GUIDELINES ON HEALTH, SAFETY & ENVIRONMENT MANAGEMENT SYSTEM (HSE MS) FOR CONTRACTORS

HSE-402
ADMA-OPCO GUIDELINES ON HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM FOR CONTRACTORS
HSE - 402

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I. TABLE OF CONTENT

| I.  | TABLE OF CONTENT ............................................................................................................................... 3 |
| II. | DISTRIBUTION LIST .............................................................................................................................. 4 |
| III. | AMENDMENT PROPOSAL .......................................................................................................................... 5 |
| IV.  | AMENDMENT RECORDS ............................................................................................................................. 6 |
| 1.  | ADMA-OPCO POLICY AND STRATEGY ........................................................................................................... 7 |
| 2.  | POLICY REQUIREMENTS ............................................................................................................................ 7 |
| 3.  | LEGISLATION AND INDUSTRY STANDARDS .................................................................................................. 7 |
| 3.1 | LOCAL LEGISLATIONS ............................................................................................................................... 7 |
| 3.2 | INTERNATIONAL STANDARDS .................................................................................................................... 8 |
| 4.  | ISSUES FOR CONSIDERATION BY ADMA-OPCO ....................................................................................... 8 |
| 4.1 | CATEGORY A - HIGH RISK OPERATIONS .................................................................................................... 9 |
| 4.2 | CATEGORY B - MEDIUM RISK OPERATIONS ............................................................................................... 9 |
| 4.3 | CATEGORY C-LOW RISK OPERATIONS ...................................................................................................... 9 |
| 5.  | INTERFACING OF HSE MANAGEMENT SYSTEM (ADMA-OPCO & CONTRACTORS) .................................. 9 |
| 5.1 | MANAGEMENT STRUCTURE RESPONSIBILITIES AND ACCOUNTABILITIES .................................................. 10 |
| 5.2 | COMMUNICATION .................................................................................................................................... 10 |
| 5.3 | WORK PROGRAMME AND PROCEDURES .................................................................................................... 10 |
| 5.4 | EQUIPMENT: FITNESS FOR PURPOSE ..................................................................................................... 10 |
| 5.5 | MONITORING, AUDITING AND REVIEW .................................................................................................... 10 |
| 6.  | EFFECTIVE HSE MS AUDIT SYSTEM ........................................................................................................ 10 |
| 7.  | CONTENT OF HSE MANAGEMENT SYSTEM ............................................................................................. 10 |
| 7.1 | HSE POLICY .......................................................................................................................................... 10 |
| 7.2 | LEADERSHIP & MANAGEMENT COMMITMENT ......................................................................................... 11 |
| 7.3 | HAZARD IDENTIFICATION, RISK ASSESSMENT AND CONTROL ............................................................... 11 |
| 7.4 | HEALTH RISK IDENTIFICATION AND MONITORING .............................................................................. 11 |
| 7.5 | ENVIRONMENTAL PROTECTION .............................................................................................................. 12 |
| 7.6 | HSE PLANNING, OBJECTIVES AND TARGETS .......................................................................................... 12 |
| 7.7 | ORGANISATION, RESPONSIBILITIES AND RESOURCES .......................................................................... 12 |
| 7.8 | STANDARDS AND PROCEDURES ............................................................................................................... 13 |
| 7.9 | TRAINING, AWARENESS AND COMPETENCE ......................................................................................... 13 |
| 7.10| EQUIPMENT CONTROL, MAINTENANCE AND INTEGRITY ASSURANCE ................................................... 13 |
| 7.11| CRISIS AND EMERGENCY MANAGEMENT .............................................................................................. 14 |
| 7.12| ACCIDENT / INCIDENT, NEAR MISSES, SUBSTANDARD PRACTICES & CONDITIONS REPORTING, INVESTIGATION AND ANALYSIS ................................................................................................. 14 |
| 7.13| MONITORING AND PERFORMANCE MEASUREMENTS ............................................................................. 14 |
| 7.14| AUDIT, MANAGEMENT REVIEW & IMPROVEMENT .................................................................................. 14 |
| 7.15| TECHNICAL AUDIT (SITE/FACILITIES INSPECTION) ................................................................................. 15 |
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### III. AMENDMENT PROPOSAL

| TO: HEALTH, SAFETY & ENVIRONMENTAL DIVISION | DATE: ............ |
| FROM: ................................................................. | Phone: ............. |

#### DETAILS OF PROPOSED CHANGE / AMENDMENT

- **MANUAL (S):**
- **SECTION (S):**
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ON COMPLETION PLEASE RETURN THIS FORM TO:
Manager Health Safety & Environment
# IV. AMENDMENT RECORDS

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1. ADMA-OPCO POLICY AND STRATEGY

ADMA-OPCO places a continuing emphasis on the management of health, safety and environmental protection implemented by the Contractors working in its sphere of operations in order to ensure that all reasonable protection is provided to preserve personnel, plant, equipment and the environment in accordance with ADNOC policies, codes of practice, statutory legislation and the rules and regulations enforced by ADMA-OPCO.

