

DOCUMENT TITLE:

# ALERON GROUP



## Health, Safety, Environmental and Quality Manual

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### AMENDMENT LIST

Date	Section	Amendment Description
26.07.2016	ALL	First Issue
14.03.2016	4	Flowchart modifications
19.04.2017	Footers	Aleron Group of companies added to footer
02.05.2017	ALL	Health and Safety Manual merged with Quality Manual
07.06.2017	1, 7, 10	Linked areas to business risk register and management processes rather than doubling up information
16.08.2018	8, 13	Updated communication section and reference to competence

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This HSEQ Manual, including the HSEQ Policy, forms Aleron Group’s first tier of HSEQ documentation. The manual should be read in conjunction with Aleron Group processes, procedures and work instructions.

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## 1. COMPANY PROFILE AND SCOPE

Aleron Group is the parent company of Aleron Subsea and ROVquip.

Aleron Group has established the HSEQ Management System to not only eliminate or minimise risk to personnel but to other interested parties who could be exposed to risk through Aleron Group activities. Additional information from Management of Risk and Interested Parties is provided within the Business Risk Register.

Aleron Subsea specialise in refurbishment and upgrade ROV systems for either the rental or sale as well as build of bespoke ROV systems offering our clients efficient and cost effective solutions.

ROVquip design and manufacture ROV tooling and control systems for either the rental or sale, this can either be standard ROVquip products or again bespoke solutions.

## 2. ORGANISATION CHART

The current organisation chart for Aleron Group can be found as document RAM-002 Organisation Chart.

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### 3. INTEGRATED HSEQ POLICY STATEMENT

Rovquip Ltd and Aleron Subsea Limited recognises the importance of Health, Safety, Environment and Quality (HSEQ) considerations within business services and activities that potentially have an impact on:

- The scope of supply to our Client base in the UK and internationally
- Our employees and business practices
- Our surroundings and the environments in which we operate

Rovquip and Aleron acknowledges the requirement to demonstrate commitment to this policy by encouraging proactivity and by protecting all personnel and the environment affected by Rovquip and Aleron activities and undertakings. Rovquip and Aleron will promote and communicate this policy to all personnel and interested parties and will review this policy on a regular basis to ensure that it remains appropriate to the nature and scale of Rovquip’s and Aleron’s activities.

Plans and Objectives, appropriate to the nature and scale of Rovquip/Aleron activities, are established and implemented. Review of business performance occurs at regular intervals.

Rovquip and Aleron understands the expectations and requirements outlined in legislation within the countries to which it delivers its services, as well as industry guidance and best practice relevant to the sectors in which Clients are involved. The Managing Director is accountable for the implementation of the policy and the management of HSEQ on a day-to-day basis.

The Managing Director will ensure that the business:

- Has processes and procedures in place that control business risks arising from its undertakings
- Commits to the continual improvement of the HSEQ Management System and HSEQ performance
- Regularly consults with employees on matters affecting HSEQ
- Provides and maintains safe plant and equipment
- Provides suitable and sufficient information, instruction, training and supervision for personnel to be competent to fulfil their tasks
- Commits to the prevention of injury and ill-health
- Complies with applicable legal and any other requirements to which it subscribes, and commits to fulfil its compliance obligations

Further information concerning responsibilities and arrangements for HSEQ are detailed in specific procedures and processes.

***Signed and dated on controlled hard copy***

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#### 4. RESPONSIBILITIES AND AUTHORITIES

Responsibility and authority, as well as the interrelation of personnel involved with the Company, are documented on the Organisation Chart.

Personnel on the Organisation Chart have the freedom and authority to:

- Initiate action to prevent the occurrence of any non-conformities relating to product process and the quality system.
- Identify and report any product, process or quality system problems.
- Initiate, recommend or provide solutions through designated channels.
- Verify the implementation of solutions.

Aleron Group’s Managing Director is accountable for the HSEQ Management System and will ensure key areas, such as the Policy and Objectives, are compatible with the strategic direction of the business.

