



Deep Water – Gulf of America (DW-GOA)

CONTRACTOR HSSE MANAGEMENT STANDARD

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REVISION HISTORY

Revision	Date	Summary of Changes	Author
0.0	December 2018	See change Matrix ■ HSE0172 CM.xlsx	Bart Soileau
1.1	April 2019	See change Matrix ■ HSE0172 CM.xlsx	Bart Soileau
1.2	September 2019	See change Matrix ■ HSE0172 CM.xlsx	Bart Soileau
1.3	February 2025	<ul style="list-style-type: none"> ■ Update to new standard template ■ Changed “HSE Lead” to “Contract HSE Lead” ■ Changes “GoM” to “GoA” 	Bart Soileau

SUMMARY

This Standard outlines the Contractor HSSE Management (CSM) Process for Shell Deepwater GOA, ensuring conformance to the SEAM Framework and local SEMS/Regulatory compliance, and detailing the collaboration between CSM, CP, and CMT for both Pre and Post Award Contractor HSSE Management.

Key Words

HSSE, CSM

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1 INTRODUCTION

1.1 PURPOSE AND SCOPE

The purpose and scope of this Standard is to demonstrate how the Contractor HSSE Management (CSM) Process supports Shell Deepwater GOA in conformance to the SEAM Framework and local SEMS/Regulatory compliance. Furthermore, this document addresses how the CSM and CP organizations work together to support the Contract Management Team (CMT) for both Pre and Post Award Contractor HSSE Management. The CSM process involves multiple levels of assessing contractors as being qualified to work for Shell and the continued monitoring oversight of the HSSE performance of the contractors.

The scope of this Standard includes the CSM management for GOA Wells, GOA Production & Construction, and GOA Logistics. This standard does not cover CSM management of Projects (P&T), Shell Pipeline.


2 CONTRACT HSSE MANAGEMENT JOB AID

#	SEAM Requirement	Accountable Party	Responsible Party	Requirement Description/Additional Information
1	An Asset or Business shall: specify the contracted activities in the contract scope of work; and Determine the Contract HSSE Risk.	Contract Holder	Contract Management Team	Contract Holder determines the Contract Scope and HSSE Risk with support from the CMT.
2	Assets and Businesses shall have competent people managing contracts with medium and high Contract HSSE Risk, per a defined Contractor HSSE Management (CHM) Competence framework.	Contract Owner	Contract Owner	Contract Owner to assign a competent Contract Holder. Furthermore, we rely on Workday CMT training along with CHM F2F training to help build the required skills and knowledge for contract management.
3	An Asset or Business shall: Assess and Verify Contractors are capable to manage the HSSE risk of the contracted activity, for contracts with medium and high Contract HSSE Risk; and Determine the Contract Mode.	Contract Holder	CSM Specialist	<p>We rely on the ISN Letter Grade Score to serve as a basic Capability Assessment for Med & High HSSE risk contracts (Acceptable score A-C, Unacceptable score D). We require a CSMA/Capability Assessment on all High HSSE Risk Contracts. For Medium HSSE Risk Contracts: CSM support may also be requested by the Contract Holder to perform a CSMA on a Medium Risk Contract.</p> <p>All Mode 1 & 2 contractors are required to subscribe and maintain a subscription to ISNworld (ISN) until contract termination. All contract companies who send their employees offshore to Shell sites are required to have an ISN subscription, and their employee profiles updated in TQ (Training Qualification). Variances from this requirement are rarely granted and may be approved on a short-term</p>

