

General HSSE requirements to suppliers

Doc. No.: 01-S-HES081E
Rev. : 01
Date : 19.07.2018
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Part of: Kvaerner Corporate Responsibility
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Purpose

The objective of this document is to define Buyer’s general HSSE requirements to Seller.

Scope

This document is applicable for all procurements made by Buyer, except for standard catalogue items.

The Specification Owner shall ensure that this document is up to date, available and implemented in the organisation. Any deviation or alternation from the specification is subject to Specification Owner’s written approval.

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## 1. INTRODUCTION

Kvaerner's overall HSSE principles are provided on [www.kvaerner.com](http://www.kvaerner.com).

Proper management of HSSE is a core value to Kvaerner, throughout all our operations and all supply chain tiers.

This document has been established to further outline the general requirements towards the supply chain.

Failure to comply with the requirements of this specification is deemed to be a serious violation of the subject contract.

## 2. REQUIREMENTS

### 2.1. General management of HSSE

Seller shall exercise the Work in compliance with the highest standards of health, safety, security and environmental policies. Seller shall pay due attention during the performance of the Work in order to avoid loss or harm to any person, property or the environment.

Seller shall prove a strong and clear HSSE commitment, demonstrated through line management follow-up of the day-to-day execution of the Work both at Seller's premises and throughout Seller Group.

Buyer may introduce more stringent requirements than stated by statutory laws and regulations if considered necessary to meet Buyer's requirements.

If Buyer considers Seller's HSSE performance under the Contract to be unsatisfactory, then Buyer is entitled to require that Seller, at Seller's own cost, takes immediate corrective actions to ensure compliance with the Contract requirements.

Seller is required to follow up own sub-suppliers to secure they have a good HSSE Management system, proper HSSE competence and ability to perform HSSE matters satisfactorily.

### 2.2. Leadership and commitment

#### 2.2.1. Commitment to HSSE through leadership

Responsibility for HSSE shall lie with the line management. Top executives shall be personally involved in HSSE management. The commitment to HSSE shall be evident at all levels within the organisation, and the corporate culture shall ensure a positive attitude to HSSE issues.

### 2.3. Policy and strategic objectives

#### 2.3.1. HSSE policy, access and responsibility

Seller shall have a documented corporate HSSE policy, developed with active employee participation. Seller shall document the name, title and experience of the most senior manager in the organisation responsible for ensuring that this policy is observed. Seller shall also document who has overall and ultimate responsibility for HSSE matters within its organisation.

Seller shall define and document which methods are applied for informing personnel about its HSSE policy, and which routines are employed to inform personnel of any changes to this policy.

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**2.3.2. Seller's policy on accidents and losses**

Seller's HSSE policy shall reflect the Zero mindset as a long-time target.

**2.4. Organisation, resources and documentation****2.4.1. Employee contribution**

The employees shall have actual influence on their working situation in matters concerning health and safety.

Sufficient time and resources shall be allowed for the employees to be able to participate during the establishment, follow-up and development of the HSSE management system.

**2.4.2. Organisation and communication**

Seller's management shall be involved in HSSE activities, and in setting and following up HSSE objectives. Seller's organisation shall facilitate effective HSSE management and communication, with particular emphasis on HSSE as an integrated element in planning and implementing operations.

**2.4.3. HSSE training of managers and supervisors**

Managers and supervisors who will be involved in planning, monitoring, checking or carrying out the work shall, regardless of their level in the organisation, have undergone formal HSSE training. HSSE training norms and training programmes shall be defined for managers at all levels. All training shall be documented.

**2.4.4. Personnel HSSE induction programme**

Special arrangements shall be established for training new employees in relevant local procedures and in any specific hazards inherent in the activity. All training shall be documented.

**2.4.5. HSSE training programme**

Seller shall have put documented systems in place for selecting and training personnel in order to ensure that the work is executed by qualified individuals with adequate skills. Arrangements shall be established which ensure that Seller's personnel are familiar with and, where required, trained in:

- > basic industrial HSSE
- > Seller's HSSE policy and practice
- > Buyer's general HSSE requirements
- > any specific hazards inherent in the activities
- > correct use of personal protective equipment
- > emergency response

Arrangements shall be put in place to ensure that the HSSE knowledge and training of personnel are constantly updated.

