

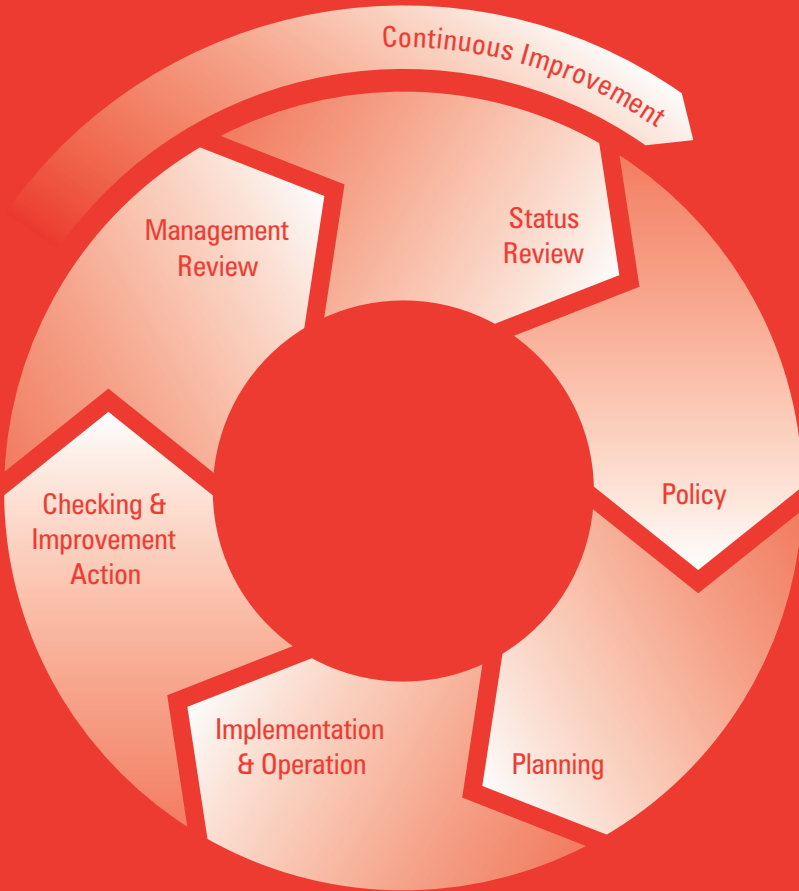


Wood Group

**Health, Safety and
Environmental
Management System**

HSE

Management System Elements



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Vision for HSE Excellence

Wood Group has for many years demonstrated its determination to achieve the highest standards in Health, Safety and Environmental (HSE) performance and we fully recognise that best in class HSE management can contribute significantly to our long term business success.

The commitment to succeed is embodied within our Vision for HSE Excellence:

As an integral part of our business we will:

- maintain a healthy workplace
- prevent accidents
- minimise adverse environmental impact

What must we do?

- **Leadership**
set high personal standards
- **Communication**
communicate openly and effectively
- **Culture**
create a culture in which we all care for each other
- **Understanding**
ensure everyone understands what is expected
- **Support**
develop practices that promote peer support
- **Commitment**
demonstrate our commitment with actions rather than words

We will be successful:

- when no-one is hurt
- when others copy us
- ...and we remain committed to further improvement



Sir Ian Wood CBE BSc LLD DBA
Chairman and Chief Executive




Trevor Noble
Group Director



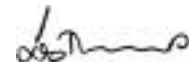
Wendell Brooks
Group Director



Alan Semple
Group Director



Allister Langlands
Group Director



Les Thomas
Group Director

Scope

In most countries a comprehensive legal framework exists that requires companies to manage their HSE issues in such a way that anticipates, prevents and limits occupational injury, ill health and damage to the environment. This document exists to facilitate compliance with these requirements. It is based on the following widely recognised management systems:

- **OHSAS 18001:1999**, Occupational Health and Safety Assessment Series. This provides a framework for managing Occupational Health & Safety responsibilities so that they can be effectively managed and integrated into overall business operations. This standard and the management system it supports, assists with the achievement of continuously improving OH&S performance and compliance with legislation.
- **ISO 14001:2004**, Environment Management Standard. This provides a framework for managing environmental responsibilities alongside other business requirements to achieve both economic and environmental goals. Based on this standard an Environmental Management System strives to deliver improving levels of environmental protection.
- **ISO 9001:2000**, Quality Management Standard. This standard focuses upon business controls and improvements and is as relevant to HSE as any other function. In being the mainstay of an integrated management system it provides an approach that ensures consistent and continuously improving Quality, Health, Safety and Environmental performance.

These systems can be integrated with the management of other aspects of the business in order to:

- Minimise risk to individuals and the environment.
- Improve business performance.
- Assist companies to establish a responsible image within the market place and on behalf of stakeholders.

This document describes the principles that operating companies should follow to structure their own Health, Safety and Environmental Management System (HSEMS). It will help line managers focus on critical HSE deliverables, forecast and allocate resources, and set direction for HSE activities that will consistently deliver improved HSE performance.

The Group Board supports this document and requires that Operating Companies develop a management system designed around the above principles.

1.0 Status Review



Objective

To measure the effectiveness of the HSEMS in line with identified standards, policies and compliance with legislation.

Key Activities

Companies undergoing a major organisational change, party to a joint venture or new acquisitions to the Group, should carry out a status review to provide a baseline from which progress can be measured. This should also be used to identify improvements and corrective actions for incorporation into operating companies' annual planned activities.

This determines where we are now, what we do, and how we can do it better. The status review is a function of the organisation, structure and responsibilities allocated to manage HSE affairs.

Where are we now? - The Wood Group Health, Safety and Environmental Management System was first issued in 1989. This version is the most recent revision since 1999 and has been structured in accordance with global HSE requirements and standards, to match the international scope of Group activities.

