



**ConocoPhillips Australasia Business Unit**  
**Contractor HSE Management Process – Attachment A1**  
**Health, Safety and Environmental Requirements for Contracts**

**PROPRIETARY INFORMATION**

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## **1. OVERVIEW**

### **1.1. PURPOSE**

One of ConocoPhillips Australia Pty Ltd (The Company) core values is the safety and health of its contractors and employees and the protection of its property and the environment. THE Company expects the same dedication to the safety and health of personnel and property and the protection of the environment from its contractors. The Company requires its Contractors to adopt, implement and enforce rules and practices necessary for the safe and environmentally responsible performance of the Contract workscope. This document sets out the health, safety and environmental (HSE) requirements that must be met by the Contractor.

### **1.2. SCOPE**

This document is applicable to all contract worksopes and contractor personnel performing work for the Company, except for Drill Rigs and Accommodation Support Vessels (ASVs) where Contractor HSE Management systems primarily apply. HSE requirements for Drill Rigs and ASVs are contained in ALL/HSE/PRO/016 Attachment A2.

### **1.3. ISNETWORLD**

A detailed review of the Contractor HSE Management System is a required in order to conduct business with the Company.

The Company is using ISNetworld ([www.isnetworld.com.au](http://www.isnetworld.com.au)) as the primary contractor information management system for HSE preferred contractors.

In order to achieve HSE preferred status, contractors will need to subscribe to ISNetworld and achieve an adequate (minimum grade) assessment of HSE management system information. Through ISNetworld, contractors will submit the Company required data in order for ISNetworld to review and verify that the contractor's HSE management systems are in conformance with Company standards.

Additionally, ISNetworld provides the mechanism to capture contractor exposure hours, receive Company HSE procedures, bulletins and other relevant information.

## **2. DEFINITIONS**

The terms and phrases defined in the General Terms and Conditions of the Contract apply to this ATTACHMENT A1 – Health, Safety & Environmental Requirements for Contracts.

“The Company” shall mean ConocoPhillips Australia Pty Ltd.

In the case of contracts relating to marine vessels, “The Company”, shall mean ConocoPhillips Australia Pty Ltd as “The Charterer” as used in contract documentation. In this same context, “The Contractor” shall be taken to mean “The Owner”.

### **3. HSE REQUIREMENTS**

#### **3.1. POLICY AND LEADERSHIP**

The Contractor shall maintain and implement a HSE policy that is aligned with the Company HSE policy and demonstrates commitment to the protection of people, the environment and operating assets. Contractor management shall demonstrate commitment to policy implementation and abide by all applicable laws, regulations and Company requirements. Some key expectations include:

- The Contractor acknowledges the Company's strong commitment to Health, Safety and Environment (HSE).
- The Contractor has the responsibility to determine what hazards may be encountered in the performance of the Work, undertake detailed risk assessment and implement the appropriate controls.
- The Contractor must provide copies of its HSE policy and procedures to the Company upon request.

##### **3.1.1. Unsafe Operations and the Right to Stop Unsafe Work**

The Contractor and Contractor personnel shall understand that they have the right to stop work when they consider it unsafe to continue. All employees and contractors have the right to refuse to do unsafe work. This right must be communicated and understood by all personnel performing Work.

If the Contractor believes that the Work cannot be safely undertaken or that continuance of operations may result in any hazardous conditions, it must immediately notify the Company. The Contractor shall use its best efforts at all times to prevent or minimise the effect of any hazardous condition.

In the event of either scenario (i.e. stopping a job or refusing to do a task based on a HSE concern), the Supervisor responsible for the work must be notified immediately.

##### **3.1.2. Termination and Suspension for Breach of HSE Requirements**

The Company and the Contractor agree that all provisions of the Company's HSE Requirements for Contracts are of the utmost importance. Any breach or violation thereof shall be considered to be a material and substantial breach of the Contract, including without limitation, a breach of the following:

- The Contractor must not cause, permit, or tolerate a hazardous, unsafe, unhealthy or environmentally unsound condition or activity over which it has control at the work site.
- If the Contractor becomes aware of any hazardous, unsafe, unhealthy or environmentally unsound condition, including without limitation a violation of any of the health, environment and safety standards with which the Contractor must comply in accordance with the Contract, it shall immediately notify the Company and take whatever steps are necessary and as will be agreed between the Company and the Contractor to eliminate, terminate, abate, and rectify the condition.
- If remedial action is not implemented within the agreed timeframe, the Company or the Contractor has the right to stop work forthwith.
- The Contractor must take all necessary safety precautions related to the performance of the Contract in order to protect the work site, including all personnel and property of the Company, the Contractor and all third parties.

- Should the Company observe an unsafe act or condition or become aware of a planned act or condition which may be unsafe, the Company may direct the Contractor to cease, or not to proceed with, the unsafe work. The Contractor shall, at the Contractor's own cost, modify the Contractor's method of work in order to work safely.
- If the Contractor fails to take the necessary steps to eliminate or control any such breach or violation promptly or to otherwise comply with the Company's HSE requirements, the Company may terminate the Contract immediately.

## **3.2. RISK MANAGEMENT**

### **3.2.1. Hazard and Risk Assessment**

Prior to the commencement of the Work, the Contractor shall demonstrate to the satisfaction of the Company that the Contractor has performed a detailed HSE hazard and risk assessment of the Work to be undertaken.

The Contractor:

- Must ensure the assessment evaluates all risks specific to the work site and nature of work to be conducted under the Contract (e.g. equipment, facilities, personnel competency, complexity of the work and activities associated with the contractual requirements).
- Must maintain a detailed hazard register that is relevant to the contracted work scope. The hazard register shall identify hazards, preventative controls, mitigation controls, HSE management system interfaces and any additional controls in place to manage residual risk to as low as reasonably practicable (ALARP) levels.
- Must monitor HSE risks and update risk assessments and hazard registers as necessary during the term of the Contract.
- Is responsible and accountable for ensuring effective procedures and safe systems of work are in place in respect of meeting all Statutory Requirements and Company HSE management requirements under the Contract.
- May be required to attend or conduct additional risk assessments in relation to planned work activities in which they will be involved under the Contract.

### **3.2.2. Job Hazard Analysis (JHA)**

Effective application of the JHA process at all Company operational locations is a critical daily HSE management tool. The Contractor must conduct quality JHA's for all tasks that are non-routine or where there is a risk to personnel or damage to property or the environment.

For higher risk activities such as a confined space entry or a complex work at height task, a more comprehensive risk assessment may be required. Contact a Company HSE representative for guidance.

There is a clear requirement and expectation that Contractor's supervisors or leading hands will actively involve relevant work crews in the development and review of JHA's. This practice will help build a clearer understanding of task specific hazards and controls.

### **3.2.3. WAVES - Behavioural Based Safety Program**

The Company's Behavioural Based Safety Program WAVES (We All Value Each other's Safety) is implemented at all Company operational locations. Contractor supervisors and personnel may be required to participate in the WAVES program.

Data from WAVES observations will be inputted into the Company's WAVES database, this data will be routinely analysed to identify trends and system weaknesses/strengths. This information will be reported to Company Management on a monthly basis. The Company WAVES Program will also provide a valuable framework and lead indicator for demonstrating visible leadership and commitment to HSE requirements.

### **3.3. LEGAL REQUIREMENTS AND STANDARDS OF OPERATION**

The Contractor must comply with all applicable health, environment and safety laws and regulations, and any additional guidelines, operating standards and policies provided to the Contractor by the Company.

The Contractor must be aware of all HSE statutory requirements in the country or area of operation and shall comply with these requirements fully. Should the statutory requirements be of a higher standard or quality than those existing in Australia, then the Contractor must comply with both the Australian statutory requirements and the higher standards.

