3.1 OVERVIEW

All employees, individually and collectively, are responsible for HSE performance at PDO. To develop an effective HSE MS and make it work, line accountability and responsibility, informed involvement, and the active participation of all levels of leadership, is required. This accountability, responsibility, informed involvement, and active participation are exercised in PDO through:

- The organization structure that defines HSE accountabilities and responsibilities for each employee.
- The resources (human, time, physical, and financial, for HSE development, implementation, and continual improvement) provided.
- Communicating HSE MS requirements and standards to all employees, suppliers, contractors, and sub-contractors, and other relevant stakeholders.
- Planning and scheduling the development, documentation, implementation, ongoing maintenance, and continual improvement of the HSE MS.
- Ensuring that PDO employees, suppliers, contractors, and sub-contractors are competent, and that training is provided as needed to fill any competency gaps employees, suppliers, contractors, sub-contractors, and/or other relevant stakeholders may have for HSE success.

3.2 REQUIREMENTS

PDO’s organizational structures at the corporate level and at the directorate levels are available on PDO’s intranet.

3.2.1 HSE Organization

With regard to HSE management, the Managing Director along with the Directors shall have the overall accountability for HSE management in PDO. The responsibility for implementing HSE Management System expectations / requirements and monitoring HSE performance shall lie with the Line Leaders.

HSE Advisors and Team Leaders shall provide the necessary technical advice to Line Leaders on HSE issues.

The Management Representative for the HSE function shall be the Corporate HSE Manager, who shall be responsible for developing and maintaining the HSE Management System as well as for HSE compliance assurance. The Corporate HSE Functional Discipline Heads (CFDHs) shall provide the necessary technical support to the Corporate HSE Manager.

3.2.2 HSE Standards

In addition to Omani law, PDO bases its HSE MS on other external standards and requirements. In line with the HSE Policy (PL-04), which requires a "systematic approach to HSE management," PDO’s HSE Management System shall comply and be certified to the requirements of ISO 14001.

In addition to the above standard, PDO’s HSE Management System also addresses other external requirements. Therefore, PDO’s HSE Management System:

- **STANDARD**
  A standard represents agreement on best practice for the technology or process concerned. For example, ISO 14001 is an international standard that represents worldwide agreement on best practices for environmental management. This is NOT a (technical) performance standard.

- **PERFORMANCE STANDARD**
  A performance standard typically imposes quantifiable limits and targets, such as "how much gas can be released into the air." Many of the Royal Decrees and Ministerial Decisions in Oman are Performance Standards. These are often referred to as technical standards.

- **MANAGEMENT SYSTEM PERFORMANCE STANDARD**
  A management system performance standard is a statement detailing WHO, does WHAT, WHEN and/or HOW OFTEN. These standards define performance expectations or requirements of PDO leadership, employees, and/or suppliers, contractors, and sub-contractors.
PDO HSE MANAGEMENT
SYSTEM MANUAL
(CP-122)

Organization,
Responsibilities, Resources,
Standards, and Documents

CHAPTER 3

- Is aligned to and incorporates where relevant the requirements of OHSAS 18001, since this is also closely related to the requirements of ISO 14001.
- Is aligned to and incorporates where relevant the requirements of The Center for Chemical Process Safety (20 CCPS Elements for Process Safety).
- Adopts the general structure of the Shell HSSE & SP Control Framework (December 2009).

The role of PDO’s CFDHs includes responsibilities to screen technical innovation and promote technical HSE and business standards. The Functional Disciplines, therefore, shall be responsible for monitoring the development of industry and other standards, and incorporating them as applicable into PDO’s business and HSE controls, and associated documentation.

3.2.3 HSE Committees and Meetings

There is a cascading network of dedicated HSE management committees and meetings within PDO for reviewing HSE management and HSE performance, and which also ensures that current HSE issues are identified and communicated to all levels of the organization in a timely manner. The HSE committees and meetings shall interface with business management committees and meetings at the same level of the company, enabling key HSE issues to be included on the agenda of these meetings. The reporting relationships between business management committees and meetings, and dedicated HSE committees and meetings are as shown in the following figure.
3.2.4 HSE Responsibilities

In PDO, HSE management shall be a line leadership and employee responsibility, requiring the active participation of all levels of leadership and supervision.

The Corporate HSE Manager, HSE CFDHs and the Asset HSE Team Leaders and Advisors shall act in an advisory and/or support capacity to PDO’s line leaders and employees.

PDO’s HSE Policy, Commitment, and Accountabilities booklet describes HSE roles, accountabilities, and responsibilities at each level of the organization.