What do we do? - the Group is committed to achieve successive year-on-year performance improvement.

How can we do it better? - by adopting best practice learning from other organisations and providing assurance that adequate resources are allocated by management, with demonstrable involvement of all employees, to deliver our Policy objectives across all Group activities.

The Review should be carried out by each Operating Company using guidance provided in Section 6.

2.0 Policy



HSE Policy

The HSE Policy Statement is approved by the Group Board and signed by the Chairman and Chief Executive.

It should be displayed in a prominent position at all operating companies' locations and be in a language(s) that all employees can understand.

2.1 HSE Policy Statement

Wood Group will:

- Strive to attain the highest achievable standards of occupational health and safety for employees and all those affected by its activities.
- Provide safe workplaces by identifying, eliminating or mitigating hazards and occupational risks.
- Comply with all legislation and standards relevant to the Group's activities.
- Involve the workforce through training, participation, consultation and effective communication.
- Prevent recurrence of injuries, ill health and hazardous conditions by learning from mistakes.
- Recognise good health, safety and environmental performance.
- Co-operate with clients to achieve performance improvements throughout the Group's activities.
- Oblige Wood Group contractors and suppliers to adopt similar standards.
- Strive to prevent pollution of the environment.
- Eliminate or minimise discharges, emissions and waste.
- Incorporate and implement the designs of others in an environmentally sensitive manner.
- Utilise materials, processes and products that conform with best environmental practice.
- Reduce the consumption of natural resources and use energy efficiently.
- Protect the biodiversity of sites involved in Group operations.
- Set objectives and targets to help deliver continuous performance improvement.

The Group believe that this policy can help provide a positive contribution to the health and safety of individuals and to the protection of the environment. I give my personal commitment to promote its effective implementation.



Sir Ian Wood CBE BSc LLD DBA
Chairman and Chief Executive

3.0 Planning

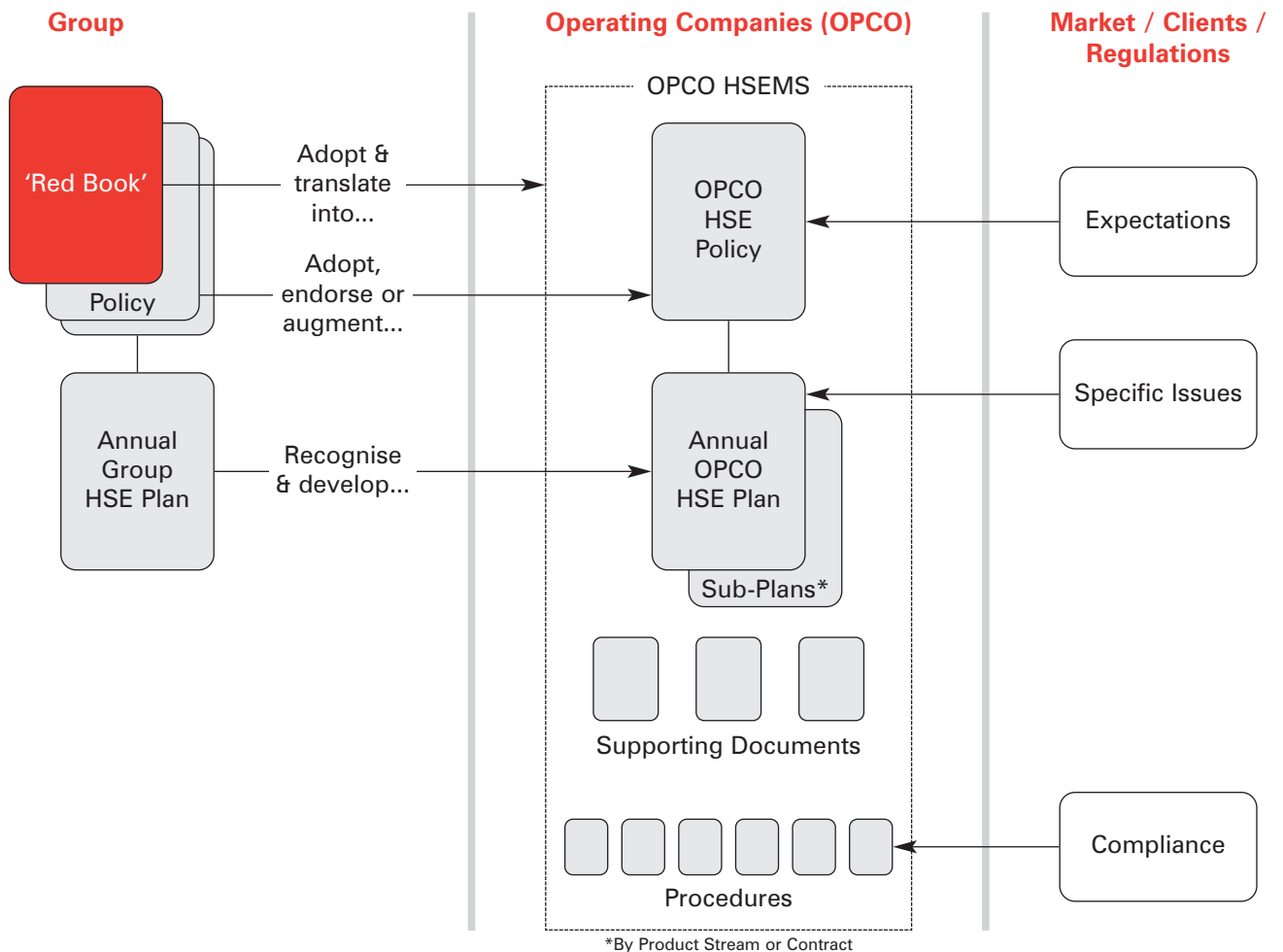
3.1 Organisation & Structure



The HSE planning process sets objectives and targets for the coming year, and defines the key activities, the deliverables and the performance measures on which compliance with the HSEMS can be evaluated.