The Contractor must ensure that each member of the Contractor Group and all visitors comply fully with all such laws, regulations, guidelines, operating standards and policies. The Contractor further agrees that in the event that any member of the Contractor Group or any of their visitors violates any such laws, regulations, operating standards and policies such violation shall be corrected promptly, steps shall be taken to avoid recurrence, and any person or persons responsible for the violation shall be removed from the site of the Work upon the Company's request.

### **3.4. STRATEGIC PLANNING, GOALS AND OBJECTIVES**

The Contractor shall set a goal of zero incidents and injuries, illnesses and environmental harm for the Work. These goals shall be incorporated into Contractor's site specific HSE Management Plans and cascaded to sub-contractors.

### **3.5. STRUCTURE AND RESPONSIBILITY**

#### **3.5.1. Sub Contractor HSE Requirements**

The Contractor must ensure that all members of the Contractor Group are skilled and qualified to perform the Work and that they are properly managed in the performance of the Work.

Contractor must have in place appropriate formal systems, procedures and safe practices for the management and control of the members of the Contractor Group, including without limitation:

- Sub contractor HSE prequalification and qualification which is based on demonstrated capability, HSE performance and HSE management system suitability and compliance
- Risks and hazards associated with the subcontractor's work are identified and controlled to As Low As Reasonably Practicable (ALARP) levels and that subcontractors employ the required safe systems of work
- Sub contractor HSE management system to be integrated into the Contractor's HSE management system
- Sub contractor's work is supervised and monitored by the Contractor to ensure that safe practices are employed and Work is conducted in strict compliance with relevant Contractor and Company HSE requirements.

The Contractor represents and warrants that its management and supervisors are responsible, and have been advised in writing that they are responsible, for ensuring that the Work is performed in accordance with all applicable health, environment and safety regulatory requirements, best working

practices, and any additional guidelines and/or operating standards provided to the Contractor by the Company.

The Contractor must, at the Company's request, provide the Company with organisation charts, specifying any dedicated HSE resources and the areas of HSE responsibility of Line Management.

### **3.5.2. Responsibilities of Contractor Management Representatives**

The Contractor's Management Representatives must:

- Cooperate with Company personnel to ensure compliance with the Company HSE Management Process
- Ensure that work related risks and hazards associated with the Work are proactively identified and managed
- Ensure that resources and HSE responsibilities are allocated and that effective contractor HSE plans are developed and implemented to manage identified risks
- Comply with the HSE requirements stipulated in the Contract and the Company's HSE Management System requirements
- Develop plans and allocate resources to ensure that non-compliance issues identified in HSE audits, inspections and performance evaluations are understood and that corrective action plans are put in place and tracked to completion

## **3.6. PROGRAMS AND PROCEDURES**

### **3.6.1. Contractor HSE Management Plans and Objectives**

The Company may require the Contractor to prepare an HSE Management Plan for the work. This Plan must be developed by the Contractor to meet all Statutory and Company requirements, including:

- The HSE Plan shall be in a format that permits cross-referencing between the Contractor and Company's HSE management system.
- The HSE Plan shall also include a description of the Contractor's organisation, procedures and methods of communication to and from all appropriate personnel.
- Contractor's management systems are to include reference to documented processes and procedures to identify, assess and manage HSE and other hazards and risks that may affect their own personnel and assets as well as those of Company and third parties.
- Where required, based on risk assessment, the Contractor will assist the Company to prepare Bridging Documents to interface their management system to applicable Company Safety Cases, Environmental Management Plans and Emergency Response Plans.
- The Contractor's HSE Management Plan shall be jointly used by the Company and the Contractor in the execution of the contract. Performance against agreed HSE objectives and Key Performance Indicators (KPIs) will be monitored and reviewed, and HSE Plans shall be updated when required to ensure continuous improvement is achieved.

### **3.6.2. Mandatory Company HSE Procedures**

Compliance with Company HSE systems and procedures is mandatory for all members of the Contractor Group when working at Company facilities. Contractors must ensure that work

instructions and HSE related plans comply with these HSE Requirements for Contracts.

Where it has been identified that work shall be conducted under a Contractor HSE system or procedure then this must be documented in a Company approved Bridging Document prior to the commencement of work.

The Contractor shall participate in the continuous improvement of Company procedures to ensure that all work can be carried out safely.

The Contractor shall give prompt, written notice to the Company of any objection of the Contractor to the use of Company procedures, including the reasons for objection.

Company rights under this Section are not intended and shall not be construed to relieve the Contractor from any obligations to ensure compliance with all provisions of this document and the Contract.

### **3.6.3. Contractor's HSE Manual**

If requested, the Contractor shall provide a copy of its HSE manual, policies and procedures to the Company for review.

### **3.6.4. Work at Height**

All Work conducted at a height of over 1.5 meters (or where there is a risk of a fall) shall require fall protection. The Contractor must ensure that the members of the Contractor Group required to work at height are trained in safe work at height practices. The Contractor must ensure that fall restraint and fall protection equipment is provided for all work at height, and that this equipment is certified and in a safe, operable condition (Procedure ALL/HSE/PRO/019). The Contractor must comply with the following safe work at height requirements:

- Risks and hazards associated with work at height must be identified and controlled via a JHA prior to the commencement of any work at height
- Any work where there is an unacceptable risk of a fall that could result in an injury and no fall protection is provided a suitable fall arrest system must be used at all times
- All personnel responsible for, involved in, or supervising working at heights must be trained in height safety procedures. Only personnel formally trained in height safety hazards, personal and fixed fall arrest equipment and rescue from heights are to undertake such tasks
- Fall protection equipment must be inspected for wear and damage and have a current inspection tag from an authorised inspector prior to use
- Areas where work at heights is undertaken must be suitably barricaded and appropriate signage installed to eliminate the risk of injury from dropped objects. Contractors must ensure that risks associated with dropped objects while working at height with hand tools & equipment are controlled at all times.
- Ensure that work procedures/standing instructions or JHA's are developed to control work/personnel movement in the drop zone below
- Height safety rescue plans and equipment must be in place prior to work at height activities.

### **3.6.5. Hazardous Materials**

The Contractor must, if requested, supply to the Company a copy of the Contractor's rules for the use, transportation, handling and storage and disposal of fuel and hazardous materials.

Where the Contractor proposes to take any chemicals or hazardous substances onto Company facilities, the Contractor must comply with the Company policies and procedures for the selection, purchase and control of chemicals and hazardous substances. Additional requirements include:

- No chemical or hazardous substance may be taken onto Company facilities without the prior written approval of the Company. Application forms are available from the Company upon request.
- Wherever practicable, use of chemical substances with a flashpoint of less than 38 degrees celsius are to be avoided, and substituted with an alternative, less flammable substance.
- The Contractor must ensure that, as a minimum, all hazardous substances and/or Dangerous Goods are packaged and clearly labelled in accordance with the transportation requirements defined in the Australian Dangerous Goods Code.
- In addition, where the products are to be transported to or from Company premises by sea or air, the product shall also satisfy the transportation requirements defined in the International Maritime Dangerous Goods Code and/or the International Air Transport Association's Dangerous Goods Regulations, as applicable.
- Disposal of any chemical or hazardous substances must be undertaken in accordance with the Company HSE management system requirements.

### **3.6.6. Personal Protective Equipment**

The Contractor must, at its own expense, supply all members of the Contractor Group, where required in connection with the safe performance of the Work, with adequate personal protective equipment (PPE) and protective clothing (Procedure ALL/HSE/PRO/039). PPE must be maintained in good condition or replaced, and must be worn on all relevant occasions as indicated by notices, instructions and good practice. The Contractor must ensure that all members of the Contractor Group (including senior personnel and visitors to the work location), wear protective garments and equipment in the appropriate circumstances, even if not actively engaged upon the work.