The Managing Director will ensure that the HSEQ Management System remains appropriate to the nature and scale of Aleron Group’s activities, is an integral part of the Company’s operations and is utilised by all personnel, as appropriate.

Any changes or potential changes to the HSEQ Management System will be reviewed as part of the annual Management Review process and monthly HSEQ meetings. Where required, information will be shared with relevant Interested Parties at an appropriate level.

#### 5. SERVICE REALISATION

The Management Process flowchart (RAP-024) is available within the Management System. The process illustrates how Aleron Group functions as an organisation particularly with regard to quality and delivery of its services.

Planning and execution is determined by customer requirements and specifications and the requirements of the HSEQ Management System.

##### Quality Planning

The value of the output of Aleron Group is sensitive to:

- How well that output meets Aleron Group’s customer requirements
- How well that output meets regulatory and statutory standards
- How cost effective that output is produced
- How reproducible that output is
- How safely that output is produced

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## 6. PLANNING

Risk is managed and monitored within the business and captured through the Business Risk Register, located within the Aleron Subsea Group’s Management System. The Business Risk Register demonstrates the significant external and internal sources of risk and potential opportunities, which are relevant to the nature and scale of Aleron Group’s activities and have the potential to affect the intended results of the business. This document is reviewed by the Managing Director and Business Development Manager as a minimum quarterly, along with information concerning interested parties and their requirements. Full details of interested parties and external providers, including their requirements, are included in Section 7 of this Manual.

The following pages include a diagram of the Sources of Risk, the definitions for the various categories of risk and the Risk Matrix used in the Business Risk Register which is based on PEARL i.e. People, Environment, Assets, Reputation and Liability.

### Sources of Risk

The Risk Arena provides a useful guide for considering **internal** (inner circle) and **external** (outer circle) sources of risk.

Any or all external sources of risk may have relationships or interactions with any or all internal sources of risk.



### Risk Matrix

			BUSINESS RISK MATRIX				
			1	2	3	4	5
Risk Severity			No/negligible injury or health effect; No/negligible environmental effect; No/negligible damage; Awareness is limited to within Aleron; Negligible financial impact; No impact on day to day activities (Less than £5,000)	Minor injury or health effect; Personal injuries involving first aid treatment; Minor environmental effect; Minor damage; Known within Aleron and Client base; Minor financial impact but absorbed through cash flow (Less than £20,000)	Moderate injury or health effect; Medical treatment beyond first aid – recordable; Moderate environmental effect; Moderate damage; Known within Industry; Moderate financial impact; Short-term impact on cash flow (Less than £100,000)	Major injury (as per RIDDOR definition); Single fatality; Major environmental effect; Major damage; Known within Industry; Local media coverage and social media coverage; Major financial impact; Medium-term impact on cash flow; Potential to require external financial assistance (Less than £250,000)	Multiple fatalities; Massive environmental effect; Massive damage; National media coverage; Enforcing authority resulting in publicity order; Potential for Aleron to cease trading; Significant impact on cash flow (Over £250,000)
Likelihood of Occurrence	1	Extremely unlikely to occur at any time; No previous occurrences in Aleron; Never heard of in the Industry	<b>LOW (1)</b>	<b>LOW (2)</b>	<b>LOW (3)</b>	<b>LOW (4)</b>	<b>MEDIUM (5)</b>
	2	Records of occurrence within Aleron previously but fewer than once a year; Heard of in the Industry	<b>LOW (2)</b>	<b>LOW (4)</b>	<b>MEDIUM (6)</b>	<b>MEDIUM (8)</b>	<b>MEDIUM (10)</b>
	3	Could happen, but considered unlikely under normal circumstances; Has happened in Aleron once a year; Has happened more than once per year in the Industry	<b>LOW (3)</b>	<b>MEDIUM (6)</b>	<b>MEDIUM (9)</b>	<b>MEDIUM (12)</b>	<b>HIGH (15)</b>
	4	Likely to happen, but additional factors may result in an occurrence; Aleron records indicate a frequency of quarterly to 6-monthly	<b>LOW (4)</b>	<b>MEDIUM (8)</b>	<b>MEDIUM (12)</b>	<b>HIGH (16)</b>	<b>HIGH (20)</b>
	5	Almost certain to occur; Aleron records indicate a frequency of more than once a quarter	<b>MEDIUM (5)</b>	<b>MEDIUM (10)</b>	<b>HIGH (15)</b>	<b>HIGH (20)</b>	<b>HIGH (25)</b>



