

PURCHASE ADMINISTRATIVE REQUIREMENTS
- HSE MANAGEMENT

PURCHASE ADMINISTRATIVE REQUIREMENTS
- HSE MANAGEMENT

0	MAR 21	FIRST ISSUE FOR IMPLEMENTATION REPLACES PRD0000035684 – HSE MANAGEMENT	SUBJECT EXPERT R. EFENDI D. PEDERSEN S. VACEK	QUALITY L.MASOOD	OWNER B. CAGNART
REV	DATE (Mth YY)	STATUS / CHANGES	WRITTEN BY (name & visa)	CHECKED BY (name & visa)	APPROVED BY (name & visa)
DOCUMENT REVISIONS					

Subject to contractual terms and conditions to the contrary, this document and all the information contained herein are the confidential and exclusive property of TechnipFMC, and may not be reproduced, disclosed, or made public in any matter prior to express written authorization by TechnipFMC.

PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT

Table of Contents

Section	Title	Page
1	Introduction	3
2	Reference documents.....	3
3	Definitions and abbreviations	4
3.1	Definitions	4
3.2	Abbreviations	5
4	Health, Safety and Environment	6
4.1	HSE Management System	6
4.2	Specific HSE Requirements.....	8
4.3	Monthly HSE Reporting.....	11
5	Appendices.....	12
6.1	Appendix 1: Global HSE and Security Policy.....	13
6.2	Appendix 2: IOGP 9 Life-Saving Rules (9LSR)	14

PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT

1 Introduction

It is **TechnipFMC**'s intention that, in the implementation and administration of the **PO/Agreement**, **Supplier** shall utilize its own methods and procedures. However, to achieve the proper level of quality and safety for the **Scope of Work (SoW)**, **TechnipFMC** has specified certain mandatory requirements as detailed in these Administration Requirements.

If a specific requirement, stated in this document, by nature, is not relevant for the **SoW** performed by **Supplier**, **Supplier** is exempt from adherence to such requirement without further acceptance from **TechnipFMC**.

Supplier shall pass on and ensure compliance with the requirements in this document with its subcontractors involved in the SoW.

In the event of any conflict between the text in this document and any referenced documents (in section 2), this document takes precedence.

2 Reference documents

Doc. number	Title
ISO 14001	Environmental management system - requirements with guidance for use
ISO 45001	Occupational health and safety management system requirements
OGP 423	HSE management – guidelines for working together in a contract environment
POL-COR-011	TechnipFMC global HSE and Security Policy
IOGP Report 459	Life-Saving Rules
GTF-GPS-COR-21010-04A	Supplier Safety Reporting Template
GTF-GPS-COR-21010-04B	Supplier Safety Reporting Training Material

PURCHASE ADMINISTRATIVE REQUIREMENTS
- HSE MANAGEMENT

3 Definitions and abbreviations

3.1 Definitions

- ▶ **Client**; company that issues a contract to a Contractor (generally an oil and gas exploration company)
- ▶ **Contractor**; company carrying out work under a written contract for a Client
- ▶ **Supplier**; company performing some of the work within a contract, and under contract to the Contractor
- ▶ **Subcontractor**; company performing some of the work within a contract, and under contract to the Supplier

Specific for this document:

Terminology	Definition
Shall	An absolute requirement which to ensure conformity with the standard
Should	A recommendation. Alternative solutions with the same functionality and quality can be accepted.
May	A procedure which is permissible within the framework of the standard permission or a proposal indicating an opportunity for the user of the standard.
Accident	An event which has caused injury, illness and/or damage to/loss of assets, or harm to the environment or to a third party.
Incident	Unwanted or unexpected events that led or could have led to personnel injury, illness and/or damage (loss) to asset, property, or the environment; impacted reputation or led to a business disruption, emergency or crisis. Note : For HSE, incidents include accidents and near misses.
Near miss	An event which, under slightly different circumstances, could have caused injury, illness, or harm to the environment or a third party.
Work-related	An event or exposure in the work environment caused or contributed to the condition (injury or illness) or significantly aggravated a pre-existing condition. Work-relatedness is presumed for injuries and illnesses resulting from events or exposures occurring in the workplace, unless an exception as listed below specifically applies.
Work Environment	Establishments and other locations where one or more employees are working or are present as a condition of employment.
Occupational Injury	Any work-related wound or damage to the body resulting from an event in the work environment. Examples include cut, puncture, lacerations, abrasion, fracture, bruise, contusion, chipped tooth, amputation, insect bite, electrocution, or a thermal, chemical, electrical or radiation burn. Sprain and strain injuries to muscles, joints, and connective tissues are classified as injuries when they result from a slip, trip, fall or other similar accidents.
Falling objects	A 'falling or dropped object' is any item that falls from its previous position.
First Aid Treatment	Treatment that is limited to visits to a doctor or health care professional solely for observation or counselling; diagnostic procedures, including administering prescription medications that are used solely for diagnostic purposes; and any procedure that can be labelled as first aid.
Medical Treatment	Treatment, other than first aid, and includes medical treatment by a physician or other licensed health care professional for example: prescription meds, casts or immobilization etc.
Restricted Work Case	A recordable injury or illness where an employer or health care professional keeps, or recommends keeping, an employee from doing routine functions of his or her job or from working a full workday that the employee would have been scheduled to work before the injury or illness occurred.
Lost Time Injury	A recordable injury or illness where an employer or health care professional keeps, or recommends keeping, an employer off work.

PURCHASE ADMINISTRATIVE REQUIREMENTS
- HSE MANAGEMENT

Lost Time Injury Incidence Rate	The total of Lost Time Injuries multiplied by 200,000 hours and divided by actual hours of exposure.
Recordable Cases	An injury or illnesses that is work related and is a new case and results in the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness, or a significant injury or illness diagnosed by a physician or other licensed health care professional, even if it does not result in the above.
Total Recordable Incidence Rate	The total number of Recordable Cases multiplied by 200,000 hours and divided by the actual hours of exposure.
Environmental incident (accident)	An undesired event with actual consequences impacting the environmental domain or an event that results in a failure to comply with a permit or an event that impacts on the Supplier's reputation.

3.2 Abbreviations

Abbreviation	Definition
API	American Petroleum Institute
FAT	First Aid Treatment
GHS	Globally Harmonized System of Classification and Labelling of Chemicals
HSE	Health Safety and Environment
i.e.	"That is"
ISO	International Organisation for Standardisation
KPI	Key Performance Indicator
LSR	Life-Saving Rules
LTI	Lost Time Incident
MTC	Medical Treatment Case
OGP	The International Association of Oil and Gas Producers
PO	Purchase Order
PPE	Personal Protective Equipment
RWC	Restricted Work Case
SJA	Safe Job Analysis
SoW	Scope of Work
YTD	Year to Date

PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT

4 Health, Safety and Environment

4.1 HSE Management System

Suppliers shall anticipate and accept that **TechnipFMC** may plan and carry out monitoring and verification activities including leadership visit, management walkthrough's, safety verifications, and HSE audit as part of **TechnipFMC's** HSE Plan, to verify that requirements of this document and its HSE management system are met by **Supplier** and their workers.

Supplier shall plan and carry out its activities in a way that the **SoW** is performed without loss of life, injury, without any environmental damage due to spills or unforeseen discharges.

Supplier shall have an implemented and documented HSE Management System covering both occupational health and working environment, safety, the environment and emergency response considerations. Relevant part of the HSE management system shall be compliant with local law, ISO 45001 and ISO 14001 or other recognized international standards like OGP, API, or similar.

Supplier must also comply with **TechnipFMC's** and/or **Client's** requirements for supervision and monitoring.

- ▶ All hazards to the health, safety of personnel and the environment have been identified, assessed and eliminated where possible or are being controlled through formal planning methods and procedures.
- ▶ All personnel are given required training and are competent to perform their tasks safely.
- ▶ All information concerning HSE incident records/statistics are sent to **TechnipFMC** upon request.
- ▶ Environmental accounting for all the hazardous chemicals is shared with **TechnipFMC** upon request.
- ▶ **TechnipFMC** specific HSE requirement are implemented as requested.

Supplier shall in addition to the foregoing define specific Security Management measures within its scope and the applicable hazards of the location. No activity shall start unless covered by approved written procedures, plans or other relevant documentation.