The minimum PPE requirements for Company operational areas shall include:

- Approved hard hat
- Approved safety shoes
- Approved safety eye glasses (1 x clear pair & 1 x dark pair for outdoor use)
- Fire resistant coveralls (cotton at offshore locations)

Additional/Specialist PPE equipment must be provided by the Contractor depending on work related hazards. The following equipment must be provided and used by trained/certified personnel (where applicable):

- Hearing protection
- Welding related PPE requirements
- Fall protection PPE for any work at height where there is a risk of a fall
- Approved respiratory protection and or breathing air apparatus for confined space entry (to be used only by trained/certified personnel)

- High visibility vests for fire watchers, safety watchers, standby persons, traffic controllers & personnel working in close proximity to roads
- Any other PPE as directed by signs, JHA's, MSDS or by a Company HSE representative

### 3.6.7. Transportation Offshore

The Contractor shall acknowledge and comply with the following requirements in relation to transportation of personnel and equipment to the Company's offshore facilities (Procedure: ALL/HSE/PRO/022):

- The Company shall, at its own cost, procure transportation of the Contractor's personnel, equipment and supplies to and from the Company's designated embarkation point and any offshore location at which all or part of the Work will be performed.
- The Contractor shall at its own cost deliver its equipment to the Company's designated embarkation point in due time and properly packed and marked for transportation.
- All personnel employed by the Contractor to work in the Timor Sea Joint Petroleum Development Area must have a current passport with a minimum of six months currency prior to the expiry date.
- Personnel using helicopter and fixed wing aircraft services provided by the Company shall comply with all aviation operational requirements.
- Personnel travelling offshore by helicopter must hold current BOSIET (Basic Offshore Safety Induction and Emergency Training) or Helicopter Underwater Escape Training (HUET) certification from a training provider recognised by the Company. A copy of the certification is to be provided to COP by request. A list of the Company's approved HUET and BOSIET Training Providers is available upon request.
- Personnel shall be restricted to one piece of personal luggage of 10 kg in weight. One piece of soft luggage is recommended, with dimensions not exceeding 46 cm x 46 cm x 23 cm.
- Any over weight luggage is to be advised to the Company at least 24 hours prior to scheduled departure. Extra baggage and over weight luggage may be required to travel as unaccompanied freight. Toolboxes and specialist tools required to travel with the personnel must be advised to the Company at least one week in advance, as alternative shipment arrangements may be required.
- No baggage or material will be permitted inside the cabin of the helicopter due to the potential for inhibiting exit from the aircraft in the event of an emergency.
- Personnel travelling to offshore facilities will not be permitted to carry any of the following items aboard the aircraft, which include but are not limited to:
  - Matches or lighters
  - Firearms
  - Cameras (unless pre-approval has been given by the Company)
  - Alcohol
  - Prohibited drugs, other than prescription medication. Personnel carrying medication (prescription or non-prescription) shall present the medication at the heliport check-in prior to boarding the flight. Medication shall be presented to the facility medic or nurse on arrival at the facility

- Explosives
- Pyrotechnics
- Magnetic devices or materials
- Corrosive materials
- Gas under pressure
- Radioactive materials
- Oxidising substances
- Any other materials or substances prohibited by the IATA Dangerous Goods Regulations.

### 3.6.8. Biofouling Management

If bringing marine vessels or equipment into Australian waters from an international location, the Contractor shall comply with:

- Australian Quarantine and Inspection Services (AQIS) requirements and guidelines, including the National Biofouling Management Guidance for the Petroleum Production and Exploration Industry (Commonwealth of Australia, 2009), the Operator Guidelines for Vessels 25m and Greater Arriving in Australia (AQIS, 2010) and the Australian Ballast Water Management Requirements (AQIS, 2008).
- All other related requirements as stipulated by the relevant regulatory authority

### 3.6.9. Fitness for Work & Substance Abuse

The Company aspires to provide a safe working environment. To assist the Company with achieving this policy objective, all personnel working in the Company's premises are expected to behave in a responsible manner and present themselves for work in a fit and healthy state. Specific requirements include:

- The Contractor must ensure that all members of the Contractor Group are fully qualified, physically and mentally healthy and medically fit for their respective assignments and shall certify the same to the Company if so requested.
- A medical examination will be required prior to undertaking HUET.

The Contractor must ensure that the Contractor Group does not at any time take or work under the influence of any alcohol, narcotic or other intoxicating substance, other than for bona fide medical reasons or other proper reasons which have been approved in advance by the Contractor's or the Company's medical practitioner. The following specific requirements apply:

- Vessel Contractors shall retain on-board capability to carry out post incident and "for cause" alcohol and drug testing.
- All Contract personnel shall, as a minimum, abide by the Company Substance Abuse Policy (Appendix 1)

### 3.6.10. Medical Welfare

The Contractor shall be responsible for the medical welfare of all members of the Contractor Group.

### **3.6.11. Hygiene**

The Contractor must ensure that the Contractor Group maintains high standards of hygiene in connection with the performance of the Work and where required carry out any such training to provide awareness.

### **3.6.12. Smoking**

The Contractor shall not permit smoking at the worksite except within designated smoking areas selected in accordance with the Statutory Requirements and the Company's policies.

### **3.6.13. Heat Stress**

In order to control the risk of heat stress, the Contractor shall comply with the Company's Heat Stress Guidelines. (Procedure ALL/HSE/PRO/013)

### **3.6.14. Fatigue - Working Hours**

The Contractor shall be responsible for the administration of the working hours of the members of the Contractor Group. In order to control the risk of fatigue contractor shall comply with the Company's Fatigue Management Procedure when working at Company facilities. This procedure is available on request (ALL/HSE/PRO/014)..

### **3.6.15. Environment**

The Contractor shall be responsible for ensuring that handling, storage, treatment, transportation and disposal of waste is conducted in accordance with all Statutory Requirements, and any additional Company requirements. Specific requirements include:

- Adherence to the site Environment Plan and Waste Management Plan
- Minimization of resource usage and waste generation during the Contract. All packaging and waste products shall be kept to a safe minimum, and where practicable shall be reusable, recyclable or suitable for environmentally safe disposal at a licensed waste handling facility.
- Prohibition of the use of loose polystyrene beads as a packaging medium is prohibited for materials that are to be dispatched to or from the Company's offshore facilities.
- Use of waste segregation receptacles, as provided on Company facilities, and compliance with site waste segregation, handling and labelling requirements
- Obtaining, preparing and maintaining waste permits and manifests for transporting and disposing of wastes generated by the Contractor. All permits and manifests must meet with the Company's approval.
- Prevention of environmental contamination from work activities.
- Implementation of written response procedures for spills and accidental releases where relevant.

### **3.6.16. Cultural Heritage Impact Management**

The Contractor must ensure that appropriate measures are taken to identify and protect cultural heritage sites in accordance with statutory and Company requirements. The Contractor must also ensure that its activities do not negatively impact on the customs and cultural traditions of local peoples.

### **3.7. ASSET AND OPERATIONS INTEGRITY**

#### **3.7.1. HSE Critical Equipment**

The Contractor must ensure that all HSE critical equipment is regularly maintained, tested and recorded on a register and always stored in a serviceable condition for immediate use.

The members of Contractor Group must be instructed, trained and, where required, certified in the use of such HSE equipment. Such equipment must comply with all Statutory Requirements.