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## Definitions

**Business Risk** - The probability of loss inherent in an organisation's operations and environment (such as competition and adverse economic conditions) that may impair its ability to provide returns on investment; sustainability; consistency/delivery of service. A probability or threat of damage, injury, liability, loss, or any other negative occurrence caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.

**Negligible** – So small or unimportant as to be not worth considering; insignificant

## EXTERNAL

- **Political** - The effect that government policy and its administrative practices can have on a company. This will include proposed legislation or regulatory shift that could have a substantial impact on how a company operates and its bottom line. Political risk may be caused by actions of legitimate governments such as controls on prices, outputs, activities as well as currency and remittance restrictions. Political risk may also result from events outside of government controls such as war, revolution, terrorism, strikes, and extortion.
- **Supply** - Probability of loss occurring from unavailability of necessary raw material. Supply risk consists of three components: Geological, Technological, and Economic; Social and Regulatory; Geopolitical. The first component focuses on the availability of a material's supply and the last two focus on how access to that supply could be restricted.
- **Physical** - Harm that is caused resulting in injury to people; damage to assets; damage to property. This may be as a result of natural disaster; weather conditions; a specific activity.
- **Economic** - Economic risk can be manifested in lower incomes or higher expenditures than expected. The causes can be many, for instance, increase in the price for raw materials, the lapsing of deadlines, disruptions in a production process, emergence of a serious competitor on the market, the loss of key personnel, the change of a political regime, or natural disasters.
- **Community** - This includes persons or organisations within the immediate vicinity that can affect, be affected by or who perceive themselves to be affected by a decision or activity.

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- **Technology** - Technology risks threaten assets and processes vital to the business and may prevent compliance with regulations, impact profitability, and damage the company's reputation in the marketplace. Information technology (IT) risk can result from human error, malicious intent, or even compliance regulations. Risk that the company may suffer include service disruptions, losses arising from system defects such as failures, faults, or incompleteness in computer operations, or illegal or unauthorised use of computer systems.
- **Competition** - The probability of loss from a decline in the company's competitiveness. This may come from existing rivals or start-up businesses.

#### INTERNAL

- **Strategy** - Exposure to loss resulting from a strategy that turns out to be defective or inappropriate.
- **Stakeholder** - Risk stakeholders are the people who are, or perceive themselves to be, affected by a decision, treatment, strategy or process. A stakeholder can be an individual, an organisation or a grouping within an organisation, such as the management, who may change at any time during the process.
- **Process/Product/Services** - Probability of loss inherent in business processes. The risk of loss resulting from inadequate or failed internal processes or systems. The product/service might fail to satisfy or fulfil some reasonable expectation of any interested party.
- **People** – The impact that will arise as a consequence of something that either happens to or is caused by the personnel in the company.
- **Data/Information** – The possibility that data/information provided by a company will be false or misleading. This can also include the lack of protection of data/information both internal and for customers. Data governance is a quality control discipline for assessing, managing, using, improving, monitoring, maintaining, and protecting organisational information. It is a system of decision rights and accountabilities for information-related processes, executed according to agreed-upon models which describe who can take what actions with what information, and when, under what circumstances, using what methods.
- **Business Performance** – Probability of loss arising from failure in business performance. This includes risks that the final project, once complete, fails to perform as intended or fails to meet business/customer requirements.
- **Leadership** – People cannot be controlled through policies, procedures and policing. This can only be done through good, effective and active leadership within the company. Risk management is dependent on good leadership.

