

## CORPORATE HSE POLICY

### INTRODUCTION

This document contains the proposed new PTS Corporate HSE Policy. The policy is based on an existing PTS HSE Policy that has been included in tenders, but has been updated to comply with the specific requirements of OHSAS 18001 and ISO 14001. OHSAS 18001 and ISO 14001 represent the latest thinking regarding occupational safety and environmental management systems respectively. They are compatible with each other and also, with ISO 9001 the quality system being implemented by PTS.

### HSE POLICY

Pyramid Technical Services Pvt. Ltd. (PTS), their divisions, subsidiaries and affiliates are committed to goals of:

- No harm to people or the environment;
- No accidents; and
- Maximising efficiency of use of energy and materials.

The Company will make a strong commitment of resources to this end.

The Company shall utilise a systematic approach to ensure compliance with all local and national health, safety and environment (HSE) laws and regulations that apply to its activities.

The Company aims to play a leading role in setting and promoting best HSE practice in the oil and gas industry.

The Company expects employees, contractors and visitors to sites owned or operated by the company to show a similar level of commitment by adhering to established HSE procedures and relevant project safety plans.

The Company shall include consideration of HSE commitment and performance when selecting contractors and vendors.

This policy shall be implemented through a documented HSE management system. The management system shall ensure that objectives are set, hazards are identified, risks assessed and control measures implemented in a systematic manner.

This HSE policy, HSE management systems, procedures and objectives shall be regularly reviewed to identify and implement practicable improvements, which will promote continued HSE performance improvement.

Signed:

Date:.

VIJAY AGGARWAL  
CEO

### REFERENCES

1. OHSAS 18001, Occupational Health And Safety Management Systems - Specification, British Standards Institute, 1999.
2. Environmental Management Systems - Specification With Guidance For Use, ISO 14001: 1996.
3. Quality Management Systems: Model For Quality Assurance In Design, Development, Production, Installation And Servicing, ISO 9001: 1994.

# CORPORATE HSE MANAGEMENT SYSTEM

## INTRODUCTION

This document describes the PTS. Health, Safety and Environment (HSE) management system. It translates the goals and intentions in the PTS HSE Policy into actions required from management of all PTS divisions, subsidiaries and affiliates.

This management system has been developed according to the OHSAS specification for Health and Safety Management Systems (BSI OHSAS 18001 [1]) and the published Guidelines for its implementation (BSI OHSAS 18002 [2]). Where relevant to PTS activities, environmental concerns have been included according to the ISO specification for environmental management systems (ISO 14001) to build a fully integrated HSE Management System.

Section 2 covers terms and definitions used in this management system document. The terminology has been selected for consistency with OHSAS 180001.

Section 3 restates the PTS HSE Policy and describes the requirements for communicating the policy and keeping it up to date.

Section 4 describes the planning required for effective HSE management.

Section 5 describes features of the HSE management system concerned with the carrying out of PTS activities and operations.

Section 6 describes the way that management must monitor HSE performance and the corrective actions that may be necessary to ensure that it remains at a high level.

## TERMS AND DEFINITIONS

<b>Accident</b>	Undesired event giving rise to ill health, injury, damage to the environment or property or other loss.
<b>Audit</b>	Systematic examination to determine whether activities and related results conform to planned arrangements and whether these arrangements are implemented effectively and are suitable for achieving PTS's HSE policy and objectives.
<b>Continual Improvement</b>	Process of enhancing the HSE Management System to achieve improvements in overall HSE performance in line with PTS's HSE Policy.
<b>Hazard</b>	Situation with a potential for injury, ill health, damage to the environment, damage to property or a combination of these.
<b>Hazard Identification</b>	Formal process of recognising that a hazard exists and defining its characteristics.
<b>HSE</b>	Health, Safety and Environment
<b>IMDG Code</b>	International Maritime Dangerous Goods Code, the United Nations code covering movement of dangerous goods by sea as adopted by the International Maritime Organisation.
<b>Incident</b>	Event that gives rise to an accident or which had the potential to lead to an accident. The term incident includes near misses.
<b>Journey Management Plan</b>	A plan for a freight forwarding journey aimed at reducing HSE risks during the journey to tolerable levels
<b>Port Operation Plan</b>	A plan for the physical handling of either inbound or outbound materials and equipment in a Seaport or Airport environment
<b>Vessel Husbandry Operation</b>	The administrative requirements related to a marine craft's call at a Seaport or designated marine terminal