#### **3.7.2. Tools and Equipment**

The Contractor must comply with the following requirements with regard to the safe use and maintenance of plant, tools and equipment (Procedure ALL/HSE/PRO/020):

- Ensure that all plant, tools and equipment are serviceable and maintained in operable, safe condition
- Ensure and that users of plant, tools and equipment are trained, experienced and where required, licensed and certified
- Ensure that all electrical plant and equipment is regularly inspected and records maintained to show compliance with all regulations
- Ensure that Residual Current Devices/ground fault circuit interrupters are used when operating electrical power tools and extension cords; one RCD must be used every 25 meters
- All hand tools and radio frequency emitting devices to be used on Company facilities must be presented to the Company for inspection prior to use
- Ensure that inspection and maintenance of safety critical items is undertaken in compliance with manufacturer requirements
- Ensure that routine inspections and daily pre-start checks are carried out on plant and equipment prior to operating. Any identified defects must be rectified prior to use. The Contractor shall ensure that inspection records are maintained in a central location & handed over to Company representatives when requested
- Ensure that all rotating or moving parts of all tools and equipment are adequately guarded to prevent accidental contact by personnel
- All power-driven machinery should be equipped with an appropriate means of shutting down the equipment quickly, and preventing it being started again. This mechanism must be clearly identifiable and accessible to the operator. In the case of outboard motors, and hand-held power tools, this shall be of an automatic or emergency shutdown "deadman-switch" type.

#### **3.7.3. Lifting Equipment and Safe Lifting Practices**

Contractors must ensure full compliance with Company HSE procedures that relate to Cranes, Lifting and Rigging Operations (Procedure ALL/HSE/PRO/041).

Contractors must maintain a register of all lifting and rigging equipment. The register will include such details as Safe Working Load (SWL), identification number and precise location of any equipment recorded. Contractor must ensure all equipment is tested, inspected and certified in accordance with all Statutory and Company Requirements. This includes ensuring that all lifting and rigging equipment is inspected and tagged in accordance with the Company's annual inspection

compliance program. Non compliant equipment must not be used until deemed compliant.

Contractors must develop and implement relevant work instructions to manage safe lifting, loading, unloading, securing and handling operations. Contractors must ensure the work instructions are reviewed on a daily basis and monitor compliance. Contractor must ensure full compliance with the following requirements:

- The Company's lifting and rigging related procedures
- Risks and hazards associated with Lifting Activities must be identified and controlled via a JHA prior to the commencement of any lifts. This includes the effective communication of requirements to personnel involved in the Work.
- All lifting/rigging equipment must be inspected for wear and damage and have a current inspection tag from an authorised inspector prior to each use.
- A competent rigger must be present where rigging equipment is used to secure and lift the load and tag lines must be used when there is a possibility of the load swinging
- A load must not be left suspended when a crane or lifting apparatus is shut down or unattended other than during an emergency
- All unnecessary personnel must be prevented from entering the lifting area
- No personnel shall place themselves under a suspended load

#### **3.7.4. Equipment and Facility Maintenance**

All equipment and structures both fixed and temporary are to receive regular routine maintenance under a planned maintenance system to ensure the safety of personnel who are responsible for operating the equipment. Particular attention should be paid to mobile equipment, handrails, access ladders and raised platforms.

The Contractor must maintain copies of all test and maintenance certificates relating to cranes, derricks, lifting beams pulley blocks, lifting gear and slings, and must make them available to the Company upon request.

#### **3.7.5. Management of Change**

For Work conducted at a Company site, the Contractor must comply with the Company's Management of Change procedure to ensure that risks associated with changes to the Contractor's organisation, engineering (design and implementation) and documentation, have been assessed and controlled to As Low as Reasonably Practicable (ALARP). A Copy of the procedure is available on request.

For offsite Work conducted under a Company contract, the Contractor is responsible for ensuring that risks associated with technical and non technical changes have been assessed and controlled to ALARP.

### **3.8. EMERGENCY PREPAREDNESS**

The Contractor must ensure that all members of the Contractor Group working onshore or offshore at the site or facility, including visitors, are properly instructed in the Company emergency response procedures and HSE rules and such training is recorded and available for inspection.

Members of the Contractor Group working on Company facilities will be instructed in the emergency response procedures and HSE rules as part of the facility induction.

### **3.8.1. Emergency Response**

The Contractor must, where required, comply with the Company's Emergency Response Plans and Procedures whilst working on Company facilities. Any conflicts with the Company's Emergency Response Procedures shall be addressed and resolved prior to commencing the Work.

For certain worksites, based on risk assessment, the Contractor will be required to provide a written emergency response plan that is established prior to initiating work at the site.

In the event of impending adverse weather or other conditions, the Contractor must have a procedure in place to implement, in consultation with the Company, the appropriate precautionary measures to safeguard personnel, property and environment.

### **3.8.2. Emergency Drills**

On request, the Contractor must conduct or participate in emergency response drills (i.e. fire, spill, evacuation and boat drills, man overboard, injured person recovery) to test the effectiveness of its emergency procedures and equipment and the knowledge and proficiency of all response personnel.

The Contractor will record and report the emergency drill results to the Company if requested, and to any regulatory agency as required.

### **3.8.3. Fire Fighting**

The Contractor shall prominently publish in all relevant languages for all areas of work under its control, the procedures to be carried out in the event of fire and ensure all members of the Contractor Group at site receive regular instruction in basic fire fighting techniques. The Contractor must ensure that adequate approved fire fighting equipment is available at its work sites. The Contractor shall comply with additional requirements for Hot Work which are described in the Company's Permit to Work Procedures.

### **3.8.4. First Aid**

Depending on the facility or location of Work, the Contractor may be required to provide its own first aid equipment, supplies and trained personnel. The trained personnel must be familiar with the Company's most recent guidance on injury classifications and the Company's approach to Injury Management.

### **3.8.5. Security**

The Contractor is required to have in place effective security arrangements for the duration of the Contract. Where warranted the Company may require a documented Security Plan. The Company's security focus is described below:

- People: The Contractor shall ensure security of people is a priority
- Assets: The Contractor protects the Company's assets by incorporating security into design and operations
- Information: The Contractor protects the Company's information by implementing procedures that ensure information security.

The Contractor will periodically review and update the Security arrangements to ensure its ongoing relevance to the Scope of Work. Any updates to the Security arrangements will be submitted in writing to the Company's Contract Sponsor.

The Security Plan/arrangements will nominate all Contractor Personnel responsible for Security.

Upon receipt of a request from the Company to do so, the Contractor will provide the Company with its security manuals and plans, including processes to ensure sub-contractor security, where applicable.

The Contractor will advise the Company Security Officer (HSE Manager) of any security incidents and provide the associated investigation report along with any identified corrective action for implementation.

### **Personnel Security Search**

One of the conditions of entry to the Company's work site or facility is the consent to searches by the Company of the Contractor Group and items or equipment in their possession.

Personnel searches may be performed by way of a physical "pat down" or such other method as the Company may require from time to time. Specific requirements include:

- The Contractor must obtain written consent forms executed by each member of the Contractor Group acknowledging and consenting to the conduct by the Company of the searches set out in and in accordance with the terms of the Contract.
- Any person who refuses to be searched or is found to be in possession of a prohibited item or substance shall be directed to leave the premises.

### **HSE Related Rules and Restrictions**

The Contractor must enforce the prohibition of cameras, weapons or explosives on work sites unless the Company expressly waives such obligation in writing.

The Contractor must confine their personnel to their assigned areas and prohibit loitering or wandering into areas beyond the boundary of their work assignment.

The Contractor must ensure that all members of the Contractor Group comply with all rules and regulations in place at Company facilities.

## **3.9. AWARENESS, TRAINING AND COMPETENCY**

Prior to the commencement of the Work the Contractor must provide documentation regarding the competency of each member of the Contractor Group to the satisfaction of the Company. This documentation must include details that show that the members of the Contractor Group are competent and have the appropriate qualifications, job skills and training as required by the Contract and Statutory Requirements.

### **3.9.1. Inexperienced Personnel, New to Site Personnel & Temporary Labour**

The Contractor must ensure that risks associated with inexperienced personnel, temporary labour or new to site personnel are identified and controlled. As a minimum, these individuals shall be appropriately supervised and monitored until they are deemed to be competent by the Contractor and are fully aware of the hazards and required controls associated with their assigned work.