3.2.5 Individual Responsibilities

Individual responsibilities and accountabilities relating to HSE management shall be as defined in individual Job Descriptions, an individual’s Personal Performance Contract (PPC), supplemented by the specific requirements defined in the various HSE Procedures and Specifications, which are available in PDO’s Electronic Document Management System (EDMS). However, the key responsibilities and accountabilities with regard to HSE are summarized below:

**MANAGING DIRECTOR**

The Managing Director shall have the ultimate accountability for the HSE function in PDO. He/She along with the other members of the MDC shall be accountable for the HSE policy, strategy, planning, providing the necessary resources, and management review of the HSE MS.

**DIRECTORS**

All directors shall be primarily responsible for reviewing and endorsing the HSE policy, strategy, planning, resource allocation, monitoring HSE MS performance, and conducting HSE MS management reviews. In addition, Functional Directors as the line leaders of their assets / disciplines shall be accountable for the implementation of the HSE MS in their areas of control.

**CORPORATE HSE MANAGER**

The Corporate HSE Manager, as the Management Representative, has overall accountability for coordinating the development, maintenance, and improvement of PDO’s HSE MS. He/She shall be responsible for developing HSE systems, procedures, standards, as well as HSE goals, objectives, and targets on an annual basis, and providing HSE compliance assurance to the management. In addition, he/she shall be responsible for the following:

- Providing specialist HSE advice to other CFDHs and assets.
- Analyzing corporate HSE data.
- Screening and dissemination of technical innovations in HSE.
- Stimulating creativity with respect to managing HSE.
- Spreading lateral learning about HSE across Asset Teams.
- Developing and planning of HSE with CFDHs, HSE Team Leaders, and HSE Advisers.
- Promoting technical standards on HSE.
- Managing HSE knowledge within PDO.
- Managing and coordinating HSE Assurance activities within PDO.

**CORPORATE HSE FUNCTIONAL DISCIPLINE HEADS**

HSE CFDHs, each of whom is a Subject Matter Expert (SME) in one of the HSE disciplines shall provide technical assistance to the Corporate HSE Manager in all his/her responsibilities, including HSE compliance assurance.

**HSE TEAM LEADERS AND HSE ADVISORS (ASSETS AND PROJECTS)**

HSE Team Leaders and HSE Advisors (Assets and Projects) are primarily responsible for compliance assurance at the asset / project level and providing the necessary technical advice and guidance to the Asset / Project / Contractor Managers as and when needed.
LINE LEADERS (OPERATIONS, ENGINEERING, AND PROJECTS)

Asset Directors / Project Managers shall be accountable for implementing PDO’s HSE Policy and the HSE Management System within their assets or projects. They shall have the overall accountability for implementing the HSE MS requirements in their assets / projects / contracts as well as monitoring HSE performance.

TEAM LEADERS, LINE SUPERVISORS, AND CONTRACT HOLDERS

Team Leaders, Line Supervisors, and Contract Holders shall be primarily responsible for ensuring that activities are carried out in accordance with PDO’s HSE Policy and other requirements of PDO’s HSE Management System.

EMPLOYEES, SUPPLIERS, CONTRACTORS, AND SUB-CONTRACTORS

All PDO employees, suppliers, contractors, and sub-contractors shall be responsible and accountable for following the instructions of their line leader / supervisor, in accordance with PDO’s HSE Policy and other requirements of PDO’s HSE Management System.

3.2.6 Committee / Meeting Responsibilities

The HSE roles, responsibilities, and accountabilities of PDO’s business management committees and HSE committees and meetings shall be as detailed in their respective Terms of Reference (ToR).

3.3 PROCEDURES

3.3.1 Types of Resources

Effective operation of PDO’s HSE Management System requires sufficient allocation of human, time, physical, and financial resources. HSE resource requirements shall be considered during the HSE management planning process (see Process 5 of this Manual "Planning and Procedures") and during the HSE management review process (see Process 8 of this Manual "Review").

<table>
<thead>
<tr>
<th>HUMAN RESOURCES</th>
<th>TIME RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees, contractors, sub-contractors, suppliers, and other relevant stakeholders. Effective HSE management relies on the competence (relevant education, training, and/or experience) of these people, and ultimately proactive workforce involvement.</td>
<td>Allocating sufficient time to perform a task or activity in the “right way” – the healthy way, the safe way, the environmentally friendly way, the quality way, and the productive way.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCIAL RESOURCES</th>
<th>PHYSICAL RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation of necessary budget(s) for people, equipment, materials, and the environment, by balancing financial cost against the expected residual risk. This also relates to the ‘ALARP’ concept described in Process 4: Hazards and Effects Management (HEMP).</td>
<td>PDO’s assets (e.g., buildings, equipment, materials, vehicles, tools, technology, etc.). Allocating physical resources requires consideration of the HSE risks that arise in all of PDO’s activities, including the supply chain (i.e., purchasing and procurement activities).</td>
</tr>
</tbody>
</table>

Sufficient resource allocation shall also be considered in managing change (MOC) and during assessments of risk controls as part of HEMP (see Process 4 of this Manual "Hazards and Effects Management").