Progress reports on the implementation of policy objectives, targets and plans targeted at continuous improvement in overall HSE performance are submitted to quarterly Group board meetings for review and discussion.

The structure of HSE management across the Group is shown below:



3.2 Legislation, Guidance & Standards

Objective

To provide a systematic method to identify, understand and adhere to all relevant legislation, guidance and standards.

Key Activities

Each operating company should instigate a procedure to:

- Obtain access to up-to-date copies of legislation, guidance and standards relevant to its operations.
- Appoint a company HSE Advisor or focal point responsible for identifying relevant legal requirements and advising management of any changes and action necessary to achieve compliance.
- Create and maintain a system to retain documents in compliance with legal obligations.
- Institute a controlled process so that documentation altered as a result of legislative changes is readily available and accessible at the place of work.

Performance Measures

- A systematic process for identifying changes in HSE legislation.
- A register of applicable HSE legislation.
- Documentation required to support efficient functioning of the HSEMS.
- Timely introduction of changes made to meet new legislative requirements.

3.3 Risk Control

Objective

To identify the hazards and assess the risks associated with our activities and take appropriate action to manage the risks and hence prevent or reduce the impact of potential accidents or incidents.

Key Activities

Conducting risk assessments, job safety analysis (JSA), or job hazard analysis (JHA) and controlling the risks identified is an essential element of accident, incident and ill health prevention and is the cornerstone of our HSEMS.

Health & Safety Risks; Identification of Hazards and Controls

Risk assessment is conducted to determine whether existing or planned controls are adequate to prevent harm before it occurs.

The basic steps of risk assessment are:

- Identify the work activity or situation.
- Identify the hazards.
- Determine the risks emanating from these hazards.
- Decide if the risks are at the lowest level that is reasonably practical. If not, then plan to reduce or control them to this level.
- Record the findings and communicate these to those at risk.
- Review and revise as necessary.

The hierarchy of risk control is:

- Eliminate the risks by removing the hazard.
- Substitute with a substance, process or machine that is less hazardous.
- Combat risks by engineering controls such as enclosures, extract ventilation or machine guarding.
- Have procedures in place to limit risk exposure.
- Detail safe systems of work.
- Use warning systems such as signs and instructions.
- Issue personal protective equipment.

It is important to remember that competent persons should conduct risk assessments and involve those individuals at risk and those with a knowledge of the process or equipment.

3.3 Risk Control

Environmental Risks; Identification of Aspects and Impacts

Risk assessment is an equally valid tool in environmental management, leading to the identification of company activities and outcomes that affect the environment.

Identification of aspects and impacts should consider all activities, services and products whether regulated or not. Many aspects / impacts may be addressed by legal requirements, such as permits and authorisations, from which information may be readily collated. In addition to this consider audit reports, monitoring records and utility invoices. When collating aspects in particular take into account matters such as:

- Land management & contamination.
- Energy sources & usage.
- Natural resource use.
- Process / service inputs and outputs.
- Customer use of products / services.
- Sub contractors & suppliers.

As with all risk assessment processes aspects and impacts should be revisited upon major change to process or facility, materials used, personnel or location.

Creating a record of aspects and impacts, whilst complying with regulations, policies and the pollution prevention hierarchy, is a key part of the establishment of an HSEMS.

Performance Measures

- Competent personnel to conduct assessments.
- All the necessary assessments carried out.
- Control measures implemented.
- A system to track any outstanding actions.
- Results of the assessments communicated to those at risk.
- A review process.
- A recorded list of environmental aspects and impacts.

3.4 HSE Objectives & Targets

Objective

Objectives and targets should be appropriate to the organisation, and be determined for the whole of the company, or for individual units, departments or functions.

Objectives should be specific and targets should be measurable wherever practicable, and where appropriate preventative measures should be taken into account. When considering technological options, an organisation may consider the use of best available technology if it is economically viable, cost effective and judged appropriate.

Key Activities

In setting objectives, take cognisance of the Group HSE policy, whilst also considering significant hazards & risks; environmental aspects; applicable legal and other requirements; the views of interested parties; technological options; financial, operational, and other organisational considerations as well as client expectations.

Setting Objectives

- The process of setting objectives and targets should involve people from the relevant functions / departments / units. These people should be well positioned to establish, plan for and achieve these goals and have their responsibilities and timescales for achievement clearly defined.
- Senior management must approve and support objectives - in order to ensure that adequate resources are applied and that these are integrated with other organisational goals.
- In communicating objectives to employees, try to link these to the HSE improvements being sought. Communicate progress in achieving objectives and targets across the organisation. Consider a regular report on this progress at staff meetings.
- Ensure flexibility in determining objectives. Define a desired result, then let the responsible persons determine how to achieve it.

Performance Measures

- Objectives & targets set.
- Compliance with objectives & targets.
- A review process to measure achievement.

3.5 HSE Planning

Objective

To apply a systematic and structured approach to the identification and implementation of improvements to the HSEMS.

Key Activities

The Group will prepare an annual HSE plan that will focus on issues that operating companies are expected to be cognisant of and allow for in their own plan.

Each operating company will issue an annual HSE plan, based upon management's assessment of the current status of HSE performance, objectives and targets set in order to meet the requirements of legislation, Group and company policy, and the overall objective of continuous improvement.