### **3.9.2. HSE Training**

The Contractor is responsible for identifying necessary training and verifying that all members of the Contractor Group are properly prepared to perform the work as contracted. In some cases the Company may provide this training.

The Contractor must develop and implement an HSE Training program for the Contractor Group to

meet the Company's requirements and the Statutory Requirements. This program shall also address requirements for basic HSE training, specialist HSE training and HSE refresher training for existing personnel. Additional requirements include:

- The Contractor must maintain a training records keeping system in order to demonstrate that training needs have been met. At a minimum this system should contain: course title, date of training, course organizer, name of participant, and result of any testing to verify understanding and date of required recertification training
- Before starting Work under the Contract, the Contractor shall at its own expense ensure that the Contractor Group has been given the necessary basic HSE training including, but not limited to:
  - Introductory briefing explaining the nature of the Work
  - Overview of the general hazards that may be encountered during the operation and the particular hazards attached to their own function
  - Contractor's own HSE policy and procedures which shall satisfy all guidelines and/or operating standards provided by the Contractor to the Company

Contractor and the Contractor Group shall implement at their own expense (unless otherwise formally agreed by the Company), prior to the commencement of works, any specialist HSE related training programs, applicable to their work scope (including supervisory personnel). Such training programs must be run by recognised training organisations, or by Contractor's own field supervisory staff having experience and expertise in the relevant area of training.

Before travel offshore the Contractor, at its own cost, must provide HUET/BOSIET training to all members of the Contractor Group and provide certification to the Company.

Wherever possible, all of the necessary training shall be completed at least one week prior to scheduled offshore travel or commencement of work. Certificates of the training shall be provided to the Company upon request.

Unless the Company makes special provisions to ensure the immediate availability of bilingual supervision at the job site, all members of the Contractor Group are required to be able to speak, read and write in English. All members of the Contractor Group who perform process work, maintenance and other HSE critical work shall be able to speak, read and comprehend technical English.

Upon arrival at Company facilities, members of the Contractor Group shall be required to attend a facility specific HSE orientation course before being permitted to undertake any work activity.

The Contractor shall, if requested, provide the Company with details of ongoing training programs and shall provide the Company with all related revisions during the term of the Contract.

### **3.10. NON-CONFORMANCE, INVESTIGATION AND CORRECTIVE ACTION**

Incident reporting must be actively promoted and encouraged at all Company controlled work locations. All hazards and incidents (including near miss incidents) must be reported in accordance with relevant Company procedures. Specific requirements include:

- If the Contractor believes that the operations cannot be safely undertaken or that continuance of operations may result in any hazardous conditions, it shall immediately notify the Company.
- The Contractor must use its best endeavours at all times to control or overcome the cause or minimise the effect of any hazardous condition.

- The Contractor must comply with all statutory requirements for hazard and incident reporting. When working on Company facilities the Company Incident Reporting and Investigation Procedure will also apply (ALL/HSE/PRO/003). A copy of this procedure will be provided upon request.
- Any hazard or incident (including near miss) involving Company, Contractor or any third party personnel, property, plant or equipment with respect to this Contract, shall be reported immediately to the Company, irrespective of whether injury to personnel, damage to property or equipment or environmental damage has resulted.
- Particular regard is to be given to Company thresholds for reporting incidents. Injury classification must be in accordance with the Company's injury and illness reporting guidelines, available upon request from the Company.
- All unplanned or unauthorised spills and releases are to be reported, regardless of volume.
- Where requested by the Company, the Company and the Contractor (jointly) shall investigate the causes of all work hazards and incidents using the Company's investigation system. The investigation shall provide both Company and Contractor management with corrective actions to prevent recurrence.

### **3.11. COMMUNICATIONS**

The Contractor shall set out a communications scheme showing lines of reporting and methods of reporting, at all levels within the Contractor organization, and to the Company.

The Contractor will be required to communicate and consult with its workforce on a regular basis on HSE matters. This is essential for ensuring that its personnel are informed and aware of relevant information, work hazards, safe practices and responsibilities. To enable effective communication, the Contractor shall conduct or participate in the activities outline below.

#### **3.11.1. Daily Pre-start Meetings**

Daily pre-start meetings are held to discuss the planned work tasks, review job specific JHA's and Permit to Work requirements, and communicate any relevant HSE matters.

#### **3.11.2. HSE Meetings**

Contractors are required to plan and conduct regular HSE meetings with the members of the Contractor Group to:

- Ensure that all members of the Contractor Group are informed of and aligned with the Company's values, HSE goals and requirements
- Ensure personnel are informed of hazards and required safe work practices and regulations associated with their work
- To communicate about past incidents, lessons learned & share relevant HSE information
- To provide an opportunity for personnel to raise HSE issues and concerns, and to provide a feedback forum

The frequency of HSE meetings should be determined by the nature of the work and related level of risk; typically a minimum frequency of 1 meeting per month is acceptable for normal activities however frequency should be increased for higher risk work activities. Contractors shall also ensure that all their personnel attend daily pre-start meetings.

Contractors shall ensure that their workforce are given time to attend HSE meetings. This includes

compulsory attendance at routine toolbox, pre-start meetings and shift hand over meetings. Contractors are also responsible for inviting Company representatives to their HSE meetings and ensuring that meeting minutes and actions arising from HSE meetings are maintained and submitted to the Company. Contract Sponsors or their delegates and HSE Department representatives are responsible for ensuring that all contractors are conducting regular quality HSE meetings. This can be achieved by attending contractor HSE meetings, talking to contractor representatives and reviewing HSE meeting documentation. Company representatives may without prior notice attend any such HSE meeting.

The Contractor shall also provide the Company with a strategy on how it proposes to manage actions arising from shift handover meetings.

### **3.11.3. Pre-Commencement Kick-off Meetings**

The Contractor is required to participate in a pre-commencement kick-off meeting with the Company to discuss HSE expectations, potential HSE management system interfaces and specific HSE issues and requirements in accordance with the Contract. The kick-off meeting shall be held as soon as practical after contract award and before the performance of any Work.

This meeting shall not be considered or treated as a substitute for HSE responsibilities of the Contractor under the Contract; nor shall the meeting or issues be construed or treated as an assumption of the Contractor's HSE obligations under the Contract.

Items to be discussed at the Pre-commencement kick off Meeting may include without limitation:

- Review of Company HSE policy, expectations & SPIRIT values
- Review of HSE requirements for contracts and any additional specific HSE requirements identified in the Contract
- Review basic HSE rules and HSE Management System requirements
- Review of any agreed HSE key performance objectives, targets and indicators
- Review management of high risk activities & controls (including Permit to Work requirements & key procedures)
- Review Contractor HSE Management Plan and/or Bridging Document, emergency response plans etc (or if not complete, plans for completion)
- Review HSE roles and responsibilities
- Review HSE orientation processes to be implemented (e.g. Company requirements, subcontractor orientations and work site specific orientations for new personnel & visitors)
- Review of processes for hazard & incident reporting & behaviour based observation programs
- Review of HSE related issues and issue management process
- HSE reporting and communication requirements
- Review contractor HSE training program
- Confirmation of Contractor's employee & subcontractor competence
- Confirmation of the scope and schedule of key HSE activities including: HSE orientation/induction, HSE meetings, HSE training, audits and reviews

- Interaction of Company and Contractor contingency plans and ensure that the emergency response plan is fully understood by the Contractor and the Company
- Environmental management and impact mitigation requirements
- Communication plan for briefing of the members of the Contractor Group on key information and outcomes from the pre-commencement kick-off meeting

#### **3.11.4. HSE Review Meetings**

The Company may request meetings with the Contractor to review the Contractor's HSE performance. These meetings will be formally requested and appropriate members notified. Contractor must comply with the Company's request.