3.3.2 Competence

PDO shall maintain processes for ensuring that personnel performing specific HSE Critical Roles are competent on the basis of education, training, and/or experience. The HSE competencies of all personnel holding positions with HSE Critical Roles shall be regularly reviewed and assessed, and their personal development and training requirements shall be identified and established. In short, PDO shall manage the fitness to work of their employees, taking into account the physical, mental, and psychological requirements of their occupation or function.

HSE competence assurance is a process designed to provide adequate confidence to PDO’s management and other stakeholders that PDO employees and contractors have the competence (knowledge and skills) to carry out HSE critical tasks of their jobs to the standards expected. PDO’s HSE competence assurance process and procedure PR-1029 is largely based on Shell Group Competence Assurance Standards and Guidelines. All staff holding Senior Leadership Positions, HSE Professional Positions, HSE Critical Positions (Level 1 & Level 2), Contract Holders (CHs), and Company Site Representatives (CSRs) of high / medium HSE risk contracts are required to complete the HSE competence assurance process. Contractors are required to implement and maintain a competence assurance procedure for their staff that is consistent with PDO’s competence assurance requirements.
PDO’s competence assurance process is also linked with the Personal Development Plans and Performance Contracts of Individuals through the SAPpHiRe system. For HSE Professional Positions and Level 2 HSE Critical Positions, the HSE competence requirements are defined in their Job Competence Profiles (JCPs) in SAPpHiRe. All the Level 2 HSE Critical Positions are flagged out in the SAPpHiRe system. For CHs and CSRs of high/medium HSE risk contracts, there are specific HSE competence requirements in addition to the common requirements as defined in their JCPs. There are no specific JCPs for Level 1 HSE Critical Positions. These knowledge and skill requirements depend on the type of HSE critical tasks being carried out (e.g., driving, gas testing, welding, etc.), and are assured via other schemes and methods such as testing, discipline specific training, and licensing as appropriate. The “on line” HSE competence assurance process through the SAPpHiRe system is illustrated in the following diagram:

Responsibilities of the Individual: Confirm Job Requirements with Supervisor ➔ Complete Self Assessment ➔ Discuss with Supervisor ➔ Agree Competence Gaps ➔ Agree Actions to Address Gaps.

Responsibilities of the Supervisor: Ensure Staff Complete the Process ➔ Confirm Job Requirements of Staff ➔ Review Staff Self Assessment ➔ Conduct Open, Objective Discussion ➔ Determine Competence Level and Define Competence Gaps ➔ Determine Actions needed to Address Gaps. (Engage an assessor if assistance needed to make objective judgment on competence or to verify their skills.).

Responsibilities of the Assessor (where used): Provide specific assessment and judgment support, on request, to the Supervisor.

PDO’s competency skills portfolio matrix is available in PDO’s EDMS.

3.3.3 HSE Training

PDO shall maintain procedures to ensure and increase competence by identifying training needs and providing appropriate and needed training for all employees, suppliers, contractors, and sub-contractors.

Training may be provided through internal or external formal courses, on-the-job training, and/or through structured development in the workplace, such as coaching or mentoring activities.

The extent and nature of training should ensure achievement of PDO’s HSE Policy and objectives and should meet or exceed standards required by legislation, regulations, and/or other requirements. Appropriate records of training should be maintained with refresher training scheduled, implemented, and recorded as required, to a defined frequency.

PDO’s requirements for HSE training courses are defined in SP-1157 Specification for HSE Training. Training requirements for contractors are specified in PR-1171 Contract HSE Management Procedure. Individual responsibilities with regard to HSE training are shown in these documents.
3.3.4 Contracting

In carrying out its business activities, PDO provides a set of core services, concentrating on “what it does best,” while securing goods (procurement) and services (contracting and sub-contracting) from the market in “what the market does best.” PDO therefore depends on suppliers, contractors, and sub-contractors to carry out a wide variety of activities. On the upside, many of these activities pose HSE threats and risks. On the upside, use of suppliers, contractors, and sub-contractors also provides PDO with HSE benefits and opportunities.