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## 7. INTERESTED PARTIES AND EXTERNAL PROVIDERS

Aleron Group defines an interested party as a person or organisation that can affect, be affected by, or perceive itself to be affected by a decision or activity concerning the business. Interested parties can be found within the [Business Risk Register](#).

## 8. COMMUNICATION

Aleron Group utilises a number of methods for communicating with personnel affected by Aleron Group work activities and operations.

Internally, these include;

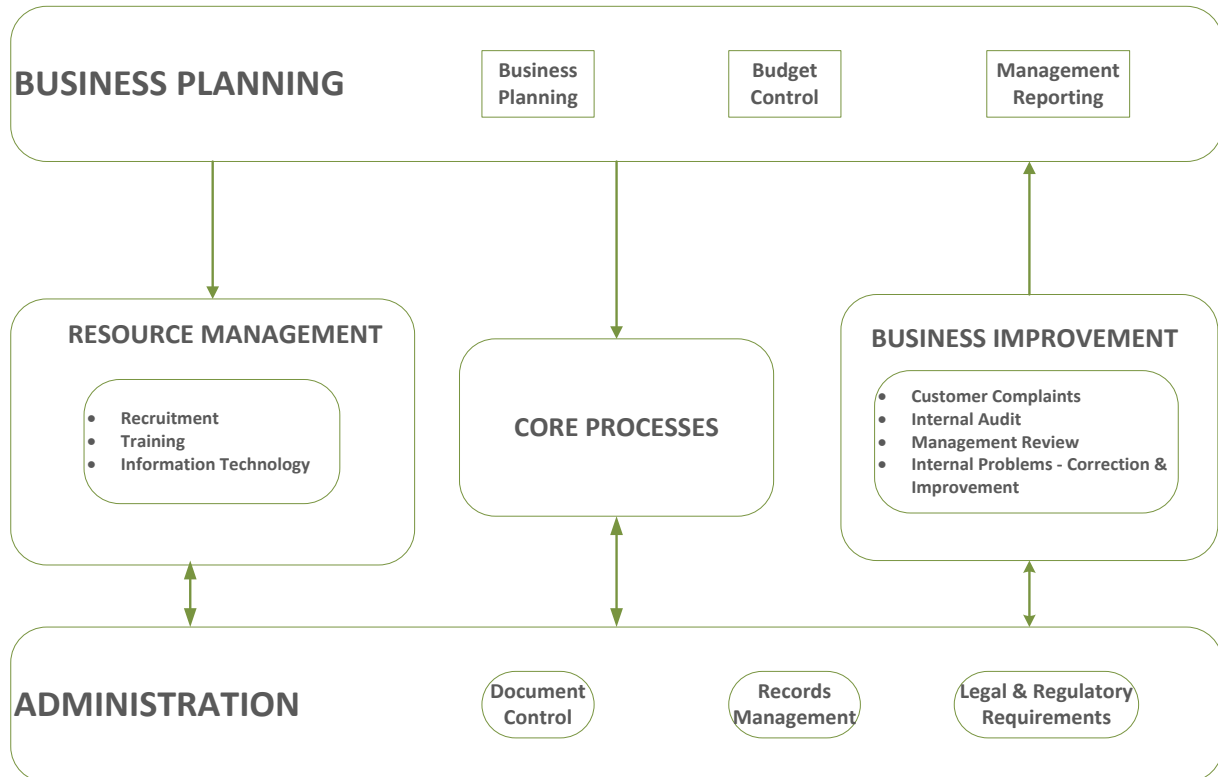
TYPE OF MEETING	FREQUENCY	PARTICIPANTS
Management Review	Minimum annually	Directors, Senior Managers, HSEQ
HSEQ Meeting	Quarterly	All available personnel
Toolbox Talks	Daily	Workshop
Lessons Learned	Regular	All relevant personnel

The outcomes of these meetings may be documented and, as appropriate, information is cascaded down from Directors to individual employees.