#### **3.12. DOCUMENT CONTROL AND RECORDS**

Contractor documents, including policies, procedures, plans, reports, inspection records, training records, meeting minutes and statistics applicable to the contract workscope shall be maintained in accordance with a document control process which permits appropriate retention, access, review and update. Only the latest approved version of documents shall be utilised in the execution of the Work.

#### **3.13. MEASURING AND MONITORING**

The Contractor shall submit a monthly HSE performance report to the Company. This monthly report shall specifically report on HSE performance for the Contract only (not the contractor's company wide performance). The Company will monitor the Contractor's HSE performance against agreed HSE KPI's, requirements and expectations to identify trends, areas of strong performance and areas of concern requiring corrective action. At a minimum the Monthly Reports shall include the following:

- Monthly man-hours worked on the Contract
- Monthly Company site exposure hours
- Number of near miss incidents reported
- Number of recordable incidents (fatalities, medical treatment cases, lost workday cases – including number of days lost and date of last lost workday case, restricted work cases – including number of days of normal duty lost for each case)
- Total Recordable Incident Rate (No. of TRI's divided by total exposure hours, multiplied by 200,000)
- Number of first aid cases
- Number of Environmental Incidents (spills and releases from primary containment)
- Number of Property Damage Loss Incidents
- Additional lead KPI's and HSE reporting requirements shall be specified in the HSE plan as required by the Company. These lead KPI's may include:
  - Number of hazards reported
  - Number of HSE audits and inspections conducted including results
  - Number of HSE meetings conducted

- Number of emergency exercise/drills conducted for the month
- Contractors may be required to monitor and report additional environmental KPI's (e.g. the use of resources such as fuels and other consumables during the period of the Contract and the volume and type of waste generated).
- Monthly site exposure hours and incident information shall also be entered into ISNetwork "Site Tracker" by the 7th day of each subsequent month

### **3.14. AUDITS**

The Company shall have the right to conduct audits/inspections of the Contractor's operations, equipment and emergency procedures at any time. Prior notice shall be given in advance of these audits. The Contractor shall fully cooperate with the Company during such audits/inspections. This requirement shall not relieve the Contractor of its own obligations to conduct audits and reviews of its own HSE performance or expose the Company to any liabilities which may arise from the Contractor's failure to satisfy its HSE obligations.

Contractor shall have an appropriate formalised process and program for undertaking its own formal and informal routine inspections, audits and reviews. Specific requirements include:

- Planned inspection / audits shall ensure that all facilities and condition of work sites are well maintained, in good order, and that the Contractor's HSE Management System is working appropriately.
- Contractor HSE Representative shall be responsible for conducting and have an execution schedule of planned inspections / audits.
- Records of such inspections, audits and reviews shall be maintained. Corrective actions shall be identified, implemented and tracked to completion.
- A joint internal audit program may be carried out between the Company and Contractor.

### **3.15. REVIEW**

The Contractor shall have a formal process to regularly (at least annually) assess contract HSE performance against objectives. Where deficiencies are identified, corrective actions shall be developed and implemented.

## **Appendix 1: Company Substance Abuse Policy**

### **1.0 PURPOSE**

At ConocoPhillips, our objective is to create and maintain an operating environment free of substance abuse. We believe that substance abuse increases the potential for accidents, absenteeism, substandard performance, poor employee morale and health, as well as damage to the Company's reputation and surrounding communities. ConocoPhillips will act to eliminate adverse safety outcomes as a result of substance abuse in the workplace. Accordingly, the ABU (Company) has adopted the Global Substance Abuse Policy covering all employees and, as relevant, all job applicants (see copy of Global Policy at Attachment A).

As a condition of continued employment with the Company, employees must comply with the ABU and Global Policies.

### **2.0 SCOPE**

This Policy applies to anyone performing Company work, on Company assignment or on Company premises such as joint venture partners, contractors, subcontractors and visitors and includes employees seconded to other organizations.

### **3.0 DRUG AND ALCOHOL FREE WORKPLACE**

Employees and any other person performing Company work, on Company assignment or on Company premises are prohibited from engaging in any activity that would contradict this Policy, its spirit and principles. Where applicable, references to employees in this Policy shall be deemed to include any other persons performing Company work, on Company assignment or on Company premises.

Employees and any other person performing Company work, on Company assignment or on Company premises are expected to be fit for duty and in a condition to carry out their assignments and responsibilities. It is therefore a violation of this Policy for such persons to work or to be on Company assignment or Company premises with any controlled substance (prescribed in this Policy) present in their systems above the cut off levels.

Employees must cooperate with the substance testing programs specified in this Policy. Refusal to cooperate with such testing, searches or investigations or tampering with any controlled substance test sample will result in termination of employment.

The consumption, use, manufacture, dispensation, possession, distribution, promotion, provision, purchase, sale, transportation, concealment, transfer or storage of controlled substances and/or controlled substance-related paraphernalia while performing Company work, on Company assignment or on Company premises is strictly prohibited and will result in termination of employment.

In addition to the Company conducting controlled substance tests on employees, certain contractors, consultants and vendors may also conduct controlled substance searches and/or testing of their employees, according to Company guidelines for controlled substance testing in effect at the time (these guidelines may be modified from time to time at the Company's discretion).

While the Company has no direct interest in the personnel actions or discipline of contractor employees or any outside vendors, these persons can affect safe Company operations. Any contractor, employee, consultant or vendor found or reasonably suspected to be in violation of this Policy will be denied access to the job site or work assignment by the Company. Visitors found or reasonably suspected to be in violation of this Policy will also be denied access to Company premises.

### **4.0 SUBSTANCE TESTING**

#### **4.1 Periodic Testing and Random Testing**

Anyone performing Company work, on Company assignment or on Company premises will be subject to both periodic and random controlled substance testing. Random testing will be determined by a random selection process, administered by the Human Resources Department.

All employees will be tested under the Periodic testing program once every 3 years.

All employees will be subject to random testing at any time.

#### **4.2 For Cause/Reasonable Suspicion and Post Accident Testing**

Anyone performing Company work, on Company assignment or on Company premises may be required to undergo controlled substance testing in the event of:

- an accident, incident or safety violation which results in a work-related injury, damage or loss of Company property;
- a near miss accident or incident where a manager has reasonable grounds to believe that an individual may not be fit for work;
- where an individual's erratic, unusual or dangerous behavior raises concern that the individual may not be fit for work; or
- in the event that evidence is found which indicates the consumption, use, manufacture, dispensation, possession, distribution, promotion, provision, purchase, sale, transportation, concealment, transfer or storage of controlled substances and/or controlled substance-related paraphernalia while performing Company work, on Company assignment or on Company premises and the Company has reasonable suspicions of those who may have been involved.

For Cause, post-accident testing may be performed even though the use or abuse of controlled substances is not apparent.

#### **5.0 PRESCRIPTION AND OVER-THE-COUNTER DRUGS**

The use of prescription or over-the-counter drugs may impair a person's ability to perform work safely. There are various types of drugs which may impair performance including but not limited to:

- Hypnotics and sedatives
- Anti-depressants
- Antihistamines
- Stimulants and appetite suppressants
- Analgesics/Codeine

Many medications available by prescription or purchased over-the-counter have side effects that may alter an employee's ability to do his or her job safely. Employees are responsible for obtaining the information necessary to determine whether the use of any such medication may negatively affect their ability to perform their job safely. Accordingly, employees must discuss their job responsibilities with their physician or pharmacist to determine what the medication contains and how it could affect the Company's controlled substance tests as well as whether use of any prescription and/or over-the-counter medication could adversely affect their ability to perform their job safely.

If the prescription or over-the-counter medication the employee is taking could impact on his or her ability to work safely, the employee must notify one of the Company's health professionals (Occupational Health Coordinator, Offshore Medic or Company appointed Doctor) or their supervisor of this before commencing work. If the Company's Health Professional is advised and there is a need to restrict work duties or patterns of work, the employee must immediately advise their direct supervisor and seek support through the Human Resources Department to ensure that the restricted work duties or patterns are properly documented and implemented.