<b>Non-conformance</b>	Any deviation from work standards, practices, procedures, regulations, management system performance etc. that could either directly or indirectly lead to injury, illness, damage to the environment, damage to property or a combination of these.
<b>(HSE) Objectives</b>	Defined HSE performance that PTS has set itself and aims to achieve.
<b>Project HSE Plan</b>	A safety plan that must be developed at the beginning of each PTS project detailing safety requirements that must be fulfilled at each stage of the project
<b>Risk</b>	Combination of the likelihood and consequences of a specified hazardous event (incident).
<b>Risk Assessment</b>	Formal method for the systematic identification of HSE hazards, assessment of risks and development of appropriate control measures to ensure that the risk is tolerable.
<b>Safety</b>	Freedom from unacceptable risk of harm (to people).
<b>Site</b>	Office, warehouse, port or other facility owned or operated by PTS or location where PTS carry out their activities.

## HSE POLICY

### PTS Corporate HSE Policy

PTS HSE Policy is the responsibility of the PTS CEO, policy information and specific instructions are distributed either via open communications or via the described chain of command. The local General Manager and/or the nominated Project Manager will administer the policy on a day to day basis and will incorporate the requirements of the policy into the activities of their operations. The HSE Policy will be reviewed on an ongoing basis by the local General Manager and, in the event of a significant incident, will be referred to the CEO and / or his nominated subcommittee, to ensure that it remains relevant to the company's activities and is up to date.

The PTS Corporate HSE Policy is available in a separate document.

### Communication of HSE Policy

A copy of the PTS HSE Policy must be given to:

- All employees during initial induction
- Contractors working in PTS offices or other PTS locations.
- Sub-contractors by inclusion in invitation to offer of services.

A copy of the PTS HSE Policy must be displayed in a prominent location at each PTS office to allow perusal by visitors and other interested parties.

## PLANNING

### Hazard Identification And Risk Assessment

PTS line management are responsible for ensuring that formal action is taken to identify hazards, assess risks and implement suitable control measures for all activities for which they are responsible.

Each site owned or operated by PTS or location where PTS carry out their duties and activities must have a Risk Assessment Procedure, which covers identification of health, safety and environmental hazards and assessment of risks at a level of detail appropriate for the site and which takes into account the specific requirements of applicable local regulations. As a minimum this procedure must include:

- Carry out tour of the site identifying potential hazards including: sources of fuel for a fire; fire ignition sources such as electrical equipment; escape route blockage; unguarded equipment; poor house keeping; potential for pollution etc.

- Review presence and condition of protective systems such as fire detection and protection equipment and associated maintenance records.
- As far as is reasonably practicable, take action to (in order of preference):

- (1) Eliminate the hazards
- (2) Prevent incidents occurring
- (3) Protect people should an incident occur
- (4) Reduce the consequences of an incident

- Identify users of non-renewable resources (materials and energy) and review potential for improvements, including the use of recyclable consumables.
- Formally record actions taken in a risk assessment report.
- Review of the Risk Assessment Procedure to confirm it remains appropriate for the site and is up to date.
- Repeat the process as often as appropriate for the site, but at least once every 12 months or if there is a significant change to operation.

The responsibility for ensuring preparation, maintenance and implementation of the Risk Assessment Procedure is that of the Office Manager at each location.

Each PTS Project must have a Project HSE Plan outlining the HSE activities and requirements specific to each project at each stage. The plan should be reviewed and updated as often as necessary throughout the project to take into account changing circumstances. The Project Manager is responsible for ensuring that a suitable plan is produced, for monitoring progress and performance against the plan and for ensuring that resources are available to implement the plan.

Each Project HSE Plan must include:

- Requirements for identification of health, safety and environmental hazards and assessment of risks for project specific activities
- Requirements for production of Journey Management Plans
- Requirements for audits and inspections of project specific activities
- Requirements for audits and inspections of sub-contractors, including marine operators
- Requirements for emergency preparedness, including: preparation of plans, drills and exercises.
- Management of project specific HSE documentation and records

The Project HSE plan must be developed taking due account of applicable local HSE regulations as advised by, and in consultation with, the PTS local office and/or in-country partner.

The Project HSE plan must be approved by the designated project manager.

An outline Project HSE Plan is included in Appendix I.

Project Management Plans must be relevant to the particular circumstances covered. They must include for a risk assessment to identify potential hazards, assessment of risks and implementation of suitable controls, to be carried out prior to beginning any journey. An example Project Management Plan and Risk Assessment Procedure has been developed for use as a basis for future plans and procedures. Where relevant, the risk assessment component of the Project Management Plan must include environmental aspects such as minimising fuel use and preventing, containing and cleaning up spills.