Operating company management, in liaison with line management, HSE Advisors and the workforce, will produce an annual HSE plan that should, as a minimum, include the following:

- Improvements/deficiencies identified by the HSEMS review process.
- Improvements/deficiencies arising from internal and external audits.
- Findings of the annual and quarterly HSE performance reviews and target setting exercises.
- The application of existing and new legislation.
- A review of risk control and risk assessments and identification of potentially new or increased hazards.
- Responsibilities for achieving goals.
- Input from client initiatives as appropriate.

Performance Measures

- Group annual HSE plan identifying Group wide objectives and targets.
- Operating company annual HSE plan, aligning with the Group plan.
- Ownership of HSE plans by company management.
- Progress reviews by company management at pre-determined intervals.

4.0 Implementation & Operation



This is the framework that will provide the structure and organisation to put into practice the principles and processes of our HSEMS.

Key elements to achieve effective implementation and operation are:

- **Leadership & Accountability**
- **People**
- **Communication & Involvement**
- **Documentation, Procedures & Records**
- **Facilities Management**
- **Procurement**
- **Managing Contractors**
- **Emergency Response**
- **Sustainability**

4.1 Leadership & Accountability

Objective

To provide assurance that adequate mechanisms are in place to support the HSEMS. That management takes demonstrable ownership and accountability for defining roles and responsibilities for all levels of employees so they are able to contribute to the delivery of improved HSE performance.

Key Activities

Each operating company must recognise that it may impact the health and safety of its employees, visitors and contractors as well as the environment. As such management should:

- Lead by example.
- Demonstrate visible commitment to and take ownership of their company's HSEMS.
- Pursue an effective HSE culture within the company.
- Review all aspects of HSE performance.

Group requires each Operating Company to comply with:

- The Group HSE Plan which outlines key activities to be undertaken throughout the year.
- Personal Safety Performance Contracts. Senior management to have in place an endorsed annual, personal, performance contract demonstrating HSE activities that they will undertake out with their normal HSE responsibilities.

Responsibilities

Group Level

Ultimate responsibility for assuring compliance lies with the Group Board. The Chairman and Chief Executive is responsible for the development and implementation of an effective HSE Policy and for providing resources to put the policy into effect.

Reporting through the nominated **Board member**, the **Group Head of HSE** is responsible for reporting both the effectiveness of the HSEMS and HSE performance to the Group Board.

Operating Company Level

The **Managing Director/General Manager/President** is responsible for monitoring activities under their control in accordance with the Group HSE Policy and for establishing a company HSE Management System and annual plan. They will also ensure that individual management responsibilities and objectives are clearly established and monitored.

Each **Senior Manager/Vice President** is responsible for monitoring all operations under their control in accordance with the policy and procedures laid down in the company's HSEMS.

Line Managers and **Supervisors** must recognise that they are responsible for the health and safety of their employees, visitors, contractors and for environmental effects within their area of responsibility.

4.1 Leadership & Accountability

All **Employees** have a duty to work safely, conduct themselves in a safe manner, take reasonable care for the health and safety of themselves and others, follow established procedures and report unsafe acts and conditions.

In some countries at both onshore and offshore locations employees have the right to elect **Safety Representatives** to represent them. The functions of Safety Representatives do not diminish in any way the line responsibilities of managers, supervisors or all other employees for promoting effective HSE standards. Where in place, **Safety Committees** exist to assist with the implementation of HSE programme elements.

HSE Advice

HSE Advisors will assist management in the planning and promotion of the HSEMS and in establishing a suitable organisation to put it into effect.

They will advise on compliance with and interpretation of all HSE legislation applicable to their company's activities.

They will also facilitate the provision of other competent advice from the Group, the regulatory authorities or specialist consultants as may be appropriate.

Performance Measures

- Deployment of a suitable HSEMS.
- Preparation and display of both the Group Plan and Company Plan.
- Preparation and endorsement of Personal Safety Performance Contracts.
- An HSE organisational structure with documented responsibilities and objectives.

4.2 People

Objective

To employ persons that possess the required level of competence necessary to meet the requirements of the company and carry out their tasks.

To provide workplace facilities, processes, operating conditions and substances that do not present a health risk to employees and third parties.

Key Activities

Competence

All employees must have the appropriate knowledge, skills, capability and competence to carry out their tasks in a safe manner. It is particularly important that employees are well informed of the hazards, risks and control measures and are adequately trained to effectively perform their task with appropriate supervision. Competence should be formally determined, assessed and recorded.

Selection

When allocating work, management must ensure that the demands of the task do not exceed the employees' ability to carry out their work without risk to themselves or others.

Management must recognise an employee's capability, level of training, knowledge and experience during the selection process and provide additional training if required.

Training

Training contributes to a safe working environment and is an important prerequisite to competence. Training is not confined to shop floor employees but is equally applicable to all levels within a company. Training needs of new employees and for those who have changed job role warrant special consideration. When training is undertaken it must be recorded, including trade tests if they are appropriate to the job role.

Appropriate HSE training should be carried out by competent people so that personnel have the necessary skills and knowledge to enable them to carry out their tasks safely.

As part of an operating company's annual appraisal process all training needs should be identified, together with timescales to deliver the training programme. This process shall identify the need for refresher training that revisits previous or lapsed training provision.

Induction training shall be provided for new employees in order to make them aware of expected standards of HSE performance, the HSEMS responsibilities, hazards and risks within the work place and response mechanisms such as first aid.

Health

Unlike safety risks that may give rise to immediate injury, continued exposure to health risks may not manifest themselves for some considerable time. It is therefore essential to adopt a preventative and proactive strategy using risk assessment to identify and control these potential risks.

4.2 People

The most common causes of ill health likely to be encountered by operating companies are from exposure to:

- Hazardous substances, solvents, dusts and fumes leading to dermatitis, occupational asthma or lung disease.
- Noise and vibration leading to hearing loss and hand-arm vibration syndrome.
- Stress, causing mental and physical disorders.
- Poorly designed workstations requiring awkward body posture or repetitive movements leading to repetitive strain injury and other musculoskeletal conditions.

