




**ЖАҢАЖОЛ МҮНАЙ
СЕРВИС**

HSSE Management System

AGREED BY:

Specialist

of HSSE department

 / Kalybaev Zh.M.

3rd January 2018

APPROVED BY:

Director

of «Zhanazhol Munai Service» LLP

 / Konybaev D.K.

3rd January 2018



HSSE Management System



HSSE Management System

1.0 Introduction

"Zhanazhol Munai Service" LLP applies a systematic approach in managing HSSE issues in order to comply with the requirements of the legislation of the Republic of Kazakhstan and Customers.

"Zhanazhol Munai Service" LLP has developed and implemented a comprehensive HSSE Management System. Within the framework of this system the control means are applied by "Zhanazhol Munai Service" LLP in managing HSSE issues and risks. This system applies to all entities, facilities, projects and to all types of activities of "Zhanazhol Munai Service" LLP, and also to contractors, acting on behalf of the company.

"Zhanazhol Munai Service" LLP considers the management of these risks as a critical process for conducting successful operations.

"Zhanazhol Munai Service" LLP will maintain and develop the Management System in order to ensure its compliance with the international best practices and will work on its continuous improvement.

The Management system was developed using the "plan-do-check-act" methodology utilized in control systems presented in ISO 14001 and OHSAS 18001 standards, for the following purposes:

- identification of tasks and processes necessary to achieve results in accordance with the company's HSSE policy;
- process implementation;
- monitoring and evaluating processes in accordance with the tasks, policy requirements, as well as legislative and other requirements and preparation of reports on results of performed work;
- adoption of competitive strategies aimed to continuously improve HSSE performance indicators.

This management system is presented with structured documents which is comprised of standards, procedures, operations criteria and plans that cover all levels.

2.0 Management of risks and hazards

"Zhanazhol Munai Service" LLP manages HSSE risks aiming to reduce risk amount to as low as practical level (ALAP) and make continuous improvements.

HSSE Management System

With the aim to identify hazardous factors / HSSE aspects, assess the risks and impacts, as well as to determine appropriate means of controlling projects and management, a number of processes were developed that have been carried out in details and in accordance with the requirements of the Republic of Kazakhstan.

Before starting new large projects or making significant modifications to existing ones "Zhanazhol Munai Service" LLP undertakes to carry out an impact assessment (IA), which is a key element.

An integral part of any IA operation is to consult with interested parties. The content of IA documentation brings information to the staff during consultations. The results of previously conducted IA are included in the company's standards, and subsequently developed plans and management programs are taken into account when carrying out the current work.

Another important tool that allows a company to classify actual and potential consequences, determine the severity of risks and implement appropriate risk management is the Risk Assessment Matrix. This matrix is also used in the framework of the Methodology for the classification of consequences of accidents and violations and the adoption of corrective measures.

The company's problem management process is used to describe, evaluate, and to develop action plans, and monitor problems that may affect reputation, including with regard to HSSE. Problem analysis is carried out by the management and HSSE Department when required.

3.0 Targets and annual plans of indicators improvement

To achieve the goals, specified in the provisions of the company's policies, the director of "Zhanazhol Munai Service" LLP annually approves strategic goals (for 1 year), specific performance indicators, as well as targets and plans in the field of HSSE.

In corporative plan on HSSE, as well as in auxiliary plans, there were prescribed in detail the actions, deadlines and resources and information that is connected to the relevant functional units at various levels within the organization. "Zhanazhol Munai Service" LLP publishes a brief description of such strategic goals in its annual report according to the results of HSSE activities.

The established requirements are being communicated to contractors, who are obliged to ensure compliance of their plans with the requirements of the company at that level which is acceptable to the contractor.

HSSE Management System

The effectiveness of achieving targets and the implementation of plans are constantly taken under control and reporting is provided and evaluation is executed.

4.0 Organizational Structure, Resources, Obligations and the field of Responsibilities

Director is responsible for HSSE management.

HSSE Department monthly holds meetings on the purpose to discuss HSSE Strategy, implementation of the strategy and performance indicators. The secretary of the department is the Specialist of HSSE Department of the company.

Line managers are responsible for HSSE field. This means that chief engineers, director and heads of the field parties are responsible for fulfillment of the relevant HSSE obligations at the facility level in accordance with the stipulated requirements.

Functional support for each object / project is provided by HSSE Department. HSSE Department provides the centralized support.

The project HSSE teams are responsible for supporting facilities and projects to comply with applicable laws and HSSE requirements, implementing plans, adhering of standards (including the obligations stipulated in the HSSE and DM Action Plan), as well as directly interacting with subcontractors to support such requirements.

The HSSE Department is responsible for monitoring compliance with HSSE requirements within the company, being functionally responsible for standards and Management System on HSSE issues, coordination of work on the implementation of the annual HSSE Plan, and consultation with specialists (on biodiversity, road safety and investigation incidents), data quality control, the provision of all official HSSE reports to external parties and coordination of measures in compliance with monitoring activities in the HSSE field.

5.0 Awareness, training and competence

It is very important for company to inform staff and contractors about HSSE requirements in relation to their work, and to ensure that they are competent to carry out work in accordance with the requirements of the legislation and the management system of the company.