As a minimum, conveyance of hazardous materials must be according to the requirements of:

- ISO 11014 (Safety data sheets) [7]
- UN Recommendations [8]
- IMDG Code (Marine Transport) [9]

Records of risk assessments carried out under a Journey Management Plan must be kept and maintained by the Project, so that actions taken can be readily ascertained.

Port Operations Plans must include risk assessment relative to the type of operation to be undertaken and the materials and equipment it relates to. Hazardous or sensitive materials must be clearly identified and separate sub-plans be included for their handling. Reference Points will include but not be limited to,

Lifting Equipment to be utilised including details of source and confirmation of certification  
Lifting Gear (slings, shackles, turnbuckles/tautening devices) including details of source and confirmation of certification  
Labour / workforce including details of source and experience of similar operations  
Delivery or redelivery operation including details of mode of transport  
Administrative / documentary requirements  
Permissions required  
Local particular requirements quay strengths, pressure limitations  
Timeframes

HSE Objectives

The overall HSE objectives of PTS are stated in the company HSE Policy:

- No harm to people or the environment
- No accidents
- Maximise efficiency of use of materials and energy

These high level objectives and any local legal requirements should be considered when carrying out hazard identification / risk assessment and when preparing Project HSE Plans. Appropriate specific HSE objectives must be documented in the Risk Assessment Procedure or Project HSE plan and must be reported against through line management HOLD 6.

HSE objectives must be reviewed to ensure they remain appropriate whenever the Risk Assessment Procedure or Project HSE Plan is reviewed.

It is the responsibility of the Office Manager / Project Manager to ensure that the documented HSE objectives are met. This will involve monitoring of relevant activities, inspecting and auditing and ensuring that non-conformance is dealt with in a timely manner.

## **IMPLEMENTATION AND OPERATION**

Structure And Responsibilities

Ultimate responsibility for HSE within PTS rests with the CEO. He is responsible for HSE policy and the HSE Management System.

Site managers and project managers have responsibility for ensuring that the HSE management system is properly implemented and performing to requirements in all locations and spheres for which they are responsible.

Job descriptions for PTS personnel are listed in the Quality Assurance Manual. This includes specific HSE roles and responsibilities. New employees must receive a copy of their job description during initial induction. Similarly, existing employees who change jobs must be provided with their new job description prior to taking up their new post. The local site manager is responsible for ensuring that job descriptions are communicated to all employees.

Human resources, financial resources and specialised skills and technology shall be made available to carry out all HSE programmes and activities required by this HSE Management System and in order to meet the

objectives of the HSE Policy. Deficiencies in resource availability such that HSE programmes and activities including measurement and monitoring cannot be carried out must be reported through line management as a matter of priority. If the deficiency cannot be resolved at local level it should be reported up the chain to the CEO

Management at all levels is expected to provide visible demonstration of PTS commitment to HSE by:

- Including HSE as the first item on the agenda at all management meetings
- Proactive involvement in inspections
- Providing resources for corrective action where HSE issues are identified
- Encouraging employee and contractor involvement in HSE

#### Training And Competence

Line managers must ensure that the competency required for each person/job for which they are responsible is systematically identified and documented in the job description contained in the Quality Assurance Manual. The competency recorded must be specific to the activities undertaken by the individual. For example, someone responsible for the transport of hazardous goods by sea must have significant prior experience or have attended a training course in the IMDG Code.

Prior experience, new experience and training received must be documented for all PTS Employees. Site Managers are responsible for ensuring that the appropriate files are maintained accurate and up to date by the local personnel function. This will allow rapid verification and demonstration of personnel competency.

The competency of contractors to complete their tasks with due attention to HSE performance must be requested in tender documents and included in the bid assessment.

#### HSE Awareness

All new employees must be made aware of the priority PTS gives to HSE during initial induction. Local managers are encouraged to engage employees in proprietary safety awareness courses where this will enhance HSE performance.

#### ***Consultation And Communication***

Line managers must consult employees and any other interested parties whenever HSE matters are reviewed or modified. This should be done through the Focus Groups (Corporate Level) or through local meetings.

At least one Focus Group every three months should be dedicated to HSE matters. Similarly, local meetings involving all at a local level should be convened at least once per month. Both meetings must be structured so as to allow PTS employees to raise HSE matters.

Where such schemes exist, employee representatives can also be used as a mechanism for consultation and communication regarding HSE matters.

HSE information must be communicated to employees in such a way as to promote understanding and participation. Normally direct communication will be by E-Mail. When sending such E-Mails, consider whether additional follow-up action / response testing is necessary to determine whether the matters in the E-Mail have been clearly understood and, if appropriate, acted upon.

