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Mersin-Adana-Osmaniye-Gaziantep Yüksek Standartlı Demiryolu Hattı
İnşaatı ile Elektromekanik Sistemlerinin Temini
Construction of Mersin-Adana-Osmaniye-Gaziantep Hight Standard Railway Line
With Supply Of Electromechanical Systems

Rapor Adı
Report Name

HSE LEADERSHIP AND KEY PERFORMANCE INDICATORS (KPI) PROCEDURE

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1. PURPOSE

Visible leadership principles and determination of key performance indicators for the effective management of HSE in the MAOG Project, realization of the project / performance monitoring / follow-up, and defining the reporting and follow-up mechanism between the Group Company and Ronas Holding.

2. SCOPE

Subcontractors working in the project include site chiefs, project manager, assistant project manager, site chief and all section chiefs and field chiefs.

3. IMPROVEMENT

Persons who detect ambiguity and inconsistency in this document can report their requests and suggestions to the responsible departments by using the "User Feedback Form" in Appendix-A.

4. REFERENCES

- ISO 45001 Occupational Health and Safety Management System
- ISO 14001:2015 Environmental Management System,
- MAOG-RECU-GN-GNL-IS-GNL-PRG-0001-0 Accident Incident Management Procedure
- MAOG-RECU-GN-GNL-IS-GNL-PRG-0005-0 HSE Incentive Procedure
- MAOG-RECU-GN-GNL-IS-GNL-PRG-0007-0 HSE Monitoring, Verification and Evaluation Procedure
- HOL-HSE-SRC-003 - Occupational Health and Safety and Environmental Target Management Process

5. RESPONSIBILITIES

5.1. Group Company HSE Coordinator/Manager

Group Company HSE Coordinator / Manager is responsible for controlling the implementation of this document in the Projects operating within the Group Company to which he is affiliated and reporting non-documentary practices to the Group Company Board of Directors. Group Company HSE Coordinator/Manager is also responsible for the following:

- Supporting the planning of its own Group targets based on the Holding's HSE targets,
- Leadership expectations of project teams; Following the HSE key performance indicators, HSE targets and performance and informing them about HSE activities,
- Developing programs and supporting Management teams to increase visible HSE leadership,
- Reporting the unachievable targets to the Group Company Management and the Corporate HSE Management Department,
- From the correct implementation of this document by the projects,
- Responsible for keeping the records of HSE leadership activities and providing periodic (3 monthly) reports on leadership practices and key performance indicators to the Group Company Management and Corporate HSE Management Department.

5.2. Project Management:

Project Management is responsible for implementing this document in all worksite activities and ensuring that the subcontractors it works with work in accordance with this document. Project Management is also responsible:

- Being an exemplary and guiding leader in the management of HSE and participating actively and effectively in HSE activities,
- Determining the targets for the Project based on Ronesans HSE policy and targets and announcing it to the lower staff,
- Determining and evaluating the HSE key performance indicators of the employees within the project,
- Reporting HSE leadership activities, HSE targets and HSE key performance indicators to the Group Company Management,
- It is responsible for the reporting and activities carried out in accordance with this document.

5.3. Department / Section Managers Chiefs / Field Chiefs

Department / Section Chiefs / Field Chiefs are responsible for implementing this document in their own work area / activities and ensuring that the subcontractors they work with work in accordance with this document. Department / Section Chiefs / Field Chiefs are also responsible for the following;

- From the work of the employees in their teams in accordance with the requirements of this document,
- HSE leadership activities, HSE targets and the submission of the records related to the traceable performance criteria to the Project HSE units,
- Responsible for the objective evaluation of the HSE key performance indicators of the personnel working in their teams.

5.4. HSE Manager/Supervisor

Project HSE Manager / Chief is responsible for the coordination and monitoring of this document for its implementation in all sites and activities. HSE Manager/Supervisor is also responsible for the following:

- Supporting the realization of HSE leadership activities and HSE performance measurement in line with this document,
- Determining the verification activities that will ensure the appropriate evaluation of the HSE key performance indicators and creating / keeping the relevant records required within the scope of this document and reporting them to the relevant authorities,
- Ensuring the planning of HSE leadership activities for subcontractors,
- Responsible for determining HSE key performance indicators for subcontractors, monitoring the realization of HSE performance measurement and establishing a reporting mechanism.