**2.4.6. Specialised training**

Seller shall evaluate and document how far any of its areas of activity require special and/or additional training in respect of potential risks. Relevant training programmes shall be established. All training shall be documented.

#### **2.4.7. Rules, regulations, standards and requirements**

Seller shall document

- > its compliance with statutory rules and regulations, and with Buyer's contractual requirements
- > the methods used to verify understanding and compliance
- > the overall structure for preparing and updating in-house requirements and procedures
- > the overall structure for making such documents known

#### **2.4.8. Assessing the suitability of sub-suppliers**

Seller shall assess the HSSE expertise and record of its sub-suppliers. Seller shall document its methods for identifying the standards and requirements to be met by sub-suppliers, and for ensuring that these standards and requirements are understood and observed.

### **2.5. Evaluation and risk management**

#### **2.5.1. Risk assessment**

Seller shall employ suitable and generally recognised methods for identifying and assessing HSSE hazards and their consequences. These methods shall be documented.

#### **2.5.2. Security management**

Seller shall at all times have implemented security measures which protect Seller against relevant threats related to the work. The level of security shall be flexible and adapted to the relationship between the threat and activities ongoing at any given time. A system shall be in place for handling of classified documents and electronic data.

Seller shall be able to verify the identity of personnel who are to do work for Seller at bases. When Seller uses hired personnel, references from earlier employment shall be verified.

#### **2.5.3. Sickness absence**

Data on sickness absence shall be used proactively. Provisions shall be made for the employees' return to work, or that alternative work is offered within Seller's organisation.

#### **2.5.4. Work related illness**

Seller shall systematically follow up incidents of possible work-related illness. Employees shall be encouraged to propose countermeasures, and to prevent new incidents from occurring.

#### **2.5.5. Working environment surveys**

Seller shall have a system which ensures and documents the identification and following up of all physical, chemical, ergonomic and psychosocial/organisational factors which could be potentially detrimental to health and performance. This system shall be linked to continuous systematic monitoring of the exposure of its own and sub-suppliers' employees to these factors, and to a programme for reducing exposure which could be harmful to health.

#### **2.5.6. Use of overtime**

Working hours, overtime and restitution time shall be systematically monitored. The contactor shall ensure that the use of overtime does not represent a risk to human health or safety.

**2.5.7. Chemicals**

Seller shall have a system which ensures and documents that all chemicals due to be used during the work are evaluated for their health risk during transport, use and disposal, and that chemicals with the smallest health risk are given preference wherever this is technically and operationally feasible.

**2.5.8. HSSE data sheets**

Seller shall have a system in place which ensures that correct information is available on the health risk, fire, explosion and environmental hazards posed by chemical products used in the work. The MSDS shall be made available in a language that is understood by the employees who will perform the work.

**2.5.9. Personal protective equipment**

Seller shall be able to demonstrate that the personal protective equipment used during the work provides satisfactory protection in the relevant tasks. Documented arrangements shall be in place for provision and maintenance of such equipment, both standard issue and items required for special operations.

**2.5.10. Environmental management system**

Seller shall have an environmental management system developed to a level comparable to a recognized international standard, e.g. ISO 14001:1996 or EMAS, and ensure that the system is well known by Seller's personnel, and actively adhered to.

**2.5.11. Environmental impact assessment and monitoring**

Seller shall have a system in place which ensures and documents the evaluation and follow-up of the work's environmental impact. The follow-up shall include environmental monitoring where required. Evaluation and monitoring results shall be used systematically to minimise the environmental impact.

**2.5.12. Selection of environmentally optimal solutions**

Seller shall have a system in place which ensures and documents the selection of environmentally optimal solutions. The environmental aspect shall be included in all technical evaluations which involve discharges. The results of these evaluations shall be documented in an environmental accounting system, and shall serve as an evaluation criterion when selecting solutions based on cost/benefit analyses.

