

# HEALTH, SAFETY AND REGULATORY COMPLIANCE POLICY STATEMENT

It is the belief of Management of Basic Industries of South Texas, Ltd. that all occupational injuries and illnesses can be prevented. Management encompasses this belief as its primary goal and as such, an integral part of its management and business process.

To ensure fulfillment of this goal, management is responsible, accountable and has authority to ensure health, safety and regulatory compliance.

The foundation, on which we will build toward fulfillment of this goal, is grounded in our Safety Process. Components of this process are as follows:

- Management will provide necessary resources and training to meet objectives.
- Line management is responsible and accountable for preventing incidents by job planning, hazard recognition and regulatory compliance.
- Adherence to safety rules and utilization of prescribed safety equipment is a condition of employment.
- We will only employ contractors who are committed to health, safety and regulatory compliance and will hold them to the same standards as ourselves.
- Safety and health inspections and audits will be routinely conducted with the results reported to upper management.
- Each employee has the right and duty to question the adequacy of Health and Safety provisions.
- All incidents will be investigated, a root cause determined and information learned from these experiences will be communicated throughout the organization.
- The ideals of production and safety must be inseparable.

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