The following measures should be taken:

- Carry out risk assessments - the assessment will determine the need, or otherwise, of control measures, if substance monitoring is required, and if there is a need for health surveillance.
- Establish access to competent medical advice.
- Where necessary conduct pre-employment medicals to establish base lines and to prevent inappropriate job placement.
- Conduct routine health surveillance as a check on the efficacy of control measures.

Drugs & Alcohol

Companies should diligently apply the Wood Group Drug and Alcohol Policy.

No Smoking

Companies are encouraged to adopt a no smoking policy and offer cessation support.

Lifestyle & Stress Management

Companies should encourage employees to adopt a healthy lifestyle by providing advice and assistance and should also support employee participation in local health campaigns and promotions.

Ethics

Companies are required to adopt and follow the Wood Group Ethics policy. All employees are expected to abide by the standards that this document sets in regard to business practice.

Performance Measures

- Management processes for selection, training and appraisal.
- Management processes for health protection.
- Provision of effective risk assessments that identify and control detrimental health effects.
- Competency criteria.
- HSE demonstrably included in the induction programme.
- Competent medical advice to provide pre-employment medicals and health surveillance checks as required.
- Implementation of No Smoking Policy.
- Implementation of Drugs and Alcohol Policy.
- Implementation of Ethics Policy.

4.3 Communication & Involvement

Objective

To promote a positive HSE culture, and have in place an effective two-way communication and consultation process that allows the free flow of information, involving and motivating individuals to think and act in a safe manner.

Key Activities

Provision of information

In many countries there are a range of legal requirements to provide and display HSE material:

- HSE Policies.
- Health and Safety law poster(s).
- First Aid information.
- Action in the event of fire or other emergency.
- A certificate of Employer's Liability Insurance or Workers' Compensation.
- Names of persons appointed to advise on HSE including safety representatives.
- Information concerning hazards and risks in regard to plant, equipment and activities.

In addition to legal requirements, companies should communicate either verbally, by written notification, or by use of company notice boards, the following as appropriate:

- Annual HSE Plans.
- Safety alerts.
- Accident / Incident Investigation outcomes, OSHA Logs.
- HSE Committee meeting minutes.
- HSE awareness posters.

Consultation

Operating companies should have a mechanism in place to be able to consult with employees on matters that may affect their health and safety and protection of the environment.

Complaints & Suggestions

Operating companies should have an effective system in place to address all reported complaints and suggestions.

Refusal to work

No employee will be victimised for reporting safety matters or refusing to work in demonstrably unsafe conditions.

HSE Meetings

Regular meetings will be conducted with representation from all levels throughout the organisation. Their aims are typically:

- Promotion of healthy, safe and environmentally sound working practices.
- To increase awareness and commitment.
- Convey information to obtain views from employees.
- Resolution of any emerging problems.
- To monitor HSE performance.

4.3 **Communication & Involvement**

External Communications

HSE matters can extend beyond the boundaries of the worksite. A mechanism must be in place for communication with external parties such as community representatives and regulators. This should be an open process and allow for two way dialogue, which is recorded and documented.

Performance Measures

- Mechanism for addressing internal parties such as employees and contractors and external parties such as clients and local communities.
- Compliance with requirements to display and communicate identified information.
- An effective complaints and suggestion process with appropriate feedback.
- Laid down schedule of meetings.
- An effective consultation process.
- Use of the Portal.

4.4 Documentation, Procedures & Records

Objective

To have in place documentation and procedures to record and control changes in legislation or work practices.

Key Activities

Documentation & Procedures

Documentation required to support the efficient functioning of the HSEMS should be tailored to the needs of individual operating Companies. The procedures produced to control activities should, whenever practicable contain performance measures and be reviewed periodically.

The following should be considered as controlled documents:

- The HSE Management System (which may be integrated with other aspects of business management).
- Risk Assessments / Job Hazard Analyses / Job Safety Analyses.
- Legislation Register.
- Working / Operating procedures.

Documentation must be maintained and be readily available and accessible at the workplace.

Records

Records are often required by legislation and to support the HSEMS. Examples of records that should be maintained are:

- Accidents and Incidents.
- Statutory Inspections.
- Maintenance Activities.
- HSE Training.
- Health surveillance and any monitoring requirements.
- Waste handling and transfer documentation.
- Fire equipment maintenance & tests.
- Environmental discharge and emission records and authorisations, (where prescribed).
- HSE audits, both internal and external.

Performance Measures

- Management processes for the control and authorisation of documentation.
- Procedural reviews in place.
- Readily accessible, up to date, statutory and other HSEMS records.

4.5 Facilities Management

Objective

To ensure that appropriate measures are in place to recognise and control potential risks arising from operating conditions, plant, equipment and premises so that there are no unplanned HSE outcomes.

Key Activities

Plant / Equipment / Operating Conditions

Potential risks may arise from plant, equipment, operating conditions and temporary situations. Companies need to evaluate, as per Risk Control, the potential HSE impacts and take steps to control risks. Due attention must be given to the introduction of any change in this equipment or operating conditions.

Care should be taken to ensure that plant and equipment:

- Are safe and efficient to operate and do not impact adversely on the environment.
- Meet legislative requirements and established HSE criteria.
- Are designed in accordance with recognised codes of practice and standards.

Where necessary training will be provided to operators as deemed necessary through risk assessment or legislative requirement.

Operating companies should have a process to ensure that certification and testing documentation is current and available.

Plant and equipment should be examined / tested periodically by competent personnel to ensure that they remain safe to use. Examples include:

- Lifting equipment.
- Pressure systems.
- Ventilation systems.
- Electrical equipment.
- Access equipment.

