in within the permit and the rules of the valid national fire protection regulation (OTSZ) will be observed.
- > The employee/worker working with flammable materials has to have and to hold at the workplace a written permit – prescribed by paragraph 2.2 – and the valid fire protection certificate or a copy thereof.
- > Depending on the type of work the necessary personal protection devices (PPE; EVE) during the working phase is obligatory. Those personal protection devices must be worn/used, which were specified by the manager of KGSZ

Those PPEs, which need to be reviewed (e.g. body harness) have to be validated. The other conditions regarding PPEs must be ensured according to the labour protection law (MVT).

- > Within the specially clean and clean classified areas such work clothing must be used, which protects the manufactured products and the special rules regarding to such areas must be observed!
- > Any injury, accident, sickness must be reported to persons of MC Zrt. responsible for labour and fire protection, so as they can be investigated accordingly.
- > The tools used by KGSZ must guarantee the basic labour protection provisions for the work tools requiring review investigation their permit must be valid (*see point 2.1*). The responsible of MC Zrt. for fire and labour protection are entitled to ask in these regarding documents.
- > The work should be carries out properly in line with the so called “labour protection agreement) and in accordance with the legally binding provisions. The manager of KGSZ is responsible to do that.
- > In case of working in close spaces (e.g. tank, trench, space with small volume etc.) the manager of KGSZ (or its delegate) is responsible to take measures to establish the conditions, which are safe and not harmful to the health of people. He should issue a written permit and determine the regarding conditions. In the safe definition of the applied rules the manager of KGSZ (or its representative) is obliged to co-operate with the manager of the regarded production sector to identify the materials (e.g. what kind of materials were or are in the container/tank etc.).

- > The fire and labour protection representatives of MC Zrt. control the condition of the regular working. If irregularities are found by them they are entitled to impose liquidated damages as specified within this regulation. When the irregularities will continue to exist after a specified period of time, the doing work can be suspended/stopped till the elimination of these irregularities. In case of repeated or serious infringement of the rules by a given entity, it can be banned from the sugar factory.
- > The suitability and quality of material to be built-in – if there are not contrary measures in the agreement concluded by and between MC Zrt. and KGSZ – must be ensured by KGSZ. If the materials intended for installation must fulfil special requirements, (e.g. fire resistance, RB (Ex) etc.), KGSZ has to make sure of the suitability of the materials at time of purchase, and it must check the availability of the necessary documentation, e.g. declaration of conformity. The documentations must be handed over to the contact person defined by MC Zrt.
- > It is forbidden: to transport/bring-in into the area of the sugar factory unidentified materials/objects/preparations with incomplete or damaged labelling and packaging.
- > It is forbidden: to pour and introduce into canals, sewage drains, shafts/pits/open ditches – without permission – any unknown chemicals or their residuals (acids/alkalis used to cleaning equipment/machines, washing water having chemical content, cleaners, solvents, paints etc.

2.3 **Required work upon completion of tasks**

- > The work area must left after completion/suspension of the activity day-after-day in a state that no danger situation can come into being resp. the work area would not represent a dangerous situation for the employees being present within the sugar factory (e.g. complete elimination of fire and glowing in case of flammable materials, in case of work, trench/pit: suitable marking, fencing etc.).
- > After the completing the work the workplace must be left in a state that it could not be dangerous for the employees/workers, no risk may be present for workers and who are present there.
- > At the technical takeover/giving-over procedure the manager of A KGSZ must declare that the completion of works have been implemented in line with the the provisions of the valid standards/legal norms (*Labour protection, fire protection suitability/conformity declarations*) and the work place has been established in line with the conditions, which do not influence the health and safe working circumstances)

2.4 **Traffic rules**

- > The rules of the highway codes (KRESZ) applies to the traffic on the whole area of the factory. Allowed max. speed: 20 km/h. Only in exceptional cases is allowed to exceed this limit (e.g. in case of emergency for vehicles, which participate in the damage control)
- > The following units are not allowed - at all – to be used/blocked, including temporarily use/blocking: traffic roads, railroad rails, entrances/exiting points, fire hydrants, fire fittings, ways and roads for fire fighting vehicles (yellow stripes).

- > Motor vehicles may use only the constructed roads, which are the shortest to the point of destination. To get off this road is forbidden!
- > The truck driver may leave the truck only for the following activity:
 - Loading up/down – filling-in/draining solid/liquid etc. materials and/or
 - Health needs.
- > It is forbidden: throw/pour out garbage and to dispose environmentally dangerous materials on the factory area!

3. ***Alcoholic beverages, other mind-altering drugs and smoking***

The persons performing job on the fabric area of MC Zrt. are responsible to appear at their workplace in safe condition suitable for doing their duties so as their and others' health and physical integrity will not be endangered. The persons entering the territory of MC Zrt. are obliged not to drink alcoholic beverages and not to use mind-altering drugs at the workplace. This obligation is valid both for business hours and out of their workplace. They are not allowed to enter the workplace if influenced by the above mentioned beverages or drugs.

The persons entering the fabric area will submit themselves to the investigation of MC Zrt. or other competent authorities to test, whether they are under influence of such beverages or drugs.

3.1 **Test methods**

Methods of alcohol and drug test:

- Blow-pipe for alcohol test

- Cupping in hospital
- Other type of alcohol and drug test made by medical methods

3.2 **Blow-pipe for alcohol test**

3.2.1 ***Selection of the person to be examined***

At the main entrance of Kaposvár Sugar Factory a one-touch random system is installed to select employees to be tested. After the selected person is identified the system gives light and sound signals. After that the security staff should make the suitable/prescribed test. The system is in operation also for arriving and leaving.

