

5 HSSE

INTRODUCTION

The Category Management & Contracting Process (CMCP) supports the CP community to achieve compliance with key HSSE elements set out in [the Contractor HSSE Management manual](#) of Shell's HSSE & Social Performance (SP) Control Framework. For full understanding, the Control Framework must be reviewed directly.

The [Contractor HSSE Management manual](#) and the [HSSE Red Thread](#) generally applies to all Contracts. When HSSE Risk and Contract Mode have been established as part of Contract segmentation, the Control Framework manual requirements only applies to Contracts with a Contract HSSE Risk designated as High or Medium, operating under a Mode 1 or Mode 2. For Low Contract HSSE Risk or Mode 3 Contracts, local Business requirements must be established and relevant SMEs consulted where necessary to ensure robust HSSE controls are in place.

Key HSSE Roles and Responsibilities

ROLE	RESPONSIBILITIES
Contract Owner (CO)	<ul style="list-style-type: none"> ■ Budget holder and/or sponsor for the delivery of activities to meet business requirements. COs are accountable for providing adequate resources to control and manage the activities. ■ CO determines the Contract Mode and endorses the Contract Management Plan, holds action parties accountable and resolves any implementation barriers. ■ Note: Mode must be confirmed at the end of the pre-award stage (Source & Award chevron) to ensure the Contractor has the right capabilities to effectively manage the Contract.
Contract Holder (CH)	<ul style="list-style-type: none"> ■ Responsible for the activity management of the Contract and the overall Contract performance. ■ The CH must ensure that the Contractor is effectively managing the risks of the contracted activities and ensure compliance with the HSSE Control Framework Requirements.
HSSE Lead	<ul style="list-style-type: none"> ■ Responsible for supporting delivery of the overall Contract performance and supporting CO/CH in HSSE related activities of contracting process. ■ The HSSE Lead should seek specialist input if required e.g. Road Transport, Aviation, Maritime, Diving.
CP Lead	<ul style="list-style-type: none"> ■ Responsible for facilitating the Category Management & Contracting Process and ensuring compliance. CP Lead has no formal role in the 'Manual' or Red Thread requirements, but is expected to support the CH in complying with their responsibilities and actively participates in all pre- and post-award Contract HSSE related activities.

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WHAT HAS TO BE DONE	WHO	CMCP CHEVRON	CF REQUIREMENT	LINKS
<p>For all Contracts:</p> <ul style="list-style-type: none"> ■ Appoint a competent Contract Owner. ■ Appoint a competent Contract Holder. ■ Decide on applicability of the HSSE Red Thread. Determine Contract Mode and HSSE Risk by referring to the flow chart in Demand & Supply Chevron and the Contractor HSSE Management manual. <p>Important: Mode must be reviewed before Contract award to ensure the Contractor capabilities are adequate to deliver under the Contract scope.</p>	<ul style="list-style-type: none"> ■ Business Leader ■ Contract Owner ■ Contract Owner/Holder 	<ul style="list-style-type: none"> ■ Assess Demand & Supply ■ Assess Demand & Supply ■ Assess Demand & Supply 	<ul style="list-style-type: none"> ■ Req. 1 ■ Req. 2 ■ Req. 3–4 	<ul style="list-style-type: none"> ■ Control Framework (CF) ■ CF ■ Pre-award HSSE Guidance
<p>If applicability of the HSSE Red Thread is confirmed:</p> <ul style="list-style-type: none"> ■ Consult the Category Hierarchy List for default HSSE Risk ratings, validate the default based on a detailed risk assessment of the scope and mode of the Contract. ■ Confirm the Contract mode in the sourcing strategy. 	<ul style="list-style-type: none"> ■ Contract Holder ■ Contract Owner/Holder 	<ul style="list-style-type: none"> ■ Develop & Select Strategy ■ Develop & Select Strategy 	<ul style="list-style-type: none"> ■ Req. 4–5 ■ — 	<ul style="list-style-type: none"> ■ Category Hierarchy List ■ —
<ul style="list-style-type: none"> ■ Complete the Pre-Qualification process (SQS) <p>The HSSE Management System assessment must be completed by the approved SQS process unless a valid exemption is in place. Any exemptions must meet the minimum requirements outlined in the Contractor HSSE Management Manual.</p> <p>The qualification process will apply a banding to Contractors based on the information supplied. Any Contractors banded red will need a business case and approval before being awarded a Contract. (See Red Banded Contractors Protocol)</p>	<p>Contract Holder</p>	<p>Source & Award</p>	<ul style="list-style-type: none"> ■ Req. 8 ■ Req. 8 	<ul style="list-style-type: none"> ■ SQS/CF ■ Red Banded Contractors Protocol

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<p>■ Contractor HSSE Capability Assessment</p> <p>Following the pre-qualification (SQS) process, a Contract Scope Specific HSSE Capability Assessment must be completed to verify the Contractor's ability to safely deliver the contracted activities.</p> <p>Evaluate the Contractor's capabilities against the requirements of the contracted activities as well as its Subcontractor Management program. It is highly recommended to consider conducting a site visit/audit.</p> <p>Select the bidder and complete a detailed review the of HSSE risk management activities, including any on gap closure actions required.</p>	Contract Holder	Source & Award	■ Req. 6	
<p>■ Determine the need for a Contract HSSE Plan.</p> <p>All High Risk HSSE Contracts must have Contract HSSE Plan. Contract Holders can also request a Contract HSSE Plan for Medium Risk Contracts where the need has been determined.</p>	Contract Holder	Source and Award	■ Req. 7	

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<ul style="list-style-type: none"> Develop the sourcing package to include: Contract HSSE Clauses, HSSE KPIs, incentives & Consequence management. This can also include other mitigation measures as deemed appropriate from the risk assessment. If required request a draft HSSE plan from the Contractor which outlines how the contracted activities will be executed safely as well as the details of potential subcontracting and Sub-contractor management. 	CP Lead with input of Contract Holder	Source & Award	<ul style="list-style-type: none"> Req. 5 Req. 6-7 	MCL
<ul style="list-style-type: none"> Approve the Contract HSSE Plan (if applicable) or confirm approach to HSSE risk management before implementing the Contract. Ensure the Contractor has demonstrated that its personnel are fully aware of the HSSE risks associated with the contracted activities and the Contract HSSE requirements. Verify that agreed HSSE controls are in place. Create Contract Management Plan as the tool for active management of HSSE risk during the contract execution 	<p>Contract Holder</p> <p>Contract Holder</p> <p>Contract Holder</p>	<p>Implement Contract</p> <p>Implement Contract</p> <p>Implement Contract</p>	<ul style="list-style-type: none"> Req. 11 Req. 12-13 Req. 14 	

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<ul style="list-style-type: none"> ■ Routinely assess the effectiveness of the Contractor's HSSE controls. Review must include monitoring for changes in HSSE risks. ■ Monitor and review the contracted activities and performance against the Leading and Lagging Key Performance Indicators and if required, define improvement actions ■ Conduct regular meetings to discuss, identify and address any gaps, agree corrective actions. ■ For serious HSSE performance issues, intervention may be required along with the application of appropriate consequence management processes. ■ Review the Contract HSSE Plan. Contractor to maintain and update the document. 	<p>Contract Holder</p>	<p>Execute & Manage contract</p>	<p>Req. 15-16</p>	