These guidelines are established to ensure that a standard and uniform approach is adopted by ADMA-OPCO for the evaluation of Health, Safety and Environment Management Systems developed and implemented by Contracting Companies at various phases of business.

The guidelines should help adopt a common strategy by ADMA-OPCO for dealing with different categories of contractors in the aspects of HSE Management from the pre-qualification stage up to the completion of contract.

2. POLICY REQUIREMENTS

2.1. ADMA-OPCO will ensure that contractors establish an HSE Management System, which is conversant with the risk associated with their activities and joint operations.

2.2. ADMA-OPCO will ensure that contractors establish effective HSE programs with clear performance targets to control losses and minimize waste.

2.3. ADMA-OPCO will strive to ensure that Contractors standard will be to a level fully consistent with the local, regional and international recognized industry standards.

2.4. ADMA-OPCO will strive for contractors’ safety standard and performance to be equivalent to theirs.

2.5. ADMA-OPCO HSE Management System will establish the appropriate levels of control and assessment required at different stages of any contract agreement i.e. pre-qualification, terms & conditions, work procedures, etc.

2.6. ADMA-OPCO will communicate openly with contractors and encourage them to participate actively in industry and legislative forums on HSE issues.

2.7. ADMA-OPCO will ensure proper interfacing between the HSE Management Systems (i.e. ADMA-OPCO and Contractors) in the context of related operations.

2.8. ADMA-OPCO will have in place an auditing programme for contractors, which maximise quantitative measurements of success and HSE improvement.

3. LEGISLATION AND INDUSTRY STANDARDS

3.1 LOCAL LEGISLATIONS

- Abu Dhabi Emirate Law No. 8 of the year 1978 ‘Conservation of Petroleum Resources’.
• Ministry of Labour and Social Affairs’ Federal Law No. 8 of the Year 1980’.

• Ministry of Labour and Social Affairs ‘Ministerial Order No. 32 for the year 1982’.

• ADNOC Codes of practice.

3.2 INTERNATIONAL STANDARDS

• OHSAS 18001 (Occupational Health & Safety Assessment Series).

• ISO 9000 series of quality rating standards set by the Geneva based International Standardisation Organisation (ISO).

• BS 5750 - The British version of the ISO 9000.

• ISM Code - “The International Management Code for the Safe Operation of Ships and for Pollution Prevention” also known as the “International Safety Management Code”.

• Other Recognised International HSE Management system such as UK Health & Safety Executive, “Successful Health & Safety Management”, ISRS “International Safety Rating System”, etc.

4. ISSUES FOR CONSIDERATION BY ADMA-OPCO

• Contractors should be urged to develop their own HSE Management Systems in proportion with the risks encountered during a contract period, so as to reduce the risks to as low as reasonably practicable level, taking into account the cost benefit to achieve this objective.

• ADMA-OPCO shall set and agree the standard against which contractor will be assessed in line with these guidelines.

• The adequacy and effectiveness of an HSE Management System are dependent on the extent of risks the contractor is managing for the duration of contract. As risks may vary in nature, frequency and the severity of consequences, the HSE Management System developed by the contractor should also be flexible and dynamic to maintain an acceptable standard, taking into account the contract duration and value.

• In this context, it may be useful to classify the contractors into different categories based on HSE risks encountered. This categorisation is not for commercial purpose, and should not lead to business implications. The purpose of the proposed categorisation is to help contractors in developing adequate HSE Management System.

• ADMA-OPCO shall also take into account this categorisation at the phases of the pre-qualification, selection, contract execution and end of contract evaluation to ensure the adequacy and effectiveness of Contractors HSE Management System. The recommended categories of contractors are as follows:
4.1 **CATEGORY A - HIGH RISK OPERATIONS**

The contractor would normally be involved in operations with major hazardous and high consequences.

This category includes:
1. Drilling and Exploration
2. Seismic Survey (Offshore)
3. Production testing and well stimulation (Offshore)
4. Construction/maintenance and overhauling of oil and gas facilities
5. Transport by air
6. Marine Services including supply, towing, moorings, subsea work, etc.
7. Wireline and logging
8. Transport of hydrocarbons and highly dangerous materials

4.2 **CATEGORY B - MEDIUM RISK OPERATIONS**

The contractor would normally be involved in operations with medium type hazards likelihood and medium consequences or low medium likelihood and high consequences.