**2.5.13. The environment and management documentation**

Seller shall have a system in place which ensures and documents the inclusion of the environmental aspect in management documentation, including operational procedures.

**2.5.14. Waste management**

Seller shall have implemented a system for identifying, classifying and handling waste. Hazardous waste shall be handled in accordance with applicable statutory rules and regulations. Consumer and production waste shall be sorted.

**2.5.15. Environmental properties of chemicals due to be discharged**

Information on toxicity, biodegradability and bioaccumulation potential shall be available for all chemicals due to be discharged to the sea during the work. Seller shall demonstrate a system which

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ensures and documents that ecotoxicological data and the contents of material safety data sheets are consistent with each other and valid for the chemical actually being used.

**2.5.16. Use of potentially environmentally harmful chemicals**

Seller shall have a system in place which ensures and documents the evaluation of measures to reduce discharges/emissions to soil, water and air. Emphasis shall be given to reducing chemical usage and replacing environmentally harmful chemicals. Measures based on these evaluations shall be included in an environmental action plan or HSSE programme.

If Seller manufactures or imports chemicals, he shall comply with statutory rules and regulations, as well as official guidelines on evaluating and classifying chemicals.

**2.5.17. Safety delegates**

The work to be carried out by the organised safety delegate service under statutory rules and regulations shall be described. This work shall be supervised in accordance with specified routines established by the parties and their organised safety delegate services before the work commences.

**2.6. Planning and procedures****2.6.1. HSSE working practices**

Documented HSSE procedures shall exist for all potentially hazardous operations. The procedures are routinely updated and disseminated to employees. Working practices and procedures shall be consistent with Seller's HSSE policy and HSSE management system.

**2.6.2. HSSE management system**

HSSE management system shall be prepared in consultation with Seller's employee representatives. The HSSE management system shall cover occupational health and the working environment, safety, security, the environment and emergency response. Separate objectives shall be defined for each of these main areas.

In addition, the HSSE management system should

- > identify statutory rules and regulations, and other specific requirements relating to HSSE which apply to the work;
- > define activities which shall be initiated to meet prevailing requirements;
- > define applicable risk acceptance criteria;
- > define the hazards which shall be addressed, how these are to be controlled, and which methods should be used if necessary to regain control;
- > identify procedures to be developed for the work;
- > prescribe Seller's strategy for supervising sub-suppliers;
- > identify and schedule Seller's training requirements.

**2.6.3. Equipment control and maintenance**

Seller shall have documented systems in place which ensure proper maintenance and calibration as well as suitability of tools and equipment used by its personnel when performing the work at its premises, on site or at any other location.

#### **2.6.4. Emergency preparedness**

Seller shall be capable of proper notification and be able to establish and maintain contact with next-of-kin, media, unions, and authorities in co-operation with Buyer, unless otherwise agreed. Seller shall have a system in place ensuring that updated and relevant personnel data for Seller's personnel and subsupplier's personnel are easily available in Seller's office in case of an emergency. The data shall include social serial numbers and relevant personal data for next-of-kin. Seller shall have a documented organisation for providing immediate and long-term care for employees and relatives in the event of a hazardous condition or an accident.

### **2.7. Implementation and monitoring**

#### **2.7.1. Supervision and monitoring of work activities**

Seller shall supervise and monitor its work activities to ensure that all relevant HSSE requirements are fully complied with. The results of this supervision and monitoring shall be passed on without undue delay to Seller's management and personnel. Seller shall verify that employees are familiar with work instructions and procedures, and that they are capable of acting according to the instructions provided. Frequent management inspections shall be performed to verify compliance with prevailing standards.

#### **2.7.2. History of undesirable events/hazardous conditions**

Seller shall comply with all official requirements for notifying and reporting undesired events/hazardous conditions relating to safety, occupational health and the environment. Routines for ensuring such compliance shall be documented.

All notifiable undesirable events/hazardous conditions experienced by Seller shall be reported to Buyer without undue delay, whether the event occurred at Seller's premises, at the site or at other locations. The report shall include the date of the event, its causes and any preventive follow-up measures taken.