Recently, the emphasis on managing supplier and contractor HSE performance has shifted from monitoring of HSE performance after contract award, to early contract phases of tender evaluation and mobilization. However, monitoring workplace activity during execution of the work remains a crucial part of supplier and contractor HSE management. In addition, a final check or assessment of the contractor and work needs to be done to close out the contract appropriately. Overall, supplier, contractor, and sub-contractor management in PDO must nowadays take this holistic “cradle-to-cradle” lifecycle approach.

PDO shall maintain procedures to ensure that its suppliers, contractors, and sub-contractors operate a management system that is consistent with the requirements and provisions of PDO’s own HSE MS. These procedures provide an interface between supplier, contractor, and sub-contractor activities and with those of PDO. This is achieved by implementation of these three main documents:

- PR-1233 Contract & Procurement Procedure

Significant aspects related to HSE in PR-1233 Commercial Procedures and Guidelines and PR-1171 Contract HSE Management Procedure include:

- Requirements for conducting an assessment of the HSE risks associated with the contract.
- Procedures for selection of suppliers, contractors, and sub-contractors (including specific assessment of their HSE policy, practices, performance, and the adequacy of their HSE Management System) in line with the risks associated with the services to be provided.
- Effective communication of the key elements of PDO’s HSE Management System and of the standards of worker and environmental protection expected from the supplier, contractor, and sub-contractor, including agreed HSE objectives and performance criteria.
- Sharing, by PDO and its suppliers, contractors, and sub-contractors, of relevant information which may impact on the HSE performance of either party.
- The requirement that each supplier, contractor, and sub-contractor have an effective and relevant training program, which includes records and procedures for assessing the need for further training.
- Definition of methods for monitoring and assessing supplier, contractor, and sub-contractor performance against agreed HSE objectives and other performance criteria.

Additionally, PR-1171:

- Requires the PDO Contract Holder to prepare requirements that define what the supplier, contractor, and sub-contractor must do to minimize HSE risks. These requirements are included in standard contract documentation as Document C-9 HSE Requirements (GU-140).
- Stipulates that supplier, contractor, and sub-contractor requirements for HSE management of activities conducted under a Minor Contract are described in SP-1151 General Conditions for Minor Works and Services Contracts.

3.3.5 Procurement

The activities of PDO’s suppliers pose certain HSE risks. Where possible, PDO seeks to influence improvement in HSE performance in its supply chain through the application of these documents:

- CP-129 Contracting and Procurement Code of Practice
- PR-1233 Contract & Procurement Procedure
- GU-425 Contracting and Procurement Guidelines.
3.3.6 Documents

PDO’s HSE MS is described by a hierarchy of business control documents. At the Corporate level, the HSE MS is described in Part I of this Manual's "Introduction."

At the Asset level, documents that describe the implementation of PDO’s HSE MS are part of the business management systems used to control the day-to-day tasks and activities of the Asset Team.

To implement and maintain an effective HSE MS, these documents shall be developed and managed throughout their lifecycle according to the flowchart shown here.

Document management and the documents themselves should incorporate the concept of traceability, i.e., be legible, dated (with dates of the most current revision), readily identifiable, numbered (with a version number), maintained in an orderly manner, and retained for a specified period. Procedures should be established for document creation, maintenance, and modification, and for their availability to employees, contractors, and other relevant parties.

3.3.7 Stakeholder Communication

Parties interested in PDO’s activities are divided into two groups: Internal Stakeholders and External Stakeholders.

<table>
<thead>
<tr>
<th>INTERNAL STAKEHOLDERS</th>
<th>PDO Employees, Contractor Employees, Sub-contractor Employees, and Suppliers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXTERNAL STAKEHOLDERS</td>
<td>Shareholders, Regulatory Authorities, The public (including Community Groups), The Media, Industry Associations, Customers, Suppliers, Non Government Organizations (NGOs), Educational Establishments, Bankers, Financiers, Insurers, etc.</td>
</tr>
</tbody>
</table>

PDO maintains procedures for communicating HSE information, consistent with its HSE Policy, applicable legislation and regulations, and other requirements. PDO, whilst protecting confidential information, makes its HSE experience available to all employees, suppliers, contractors, subcontractors, and any other interested stakeholders. PDO also maintains procedures for receiving and responding to communications from employees, suppliers, contractors, sub-contractors, and/or other external stakeholder concerning its HSE performance and management. Community awareness and consultation programs are also maintained where appropriate, and their effectiveness monitored and improved. CP-111 Relationship with Stakeholders describes PDO’s overall strategy and practice on stakeholder engagement.

