



INDUSTRIAL RELATIONS MANUAL

DIRECTIVE NO.: 50

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SUBJECT: SAFETY AND INDUSTRIAL HYGIENE

DATE: Nov. 15, 1989

GENERAL

The Company's policy regarding safety and health is to provide working conditions that are free from recognized hazards likely to cause death or physical harm to its employees. It is also the Company's policy to comply with all applicable federal and state laws regarding occupational safety and health. These policies and others listed in E-20.9 of the Corporate Policy Manual, are to be implemented in accordance with the procedures outlined in this instruction.

LAWS

The Company is subject to many safety and health laws and regulations including Federal and State Occupational Safety and Health Acts (OSHA), the Federal Mine Safety and Health Act (MSHA), and Federal Motor Carrier Regulations.

The principal federal statute regarding safety and health is the Occupational Safety and Health Act. The purpose of this Act is "to assure, as far as possible, every working man and woman in the nation safe and healthful working conditions and to preserve our human resources." The Act is intended to encourage employers and employees to reduce the number of safety and health hazards at their places of employment and to stimulate them to institute new and improved procedures for safe and healthful working conditions.

The Act is administered by the Occupational Safety and Health Administration (OSHA). Under the law, OSHA is empowered to inspect employers' facilities for compliance with the law. They are also empowered to issue citations and/or exact penalties for noncompliance and, if necessary, enforce the law through the courts. However, the employer can contest any action taken by OSHA through appropriate procedures, including appeal to the federal courts.

State OSHA Plans, MSHA, and Federal Motor Carrier Regulations have similar enforcement and appeal procedures. Guidelines for complying with OSHA and MSHA regulations and procedures for handling a compliance inspection are in the Corporate Operating Manual, C-19.80.10.

COMPANY POLICIES AND PROCEDURES

The Company has established various written policies and procedures designed to ensure compliance with good safety and health practices. Some of these are:

1. Corporate Safety Manual
2. Corporate Medical Manual
3. Corporate Industrial Hygiene Manual
4. Risk Management bulletins and notices
5. Transportation Safety Manual

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continued





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COMPANY POLICIES AND PROCEDURES (Cont'd.)

The personnel manager for each facility is responsible for ensuring that these policies and procedures are effectively carried out. This includes, where applicable, making sure that they are properly communicated to the supervisory force, employees, and, where appropriate, Union representatives. It also includes any necessary coordination among these groups for effective implementation of the policies and procedures.

SAFETY AND INDUSTRIAL HYGIENE REPRESENTATIVES

Each facility of the Company should designate an individual to serve in the capacity of safety manager for the purpose of developing and implementing a safety program including the investigation and reporting of accidents.

Each facility should designate an individual to serve as the industrial hygiene representative for the purpose of carrying out the Hazard Communication Program and coordinating activities involving employee exposure to hazardous chemical and physical agents.

The position of safety manager and/or industrial hygiene representative may be a full-time job or may be combined with another function depending on the particular needs of the facility.

SAFETY AND HEALTH COMMITTEES

Many of the Company's labor agreements require the establishment of Company/Union Safety and Health Committees. In such cases, a facility should establish and operate the committee in accordance with the agreement.

In cases where there is no contractual requirement, the plant should still establish a Safety and Health Committee. The committee should consist of representatives of both management and employees and should also include a Union representative. Periodic rotation of committee members is recommended in order to improve communications and promote a better understanding of the safety program among all personnel. The committee should hold regularly scheduled meetings with planned agendas on current safety and health topics. A Company representative should keep minutes of each meeting describing subjects discussed and recommendations made to management. (Note: Time lost by committee members which otherwise would have been worked should be paid by the Company. For employees covered by the USWA Master Agreement, refer to the Agreement and to Reynolds Metals Company Arbitration Case No. 945.)

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PERSONAL PROTECTIVE CLOTHING AND EQUIPMENT

Many labor agreements require the plants to provide certain protective clothing and equipment to employees in accordance with prevailing practices. Many of these items (such as plano safety glasses, hard hats, flame-retardant clothing, respirators, hearing protection, etc.) are customarily furnished at no cost to the employee. Due to past practices or negotiations with Unions, certain other items (such as work gloves and prescription safety glasses) are also furnished at no cost to the employee. On the other hand, certain plants require the employee, rather than the Company, to pay for certain protective clothing. In any event, any extensions of prevailing practices or any new agreements regarding personal protective clothing and equipment must be approved in advance by Industrial Relations.