				<p>basis by the Contract Owner. CP, CSM or Contract HSE Lead can perform a pre-award search for existing contractors in ISN or initiate the induction of a new contractor in ISN. Companies without an ISN record/ISN pre-qualification, and/or D Scored in ISN must go through respective variance request. Details in HSE 0172-PR03.</p> <p>CSMAs will not be required as the following assessments will serve as a Capability Assessment: OVMSA/OVID Maritime assurance, SARGO Audits for aviation and, GRST Global Rig Start-up Team assessments for Modus and Drill Ships, and SOFAs Statement of Fitness Assessment is completed.</p>
4	<p>An Asset or Business shall: Require for Contracts with High Contract HSSE Risk that the Contractor documents their approach to HSSE risk management; and Establish HSSE requirements in the contract.</p> <p>*GoA specific* Contractor Interface Agreement (Shell SEMS CIA complying with BSEE requirement)</p>	Contract Holder	Contract Holder	<p>For all High HSSE Risk Contracts a Contract HSSE Plan/HSSE Risk Management Plans and / or Bridging Documents is required in advance of the work beginning.</p> <p>*GoA SEMS REQUIREMENT</p> <p>Before a vendor can perform work at an offshore facility in the OCS waters of the GoA for Shell, there must be a Contractor Interface Agreement (SEMS CIA) in place (for contract or purchase order agreements). It is the operator's responsibility to ensure the vendor is aware of SEMS rules and regulations, and how Shell follows BSEE regulations. This applies whether the HSE risk is Low, Medium or High. Only exception that doesn't require CIA: domestic services.</p>
5	<p>An Asset or Business shall require that the Contractor demonstrates readiness to implement HSSE Risk Management.</p>	Contract Holder	Contract Holder	<p>We rely on the ISN Pre-Qualification and Score as a basis for a Capability Assessment and for High HSSE Risk a CSMA Capability Assessment. For the offshore work we also rely on ISN TQ of which establishes vendor basic training and offshore orientation completed prior to arriving to location. We also rely on Pre-Start up beach meetings, OVMSA, OVIDs, SOFAs, SARGOs & GRST evaluations. We can also look at readiness as being managed daily (as per bridging document or CIA), for example: 7 step process, JSAs, Permit to Work, MOCs etc.</p>
6	<p>An Asset or Business shall ensure Contractor Workforce understanding of HSSE Risk management prior to work execution.</p>	Contract Holder	Contract Holder	<p>Contract workforce understanding of HSSE Risk Management is currently being managed daily with the following processes: 7 step process, JSAs, Start Work Checks in Permit to Work, MOCs, LOD1s, Assist and Assure Process, BBSM/Observation cards, SWA, Offshore / Site Orientation, etc. Current CIA Line 1 assurance will test the front-line worker's understanding of HSSE risk management are scheduled for Feb 2025.</p>
7	<p>An Asset or Business shall assure effective</p>	Contract Holder	Contract Holder	<p>We use ISN HSE Performance Score Card and perform CSMA/Capability Assessments for</p>

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	implementation of HSSE Risk management and routinely conduct HSSE performance management against the contractual requirements.			contract scope change. In addition, we hold regularly planned BPRs that review HSE Performance.
8	An Asset or Business shall perform contract close-out activities specific to recommendations for HSSE management.	Contract Holder	Contract Holder	CSM is capturing CSMA actions within the ISN Database and in 2025 will begin capturing CSMA actions in Sonar and assigning those corrective actions directly to the Contract Holder to manage. We also have after action reviews post major project or high-risk activity. Furthermore, we have a newly implemented CHM Line One assurance that is given directly to the Offshore leadership for their feedback on experience with the vendor. That feedback will be delivered to the Contract Holder for consideration and management.
9	Assets and Businesses shall implement the Outside Supply Point Assurance and Contract Management Specification when contracting with Outside Supply Point providers.	Contract Holder	Contract Holder	Not applicable as we currently have no Outside Supply Point provider of product contracts as defined by the SEAM glossary on 'product'.

Useful links:
Contractor HSSE Management SEAM Standard
 GOA HSSE SAPO Decision Tree and Contract Management Job Aid.xlsx
CMCP Process
ISNetworld Homepage
www.shellcontractor.com

3 GLOSSARY

Terms

Definitions

appropriate, approve contracts greater than \$20 Million.