#### Documentation

The system for managing PTS documentation, including HSE documentation, is described in the PTS Quality Manual. Documents with an important HSE function (such as this document) must have a HSE Document Number, which clearly identifies it as an HSE document, displayed on the footer of each page.

### ***Operational Control***

Operational HSE control of PTS Projects is through the Project HSE Plans as described in Section 4.1. Activities, including moving of goods, must be delayed until the requisite conditions have been fulfilled under the Project HSE Plan, journey management plans (where relevant) and associated risk assessments.

### ***Emergency Preparedness***

Each site and vessel owned or operated by PTS must have a fire emergency plan. The Fire Emergency Plan must detail the actions required of personnel in a fire emergency and give details of escape routes and muster areas. Where relevant it can specify actions to control the spread of fire such as shutting doors and using fire-fighting equipment, but must specify that fire-fighting actions should only be undertaken where it is safe to do so. The fire emergency plan must include assignment of roles and responsibilities for fire safety to specified individuals. Roles and responsibilities must include:

- Person in charge
- Checking that evacuation is complete
- Liaison with emergency services

The Fire Emergency Plan should also include details and frequency of regular drills and exercises to confirm that the plan works.

The Fire Emergency Plan must be compliant with relevant local regulations.

The Fire Emergency plan must be reviewed, and updated if necessary, in the event of a fire and at least once every 3 years.

Some PTS sites or operations may require further plans to cover non-fire emergencies to satisfy local regulations, to fulfil the Project HSE Plan or to meet PTS HSE goals.

The manager of each site owned or operated by PTS must ensure that:

- The requisite emergency plan(s) are in place
- Drills and exercises are carried out in accordance with the emergency plans and the findings disseminated and implemented

In many cases the actual work involved with fulfilling these responsibilities will be delegated to a safety officer or other specified person, who reports on these matters directly to the site manager. However, the responsibility remains that of the PTS site manager.

Where PTS manage operations in areas not managed or operated by themselves then such plans will be formulated and distributed in co-ordination with the site Owners or Operators. PTS will only generally work in locations with an acceptable HSE Plan.

## **CHECKING AND CORRECTIVE ACTION**

### ***Performance Measuring And Monitoring***

PTS measures and monitors HSE performance using:

- The Corporate HSE Audit Program
- Audits and inspections of project specific activities as detailed in the Project HSE plan.
- Reporting and investigating incidents and implementing corrective action.
- Maintenance records and statistics

The preferred approach is to identify and address conditions that could lead to an incident prior to the incident occurring.

#### Accidents, Near Misses And Non-Conformance

An incident is an event that can give rise to an accident that causes harm to people, the environment or property, or that has the potential to lead to such an accident. The term incident includes "near misses". Incidents and the potential for incidents should be avoided. Where incidents do occur it is important that lessons are learnt to prevent reoccurrence.

If an incident occurs at any site owned or operated by PTS or in association with, or as a consequence of, PTS operations, it must be:

- Reported
- Recorded
- Investigated
- Corrective actions implemented and recorded
- Followed up
- Findings communicated

Follow up covers checking that the corrective actions are effective and are working as intended.

Communications of findings includes disseminating of the important information so that corrective actions can be implemented throughout the organisation.

An Incident Reporting Procedure that details how the above actions are carried out must be in place for each PTS site. Similarly, each Project HSE Plan must include an Incident Reporting Procedure for incidents associated with the project. Project HSE Plans may refer to local site incident reporting procedures where relevant. Relevant incident reporting procedures must be communicated to new employees during initial induction. Project Managers must ensure that all involved parties are aware of the incident reporting procedures at commencement of work on that project.

Incident reporting procedures must take into account the requirements of applicable local regulations.

The responsibility for ensuring that incident reporting procedures are followed is that of the project manager for all project related incidents and the site manager otherwise.

Where sub-contractors are used, the person hiring the sub-contractor must ensure that the sub-contractor incident reporting system interfaces correctly with the applicable PTS incident reporting system, so that lessons can be learnt and legal requirements fulfilled. Normally, the procedure will be for sub-contractors to report incidents to the Project Co-ordinator who will inform the Project Manager and / or others with relevant HSE responsibility.

The incident investigation must seek to identify the root cause of the incident, including failures of management systems and the underlying reasons for human error. Ways of dealing with the root cause must be considered. Merely stating that personnel must try harder is not an acceptable outcome of an incident investigation.

Management at all levels must act to ensure that no person suffers any hardship as a result of reporting accidents, near misses or non-conformance regarding HSE matters. See the PTS Policy On Prohibiting Workplace and Sexual Harassment for further details.