PURCHASE ADMINISTRATIVE REQUIREMENTS
- HSE MANAGEMENT

Supplier shall comply with all applicable national governing laws and provisions related to HSE, and their system shall as a minimum include the following elements:

Element	Requirement
Leadership and commitment	Responsibility for HSE shall lie with the line management. Top executives shall be personally involved in HSE management. The commitment to HSE shall be evident at all levels within Supplier's organization, and the corporate culture shall ensure HSE focus in/on all that Supplier does.
Policy, strategic objectives and programs	<p>Supplier shall have a documented corporate HSE policy. Supplier shall document the name, title and experience of the most senior manager in the organization responsible for ensuring that this policy is obeyed. Supplier shall also document who has the overall and ultimate responsibility for HSE matters within its organization.</p> <p>Supplier shall define and document which methods are applied for informing personnel about its HSE policy, and which routines are executed to inform personnel of any changes to this policy.</p> <p>Supplier shall establish an HSE Plan which covers the elements of the HSE Management System and the principles of OGP 423. This plan shall include mitigating HSE activities based on risk assessment of SoW.</p> <p>The HSE plan for the PO/Agreement shall be submitted for review to TechnipFMC, unless waived by TechnipFMC in writing.</p>
Organization, resources and documentation	<p>Supplier's management shall be involved in HSE activities, and in setting and following up HSE objectives.</p> <p>Supplier's organization shall facilitate effective HSE management and communication, with emphasis on HSE as an integrated element in planning and implementing operations. Relevant arrangements shall be in place to ensure that meetings are held with HSE as a priority item on the agenda.</p>
Evaluation and risk management	Supplier shall employ suitable and generally recognised methods for identifying, assessing, checking and handling hazards and their consequences. These methods shall be documented.
Planning and procedures	Working practices and procedures shall be consistent with Supplier's HSE policy and HSE Management System.
Implementation and monitoring	Supplier shall supervise and monitor its own HSE performance. Results of this supervision and monitoring shall be passed on without undue delay to Supplier's management and personnel. Frequent management inspections shall be performed to verify compliance with prevailing standards.
Auditing and reviewing	<p>Supplier shall operate a documented HSE auditing program. The audit process/procedure shall be documented.</p> <p>Planned HSE reviews shall be carried out by members of Supplier's senior management, or by appropriate personnel appointed by senior management.</p>

PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT

4.2 Specific HSE Requirements

TechnipFMC's work regulations, HSE Policy and 9 LSR

- ▶ **Supplier's** personnel shall always comply with applicable TechnipFMC's work regulations and safety rules. All employees shall take part in safety drills and other exercises while on site.
- ▶ **Supplier's** HSE policy for the **SoW** shall be fully compliant with the **TechnipFMC's** HSE Policy, as specified in Appendix 1.
- ▶ **Supplier** shall review IOGP 9 Life Saving Rules (LSR) and comply where it is applicable in their work operations (See Appendix 2 for more information).
- ▶ **Supplier** shall comply with any additional **TechnipFMC** and **Client** HSE requirements.

HSE training

If required by **TechnipFMC**, **Supplier** shall attend **TechnipFMC** HSE training.

Assessment of Subcontractors' Suitability

Supplier shall assess the HSE expertise and record of its **Subcontractors** and validate compliance to national governing laws and provisions related to HSE.

Working Environment and Occupational Health

- ▶ **Supplier** shall have a system which ensures a sufficient overview of the working environment at sites where its personnel are employed. The overview shall be in accordance with the relevant official requirements and performance indicators.
- ▶ **Supplier** shall have a system which ensure and document:
 - The identification and monitoring of i.e. all physical, chemical, ergonomic and psychosocial/organizational factors which could be potentially detrimental to health and performance. This system shall be linked to continuous systematic monitoring of the exposure of **Supplier's** and **Subcontractor's** employees to these factors, and to a program for reducing potential exposure which could be harmful to health.
 - Systematic health monitoring as specified by applicable regulations and good professional practice, 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.
 - 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.

Psychosocial Emergency Service

Supplier shall have a documented organization to provide care for its own personnel and psychosocial support for personnel and their immediate families in the event of serious incidents.

Safety Data Sheet

Supplier shall have a system in place ensuring that correct information is available on the health risk or fire, explosion and environmental hazards posed by chemical products used in the **SoW**. Safety Data Sheets shall be kept up to date and conform to GHS requirements.

PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT**Personal Protective Equipment (PPE)**

Supplier shall be able to demonstrate that the PPE used during the **SoW** provides satisfactory protection in the relevant tasks.

Environmental Management

- ▶ **Supplier** shall have a system to ensure and document the following:
 - Evaluation and follow-up of the **SoW**'s environmental impact.
 - Identification of environmental aspects of activities and services,
 - Implementation of operational control
 - Monitoring control measures to ensure that the environmental impact is kept as low as possible.
 - Selection of environmentally optimal solutions.
 - Inclusion of the environmental aspect in management documentation, including operational procedures
 - Evaluation of measures to reduce discharges/emissions to soil, water and air.
- ▶ **Supplier** shall systematically and regularly evaluate, monitor and document chemical usage to ensure minimal discharges and optimal operation, when use of potentially environmentally harmful chemicals.
- ▶ **Supplier** shall establish and maintain a register of chemicals used for execution of the **SoW**. The register shall be available to **TechnipFMC** and **Client** for review.
- ▶ **Supplier**, and its **Subcontractors** shall have the responsibility and liability for the proper management of waste according to law. In particular, but without limitation, **Supplier**, and its Subcontractors shall implement procedures to minimize the generation of waste. These procedures shall include, at a minimum, process substitution, materials recovery, and continued product use. When possible, **Supplier** shall select less toxic alternatives to minimize hazardous waste generation. During the performance or provision of Goods and of Services, **Supplier** shall accumulate at the work site all non-hazardous waste resulting from **Supplier**'s operations and keep and leave any work site where Services are performed in a condition satisfactory to **TechnipFMC**. Unless otherwise specified in this Agreement, **Supplier** shall remove waste resulting from **Supplier**'s operations and provision of the Goods and Services. **Supplier**, and its Subcontractors shall ensure that all waste is handled in compliance with the law and this Agreement.

Notification and Reporting of Incidents

Supplier shall comply with all official and **TechnipFMC** requirements for notifying and reporting accidents, incidents and near misses related to safety, occupational health and the environment. Routines for ensuring such compliance shall be documented.

- ▶ All actual and potential serious accidents/incidents experienced by **Supplier** shall be reported to **TechnipFMC** without undue delay, whether the event occurred at **Supplier**'s premises, or at other locations. An investigation report including direct and underlying causes shall be prepared and submitted to **TechnipFMC**. **TechnipFMC** will assess whether to take part in

PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT

Page: 10/14

such investigations, but regardless of that **Supplier** shall give **TechnipFMC** access to the investigation report and supporting materials.

- ▶ All other actual and potential accidents/incidents including, but not limited to, injuries, illness, environmental, material damage and falling object incidents experienced by **Supplier**, shall be reported to **TechnipFMC** as soon as possible (within working hours), whether the event occurred at **Supplier's** premises, or at other locations.
- ▶ For all accidents/incidents mentioned above, a written report shall be submitted within 24 hours and shall include the time and date of the event, involved personnel, description of what happened, extent of injury, immediate actions, and what authorities have been notified.
- ▶ Other undesirable events shall be reported in the monthly report. **Supplier** shall have a system for registering and following up incidents (non-conformances).

Note that special conditions may apply to reporting lines, types of incidents and timeframes for reporting (I.e. **Client** requirements).

Prohibition Notices and Demands for Improvement

Any prohibition notices and demands for improvement imposed on **Supplier** by government authorities shall be reported to **TechnipFMC** without undue delay. Should a complaint be filed under HSE legislation against **Supplier** while performing the **SoW**, this must also be reported to **TechnipFMC** without undue delay.

PURCHASE ADMINISTRATIVE REQUIREMENTS
- HSE MANAGEMENT

4.3 Monthly HSE Reporting

Supplier shall provide a monthly HSE report, unless waived by **TechnipFMC** in writing. The report shall cover the status of monthly HSE activities and statistics as specified in table below, in an agreed format.

If requested by TechnipFMC's Global Source & Procurement (GSP) Organization, Supplier shall also submit a standardized Safety Report (GTF-GPS-COR-21010-04A Supplier Safety Reporting Template; GTF-GPS-COR-21010-04B Supplier Safety Reporting Template Training Material) on a monthly basis.