Due attention must be given to the Loss Prevention guidance issued by the Group and referred to in Section 8.

Maintenance of Work Equipment and Premises

Compliance with statutory requirements to maintain work equipment and premises in good working order so that their condition does not deteriorate to the extent that it puts people at risk.

Workplaces should comply with the following requirements:

- National and local building codes.
- National and local fire codes.
- Ventilation, heating, lighting to required standards.
- Alterations and additions to facilities must also comply with building and fire codes and be tested for electrical safety.
- Workplace layouts and traffic routes should comply with relevant health and safety codes and regulations.

4.5 Facilities Management

Third Party Facilities / Equipment / Premises

Where operating companies conduct processes on premises / facilities belonging to a client, they must respect the client's requirements.

Engineering design activities should be in compliance with:

- Management of change processes.
- Design safety standards.
- Inspection requirements.
- Independent verification / certification of designs and constructions.

Storage Facilities

Operating companies should meet the relevant standards for the provision of adequate storage facilities and containment for ready use, bulk and waste hazardous substances.

These should meet specific legislative or guidance requirements relating to:

- Flammability.
- Ventilation.
- Chemical compatibility.
- Safety distances.
- Electrical safety for potentially explosive atmosphere.
- Spillage retention.
- Signage.

All materials, (including waste), should be stored in accordance with relevant codes / regulations. Racking must be fit-for-purpose, secured and where appropriate, marked with maximum loads.

Security

Security arrangements should be sufficient to control visitors and prevent trespassers, particularly children, from accessing facilities.

Performance Measures

- Management processes for assessment of risk and control of plant and equipment.
- Workplaces that comply with national building and fire codes.
- Inspection and testing arrangements for plant, work equipment and premises.
- Arrangements that consider changes in plant, work equipment and premises.
- Arrangements to maintain plant, work equipment and premises in a satisfactory condition.
- Arrangements that comply with the need of clients and the change of client facilities.
- Storage areas that comply with codes of practice.
- Security arrangements to prevent trespassers.

4.6 Procurement

Objective

To ensure that materials, equipment and services procured comply with HSE requirements and present the least risk to people.

Key Activities

Operating companies must have processes in place to ensure that materials and services procured are to the appropriate HSE standard.

Equipment

Work equipment, i.e. any machinery, appliance, apparatus, tools or installation for use at work, must be selected according to relevant HSE standards. Consider the following in procuring these:

- Selecting an item of equipment that produces the least noise practicable.
- Selecting hand held power tools with the lowest level of vibration practicable.
- Ensuring that an item of electrical equipment is suitable for its intended use, such as a wet environment or in a potentially explosive atmosphere.
- Selection of refrigerants that do not damage the ozone layer.

Personal Protective Equipment (PPE)

Risk assessment will specify the PPE required for a particular task. The equipment purchased to fulfil these requirements must therefore:

- Have the specification defined. This is particularly important when selecting respiratory protective equipment, hearing protection and hand protection.
- Be obtained from an approved supplier / manufacturer and comply with relevant standards.

Hazardous Substances

Companies must have a system in place that controls the purchase and use of hazardous substances. A register should be maintained of substances held on company premises or used in company activities along with a Material Safety Data Sheet (MSDS) for that substance. This should be used to ensure that substances are used in an appropriate manner and quantity, properly recycled and / or disposed of and that information is available relating to emergency situations.

Performance Measures

- A process for selecting and appraising suppliers.
- Process for review of supplier management systems and performance.
- Process for assessing the HSE impact of procurement decisions.

4.7 Managing Contractors

Objective

To engage contractors that comply with HSE requirements and meet the standards expected by the Group.

Key Activities

Operating companies must have processes in place to ensure that contractors are managed to the same standards applied within this document.

Selection of Contractors

This should consider whether contractors:

- Are technically and professionally competent.
- Have an appropriate level of public liability insurance.
- Operate adequate HSE management systems.
- Have satisfactory HSE performance that matches Group targets.

Control of Contractors

Provide assurance that contractors meet the above expectations through:

- The maintenance of a register of approved contractors, available to those with the authority to engage with these suppliers.
- Use of a code of practice and site rules for contractors.
- An induction process for site work.
- Requirement for the provision of a safety method statement prior to commencement of work.
- Requirement for risk assessments to be carried out and safe systems of work provided.
- Effective waste disposal practices with responsibilities clearly defined.
- Use of appropriate PPE for the task at hand.

Performance Measures

- A process for selecting competent contractors.
- An approved list of competent contractors.
- Code of practice and induction process procedure.
- Method statements and joint risk assessments.
- PTW for hazardous activities.
- A system to control the disposal of wastes.
- Use of approved PPE.

4.8 Emergency Response

Objective

To ensure operating companies have arrangements and procedures in place to manage emergencies and mitigate their effects and wherever practical sustain business continuity.

Key Activities

Operating companies must have contingency plans in place to ensure that emergency situations which impact upon their business, employees and the environment are brought under control as quickly and safely as possible.

The following emergency situations should be considered when developing procedures (dependent on the nature of the business):

- General evacuation of buildings for whatever reason.
- Fire, gas leak and explosion risks.
- Chemical and fuel spills and leaks.
- Bomb threats and suspect mail.
- Major injury or death.
- Terrorism and security.

Arrangements must be in place to provide for effective interfacing with client procedures, where necessary, and communications with next of kin, the media, police, regulator and coastguard as appropriate.

Exercises and drills may be required at predetermined intervals to measure adequacy of procedures and to put in place procedural improvements that may be necessary.

Performance Measures

- Emergency procedures in place.
- Emergency procedures exercised and reviewed.
- Trained personnel.