#### ***Audits***

The PTS Corporate HSE Audit Program is developed by the CEO in conjunction with the company Regional Management. The Audit Programme must be reviewed and updated at least once every 12 months.



The objective of the Corporate HSE Audit Program is to monitor compliance with the PTS HSE Policy and the detailed requirements of this HSE Management System. It should take into account the findings of previous audits, inspections and incident investigations. The audit program will detail specific audits to be carried out, the audit scope and the person responsible

The person responsible must ensure that:

- The audit is carried out as required by the PTS Corporate HSE Audit Program. Any specific local requirements must be included.
- Appropriate remedial action is taken where the audit identifies non-compliance with legislation or the requirements of this HSE Management System.
- Principal findings of the audit are reported to the CEO via the line Regional Management.

Further HSE audits, including audits of sub-contractors, may be required by Project HSE Plans. The Project HSE Plan will identify the person responsible for ensuring the audit is carried out. He or she must ensure that:

- The audit is carried out as required.
- Appropriate remedial action is taken where the audit identifies non-compliance with legislation or the requirements of this HSE Management System.
- Principle findings of the audit are reported to the Project Manager.

Persons carrying out the audits must be able to demonstrate competence for this function.

#### Records and Record Management

All records that serve to demonstrate that this HSE Management System has been implemented correctly and is operating effectively must be kept for a minimum period of five years or as required by local regulations. Records specifically required for compliance with local regulations must be marked accordingly.

HSE records include:

- Records of safety equipment maintenance
- Incident reports
- Audit and inspection records
- Personnel training and experience records
- Sub-contractor HSE performance

HSE records must be available to PTS personnel planning and carrying out audits and, where necessary, to government inspectors.

No HSE record must be disposed of without the written authority of the relevant site manager.

#### MANAGEMENT REVIEW

The PTS CEO in conjunction with the Regional Management must review this HSE Management System at least once every 12 months to ensure its continuing suitability, adequacy and effectiveness and to identify opportunities for further improvement. The review must take into account PTS operations and activities likely during the next 12 months.

The results of the review must be documented and management and employees informed of any changes.

## CONTRACTORS AND SUB-CONTRACTORS

Whenever PTS engages third party organisations (contractors or sub-contractors) to conduct operations on its or its Client's behalf, steps must be taken to ensure that the third party organisation adequately addresses HSE issues and that it can comply with the requirements of this HSE Management System.

Accordingly, inquiry documentation must request that the bidding company supply:

- HSE Policy
- HSE Objectives / Targets
- Details of HSE Planning including the carrying out of risk assessments
- Named person(s) with HSE responsibility
- Information on relevant HSE operational procedures (e.g. maintenance programs)
- Training and competence information, including use of safety awareness training
- Information on emergency response preparedness
- Self-auditing program
- Incident reporting procedure
- Other HSE information specifically relevant to the work

In some cases much of the above may be covered by compliance with an industry standard code such as the International Safety Management code for marine vessels.

HSE systems and performance must be included in the bid assessment. Bids that do not adequately demonstrate that the bidder can meet PTS and Client HSE requirements and expectations will be rejected. Particular attention should be given to ensure that the contractor / sub-contractor incident reporting procedure interfaces efficiently with PTS so that timely action can be taken in the event of an incident.

All contracts with contractors / sub-contractors must allow for HSE audit by PTS (or independent specialist personnel) against the information provided in the bid or during bid clarification. The contractor / sub-contractor HSE audit(s) should be carried out as required by the PTS Corporate HSE Audit Program or a Project HSE Plan, or if there is any doubt as to the adequacy of the company's HSE Performance or its ability to meet the stated expectations.

## REFERENCES

- Occupational Health And Safety Management Systems - Specification, British Standards Institute BSI OHSAS 18001: 1999.
- Occupational Health And Safety Management Systems - Guidelines For The Implementation Of OHSAS 18001, British Standards Institute, BSI OHSAS 18002: 2000.
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- Safety Data Sheets For Chemical Products - ISO 11014, International Standards Organisation, 1993.
- UN Recommendations On The Transport Of Dangerous Goods, 9th Revised Edition, HSE Books, ISBN 011 015097 X.
- International Maritime Dangerous Goods (IMDG) Code, Volumes 1-4 and Supplement, International Maritime Organisation, ISBN 92 801 1314 3 and ISBN 92 801 1316 X
- Technical Instructions For The Safe Transport Of Dangerous Goods By Air, International Civil Aviation Organisation Document 9284-AN/905 and Supplement.
- PTS Corporate HSE Audit Program
- International Convention On Safety Of Life At Sea (SOLAS), IMO 1974 as amended.