#### **2.7.3. Reporting events with a high loss potential**

High loss potential events suffered by Seller shall be reported to Buyer within 24 hours of the incident. Information on possible underlying causes shall be provided.

#### **2.7.4. Reporting personnel injuries**

Buyer shall be notified of any personnel injury suffered by Seller's personnel performing work for Buyer. Direct and underlying causes shall be specified.

#### **2.7.5. Incident follow-up system**

Seller shall have a system in place to record and follow-up corrective and preventive actions resulting from undesired events. The system shall facilitate systematic transfer of experience.

#### **2.7.6. Occupational health**

Seller shall have a system in place which documents systematic health monitoring as specified by applicable regulations and good professional practice. Monitoring shall lead to action plans, which are regularly followed up.

The system shall provide for identification, evaluation and reporting of work related illnesses and corrective measures, follow-up of employees on sick leave, and prevention and treatment of alcohol and drug abuse.

### 2.7.7.HSSE performance indicators

Unless otherwise agreed, a monthly HSSE report shall be submitted as part of Seller's overall monthly report. This report shall cover the status of identified HSSE hazards and significant HSSE aspects. The status of HSSE activities shall also be detailed in full. Preventive measures which have been initiated or implemented shall be briefly described.

Seller shall have a documented system in place to monitor HSSE performance against targets for defined key areas and activities, with feedback to employees.

Unless otherwise agreed, the following HSSE data shall be provided for Seller, each subsupplier and in total:

- > number of accidents/losses;
- > number of near-misses/hazardous conditions;
- > number of undesirable events with high loss potential;
- > number of lost-time injuries;
- > hours worked (see below);
- > registered overtime;
- > sickness absence (as a percentage of normal working hours);
- > new cases of work related illness.

Buyer shall be informed of Seller's definition of a lost-time injury and work-related illness, and its definition of and practice concerning the use of alternative work.

Hours worked shall be specified as follows: a) total number of hours worked on the contract in the period, b) direct and indirect construction hours, including supervision and fabrication, but excluding engineering hours. Off-site construction and installation work performed by subsuppliers which amount to more than 10 000 hours shall also be reported.

### 2.7.8.Handling non-conformances

Seller shall have a system in place for registering and following up non-conformances with procedures, specifications, standards and contract requirements relating to the work. Underlying causes shall be identified. Measures shall be taken to prevent recurrence, and the effectiveness of the measures shall be assessed.

### 2.7.9.Experience transfer

Formal requirements for HSSE experience transfer shall be documented. Sufficient time and resources shall be provided to facilitate systematic improvement.

Transfer of HSSE experience shall form part of Seller's close-out report to Buyer. This report shall be prepared concurrently with the work, and shall as a minimum address the following:

- > unforeseen problems — how these were overcome and recommended future approaches;
- > underlying causes of personnel injuries and work-related illness, and how such cases have been followed up;
- > positive HSSE aspects which should be considered for future activities;
- > any damage to equipment, and recommendations on avoiding similar damage in future operations;
- > suggested improvements to work routines.

The current status of the above items shall be discussed with Buyer's representative at regular experience transfer meetings.



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**2.8. Auditing and reviewing**

Seller shall have a documented plan covering all audit issues and high priority verification, review and follow-up issues. Objects and issues subjected to supervision shall be selected on the basis of risk assessments. Deviations shall be systematically followed up and corrected. The program shall include relevant subsupplier activities.

**3. DEFINITIONS****General**

In general, definitions apply as set forth in the Norwegian Conditions for Purchase 2016 ([NIB2016](#)).

In addition, the following definitions apply:

Text	Definition
Service	All services and all appurtenant documentation which Seller is obliged to deliver under the Purchase Order

**4. ATTACHMENTS**

Document No.	Title
N/A	

**5. REVISIONS**

Rev. No.	Section No.	Change description
01		First revision

**6. REFERENCES**

Document No.	Title
N/A	Norwegian Conditions for Purchase 2016 ( <a href="#">NIB2016</a> )