To achieve the above-mentioned tasks, "Zhanazhol Munai Service" LLP undertakes:



HSSE Management System

- to allocate relevant resources (personnel, physical and financial resources) to areas of responsibility at each level based on the company's staffing schedule and annual budget estimates;
- to inform staff about the risks in the field of HSSE, as well as the requirements to the performed works, including the provision of standards, procedures, work instructions and information materials;
- to identify and conduct training courses, as well as determine the requirements for certain positions and activities developed in accordance with the requirements of the legislation of the Republic of Kazakhstan, approved by international requirements and effective industrial practice;
- to implement and execute a process to ensure the competence of the persons who occupy positions that are critically important from the HSSE point of view, including those positions that are critically important from for 1 and 2 levels according to HSSE view, that is, those employees who need official competencies in the field of HSSE, in order to carry out critically important activities within their job descriptions, senior management positions and positions of HSSE specialists;
- to inform contractors about relevant requirements.

6.0 Interaction and consultation

Internal interaction on HSSE issues plays an important critical role. In addition to direct interaction in the normal mode, effective interaction at various levels and in various functional divisions of the organization is carried out as follows.

"Zhanazhol Munai Service" LLP encourages intervention in relation to unsafe act and conditions to all employees and contractors, report about incidents and near misses and in case of any inconsistencies to follow an established reporting procedure.

HSSE Department provides the management, staff and contractors with the opportunity to discuss issues, performance indicators and ideas for improving HSSE performance. Interaction on issues of particular importance is carried out in the framework of the planned process. Progress and performance indicators are regularly monitored and transferred to employees of organizations at various levels. At the same time, GAM (Geology and Mining) regularly inform employees of the organization about priorities, progress and performance indicators.

Documentation, documentation control, and records are developed and maintained in accordance with the best practices of implementation of Management system.



HSSE Management System

7.0 Management of Change

Management of change is a key requirement for ensuring effective HSSE management in the industry. In course of time, facilities, work procedures, and other activities may require such changes that may affect HSSE aspects. For example, changes in legislative and other requirements, monitoring results, the number of unplanned incidents and performance evaluations by targets may (individually) lead to improvements that will require changes.

"Zhanazhol Munai Service" LLP applies the Management of Change Procedure to identify and manage changes as part of the standard process. Changes are ranked by levels 1, 2, 3, and 4. An authorized change commission is appointed on the basis of risks, impacts, costs, involved facilities and the complexity of the proposed. Changes are assessed by impact on HSSE field, and if these impacts are identified control and mitigations measures are provided. Changes are analyzed by specialists of HSSE department, and approved by the director, whereas such statements are recorded.

8.0 Emergency preparedness and remediation of consequences

"Zhanazhol Munai Service" LLP plans and conducts training which is aimed at effective remediation of emergency consequences to mitigate the possible consequences of such incidents as fires, spills and incidents requiring medical intervention.

Emergency action plans are developed for each object taking into account scenarios of incidents involving significant risks, in accordance with the requirements of the law and effective industrial practice. The emergency preparedness and remediation of consequences process includes the following: control and notification of activities, the creation of an effective organization on remediation of emergency consequences with specific responsibilities and fields of responsibility, the provision of necessary resources, realization of a training programs, exercises and drills, mutual assistance, and also analysis and continuous improvement.

9.0 Corrective and preventive measures

Corrective and preventive measures are carried out by the company in order to resolve incidents (including complaints), prepare reports on incidents of nonconformity, lessons learned and results of compliance control, as well as to fulfill other obligations.

Actions taken to eliminate the causes of actual and potential discrepancies should equate with the problems and risks that have arisen in the HSSE fields. They are subject to appropriate risk assessment and change management.



HSSE Management System

"Zhanazhol Munai Service" LLP maintains the Fountain Impact and Fountain Assurance databases for recording and tracking such activities, as well as for reporting.

10.0 Management activity analysis

Analysis of compliance with the requirements of the legislation and Customers, monitoring of performance indicators and reporting, preparation of reports on incidents, cases of non-compliance and learnt lessons, the status of corrective and preventive measures, as well as the results of compliance control is carried out on a regular basis.

"Zhanazhol Munai Service" LLP annually conducts an official analysis of management activities in order to ensure the suitability, adequacy and effectiveness of the management system and take measures to optimize it. Such analysis of management activities should be carried out by facilities, functional units and HSSE team and should include:

- consideration of trends and learnt lessons in the result of activities, incident investigation, audit checks, as well as compliance with legislative and other requirements and consideration of relevant changes, taking into account the status of corrective and preventive measures, the results of actions and consultations and other information;
- filling out a self-assessment sheet provided in the framework of the Management System;
- assessment of opportunities for improvement and the necessity in changes to the Management System.

Relevant results of the management activity analysis are taken into account in the annual improvement planning process. "Zhanazhol Munai Service" LLP gives brief information on HSSE in its annual report which is part of the public domain.

Developed by:

Specialist of HSSE department

Kalybaev Zh. M. Khamidov 03.01.2018

name/signature/date