5.5. Headquarter E&S Manager:

Responsible for managing infrastructure and superstructure projects regarding environmental and social governance issues and member of the Executive E&S Committee on behalf of the REC

5.6. Sub-contractors

Subcontractors are responsible for the coordination and monitoring of this document for its implementation in the fields and activities in which they operate. Subcontractors are also responsible for the following;

- Fulfilling the determined leadership activities,
- Responsible for the realization of the determined HSE key performance indicators and HSE performance measurement, and the realization of the requested reports.

5.7. PIU (Project Implementation Unit)

- **PIU Physics Engineer** who is responsible for supervising health and safety for the Project.
- **PIU Department Manager (Superstructure / Civil Engineer)** will be responsible for overseeing the implementation of all health, safety and social measures, as specified within the disclosure package of the Project, and regular reporting to AYGM PIU.

5.8. Executive Environmental and Social Management Committee

- **Executive E&S Committee Project Manager (Department Head / Branch Manager /Head of Department)** will be ultimately responsible for overseeing the activities undertaken by the AYGM/TCDD specialists (listed below), overseeing the implementation of mitigation measures and management procedures specified within the disclosure package of the Project, and overseeing the preparation and implementation of a CESMP, which will be based on this ESMP.

- **Executive E&S Committee Environmental, Health and Safety, and Social (EHSS) Manager (Specialist / Engineer)** will be responsible for overseeing all matters that relate to environment, health, safety and social aspects of the Project. Also, s/he will be appointed to be responsible for supporting the implementation of the SEP, by conducting regular consultation with affected communities on any concern regarding the Project. CLOs will also have responsibility for disseminating the Project disclosure package as described in the SEP. They will also conduct regular inspections of records relating to grievances received and their resolution. S/He will report regularly to AYGM PIU.

Further technical staff may be required during the course of the Project, who will be assigned internally by the AYGM, either by means of permanent or temporary basis until the completion of relevant tasks under the Project whilst they undertake their current responsibilities.

6. DEFINITIONS AND ABBREVIATIONS

Ronesans: Ronesans Holding A.Ş. is a group of companies in Turkey and abroad in which Ronesans Holding A.Ş.'s affiliates, subsidiaries, and Ronesans Holding A.Ş.'s shareholders are directly or indirectly shareholders.

Holding: Ronesans Holding A.Ş.

KPI: Key Performance Indicators

HSE: Occupational Health and Safety and Environment

Responsible Manager/Supervisor: The manager/supervisor responsible for the construction of the work subject to the MAOG Project. If the project subject is under the management of a subcontractor, the Holding and/or Group Company manager/supervisor responsible for the subcontractor is the Project Section and Section Chiefs, Site Chief or Project Manager.

Portal: Ronesans HSE Management Portal (<http://rsafe.ronesans.com>).

CPRA : Corrective, Preventive and Remedial Action

Nonconformity (NCR): It is an application that is contrary to the relevant articles of the documented information (regulation, standard, etc.) detected during the audits. (non-conformity) The detected negative situation has to be eliminated in the planned manner and time.

Meeting for Management Review: Management Review Meeting.

Reactive: It is the traditional approach. In this approach, the examination of accidents and system malfunctions is essential. It focuses on post-incident investigation and reorganization of work.

Proactive It is essential to focus on the review of the management system, risk assessment and safety culture rather than system breakdown. Focuses on employees and unsafe practices before the event occurs.

COACH System: It is a web-based platform where recruitment, compensation, orientation, performance management, talent management and similar Human Resources processes are carried out.

REXA: Renaissance Excellence Awards (for detailed information, see MAOG-RECU-GN-GNL-IS-GNL-PRG-0005-0 HSE Incentive Procedure)

7. IMPLEMENTATION

7.1. HSE Leadership

In accordance with Ronesans's HSE policy, HSE leadership constitutes one of the cornerstones of the HSE Management System.

As a strong and exemplary leader:

- To determine and announce HSE policies and targets,
- Being an example on HSE,
- To express HSE expectations clearly and precisely,
- Keeping HSE as a priority value in making business-related decisions,
- Allocating resources to achieve goals,
- To provide the necessary organizational structure / resource,
- Spreading the HSE culture and keeping the perception high,
- To ensure the existence of the HSE system,
- Checking the system

As a leader involving employees:

- Creating open communication channels,
- To encourage and reward the development of HSE culture,
- To provide effective education,

As a follower and reviewer:

- To follow the risky areas,
- to be a guide,
- Monitoring performance and providing feedback.