3.2.2 ***Determination of the quantity of alcohol in the organization***

The method of measuring the volume of alcohol in the organization is as follows (blow-pipe or other method):

- 0,00 mg/l
- 0,00 %

3.3 **Special provisions**

- > Checks should be carry on in any cases if suspicion exists that somebody is under alcoholic effect.
- > Refuses somebody to participate in the alcohol test, he/she is not allowed to enter the factory. At leaving the factory: refuses somebody to participate in the alcohol test, he/she has to be considered as under influence of alcohol.
- > If somebody has been found – at the entrance – to be influenced by alcohol he/she is not allowed to enter the sugar factory.
- > If somebody has been found – by leaving the factory at the entrance – to be influenced by alcohol he/she should be banned from the factory for six months.
- > For the validation of the alcohol test a third person can be called into the place of investigation, who can objectively verify/certify this result.
- > The asked witness invited by the tested person can participate at the testing process also in the case when he/she works in a lower position than the requesting person.
- > The asked witness invited by the security service can't be in a lower working position than the tested person.

- > In each case an inspection protocol must be taken up, also in case of negative result; it must be signed by the investigating and the investigated person.
 - > If the investigated person taking medicines and this can affect the result made by alcohol testing blow-pipe, he/she has to report this fact, and the opinion of the employer of the employee should be taken into consideration. The employee can not made any job on the factory area when the medicaments – prescribed by his doctor- negatively influence his/her working capacity.
-
- > In case of mouth-wash or other kind of materials the test should be repeated after 15 minutes.
 - > Those events must be assessed differently, when somebody would be called-in out of working hours (e.g. an event, which may hardly influence the human health or important property damages, accidents, breakdowns, fire etc.). These events should be considered in accordance with the given circumstances. Those facts, which could affect the proper performance need to be clarified still prior to the entering.

3.4 **Smoking**

MC Zrt. - Kaposvár Sugar Factory regulates in its regulation nr. 9: *Smoking is allowed only at designated places. Anyone who breaks this rule will be punishable by a fine specified by MC Zrt.*

4. **Sanctions**

4.1 ***Deductive penalty in case of violation of the safety rules***

NR.	Irregularity	Fine, Ft/HUF	Other sanction
1.	Violation of the rules for smoking	10.000 Ft	Banning employee from the factory after second time
2.	Failure to wear prescribed personal protection equipment during working	15.000 Ft	If more than 1 person: 25.000 Ft
3.	Failure to wear prescribed personal protection in industrial zones	10.000 Ft	If more than 1 person: 20.000 Ft
4.	Validity of obligatory work equipment/protecting devices is not given	15.000 Ft	If more than 1 personal protection/other equipment: 25.000 Ft
5.	Failing of reporting: accident, sickness to MC Zrt.	10.000 Ft	If more than 1 person: 10.000 Ft/person
6.	No permits have been issued to works in close spaces	10.000 Ft	If more than 1 person: 15.000 Ft
7.	Lack of safe workplaces	20.000 Ft	If more than one potential dangerous failure: 30.000 Ft

8.	Working without preliminary fire/labour safety training	10.000 Ft	If more than 1 person: 10.000 Ft/person
9.	Lack of documents needed to work with flammable materials (fire protection certificate, conditions must be determined in writing)	20.000 Ft	Banning employee from the factory after second time
10.	Use/storage of materials by KGSZ – labelling incomplete/unidentifiable – stored in containers not suitable (e.g. containers for foodstuffs)	10.000 Ft	If more than one container 15.000 Ft
11.	Violation of rules written in section 2.5	15.000 Ft	Banning employee from the factory after second time

4.2 Special provisions

- > About the irregularities minutes will be drawn up by either the responsible persons of MC Zrt. for fire/labour protection or the manager of the security service. The minutes will be signed by the employer of the delinquent employee.
- > This labour safety code makes an integrated part of the business/service agreement. In case of violation of the provision written here by the manager/employee of KGSZ, the payment of KGSZ will be reduced by the penalties written in the table 4.1.
- > If due to the work done by KGSZ damage would occur (e.g. pollution of natural water),

and this was unanimously caused by KGSZ, the negative legal consequences to the debit of MC Zrt. will be the responsibility of the KGSZ (e.g. fines). The negative legal consequences will be passed to the general contractor in case of more sub-contractors doing their jobs at the same time at the workplace; exception: the main contractor has no contractual relationship with the KGSZ, which caused damages at the workplace. In this case the negative legal consequences will be responsibility of KGSZ.

- > If employees of the KGSZ will cause three irregularities within six months, KGSZ will be banned from the premises of MC Zrt. after the end of contractual relationship (or after completion of the given activity) for 1 year.
- > In case of direct and serious threat of more employees the KGSZ will immediately banned from the premises of MC Zrt.

- > The deduction of the penalty/liquidated damages will occur in any case from the general contractor, which has legal relationship with MC Zrt.

5. Abbreviations

- > MC Zrt. - Magyar Cukor Zrt. Kaposvári Cukorgyára
- > KGSZ - External business entity
- > EVE - Personal protective device
- > MVSZ - Labour protection code of Magyar Cukor Zrt.
- > MVT - Labour protection law
- > Vhr. - Law-enforcement of Labour protection law
- > OTSZ - National fire protection law
- > MC Zrt's responsible persons for fire/labour - Fire/labour protection manager, safety employee,

Kaposvár, 2015.07.30



Dr. Farkas J. Tamás

termelési-gazdasági igazgató/igazgatósági tag



Kovács Gergely

kereskedelmi igazgató/igazgatósági tag



dr. Borbély Ákos

igazgatósági tag