4.9 Sustainability

Objective

To provide for protection of the environment through the efficient use of resources and engagement with others.

Key Activities

The Group has a duty to limit its impacts on the environment. Operating companies must consider the following in addition to controls already detailed in this guidance.

Protection of the Environment

The Group aims to limit the impact of its activities through the control of risk, minimised discharges, emissions and waste. Particular attention must be given to the control of processes that lead to releases to the environment through the air, water or soil.

Use of Resources

Sustainability is based on the concept of efficient resource usage and the conservation of resources for future generations. Companies should seek to source materials that do not damage the environment unnecessarily. Particular attention should be given to paper and wood supplies, refrigerant gases, energy efficiency, water usage and transport options.

The principle of the **Waste Hierarchy**, similar to the Pollution Prevention Hierarchy, should be applied at all times; reducing the volume of materials used and wastes disposed of, and increasing the volumes re-used and recycled:

- **Reduce** the volume of materials required in processes through audit etc.
- **Reuse** materials where possible through refill, alternative use.
- **Recycle** materials where possible.
- **Recover** energy from materials through incineration.
- **Dispose** of the smallest quantities in landfill.

Engagement

The Group should show involvement and engagement with the community it draws upon and acts within. Mechanisms should exist that allow open communication from, and with, the company.

Monitoring Performance

Environmental performance measures should be established covering use of energy, water and generation and management of waste. All environmental incidents should be reported as per health and safety events.

4.9 Sustainability

The Waste Hierarchy:



Performance Measures

- Environmental Management System in line with or certified to ISO 14001:2004.
- Specific procedures to satisfy regulatory requirements, (including emission volumes etc).
- Environmental protection included in management reviews.
- Community engagement process in place.
- Monitoring records for prescribed processes and waste handling.

5.0 Checking & Improvement Action



This is necessary to ensure the HSEMS is being effective. By checking performance on a regular basis, taking action to correct deficiencies and improving performance it is possible to enhance the Group's management system and the protection it affords.

Checking and Improvement is subdivided into the following sections:

- Monitoring & Measuring.
- Accident & Incident Management, Investigation & Reporting, Non Conformance, Corrective & Preventative Action.
- Records Management.
- Audits & Inspections.

Specifically we need to ensure:

- HSE Plans are being implemented.
- Targets and Objectives are being met.
- Deliverables are being achieved.
- Comparisons are made against performance measures.

It is also important to establish that:

- Risk control measures remain effective.
- Lessons are learned from HSEMS deficiencies including events such as accidents and incidents.

5.1 Monitoring & Measuring

Objective

To provide systematic processes for monitoring and measuring, in order to:

- Evaluate HSE performance.
- Analyse root causes.
- Verify compliance with legal requirements.
- Identify areas for improvement processes.
- Identify areas requiring corrective action.
- Improve performance and increase efficiency.

Key Activities

Each operating company should develop procedures to:

- Monitor the effectiveness of the HSEMS and identify improvement opportunities.
- Monitor key characteristics of operations and activities that can have significant health & safety risks or environmental impacts and / or compliance consequences.
- Track performance (including progress in achieving Objectives and Targets and applying improvement opportunities).
- Periodically evaluate compliance with applicable laws and regulations through internal audit.

In order to ensure high standards of HSE protection the HSEMS requires the use of similar performance measures across the Group.

Performance Indicators are identified against each of the key activities as detailed at the end of this guidance and comprise both proactive and reactive measures as described below.

Leading Performance Indicators Proactive measures of performance that monitor inputs such as conducting risk assessments; completing training programmes; carrying out inspections and audits. These provide feedback on the efficiency of the HSEMS before an accident or incident occurs.

Lagging Performance Indicators Reactive measures of performance that monitor failures, such as accidents and incidents, ill health or adverse environmental impacts. These provide opportunities to learn and to take corrective action that will help prevent recurrence of the event or a potentially more serious incident taking place.

Corporate Social Responsibility Reporting Performance indicators used to portray the environmental and social impacts of the Group's activities and which may be publicly reported to shareholders, employees, clients and other stakeholders.

Performance Measures

- Leading indicator and Corporate Social Responsibility Reporting.
- Incident & Accident Reporting, Investigation & Analysis.
- Improvement and Corrective action.
- Audits & Inspections.

Accident & Incident Management, Investigation & Reporting, Non Conformance, 5.2 Corrective & Preventative Action

Objective

To report accidents, incidents and occupational illness and to investigate their true causes with a view to prevent further or similar recurrence. To ensure that improvement opportunities are recognised and built upon through non conformance, corrective and preventative action.

Key Activities

- Reporting and recording of all instances of injury to personnel, damage to the environment, property or equipment and near miss incidents.
- Management of events and incidents and the subsequent investigation, analysis and lessons learnt.
- Submitting statutory reports.
- Conducting investigations of all events defined in the Group Accident & Incident investigation procedure.
- Investigating accidents and incidents involving contractors.
- The provision of trained personnel to conduct investigations.
- Submitting reports to company senior management for review and initiation of appropriate preventative action as soon as possible.
- Analysing the data from all occurrences should be analysed for trends so that targets can be set that may lead to specific initiatives, training or other appropriate action.

Non Conformance, Corrective & Preventative Action

- A system must exist to deal with HSEMS deficiencies, record them and investigate root causes.
- Corrective and preventative action must respect the level of risk the deficiency presents and have an appropriate time scale allocated for close off.

Improvements

- A system, such as a suggestions scheme, should ensure that potential improvements are recorded, investigated and, if appropriate acted upon. Management must ensure timely implementation of recommended improvements.

Supporting Documents

The Group procedure for Accident & Incident Reporting and Investigation is referenced in Section 8. Additionally the Group operates a Corporate Accident and Incident Reporting System (CAIRS), which allows centralised recording of incidents and manhours. CAIRS is an internet-based tool available from anywhere in the world, via the Group Portal.