Within the framework of these expectations, key performance indicators are determined and followed.

7.2. Determination of Annual Targets and Key Performance Indicators of Projects

In order to ensure compliance with Ronesans HSE Policy and commitments, and within the framework of its policy of continuous improvement, annual macro level targets must be determined by Ronesans Holding's Senior Management and Group Company Managers and these must be followed up at regular intervals.

The determined targets are followed through the HSE Targets Tracking Form. In line with these goals, Group Companies should determine their goals and objectives for the Projects in which they operate and create action plans to achieve these goals. These targets are detailed by the project (micro-level) and KPIs are defined. The targets are reviewed in 6-month processes and YGG meetings, and the HSE plans are updated according to target compliance.

Macro Target Examples::

- Objectives for the participation of managers in HSE,
- Establishment and compliance of Ronesans HSE System,
- Providing HSE Organization,
- Training rate,
- Compliance with procedures,
- Creating an audit program
- Reward system
- Negative / positive result management,
- Accident / incident performance values,

ANNEX C Detailed targets can be set using HSE Key Performance Indicators. Goal setting and follow-up process can be done according to ANNEX B HSE Goal Management Process.

Micro Target Examples:

Group Companies, to reach the annual targets determined by the Holding; b KPIs for the Project and for all managers and supervisors, starting with Project Managers, by making use of ANNEX C HSE Key Performance Indicators determined in detail.

While determining the performance criteria, criteria are determined according to the areas of responsibility. Care should be taken to ensure that these objectives reflect both qualitative and quantitative measurements. The Group Company Senior Management and Project Management are responsible for allocating the necessary responsibilities and providing all kinds of resources to achieve these targets.

7.3. Subcontractor HSE Targets and KPI Tracking

One of the important tools to be used to convey the expectations to the subcontractors about HSE and to ensure their participation in the implementation is to set targets and KPIs for the subcontractor. Therefore, Level 1 Subcontractor operating at risk (for detailed information see MAOG-RECU-GN-GNL-IS-GNL-PRG-00011-0 Subcontractor Management Procedure) and other risky subcontractors, target and KPI based on Renaissance KPIs process and KPIs are determined by Ronesans. These KPIs are followed up by the Sub-Contractor HSE Unit and are reported monthly in Ronesans Project HSE Unit.

7.4. Reporting of Key Performance Indicators and Operational Control

General, systemic and macro targets determined annually for all managers and supervisors starting from Group Company and Project Managers within the scope of Ronesans (for detailed information, see HOL-HSE-SRC-003 – Occupational Health, Safety and Environmental Target Management Process) COACH Performance Management System' should be followed up and evaluated objectively by a top manager. Micro targets are targets set to achieve macro targets and should be evaluated and followed up. With the interim evaluation carried out in the COACH system, the targets should be updated or the action plans required to reach the target should be created.

The Corporate HSE Management Department should analyze the HSE target evaluations from the Group Companies and share them with the Holding Board of Directors with 2 reports as interim period and year-end. Group Company HSE Coordinators review the project target progress on a quarterly basis and share them with the Group Company Management and Corporate HSE Department. Action plans are requested from the Project Management by the Group Company Boards of Directors in order to analyze the situations where the targets cannot be reached.

Micro-level and operational KPIs and Sub-Contractor KPIs are followed up on a monthly basis on a Project basis and submitted to Project Managers for evaluation. For the tracking system, APPENDIX D Project KPI Tracking Form or similar systems can be used.

7.5. Monthly HSE Performance Report and Accident Incident Cause Analysis

7.6.1. Monthly HSE Performance Report

With the monthly HSE Statistics Report, the performance of the system is measured quantitatively. Statistical information obtained with a proactive approach such as meetings, marches, inspections, exercises and training data and with a reactive approach such as accident/incident numbers, non-compliances, and disciplinary penalties are followed. The records of the defined events and data that took place during the month in question in the Project should be kept and reported through the Monthly HSE Statistics Report until the 7th of each month.