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BLM	Business Leader or Manager
CMT	Contract Management Team: Includes Contract Owner, Contract Holder, Contract HSE Lead, CP Lead
CMCP	Category Management & Contracting Process
Contractor Safety Management (CSM)	A process by which Shell manages contractors HSE performance through connecting, assessing and driving continuous improvement. The process includes a series of pre-and post-contract award tasks to ensure a consistent approach and sharing of requirements as well as expectations. Primarily, the process includes a Contract Owner, Contract Holder, C&P Representative, an Onsite Shell Representative (Contract User) and a Contractor HSE Management Specialist. However, all personnel that engage, or interact, with contractors have a responsibility to understand the process and participate when appropriate. Each contract has a Contract Holder that is directly responsible/accountable for the management of the contract and overall improvement of the contractor.
CH	Contract Holder
CID	Contractor Interface Document
CO	Contract Owner
CP	Contracts and Procurement
CSM	Contractor Safety Management
CSMA	Contractor Safety Management Assessment
DW-GOA	Deepwater Gulf of America
GOA	Gulf of America

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High/Medium Risk Pre-Qualification Variance	<p>A High/Medium Risk Pre-Qualification Variance form (HSE0172-PR02) used when a contractor, performing High or Medium Risk activities, is deemed necessary to an operation however they are not in ISN or their HSE-MS has not been assessed by CSM.</p> <p>A High/Medium Risk Pre-Qualification Variance must be approved by the Contract Owner or higher management level.</p> <p>A High/Medium Risk Pre-Qualification Variance should only be used for short term contracts with a well-defined work scope and must detail how the contractor will be managed. If the contractor will continue to support Shell, ISN and an HSE-MS evaluation (if deemed necessary) will be required as soon as possible.</p>
HSSE	Health, Safety, Security and Environment
HSE Improvement Plan (HSE IP)	<p>An HSE IP is a structured document that captures the HSE Goals, and actions required to implement those improvements, to be monitored and accomplished throughout the year.</p> <p>The HSE IP is typically based on an annual review of the HSE performance of the previous year. Shell request all contractors performing High and/or Medium risk work activities to submit an annual HSE IP to ISNetwork no later than 31 March.</p>
HSE Management System Review/ Evaluation	<p>This is an evergreen document, and Shell expects the contractor to keep this document up to date in ISN as each goal is completed.</p> <p>The requirement and depth of an HSE-MS evaluation is based on the HSSE risk, mode, complexity of the contract and, most importantly, work scope. The level of evaluation will be determined by the Contractor CSM Specialist.</p> <p>Low risk contracts do not require HSE-MS evaluations as they are managed at the worksite through standard Shell Safe Work Practices.</p>
ISN	ISNetwork, 3rd Party database for Contractor supplied data and pre-qualification information for US, Trinidad & Canada.
MS	Management System
Originator	Originator of Purchase Order
RAVS	Review & Verification Service provided by ISN related to contractor and supplier data.
SEMS CID	Safety & Environment Management System, Contractor Interface Document

SSE	Short Service Employee
Strategic	Contracts that have a highly complex scope, major regional or global supplier, critical to business performance, rigorous pre-qualification and detailed performance management.
TQ	Training Qualification module in ISNetworld
UWA	Ultimate Work Authority

4 GUIDANCE

HSE0172-GL.01: HSSE ANNUAL IMPROVEMENT GUIDANCE

[Link to Document](#)

HSE0172-GL.02: Contract Risk Management Documentation for Medium and High HSSE Risk Contracts see Control Framework and Associated Guidance



Contract HSE Plan
Template - UNC DW \

HSE0172-GL.03 - CMT HSSE Review Guidance Form

This form is to be completed by the CMT and saved/attached with the Contract or Purchase order in the contract database.



HSE0172-GL03.docx

HSE0172-PR01

DW-GOA Contractor Short Service Employee (SSE) Policy

Purpose

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This Policy ensures that contract personnel with less than six months experience in their company and or new to their job role(s) are identified, supervised, and managed. Contractors will verify that each employee has the skills and knowledge to perform their task(s) prior to their arrival to the Shell location. The intent of this policy is to prevent injury or harm to personnel, property and the environment.

SSE

Any contractor personnel with less than six months service with their present employer and or new to their job role(s) will be considered an SSE. A "Contractor SSE Form (Appendix A)" must be completed by the contractor for each individual SSE prior to start of work. All SSE personnel will be required to have a conversation with the Ultimate Work Authority (UWA) or Designee regarding their scope of work, associated risks, and expectations prior to start of work. Shell contractors will manage their SSEs in alignment with this, or a materially equivalent policy. This policy does not apply to escorted visitors and inspectors on a Shell location who are not performing regular work.