An employee must declare any prescription or over-the-counter medication the employee is taking, at the time of testing on the chain of custody form. If an initial positive test result is received, the employee will be required to produce the valid relevant prescription whilst the result is being confirmed.

It is not a violation of this Policy if an individual uses a medication prescribed to them by a licensed medical practitioner for current use (i.e. within the prescribed period of use) and in accordance with instructions. If an employee takes over-the-counter medication he or she must do so in accordance with the instructions of the

pharmacist and those provided with the medication.

## **6.0 TESTING FOR DRUGS AND ALCOHOL**

It is a condition of employment for all employees to submit to controlled substance testing. The Company will test for controlled substances other than alcohol in accordance with the cut-off levels prescribed in the attached Schedule 1. Alcohol will be tested for by breathalyzer with a cut off level of BAC 0.05% in accordance with 7.1 below.

## **7.0 TESTING PROCEDURES**

### **7.1 Alcohol Testing**

Any employee who reports for duty and is tested for alcohol and has a confirmed BAC reading greater than BAC 0.05% is in breach of this Policy. This breach of Policy will result in the termination of employment. If the confirmed BAC reading is between BAC 0.02% and 0.05% inclusive, the employee's direct supervisor will be informed and the employee will be removed from performing safety sensitive duties. This may also result in disciplinary action.

In the case of testing for alcohol by way of breath sample such testing will comply with applicable laws and regulations. Breath alcohol testing instruments such as a breathalyser may be used. If the initial alcohol screening test is positive, the result will be confirmed using a second breath sample.

### **7.2 Controlled Substance Testing**

The Company will use certified and/or licensed laboratories to perform controlled substance testing on urine specimens. Chain of custody of all urine specimens will be maintained in accordance with the Australian Standard. An employee will have the opportunity at the time the sample is collected, to document any information which the employee considers relevant to the test.

If an employee fails to provide an acceptable urine specimen the Company may take any or all of the following steps:

- Extend the stay of the employee at the designated collection site until an acceptable specimen can be collected.
- Reschedule the test due to unusual circumstances, such as post-operative situations.
- Terminate the employee's employment for refusing to provide an acceptable specimen in a reasonable period. Failure to report to the designated collection site at the specified time will constitute a refusal to test.
- Terminate the employee's employment where an employee attempts to substitute, destroy or tamper with a test approved by the Company's designated medical provider.

For all controlled substance tests other than for alcohol an initial immunoassay urine specimen test will be performed. All positive initial test results will be confirmed by standard laboratory procedures, generally gas chromatography/mass spectrometry or other procedure approved by the Company's designated medical provider using a portion of the same urine specimen or other specimen authorised by the Company's designated medical provider (the "confirmation test").

In the case of a urine specimen collected for testing, it will be split, provided that the employee produces a sufficient volume of specimen.

In the case of testing for controlled substances by means of specimens other than urine (such as breath samples), such testing will comply with any applicable laws and regulations.

The Company will terminate an employee's employment if the employee returns a confirmed positive test result for a controlled substance.

### **7.3 Process for Positive Initial Urine Tests**

Upon the recording of a positive initial immunoassay urine test employees may remain in the workplace at the Company's discretion depending on the test result and alignment to the declared medication. The

Company may however remove the employee from the workplace and place the employee on leave without pay pending the results of the confirmatory test. If the confirmation test result is negative, the employee will be returned to work duties, and wages and entitlements reimbursed if applicable.

A negative test result shall not preclude the Company from taking appropriate corrective or disciplinary action after an evaluation of all the relevant facts and circumstances.

Where an employee refuses to submit to a controlled substance test or tampers with the sample, his or her employment will be terminated.

## **8.0 INDEPENDENT TESTING OF URINE SAMPLES**

If an employee disputes the results of the initial urine specimen test the employee can request a split sample, provided that the employee produced a sufficient volume of specimen. The Company will have the split sample independently tested at the employee's own cost. If the independent test indicates that the employee may not have failed the first test, then the Company may refer the matter to a senior practitioner in the field of controlled substance testing. If the senior practitioner confirms there was a positive test result, the Company will terminate the employee's employment.

## **9.0 PRESCRIPTION DRUGS - APPEAL PROCEDURE**

If an employee wishes to dispute the termination of employment resulting from a positive test following the use of prescription or over-the-counter medication then, within 5 days of the termination of the employee's employment, the employee may appeal the positive test result. The appeal must be in writing and include a summary of the circumstances involving the use of the prescription drug and any other relevant documents or information. This review will be undertaken by the ABU HR Lead and the ABU President.

There is no appeal review with respect to a termination of employment for positive tests for alcohol or other controlled substances.

## **10.0 COUNSELLING AND REHABILITATION**

Prior to being identified to participate in a controlled substance test an employee may voluntarily seek assistance for substance abuse problems. In this instance, the Company will assist the employee, without subjecting them to discipline, by providing appropriate opportunities for rehabilitation through an approved ConocoPhillips Employee Assistance Program. This assistance is available provided the employee requests help prior to being subject to testing or being notified to report for testing and no other circumstances warrant disciplinary action. Any employee having completed a Company approved rehabilitation program must be substance-free; have approval from the ABU HR Lead to return to work; and agree to and sign a Return to Work agreement.

Employees who participate in an approved rehabilitation program must test negative before returning to work and will be subject to post-rehabilitation testing without prior notice for a 12 month period.

## **11.0 CONFIDENTIALITY**

Information about employees' alcohol and controlled substance testing or about participation in rehabilitation programs will be held confidential, and such information will not be disclosed to any other persons without the consent of the employee, except as to actions involving the Company and the individual tested (including civil or administrative proceedings), Company's professional advisors and employees with a need to know and as required by court order, statute or regulation.

## **12.0 EXCEPTIONS TO THE BAN ON ALCOHOL ON COMPANY PREMISES AND WHILST ON WORK RELATED TRAVEL**

Employees have a responsibility to exercise moderation and judgment and to maintain control over their actions and behavior so as not to be a hazard or danger to themselves, other employees, or the general public, and so as not to harm the Company's reputation.

### **12.1 Alcohol on Company Premises**

Under certain circumstances, the storage of alcoholic beverages on Company premises may be authorised by a member of the ABU Leadership Team.

## 12.2 Company Sponsored Events

The fact that alcohol may be served at a Company-approved function does not relieve employees of their responsibility to exercise moderation and judgment aligned with 12.0 (above).

## 12.3 Alcohol Consumption whilst on Company Travel

No alcohol may be consumed by employees whilst travelling by aircraft leased or chartered by the Company.

Alcohol may be consumed by an employee on a commercial flight paid for by the company provided the employee is not returning to the workplace or conducting company work on the arrival of the flight, and provided further that the employee exercises moderation and judgment and maintains control over his or her actions and behaviors as per 12.0. An employee returning to a workplace or conducting company work on the arrival of the flight must comply with this Policy.

## 13.0 FURTHER INFORMATION

It is important that each employee understands this Policy and the Company's intent to have a safe workplace and workforce free from alcohol and controlled substance abuse. An employee is encouraged to contact their immediate supervisor, manager or Human Resources representative if the employee has any questions regarding this Policy.

## 14.0 DEFINITIONS, TERMS AND ABBREVIATIONS

The following definitions apply to the terms used in this policy.

*Abuse:* The use of any controlled substance in a manner that may tend to incapacitate, impair or influence an individual, or the use of any controlled substance in a manner that deviates from the medical or legal norms or from Company rules, policies or expectations. This includes recreational use of a controlled substance, as well as dependence or addiction to a controlled substance. It also includes the use of any prohibited, illegal, or unauthorised substance and may include misuse of substances that are permitted, legal, authorised or uncontrolled.