CAST HOUSE FLAME-RETARDANT CLOTHING

A special situation exists in cast houses throughout the Company. Each cast house employee who is directly exposed to molten metal is required to wear prescribed flame-retardant clothing made with material approved by the Corporate Safety Department. The policy on flame-retardant clothing is:

1. The Company will issue initially, at Company expense, four sets of flame-retardant clothing to new cast house employees directly exposed to molten aluminum.
2. Each year following the initial issue, the Company will replace on an as-needed basis, at Company expense, a maximum of three uniforms that have become unwearable or unsafe. Employees may be required to turn in an unwearable or unsafe uniform to receive a new one.
3. The employee will be responsible for the laundering and maintenance of such uniforms.
4. When the employee terminates employment or permanently transfers to a job classification not directly exposed to molten aluminum in the cast house, he may be required to return the uniforms to the Company.

Each applicable facility should develop a program in this regard tailored to its local situation but consistent with the above-stated policy. Any labor relations aspects of the plant program should be coordinated by Industrial Relations.

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SAFETY SHOE REQUIREMENTS

Each plant should establish its own policy with regard to the wearing of safety shoes in accordance with good safety practices and Corporate Safety Department guidelines. In some cases, it may be necessary to establish safety shoe specifications that exceed the minimal hard-toe specifications, e.g., nonconductive, nonstatic, etc. In any case, any safety shoe policy developed by the plant should be promoted and implemented with full cooperation of the plant Safety and Health Committee and Union representatives. Also, procedures should be instituted to provide employees with a convenient and expedient method of obtaining the required safety shoes, whether through the plant stockroom or through other arrangements with local vendors.

SAFETY SHOE ALLOWANCE

Many labor agreements provide for a safety shoe allowance to be paid to employees in two installments of \$40 each during the life of the agreement. Such an allowance would normally be considered income to the employee, but the agreements further stipulate that the allowance be provided at no tax cost to the employee. The tax cost of the allowance is eliminated when the employee claims a tax deduction for the cost of the safety shoes purchased with the allowance. The Internal Revenue Service has ruled that in order for such an expense to be tax deductible, the wearing of safety shoes in the plant must be a mandatory policy and the safety shoes must not be a type adaptable to general usage. Accordingly, where the safety shoe allowance is applicable to a bargaining unit, the plant must maintain a mandatory policy on the wearing of safety shoes.

Where applicable, each \$40 installment should be paid to the employee in his regular paycheck for the week following the safety shoe allowance date. A legend must appear on the check stub indicating that the \$40 safety shoe allowance has been included. No tax will be withheld from the allowance. The allowance will be included in year-to-date gross earnings on the check stub and on the annual W-2 form.

Employees who purchase safety shoes under the conditions specified above may deduct, for federal income tax purposes, the amount paid for the shoes up to, but not in excess of, the \$40 reimbursement. This deduction may be claimed as "Reimbursed Employee Business Expense" on Federal Income Tax Return Form 1040. The excess of purchase price over \$40 may only be claimed on Schedule A as an itemized deduction subject to the overall limit of two percent of adjusted gross income. Form 2106 -- Employee Business Expenses -- must be filed with Form 1040 to support any deductions claimed.



SAFETY SHOE ALLOWANCE (Cont'd.)

For employees who are not "actively at work" (as defined in the Insurance Plan), the Safety Shoe Allowance should not be paid until they return to work (and then only if they meet the service requirements for eligibility). Probationary employees (as defined in the applicable labor agreement) are not eligible for the first installment and only those employees who have completed one (1) year of vacation service are eligible for the second installment.

In those plants that already have financial arrangements with employees on the purchase of the safety shoes or metatarsals, the personnel manager should review the arrangement with Industrial Relations to ensure proper handling consistent with this directive.

SAFETY AND HEALTH RULES

Experience has shown that employees do not always work safely for the sake of safety. Neither do safety contests, as worthy as they are, always motivate people to perform their work in a safe manner. It is, therefore, necessary for each facility to establish, publicize, and enforce appropriate plant safety and health rules.

Since the entire scope of industrial health and safety is constantly changing as a result of government regulations, labor agreements, and other factors, safety and health rules should be updated on a continuing basis. However, since federal law requires the Company to bargain with the Union (upon demand) regarding these rules, the personnel manager should clear all new or revised rules with Industrial Relations before adopting them in the plant. Industrial Relations will consult with the Corporate Safety and/or Industrial Hygiene Department on the technical content of safety and health rules.