Performance Measures

- Systems in place to report accidents, incidents and near misses and investigate their cause.
- Timely corrective and preventative action that is appropriate to the injury, loss or there potential for either.
- Records and analysis of all events.

5.3 Records Management

Objective

To provide systematic processes for recording HSE performance.

Key Activities

- To ensure that appropriate HSE records are identified, maintained and made available. Including but not limited to:
 - HSE meeting minutes.
 - Internal HSE audit reports.
 - External HSE audit reports.
 - Risk assessments / JHAs / JSAs.
 - Management review minutes.
- To ensure that rotation times for records are established, recorded and maintained.

Performance Measures

- Effective systems for the capture and maintenance of appropriate records.
- Compliance with required rotation periods.

5.4 Audits & Inspections

Objective

To establish through independent investigation, the compliance of the HSEMS against this document, and to ensure that all statutory duties and inspections are carried out.

Key Activities

Audit

- The provision of an annual audit programme tailored to the needs of the company that indicates the frequency and the areas to be audited.
- Audits carried out by trained personnel who ideally are independent of the area being audited.
- Where appropriate, the HSE audit is integrated with the Quality System audit and consequently adopts its forms and structure for report dissemination and close outs.

Inspection

- Inspections by competent personnel that satisfy regulatory requirements on matters such as lifting equipment, pressure vessels, local exhaust ventilation systems, electrical equipment and mobile access equipment.
- Inspections carried out by company personnel using checklists covering topics such as fire safety; housekeeping; first aid and welfare; workshop safety; and waste and energy management. Specific process or machinery inspections may also be required.

Performance Measures

- Audit plan.
- Effective reports, utilising standardised proforma.
- Inspection programmes with associated checklists.
- Completed inspection checklists.
- Corrective action system in place to ensure that defects are rectified within acceptable timescale.

6.0 Management Review



Objective

To review the effectiveness of the HSEMS at both Group and operating company level by measuring compliance with the performance measures defined within this document.

Key Activities

Group HSEMS Review

A review of the Group HSEMS will be co-ordinated by the Group Head of HSE and completed annually.

- The reviews will take account of self-regulating inspections, performance measure compliance, incident and accident reports, external audits, internal audits, the HSEMS review, corrective actions and all other relevant feedback.
- Information from this process will be taken into account when drawing up priorities and shaping the HSE Plan for the year ahead.
- The objective is to determine whether or not the system is effective, whether targets are being achieved and identify gaps or weaknesses that need to be improved upon.
- These reviews align directly with the status review and effectively close the loop in our goal of continuous performance improvement.

Operating Company HSEMS Review

A review of the Company HSEMS will be co-ordinated by the HSE advisor and completed annually by the company senior management.

Each operating company should conduct an annual review of the suitability and effectiveness of the HSEMS. This should consider the following:

- Overall performance of the HSEMS by review of proactive and reactive performance measures.
- Results of audits and completion of identified corrective actions.
- Results of accident / incident reviews.
- Progress made against annual company plan.
- Pending legislation.
- Objectives and targets for the following year based on the annual review.

Quarterly senior management review of HSE performance is recommended in addition to the above exercise.

Performance Measures

- Management reviews carried out and corrective actions identified.
- Objectives and targets identified for ensuing year.

7.0 Glossary

As an international company Wood Group operates in many regions of the world and uses many different languages to communicate and conduct its operations. Whilst English is the principal language of the company there is the potential for confusion over technical terms. The following glossary provides a brief definition of terms used in this guidance.

- **Aspect** An element of an organisations activities, products or services that can interact with the environment.
- **Corporate Accident & Incident Reporting System, (CAIRS)** The internet based database used to collate HSE performance information from operating companies.
- **Corporate Social Responsibility** Non financial obligations placed upon a large organisation relating to its impact and relations with the wider community with regard to welfare, health, safety and protection of the environment.
- **Impact** Any change to the environment whether adverse or beneficial, wholly or partially resulting from an organisations activities, products or services.
- **Group** means John Wood Group PLC and each of its subsidiary companies in which John Wood Group PLC either owns at least 50% of the equity share capital (or profit sharing entitlement or other propriety interest) and/or has the majority of votes at general meetings of its members or proprietors or has the right to appoint and remove a majority of the board directors (or equivalent management unit), and any other entity designated by the Board of John Wood Group PLC as being part of the Group for the purposes of the HSE Policy.
- **Objective** High level management goal to improve performance or achieve a set standard.
- **OSHA** Occupational Safety and Health Administration, (US).
- **Permit To Work, (PTW)** Authorisation system for recording hazards and controls associated with a specific task. Used to ensure that conflicting tasks do not impinge HSE performance.
- **RIDDOR** Reporting Injuries, Diseases and Dangerous Occurrences Regulations, (UK).
- **Risk Assessment** Alternatively known as Job Safety or Job Analysis, (JSA, JHA).
- **Target** Specific and measurable goal detailing achievement of an Objective.

8.0 References

A number of Group documents exist for the purpose of guidance and policy setting in relation to HSE management across operating companies:

- Guidance on Personal Safety Performance contracts.
- Loss Control Standards.
- Loss Control Guidance Notes for the Protection of Special Hazards.
- Code of Protection for Driving on Company Business.
- Wood Group Vision for HSE Excellence.
- Corporate Social Responsibility Reporting.
- Corporate Accident and Incident Reporting System and Procedure.
- Business Ethics Procedure.
- Business Continuity Planning.

These are all available on the Group Portal.

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Revision 8 reflects the worldwide operations of Wood Group and demonstrates our desire to meet global standards and expectations.

For your notes



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