All SSEs must:

- Attend a location-specific HSE orientation prior to beginning work on location. Applicable contractor and Shell HSE Policies shall be discussed during the orientation.
- Be assigned an experienced mentor by the Contractor to assist the contractor personnel during his/her "SSE period." It is the mentor's responsibility to closely supervise the assigned SSE and prevent him/her from performing tasks for which they are not properly trained.
- Be identifiable by location's agreed method (e.g., Green Hard Hat, SSE Tape on Hard Hat, etc.).

Subcontractor SSE Management

Shell contractors will manage their sub-contractors in alignment with this policy or a material equivalent. Shell will audit the contractor's SSE programs as part of the Pre-Qualification or Contractor HSSE Management review process.

Following are Shell's SSE Crew requirements:

For purposes of this policy, a "crew" is defined as those contractor employees working at a single location and employed by the same contractor. Any exceptions to these requirements must have approval by the location's UWA or Designee. If a Variance is sought for an individual or group, Contractor SSE Form (Appendix B) shall be completed.

Crews with 4 persons or less:

- Single person "crew" cannot be an SSE.
- 2-4 person crews can have only 1 SSE per crew.

Crews with 5 persons or more:

- 5 or more person crews can have < 20% SSEs per crew.

Contractors New to Location:

Contractor personnel who are new to a location must have a conversation with the UWA or their Designee. Based on the conversation, the UWA or Designee has the authority to determine whether the contract employee will or will not be included in the SSE program. If the UWA or Designee determines that the contractor needs to be included in the SSE program, a Contractor SSE Form (Appendix A) shall be completed. Factors to consider include, but are not limited to:

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- Job responsibilities/duties from previous assignments, work processes/practices from previous assignments, equipment/tools from previous assignments, competency/training, skill level, and familiarity with co-workers.

Removal from the SSE program

To be removed from SSE status, a contractor employee must exhibit safe behavior for six months and have a general awareness and working knowledge of the contractor's and Shell's HSE policies as found in www.shellcontractor.com, and documented on Contractor (SSE) Form Appendix A. Contractors may recommend a reduction of the six-month requirement based on the contractor's performance and relevant industry experience. This reduction must be approved by the UWA/Designee and documented on Contractor (SSE) Variance Form Appendix B.