Within the scope of the Monthly HSE Statistics of the project, the HSE Management Portal can be accessed from the specified web address. (<http://rsafe.ronesans.com>)

7.6.2. Accident Incident Cause Analysis

As a reactive approach in HSE management, accidents should be investigated and analyzed in order to prevent the recurrence of similar accidents and incidents and to improve HSE performance. Classification, investigation and reporting of work accidents, environmental accidents and material damage events and accidents occurring in the project should be carried out within the scope of the Accident Incident Management Procedure no. MAOG-RECU-GN-GNL-IS-GNL-PRG-0001-0.

In addition, the Negligible Neglected Incidents and Unsafe Situations and Behaviors recorded are important in terms of giving clues about potential accident potential issues in the Project. Statistical analyzes should be made for the categories of near misses and unsafe behavior/situation, and action plans should be created to take necessary preventive actions, by identifying common missed incidents and unsafe situations and unsafe behaviors in the project.

7.6. HSE Incentive Program

After the reporting of Key Performance Indicators and operational control, individual and group-based rewarding should be carried out and this award should be carried out in accordance with the HSE Incentive Procedure No. MAOG-RECU-GN-GNL-IS-GNL-PRG-0005-0. As a result of the evaluations made according to the performances in the criteria determined every year, the project with the highest performance is awarded the REXA OHS-Ç award with the approval of the committee determined by the Ronesans Holding Board of Directors (For REXA awards, see MAOG-RECU-GN-GNL-IS-GNL-PRG- 0005-0 HSE Incentive Procedure). For this award, projects must submit their presentation to the committee by the specified date. While the HSE award is given, there is also a member of the relevant Board of Directors representing the Corporate HSE Management Department in the committee.

7.7. Monitoring, Verification and Evaluation

Proactive monitoring, verification and evaluation methods required for the implementation of KPIs; It is determined in the HSE Monitoring, Verification and Evaluation Procedure No. MAOG-RECU-GN-GNL-IS-GNL-PRG-0007-0.

7.8. Management Review

The HSE system should be reviewed at least once a year and at the end of the year as much as possible, in order to ensure that the HSE Management System continues to be appropriate for its purpose, adequacy and effectiveness and that it is compatible with Ronesans Holding's strategic direction.

At the Management Review meetings of Ronesans Holding and its affiliated Group Companies, it is recommended to discuss and evaluate at least the following issues:

- The status of the actions determined at the previous management's review meetings,
- Changes in local and international laws and standards regarding HSE,
- Feedback, communication and complaints from parties related to HSE,
- HSE Policy, achievement of HSE goals and objectives,
- HSE Process performances,
- Significant environmental dimensions,
- OHS risk analysis, participation and consultation results,
- Requirements and expectations of related parties including compliance obligations,
- Conformity assessment results,
- Changing conditions and their integration into the system,
- Nonconformities, incident investigations and corrective / preventive actions,
- Monitoring and measurement results,
- Internal and external examination results
- Performance of outsourcers,

- Availability of resources and resource needs,
- Effectiveness of the activities conducted for activities for the identification of risks,
- Opportunities for improvement.

Decisions taken at the Management Review meetings should be recorded, kept for certain periods and shared with the relevant people.

7.9. Retention of Records

Records resulting from HSE monitoring, verification and evaluation activities should be recorded and archived in accordance with the relevant requirements in the Holding or Group Company Management System.

7.10. Relationship with Other Procedures

If this document conflicts with other HSE Procedures published to be valid in Ronesans Group Companies, is below the standards, and contains less precautions, the provisions of this document are applied. Provisions of other procedures that are inconsistent with this document, are substandard, and contain lesser precautionary measures are void.

8. MONITORING, ASSURANCE AND VERIFICATION

Key success indicators (KPIs) of this procedure will be monitored, verified and evaluated by the relevant parties in accordance with their responsibilities set forth in the E&S Governance document, within the scope of the MAOG-RECU-GB-GNL-IS-PRG-0007-0 HSE Monitoring, Assurance and Verification Procedure.

9. RELATED FORMS

Monthly HSE Statistics Report
HSE Targets Tracking Form

APPENDIX A –HSE Target Management Process

APPENDIX B – HSE Key Performance Indicators

APPENDIX C – Project KPI Tracking Form