This category includes:
1. Shot blasting and painting of HC plants/facilities
2. Catering
3. Asbestos abatement
4. Drilling Services (cementing and mud logging)
5. Road transport of hazardous material

4.3 **CATEGORY C-LOW RISK OPERATIONS**

The Contractor would normally be involved in low risk operations with low risk likelihood and low consequences.

This category includes:
1. General maintenance in municipal areas
2. Road transport of non-hazardous material
3. Gardening and general services

5. **INTERFACING OF HSE MANAGEMENT SYSTEM (ADMA-OFCO & CONTRACTORS)**

An effective interfacing arrangement of the two HSE Management Systems is considered to be very essential for assigning responsibilities and establishing clear communication and programmes.

The key aspects to be considered in the systems interface process between ADMA-OFCO and a Contractor are:
5.1 MANAGEMENT STRUCTURE RESPONSIBILITIES AND ACCOUNTABILITIES

a) Management Structure
b) Individual Responsibility and Accountability
c) Operational Support

5.2 COMMUNICATION

d) Routine
e) Management of Change
f) Emergency
g) Accidents/Incidents

5.3 WORK PROGRAMME AND PROCEDURES

h) Changes to Programme
i) Procedures
j) Permit to Work (PTW)
k) Emergency Procedures
l) Crew Manning Levels

5.4 EQUIPMENT: FITNESS FOR PURPOSE

m) Plant and Equipment Control
n) Material Control
o) Third Party equipment standards

5.5 MONITORING, AUDITING AND REVIEW

p) Audits
q) Management involvement in review
r) Update HSE Plan

6. EFFECTIVE HSE MS AUDIT SYSTEM

6.1. ADMA-OPCO shall have in place an effective auditing system.
6.2. Auditing of Contractors will be in accordance with HSEMS Audit Protocol.
6.3. The audit should be designed to assess the key elements of Contractors HSE Management system as detailed in item (7) here below.

7. CONTENT OF HSE MANAGEMENT SYSTEM

An effective HSE Management System should help achieve specific objectives, and should be of a form that is suitable to each contractor’s operation. Typical elements of HSE Management System are detailed as follows:

7.1 HSE POLICY

HSE Policy statement is the cornerstone of the HSE MS and establishes the overall vision. The HSE Policy statement should be issued and signed by the most Senior Management Level.
HSE Policy should be specific, clear, concise and motivating. HSE responsibilities and accountabilities should be identified and well known. HSE Policy should be distributed to all concerned, displayed on notice boards and explained to the workforce in group meetings.

HSE Policy should be reviewed and revised as necessary taking into consideration any changes in the activities of the contractor.

7.2 LEADERSHIP & MANAGEMENT COMMITMENT

Senior Management should demonstrate commitment to HSE issues at all levels through their daily activities and style of work. Key issues include:

- Visible expressions of commitment by Senior Personnel.
- HSE matters should be placed as item No. 1 on their agenda.
- All senior managers should set a personal example to others.
- Management and Site HSE Committees to be established.
- Physical HSE tours of working sites to be conducted by Senior Management.
- A feedback system should be established to encourage and facilitate employee feedback on HSE matters.
- A positive culture should be promoted at all levels.

7.3 HAZARD IDENTIFICATION, RISK ASSESSMENT AND CONTROL

The purpose of this element is to ensure that hazards, risks and environmental exposures are identified and properly controlled:

- The following methods should be adopted to identify and control the risks:
  - A team involving representatives of all areas of concern conducts assessments.
  - All items identified during the risk assessments are to be documented, communicated and monitored through completion.
  - Risk Register is the most appropriate document to identify hazards and specified control/mitigation measures for proper follow up.
  - Assessment team performs a continual review of actual or proposed changes in the activities in order to update the Risk Register.

7.4 HEALTH RISK IDENTIFICATION AND MONITORING

Exposures to hazardous agents shall be assessed and managed and protection of personnel shall be established by elimination of hazard, substitution, engineering control and as a last resort by provision of personal protective equipment (PPE). The following items should be considered:

- Health monitoring programmes to be developed.
- Hazard control programmes to be established.
- Evaluation, selection and enforcement of PPE.
- Hearing conservation policy to be in place.
• Personal Hygiene Standards to be established and enforced.
• Medical fitness standards to be established and implemented.

7.5 ENVIRONMENTAL PROTECTION

Environmental aspects and their impact on the activities of the company should be identified and control measures should be implemented to reduce such impact. The following items should be considered:

• Environmental Protection Policy to be in place.
• Environmental Impact Assessment to be devised and implemented for new projects.
• Waste disposal Policy to be in place.
• Liaison with relevant parties including government bodies to be maintained.
• Environmental awareness training to employees.
• Certification of contractor to ISO 14001 is encouraged.

