

Purpose

To control the procurement of products and services in order to ensure their conformity to the HSEQ system.

To identify hazards and to assess and control the risks arising from;

- the contractors' activities and operations that impact us;
- activities and operations that impact the contractors' workers;
- the contractors' activities and operations that impact other interested parties in the workplace.
- To ensure that outsourcing arrangements are consistent with compliance obligations (legal requirements and other requirements) and with achieving the intended outcomes of the HSEQ system.

Procurement

The following requirements shall be communicated to external providers (Suppliers and Sub-Contractors):

- the processes, products and services to be provided;
- the approval of:
 - products and services;
 - methods, processes and equipment;
 - the release of products and services;
- competence, including any required qualifications of persons;
- the external providers interactions with the organisation;
- control and monitoring of the external providers performance to be applied;
- verification or validation activities;
- potential significant environmental impacts associated with the transportation or delivery, use, end-of-life treatment and final disposal of products and services

A Supplier Evaluation Form shall be completed and signed off as approved, prior to engaging any supplier and ongoing supplier evaluations shall be carried out.

Ongoing monitoring of suppliers

Upon receipt of goods an initial check shall be carried out against the delivery documentation. A visual check shall be carried out on the container/packaging.

If any visible damage is noted of the container/packaging details shall be noted on the delivery documentation and signed by the delivery person before the shipment is accepted. It is very important to note any minor damages in order to document any claims for possible concealed damage. Acceptance of goods shall be indicated by signing off the delivery documentation.

Visual Inspection of goods: A physical inspection shall be carried out on the goods received for quantity and quality. Where necessary, packaging etc shall be opened. The goods shall be visually inspected for any obvious signs of damage/poor quality and where required physically checked. Non-conforming goods: Details shall be recorded on the copy of the purchase order and the supplier notified immediately. The goods shall remain in the goods inwards area. Non-conforming goods shall be either rejected and returned to the supplier or disposed of or reworked and all rework charges forwarded to the supplier.

For all external provider non-conformances/issues an Opportunity for Improvement Form shall be raised

It is policy to ensure that all goods received and processed are stored, handled and preserved in a way that will prevent any unnecessary damage and wastage.

All employees are encouraged to handle any goods with care to avoid personal injury, damage to the environment and damage and wastage of the goods in order to protect them and to preserve company resources and the environment.

External Providers (Services)

It shall be ensured that externally provided processes, products and services conform to requirements.

Controls to be applied to externally provided processes, products and services shall be determined when:

- products and services from external providers are intended for incorporation into our own products and services;
- products and services are provided directly to the customer (s) by external providers on our behalf;
- a process, or part of a process, is provided by an external provider as a result of a decision by ourselves.

Criteria for the evaluation, selection, monitoring of performance, and re-evaluation of external providers has been determined and applied, based on their ability to provide processes or products and services in accordance with requirements.

Criteria includes:

- Safety History (Max LTIFR 5, No Fatalities, No Externally Reportable Incidents)
- Environmental History (No Externally Reportable Incidents);
- Ability to provide service/product;
- Insurances:
- HSEQ Documentation;
- Resources and Equipment.

Documented information shall be retained of these activities and any necessary actions arising from the evaluations.

Type and Extent of Control

It shall be ensured that externally provided processes, products and services do not adversely affect our ability to consistently deliver conforming products and services to customers.

We shall:

- ensure that externally provided processes remain within the control of HSEQ

- define both the controls that apply to an external provider and those that apply to the resulting output;
- take into consideration;
 - the potential impact of the externally provided processes, products and services on our ability to consistently meet customer and applicable statutory and regulatory requirements;
 - the effectiveness of the controls applied by the external provider;
- determine the verification, or other activities, necessary to ensure that the externally provided processes, products and services meet requirements.

Information for External Providers

The adequacy of requirements shall be ensured, prior to communication to the external provider.

The following requirements shall be communicated to external providers its requirements:

- the processes, products and services to be provided;
- the approval of:
 - products and services;
 - methods, processes and equipment;
 - the release of products and services;
- competence, including any required qualifications of persons;
- the external providers interactions with the organisation;
- control and monitoring of the external providers performance to be applied by the organisation;
- verification or validation activities.

Procedure

General

The organisation has the same duty of care to external providers as for its workers.

Conversely, the external provider owes a reciprocal duty of care to the organisation, and its workers, to conduct its business in a safe manner and to comply with all HSEQ requirements, including compliance obligations.

Consequently, we shall ensure:

- The external provider is able to undertake the work in a competent and safe manner;
- That they are suitably licensed and competent;
- That they have public liability and workers compensation insurance and professional indemnity when required; and
- That the relevant HSEQ documentation is sighted and reviewed for compliance with HSEQ requirements and compliance obligations. Note: External providers not submitting HSEQ documentation shall be inducted and work under our HSEQ.



Approving External Providers

For non-approved external providers, the external provider will be required to undergo an external provider review and approval.

Management shall carry out the review, prior to issuing written confirmation of acceptance.

The External Provider Approval Checklist shall be used to record details. Details to be checked, as applicable, shall include, but not be limited to;

- Past safety performance for the past three years;
- Past environmental performance over the past three years;
- Verification of insurances (Workers compensation, public liability and where required professional indemnity);
- Workers competencies and qualifications;
- Plant maintenance records and risk assessments;
- Safety Data Sheets and hazardous substance risk assessments;
- HSEQ documentation, including Safe Work Method Statements, suitable for the service to be provided; and
- Equipment within calibration and test date.

If the external provider is assessed as non-compliant, they may be asked to submit further evidence, otherwise they will not to be used. Management shall notify the unsuccessful external provider.

External provider approvals are valid for 12 months. On an annual basis they shall undergo the approval process again.

External Provider Monitoring

All external providers working for the organisation shall be regularly monitored. Management shall determine the methods for monitoring sub-contractors and the frequency. Frequency and monitoring activities will be based on the scope of works, risks and the service being provided. The External Providers HSEQ Checklist shall be used to record details.

Methods of monitoring will include:

- Reviewing documentation and monitoring compliance of implementation;
- Site inspections and audits;
- Performance reports; and customer feedback;

External Providers Non-Conformances



If the external provider fails to comply with HSEQ requirements and compliance obligations, details shall be entered onto an Opportunity for Improvement Form. The completed form shall be processed in accordance with the Opportunity for Improvement Procedure.

Sources of non-conformances include but are not limited to:

- Working in an unsafe manner;
- Environmental breaches;
- Not wearing PPE;
- Non-conformances generated as a result of poor workmanship or inappropriate behaviour in the workplace; and
- Noncompliance with relevant documentation and client specific requirements and not fulfilling compliance obligations

The external provider will be notified by means of the completed Opportunity for Improvement Form and must respond with the details of appropriate actions taken to rectify the non-conformance and to prevent the non-conformance from happening again. Failure of the external provider to comply with HSEQ requirements and compliance obligations may lead to termination of their approval status.

A review of external provider performances shall be included in management review meetings.

External Provider General Requirements

External providers are expected to fulfil all compliance obligations. External providers are responsible for their workers and their external providers. The external provider is responsible for providing all required safety equipment, environmental equipment (spill kits etc) and personal protective equipment for their workers and external providers. The external provider must maintain first aid equipment on site at all times. First aid treatment and other medical service are the external provider's responsibility. Any injuries to the external provider's workers or external providers, near hits, environmental incidents, quality issues, must immediately be reported to us.

Related Documents

- Supplier Evaluation Form
- External Provider Approval Checklist
- External Provider Induction Form
- External Provider HSEQ Checklist
- Opportunity for Improvement Form