External communications are considered on a case-by-case basis. Options for external communications include utilising the website, press releases and emails. No external communications will be distributed without the review and approval of the Managing Director.

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## 9. SUPPORT PROCESS OVERVIEW



The diagram above illustrates the interaction between the processes of the HSEQ Management System. The Core Processes that make up Aleron Group’s HSEQ Management System include:

- Management Process – RAP-024
- Sales Procedure – RAP-018
- Design – RAP-023
- Purchasing – RAP-004
- Tooling Production & Assembly Procedure – RAP-019
- ROV Equipment Refurbishment Procedure – RAP-025
- Management of Change – RAP-026

The other processes that interact with the Core Processes include, but are not limited to, the following:

- Control of Documented Information – RAP-003
- Improvements – RAP-013
- Internal Audit – RAP-011
- Legal and Other Requirements – RAP-031
- Risk Management – RAP-006
- Emergency Preparedness – RAP-027

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## 10. CONTINUAL IMPROVEMENT CYCLE

Continual improvement is as detailed within the Management Process - RAP-024

## 11. LEGAL AND OTHER REQUIREMENTS

Aleron Group shall demonstrate compliance to legislative and other requirements deemed significant to the business and its associated activities. Legal and other requirements shall be understood to mean any requirement by which Aleron Group is bound and committed to, whether that is by the legal systems or voluntary undertaking.

Aleron Group will do this by initial identification of applicable legislation and other factors such as client requirements and then through its assurance activities demonstrate that the methods for compliance are being evaluated.

A requirement is considered significant if it is legislative.

Business activities shall be reviewed in order to establish what activities are subject to legal and other requirements. This is done through review by a competent person with relevant knowledge of the legislation and in conjunction with personnel who have a comprehensive understanding of the activities of Aleron Group. Specialist advice shall be sought where necessary.

Any changes to legislation shall be identified through resources including the HSE website and alerts, SEPA website and alerts and industry guidance.

Evaluation of compliance shall be monitored by way of internal audits, inspections and feedback through various internal meetings.

Where it is found that Aleron Group is not compliant with legal or other requirements, an internal non-conformance shall be raised and the necessary corrective action identified, planned, undertaken and recorded.

Changes in legislation and other relevant requirements which may affect Aleron Group's ability to demonstrate compliance or may have significant impact on its business activities will be discussed through the Management Review process. A competent person will update the Health and Safety Legislation and Other Requirements register, as a minimum, on a 6 monthly basis.

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## 12. OBJECTIVES AND MANAGEMENT REVIEW

Aleron Group establish and implement objectives that are appropriate in relation to corporate, operational and functional activities within the organisation. The process of establishing, implementing and reviewing objectives shall be done through the Management Review process. Management Review occurs with the Managing Director as a minimum annually. An agenda / report is distributed prior to the Management Review covering the inputs required by ISO 9001, ISO 14001 and OHSAS 18001.

The Management Review report and minutes shall be distributed to all attendees as a minimum. The outputs of the meeting will be communicated to the wider workforce in a number of ways including, but not limited to:

- Email correspondence
- Action Tracker – all actions from the meeting shall be raised on the Action Tracker, assigned an owner and target date for closure
- Various internal meetings

## 13. PERFORMANCE PLANNING AND EVALUATION

The performance planning and evaluation review is designed to be a continuous ongoing process, formal evaluations are conducted annually through employee appraisals which are documented and recorded within personnel files, however we encourage all managers to continuously monitor, evaluate and discuss performance with employees throughout the year.

Offshore personnel can utilise form no RAF-013 for appraisals to comply with IMCA requirements as detailed in the ROV operations Manual, RAM -006 section 6.

Aleron believes that by focusing their energies and efforts on developing their people in line with the business needs, and effectively employing and managing their skills and expertise, they will achieve enhanced business results.