*Adulteration:* The use of any chemical or any other product or substance which renders a specimen not fit for testing or interferes in any way with the testing process.

*Alcohol:* Any fermented or distilled spirits containing ethyl alcohol, such as beer, wine, wine coolers, blended or distilled spirits, fermented ales, etc. Alcohol is generally included in the term "substance".

*Approved Rehabilitation Program:* A substance rehabilitation and maintenance program that is recognized by and meets the criteria established by the Company's medical division.

*Australian Standard:* The Australian/New Zealand Standard for "Procedures for the collection, detection and quantitation of drugs of abuse in urine" AS/NZS 4308:2008 (as amended from time to time).

*BAC:* Blood Alcohol Content.

*Breathalyser:* An instrument which analyses and quantifies the chemical presence of alcohol in a breath sample.

*Chain of Custody:* A procedure to account for the integrity of each test specimen by tracking its handling and storage from point of specimen collection to final disposition of the specimen.

*Collection Site:* A place designated by the Company where individuals present themselves for the purpose of providing a specimen/sample for testing purposes.

*Collection Site Personnel:* Trained persons who instruct and guide individuals at a collection site and who receive and make an initial examination of the specimen provided by those individuals.

*Company:* Refers to the companies comprising the ConocoPhillips Australia Business Unit. (ABU)

*Company Premises:* Includes all property, offices, facilities, land, car parks, buildings, structures, fixtures,

installations, areas, ships, boats, vessels, aircraft, automobiles, trucks and any other vehicles, equipment or property, whether owned, leased, used or controlled by the Company. It also includes all modes of transportation whether owned, leased, provided by or rented by any Company entity or employee performing Company work or Company assignment.

*Company Representative:* A person designated by the Company to collect prescribed medication, over-the-counter drugs and medical advice at any designated collection site.

*Company Work:* Includes all authorised work, job assignments, or job-related activities performed for, or on behalf of, any Company entity.

*Confirmation Test:* In the case of drug testing, an analytical testing procedure to identify the presence of a specific drug or metabolite which is independent of the initial test and which uses a different technique and chemical principle from that of the initial test. In the case of testing for substances other than drugs, an acceptable test which confirms the presence of a substance by using the same or different testing technique, such as a breathalyser.

*Controlled Substances:* Means all substances listed in Schedule 1 and Includes prescription and over-the-counter drugs used in a manner inconsistent with the prescription or recommended usage, alcohol or drugs as specified in the Australian Standard.

*Controlled Substance Testing:* Includes testing for controlled substances.

*Employee Assistance Program:* Company sponsored program to provide assistance to employees for addressing any behavior, stress, or mental health related problems or illnesses, which are or have the potential to effect workplace productivity or individual employee health.

*Initial Test:* In the case of drug testing, a preliminary test to eliminate negative urine specimens from further consideration. Also, a reliable test in the case of testing for other substances such as a breathalyser.

*Paraphernalia:* Equipment, apparatus or other devices used in conjunction or associated with controlled substances.

*Periodic Testing:* Testing which ensures that each member of the subject group will be tested at some point during a given period including controlled substance testing of employees by work group or organization at unannounced intervals during a specified period.

*Presence (Or Present) in the System of a Person:* A positive test result for controlled substances(s) in the system of a person.

*Random Testing:* Testing based on a mechanism for selecting employees for drug or alcohol testing that

- (a) results in an equal probability that any employee from the group of employees subject to the selection mechanism will be selected, and
- (b) does not give the company discretion to waive the testing of any employee selected under the mechanism.

*Reasonable Suspicion:* When the company believes or suspects that an employee;

- (a) has a substance present in the system;
- (b) is under the influence of a substance;
- (c) appears affected, impaired or influenced by a substance; or
- (d) is using or has used drugs or alcohol in violation of this policy because of information received or discovered by the company. This term is further defined in the text of the policy in the section titled For Cause/Reasonable Suspicion Testing.

*Split Sample/Specimen:* A portion of a urine specimen which is set aside and maintained under a separate chain of custody for confirmation testing purposes if requested by the employee.

*Substances, Substances of Abuse:* Alcohol, drug(s), chemical(s) or other substance(s). These terms may be generally used interchangeably and the term "substance" may be used to refer to alcohol, drugs, chemicals and substances in the policy or in communications relating to the policy.



## GLOBAL SUBSTANCE ABUSE POLICY

At ConocoPhillips, our objective is to create and maintain an operating environment free of substance abuse. We believe that substance abuse increases the potential for accidents, absenteeism, substandard performance, and poor employee morale and health, as well as damage to the company's reputation. The company has zero tolerance for violations of this Policy and the employment of even first time offenders will be terminated in accordance with relevant law.

To enforce this Policy, ConocoPhillips will:

- Implement a substance abuse testing program that subjects all employees to random drug and alcohol screening as well as additional periodic screening so that every employee is tested no less than once every three years.
- Require pre-employment drug testing of job applicants, and drug and alcohol testing of employees for reasonable suspicion/cause, post-accident situations, rehabilitation follow-up, and to verify return-to-duty eligibility post-rehabilitation.
- Ensure that all employees are aware that this Policy covers improper use of prescription medications, as well as abuse of alcohol, illegal drugs and other substances that may alter an individual's mood, perception, coordination, response, performance or judgment.
- Provide relevant training to raise employee awareness of substance abuse issues and the consequences for violation of this Policy.
- Provide employees who voluntarily disclose their substance abuse problems with opportunities for rehabilitation, where adequate facilities are available and it is feasible to do so.
- Offer internal or external resources, where available, to answer employees' questions regarding the potential work-related impact of over-the-counter or prescription medications.
- Communicate our commitment to this Policy to our employees, contractors, and visitors and engage their support for creating and maintaining an environment that is free of substance abuse.

In those circumstances where government regulations and laws impact the implementation of this Policy, business unit leadership will develop and implement a country-specific Substance Abuse Policy that conforms to local requirements, after which the local policy will be included as an addendum to this Policy. Applicants and employees will adhere to the Substance Abuse Policy addendum relevant to their country.

We believe that the successful implementation of this Global Substance Abuse Policy will help ensure a continued safe, healthy and productive work environment.

Handwritten signature of James J. Mulva in black ink.

James J. Mulva  
Chairman and Chief Executive Officer

Handwritten signature of John Carrig in black ink.

John Carrig  
President and Chief Operating Officer

**Schedule 1****Table 1 - Immunoassay Screening Test Cut-off Levels**

Class of drug	Cut-off level µg/L
Opiates	300
Amphetamine type substances	300
Cannabis metabolites	50
Cocaine metabolites	300
Benzodiazepines	200

NOTE: Where immunoassay is used as an initial test, then cross-reacting compounds should be included in the cut-off.

**Table 2 - Confirmatory Test Cut-off Levels**

Compound	Cut-off level† µg/L
Morphine	300
Codeine	300
6-Acetylmorphine	10
Amphetamine	150
Methylamphetamine	150
Methylenedioxymethylamphetamine	150
Methylenedioxyamphetamine	150
Benzylpiperazine	500
Phentermine	500
Ephedrine	500
Pseudoephedrine	500
11-nor- $\Delta$ -tetrahydrocannabinol-9-carboxylic acid	15
Benzoyllecgonine	150
Ecgonine methyl ester	150
Oxazepam	200
Temazepam	200
Diazepam	200
Nordiazepam	200
alpha-hydroxy-alprazolam	100
7-amino-clonazepam	100
7-amino-flunitrazepam	100
7-amino-nitrazepam	100
Methadone	
Barbiturates	

\* 6-acetylmorphine should be reported when detected at a cut-off level of 10 µg/L.

† All cut-off levels are expressed as total concentration of drug or metabolite after hydrolysis of conjugates if necessary.