7.6 HSE PLANNING, OBJECTIVES AND TARGETS

The purpose of this element is to address the methodology and structure for identifying and achieving objectives and targets utilizing the elements of the HSEMS. The Objectives and Targets process provides the necessary structure for identifying specific actions, responsibilities and schedules required to achieve the objectives and targets. The following items should be considered:

• Set annual objectives and targets based on risks identified.
• Develop action plans and supporting tasks.
• Assign responsibilities and set completion dates
• Measure overall progress in achieving objectives and targets
• A periodic review for effectiveness and improvements

7.7 ORGANISATION, RESPONSIBILITIES AND RESOURCES

The purpose of this element is to specify the organisational responsibilities and accountabilities of employees to support the Management System. Employees at all levels in the organisation should have HSE responsibilities and accountabilities. The following items should be considered:

• Availability of adequate organisation structure
• Job descriptions in place showing each team member’s HSE competencies, responsibilities and function.
• Organisation clearly shows position of HSE professionals.
• Available resources to implement and control HSEMS.
• Adequacy of manpower level to comply with the requirements of the required services.
7.8 **STANDARDS AND PROCEDURES**

This element of the HSE MS addresses the need for standards and procedures to ensure the proper and consistent management of HSE issues effecting all levels of the organisation. The following items should be considered:

Availability of HSE Standards / Manuals.
- Users are involved in the development of Standards & Procedures.
- Suitability of the Standards & Procedures to the nature of work.
- Documents are controlled and frequently reviewed to reflect any changes.
- Clear responsibility for review and updating of Standards and Procedures.
- Clear reference to national and international standards.

7.9 **TRAINING, AWARENESS AND COMPETENCE**

This element of the HSE MS assures that individuals possess the necessary knowledge and skills to safely perform their assigned tasks. The following items should be considered:

- New employee orientation
- Job specific training
- On-the-Job training
- External / specialised training (Certification)
- HSE Awareness Campaigns (Posters, bulletin and competitions).
- Competence Assurance Management System.
- HSE Training Standards and Plan.
- Implementation of career development plan.

7.10 **EQUIPMENT CONTROL, MAINTENANCE AND INTEGRITY ASSURANCE**

Assurance of integrity of equipment will be implemented by developing and implementing maintenance schemes, quality control and certification. The following items should be considered:

- A system is in place for planned preventative maintenance in accordance with regulatory and established standards/practices.
- Existence of quality assurance programme to ensure equipment integrity.
- A system is in place for Certification and Classification of facilities/units.
- A system is in place to manage changes in facilities and operations.
7.11 CRISIS AND EMERGENCY MANAGEMENT

Emergency Procedures and restoration plans will be developed and implemented to preserve resources and restore business post an emergency. The following items should be considered:

- Identification of potential major emergency scenarios and procedures to be used in such scenarios (e.g. fire, H2S, explosions and rescue operations).
- Training of employees on handling emergencies.
- Drills and exercises to be conducted as per set programmes.
- Emergency equipment to be provided in accordance with legislative requirements.

7.12 ACCIDENT / INCIDENT, NEAR MISSES, SUBSTANDARD PRACTICES & CONDITIONS REPORTING, INVESTIGATION AND ANALYSIS

All accidents, near misses, substandard practices and conditions shall be reported, investigated and analysed. Corrective actions for preventing recurrence shall be taken and followed-up. The following items should be considered:

- Enforcement of accident/near misses reporting to be implemented through no blame culture.
- Compliance with legislative requirements.
- Accidents/Near Misses to be analysed to determine causes (Immediate and Basic) and trends.
- Follow-up on remedial actions to be implemented.
- Lessons learned to be communicated to workforce.

7.13 MONITORING AND PERFORMANCE MEASUREMENTS

This element of HSE MS addresses the measurement of performance with regard to objectives and targets. The following items should be considered:

- KPI’s
- HSE Objectives & Targets
- Quantitative and qualitative achievements in HSE issues (e.g. Training, Audits, corrective actions completion…)
- Communication of results to workforce
- Comparison of performance with other similar business organisations
- Performance measurement data to be used during the Management Review

7.14 AUDIT, MANAGEMENT REVIEW & IMPROVEMENT

This element of the HSE MS addresses the auditing process and the improvement initiatives identified during the review process to ensure continuous improvement. The following items should be considered:
• Policy, scope and frequency of HSE auditing.
• A system to follow up on findings of audits.
• Senior Management involvement in the HSE Review.
• Updates in the HSE plan based on the findings of the review process.

7.15 **TECHNICAL AUDIT (SITE/FACILITIES INSPECTION)**

This element addresses the full technical audit by the team to verify compliance with standards with regard to physical conditions on the Site.