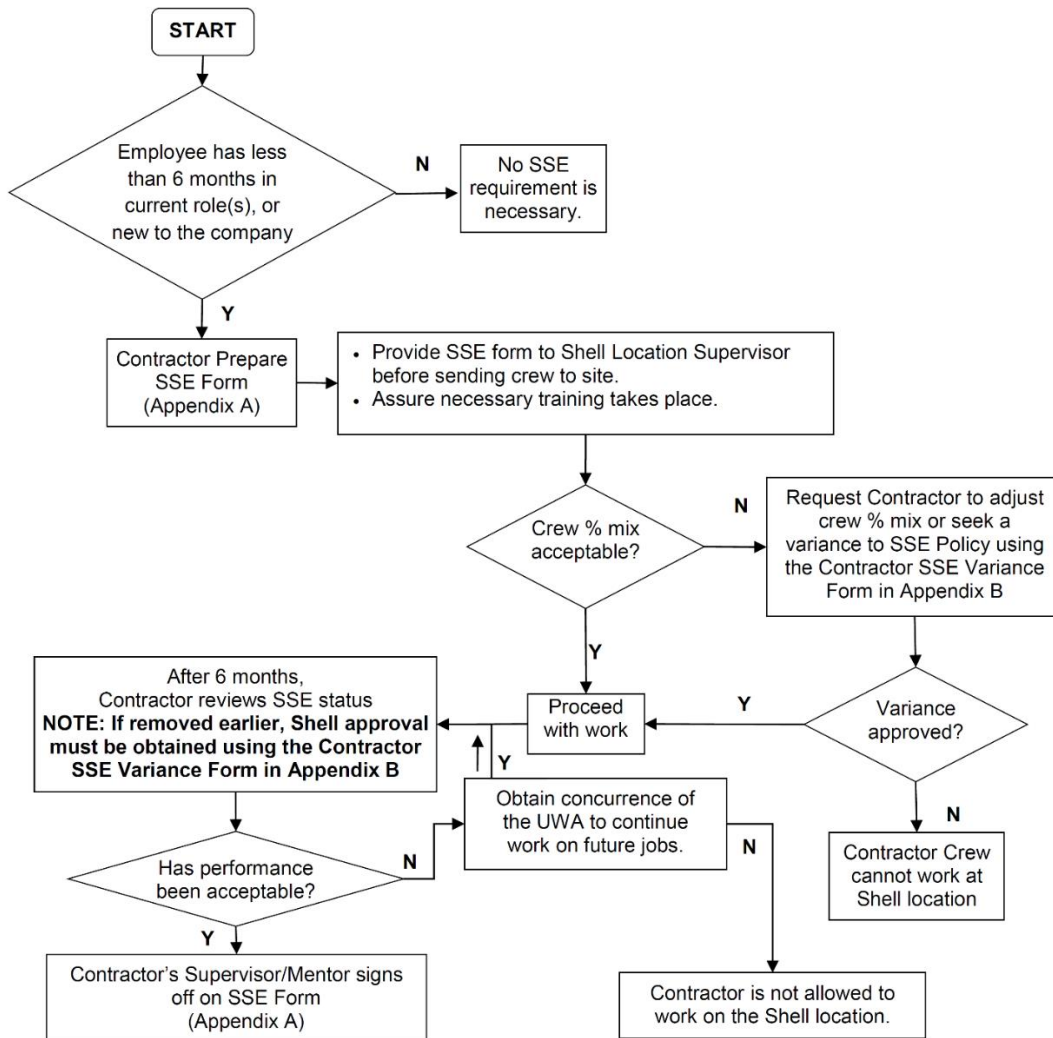
Early Removal or Contractor SSE Variance

Early Removal or Variance to Shell's SSE Policy can only be granted by the written approval of the location's UWA/ Designee [documented on Contractor (SSE) Variance Form Appendix B].

Contractor SSE Decision Flowchart

The flowchart below explains the overall SSE process and decision points that will be made regarding contractor personnel SSE status.

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HSE0172-PR01-TO.01 Contractor Short Service Employee Form Appendix A

This form must be completed by the contract company and submitted to the Shell location supervisor prior to sending crew to location.



HSE0172-PR01-TO.0
1.docx

HSE0172-PR01-TO.02 Contractor Short Service Employee (SSE) Variance Form Appendix B

This form must be submitted to the Shell UWA/Designee for Approval of Early Removal or Variance to the SSE Policy. Form below may be used for a contract employee or a group of contract employees.



HSE0172-PR01-TO.0
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HSE0172-PR02

High/Medium Risk Pre-Qualification Variance Process

Variance Instructions

Use these instructions with the Medium/High Risk Pre-Qualification Variance Form HSE0172-PR02-TO.01.

The utilization of contractors that have not had their HSE Management System formally assessed is a risk to Shell and must be managed and documented accordingly. For these work scopes that involve Medium or High-Risk work activities, the High/Medium Risk Pre-Qualification Variance Form (HSE0172-PR02-TO.01) must be used to document how the contractor will be managed.

A Form must be completed and approved prior to the use of a contractor that has not been scored in ISN (A, B, C, or D) through our prequalification process. Work designated as Low Risk, or Mode 3, does not require a Form. This Form is for use in special circumstances such as jobs that can be described as emergencies, one off, short term, trial run or those performed by owner/operators. This Form is only valid for a maximum of 1 year. If a High HSE Risk contractor is identified for continued use after variance expiration, a CSM Assessment (CSMA) must be conducted as soon as practical.

A Variance form shall not be used in lieu of a prequalification when these circumstances do not apply.

The area CSM Specialist must be consulted prior to use of any contractor with a Form and must receive a copy of the final approved version.