Communicating with Internal Stakeholders

PDO’s internal stakeholders shall be communicated with respect to the following:

- Importance of compliance with PDO’s HSE Policy and objectives and their individual roles, responsibilities, and accountabilities in achieving it.
- HSE risks and hazards of their work activities and the preventive, corrective, and mitigation measures, and the emergency response procedures that have been established.
- Potential consequences of departure from agreed operating procedures and mechanisms for suggesting to management improvements in the procedures which they and others use.

CP-162 Internal Communication describes the requirements and the procedure for communication with internal stakeholders. Maintaining means of external communication in times of an emergency is especially important and special contingency arrangements should be in place. Refer to Process 5 of this Manual "Planning and Procedures" for more details about communication in the event of an emergency.
Communicating with External Stakeholders

Communication with external stakeholders shall always be through or with the knowledge / consent of the External Affairs & Communication Manager. PR-1957 Issue Identification and Management Process identifies the external stakeholder groups and describes the method of communicating with them. This procedure is supplemented by PR-1707 Disclosure Procedure which specifies the restrictions on public disclosure of information that could potentially affect PDO’s reputation.

3.4 REFERENCES

The following documents provide further / related information on Organization, Responsibilities, Resources, Standards, and Documents.

<table>
<thead>
<tr>
<th>PDO Policies</th>
<th>PL-03 – Risk and Internal Control Policy</th>
<th>PL 03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PL-04 – HSE Policy</td>
<td>PL 04</td>
</tr>
<tr>
<td></td>
<td>PL-05 – Governance Policy</td>
<td>PL 05</td>
</tr>
<tr>
<td></td>
<td>PL-08 – Commercial Policy</td>
<td>PL 08</td>
</tr>
<tr>
<td></td>
<td>PL-09 – Human Resources Policy</td>
<td>PL 09</td>
</tr>
<tr>
<td>PDO Codes of Practice</td>
<td>CP-100 – Policy Approval</td>
<td>CP 100</td>
</tr>
<tr>
<td></td>
<td>CP-102 – Corporate Document Management</td>
<td>CP 102</td>
</tr>
<tr>
<td></td>
<td>CP-107 – Corporate Management Framework</td>
<td>CP 107</td>
</tr>
<tr>
<td></td>
<td>CP-111 – Relationship With Stakeholders</td>
<td>CP 111</td>
</tr>
<tr>
<td></td>
<td>CP-123 – Emergency Procedures, Part I</td>
<td>CP 123</td>
</tr>
<tr>
<td></td>
<td>CP-126 – Personnel and Asset Security</td>
<td>CP 126</td>
</tr>
<tr>
<td></td>
<td>CP-129 – Contracting and Procurement</td>
<td>CP 129</td>
</tr>
<tr>
<td></td>
<td>CP-141 – Use of Concession Land by Third Parties</td>
<td>CP 141</td>
</tr>
<tr>
<td></td>
<td>CP-162 – Internal Communication</td>
<td>CP 162</td>
</tr>
<tr>
<td>PDO HSE Procedures</td>
<td>PR-1029 – Competence Assessment and Assurance</td>
<td>PR 1029</td>
</tr>
<tr>
<td></td>
<td>PR-1171 – Contract HSE Management Part II - Mandatory for Contractors &amp; Contract Holders</td>
<td>PR 1171</td>
</tr>
<tr>
<td></td>
<td>PR-1233 – Contract and Procurement Procedure (CPP)</td>
<td>PR 1233</td>
</tr>
<tr>
<td></td>
<td>PR-1707 – Disclosure Procedure</td>
<td>PR 1707</td>
</tr>
<tr>
<td></td>
<td>PR-1957 – Issue Identification and Management Process</td>
<td>PR 1957</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PDO HSE Specifications</th>
<th>SP-1157 – HSE Training</th>
<th>SP 1157</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO HSE Guidelines</td>
<td>GU-140 – C9 HSE Specification (Contracts)</td>
<td>GU 140</td>
</tr>
</tbody>
</table>

Other PDO Documents

PDO Code of Conduct

April 2011

Shell Group Documents

Shell HSSE & SP Control Framework, Version 2, (Shell Group Standards for Health, Security, Safety, the Environment & Social Performance)

December 2009

Other Requirements

Environmental Management Systems –Specification with Guidance for Use

Occupational Health and Safety Assessment Series

The Center for Chemical Process Safety (CCPS - [www.aiche.org/ccps](http://www.aiche.org/ccps))

Royal Decree 34/73 Oman Labor Law

Royal Decree 10/82 Law for the Conservation of the Environment and Protection of Pollution

ISO 14001:2004

OHSAS 18001:2007

CCPS 2010

RD 34/73

RD 10/82