Additional KPI's may be implemented through Special Conditions to contract or communicated in PO.

TechnipFMC shall be informed of **Supplier's** definition of a lost-time injury and work-related illness, and its definition of and practice concerning the use of alternative/restricted work. Hours worked shall be specified by

- (i) the total number of hours worked on the **PO/Agreement** in the period and
- (ii) the total number of hours worked by Supplier in total (Supplier figures).

A report shall be provided in case of any recordable incidents related to the Work.

		Supplier		<SubcontractorA>		<SubcontractorB>	
		Current month	YTD	Current month	YTD	Current month	YTD
Reactive indicators							
1	Number of worked man-hours						
	Number of Total Recordable Cases / Incidents (TRC/ TRI)						
2	Number of fatalities						
3	Number of LTI (Lost Time Injuries)						
4	Number of days from LTI						
5	Number of RWC (Restricted Work Cases)						
6	Number of MTC (Medical Treatment Cases)						
7	Number of FAT (First Aid Treatment)						
8	Number of near misses						
9	Number of falling objects						
10	Number of environmental incidents						
Proactive indicators							
11	Number of safety/hazard observations						
12	Number of site inspections						
13	Number of SJA/Risk assessment						

**PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT**

5 Appendices

- 5.1 Appendix 1: Global HSE and Security Policy
- 5.2 Appendix 2: IOGP 9 Life-Saving Rules (9LSR)

PURCHASE ADMINISTRATIVE REQUIREMENTS
– HSE MANAGEMENT

6.1 Appendix 1: Global HSE and Security Policy



Global HSE and Security Policy

POL-COR-011-HSES-Rev.1 – September 2019

This policy defines TechnipFMC's absolute commitment to the Health, Safety, Environment and Security (HSES) of all those who can either directly or indirectly be affected by our business activities.

HSES is managed as an integral part of our business, based on a genuine care and concern for the people and the environment. We must not compromise safety, health, security or environmental sustainability to achieve our financial, project, service and manufacturing objectives.

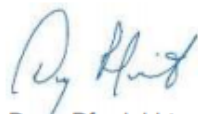
We are committed to fostering an incident-free environment worldwide through:

- > Our fundamental belief that all injuries are preventable.
- > Setting health, safety, environmental and security objectives specific to TechnipFMC and the scope of our activities.
- > Fostering a leadership climate that protects the health, safety and security of our employees, contractors, suppliers, clients, visitors and of all those engaged or affected by our activities.
- > Committing our resources and expertise to continually eliminate hazards, reduce risks and prevent injury, ill health and environmental pollution related to our activities, through design, process improvement and technologies.
- > Operating in a manner that protects the environment and develops sustainable solutions to reduce carbon emissions and the overall environmental footprint.
- > Securing our people, assets, technology, sensitive information and reputation.
- > Fulfilling and when we deem necessary, exceeding legal, compliance and other obligations to meet our internal values.
- > Achieving continual improvement of the HSES management system to enhance health, safety, environmental and security performance.
- > Implementing and encouraging consultation and participation of workers.

Our success and continual improvement will be measured through the reduction of incidents, risks, and environmental footprint through clear and meaningful performance indicators.

HSES is everyone's responsibility. Every person has the right to stop the work if they consider conditions are unsafe, in any way.

Compliance with this policy is the responsibility of all employees and contracted personnel and enabled through visible commitment of management.



Doug Pferdehirt
Chairman and Chief Executive Officer
September 2019

6.2 Appendix 2: IOGP 9 Life-Saving Rules (9LSR)

The International Association of Oil & Gas Producers (IOGP) has launched a set of Life-Saving Rules to provide workers in the industry with the actions they can take to protect themselves and their colleagues from fatalities.

The 9 LSR's are defined in IOGP report 459. The report can be downloaded free of charge from the <https://www.iogp.org/life-savingrules/>.

Life-Saving Rules



**Obtain authorization
 before overriding or
 disabling safety controls**



**Obtain authorization
 before entering
 a confined space**



**Follow safe
 driving rules**



**Verify isolation and zero
 energy before work begins**



**Control flammables
 and ignition sources**



**Keep yourself and others
 out of the line of fire**



**Plan lifting operations
 and control the area**



**Work with a valid permit
 when required**



**Protect yourself against a
 fall when working at height**