Risk Assessment Elements

The risks associated with the work activities to be performed must be evaluated using the Control Framework Managing Risk Assessment Matrix (RAM). The RAM is to be completed as part of the Business Justification with the risk ranking documented on HSE0172-PR02-TO.01.

The Risk Management Elements must be reviewed and confirmed to be in place to ensure the risks are reduced to ALARP.

The risk assessment and risk management review must be done by a person familiar with the work such as the Shell site supervisor, project engineer or Contract Holder or Originator (of Purchase Order) along with the contractor and Contract HSE Lead to ensure understanding and compliance. The Contract Holder or Originator is accountable to ensure completion of the risk assessment and its subsequent result.

The Contract Owner or Senior Manager and Contract Holder or Originator must approve the completed Form prior to the contractor performing any work at a Shell site

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HSE0172-PR02-TO.01**High/ Medium Risk Pre-Qualification Variance Form**

For Instructions and Process, see High/Medium Risk Pre-Qualification Variance Process



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HSE0172-PR03**Variance Process for D Scored Contractors**

Use these instructions with the DW-GOA Variance Process Form for D Scored Contractors HSE0172-PR03-TO.01.

DW-GOA manages the contractor selection process based on several HSE qualifications. Contractors are scored A, B, C, or D.

- Contractors scored A, B, or C, are considered to have an acceptable level of HSE capability.
- D Scored contractors require additional control measures to ensure we are operating to “As Low as Reasonably Practicable” (ALARP). In the event a D Scored contractor must be used, a DW-GOA Variance Process Form for D Scored Contractors must be completed and submitted to the Contract Owner or Senior Manager for approval. This Form must be used to document associated potential risks of using a D Scored contractor, along with justification and identification of control measures that will be used to ensure ALARP and reduce the risk of incidents on our worksites.

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The following table lists the steps to be taken when submitting the DW-GOA Variance Process Form for D Scored Contractors HSE0172-PR03-TO.01.

Step	Action
1	Obtain Contractor HSSE information. <ul style="list-style-type: none"> The contractor must provide all relevant HSSE data and have completed an HSE questionnaire. The contractor must have an active ISN subscription for the capture of this data.
2	Provide reason for variance. <ul style="list-style-type: none"> Give accurate details why the contractor should be approved for the work scope.
3	Describe work to be performed by this contractor. <ul style="list-style-type: none"> Provide a brief but detailed description of the work scope to be performed by the contractor.
4	Identify Risk Ranking Classification. <ul style="list-style-type: none"> Identify the Risk Classification of the services to be provided based on the risk assessment guidance in Control Framework Managing Risk (Risk Assessment Matrix).
5	Provide summary of HSE Capability Assessment (reason for D Score): <ul style="list-style-type: none"> Using the most current assessment report and/or contractor HSSE data, provide details of why this contractor is Scored D. <p>NOTE: If an HSE assessment has not been performed within the past 36 months, the contractor may require a re-assessment and scoring</p>
6	Detail variance alternative. <ul style="list-style-type: none"> Briefly detail the cost and operational impact that may be realized if the variance is denied, including other contractors that could perform the work.
7	Supply variance justification: <ul style="list-style-type: none"> What are the current risks? Identify the risks related to using this contractor. Are action(s) identified to ensure an acceptable level of risk? Identify the actions that must be taken to ensure that all identified risks are controlled to ALARP. Contractor Improvement Plan – Has an HSSE improvement plan been developed with the contractor to improve the contractor's overall HSE capability and scoring? Attach improvement plan.
8	Recommend variance. <ul style="list-style-type: none"> Contract Holder or Originator of Purchase Order in consultation with HSE (CSM/Contract HSE Lead), must review the Variance Request and indicate whether it should be approved.
9	The completed request is sent to the Contract Owner or Senior Manager for final approval.
10	Contract Holder or Originator of Purchase Order is advised of the decision and HSE (CSM/Contract HSE Lead) updates the contractor's file in ISN (e.g. Performance Penalty).

HSE0172-PR03-TO.01 Variance Process Form for D Scored Contractors

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Instructions and Process, see DW-GOA Variance Process Form for D Scored Contractors.



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