Health, Safety and Environment Management System

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**Introduction**

Health, Safety and Environmental (HSE) Management is an integral and essential part of the way we do our business and is considered an equal part of the wider system for the management of our business.

Through effective management, Ensign aims to be the preferred contractor and the favoured employer. The requirements set out in this document constitute the expectations for divisional compliance with Ensign policy.

The purpose of this document is to describe:

- The structure for the management of Health, Safety and Environmental (HSE) within the Ensign divisions.
- The expectations for each element of the HSE Management System.

It is the responsibility of each division to determine how these expectations and requirements are to be achieved.
Health, Safety and Environmental Policy

Our goal is to protect our people, the public, our property and the environment in which they work and live. It is a commitment that is in the best interests of our customers, our employees and all other stakeholders.

It is possible to run all operations without injuries or damage to equipment or the environment:

• We will comply with all applicable laws and relevant industry standards of practice.

• We will continuously evaluate the Health, Safety and Environmental (HSE) aspects of our equipment and services.

• We believe that effective HSE management is good business and we are committed to the continuous improvement of HSE management practices.

• From top management through to entry level, everyone is responsible and accountable for HSE.

We are committed to the integration of HSE objectives into our management systems at all levels. This will enhance our business success by reducing risk and adding value to our services.

Bob Geddes  
President

N. Murray Edwards  
Chairman
Our Mission

To strive for global excellence in providing services to the energy industry worldwide.

To distinguish ourselves through listening, learning and understanding industry challenges and to capitalize on strategic and opportunistic possibilities.

To provide services that are attractive and fair to our customers and earn their loyalty while also providing value to our shareholders.

To create a work place that protects worker health and safety with due respect for the environment, and promote an atmosphere to grow employee learning and opportunity in a way that is fulfilling, recognized and fairly rewarded.
Our Vision

Ensign expects its personnel to achieve year-over-year improvement in safety performance while *Driving to Zero* injuries.

Ensign is aiming for a destination called “zero” – zero safety incidents, zero injuries and zero days off work due to injury; in other words, a perfect HSE record. *Driving to Zero* means accepting that every incident is preventable.

Our *Driving to Zero* vision is a “decision to change” – change behaviour and the way things are done to ensure safety is always at the forefront for every employee. As a global oilfield services company, we expect our workers to make safety on-the-job and off-the-job an everyday priority by emphasizing five safety principles:

- Participation
- Accountability
- Consistency
- Communication
- Training

At Ensign, we expect people to come to the job site and **for just one shift, not have any injuries**. Then we achieve it on the next shift, and the next. Day after day. We know it can be done because many of our work sites achieve it every day, year after year.

The *Driving to Zero* vision does not mean that another injury will never occur. Rather, it means a commitment to working as many hours as possible without an injury. And it requires an attitude – an attitude that says any injury or incident, even a small one, shouldn’t be taken lightly. Any incident is unacceptable. That’s the attitude that is key to *Driving to Zero*.

It’s an attitude that we expect from each employee at Ensign.
HSE Management System

The Ensign HSE Management System defines the elements by which we will conduct our operations worldwide in order to protect our people, the public, our property and the environment in which they work and live.

The HSE Management System model is comprised of seven interrelated elements with underlying expectations:

1. Commitment and Leadership
2. Policies and Objectives
3. Organization, Resources and Documentation
4. Risk Evaluation and Management
5. Planning
6. Implementation, Recording and Monitoring
7. Audit and Review

Each division must communicate these expectations to all employees, customers and third parties associated with our business. Each division must provide positive evidence of conformance to this Management System and continuous improvement.
Elements in the Business

Continuous Improvement

1. Commitment and Leadership
2. Policies and Objectives
3. Organization, Resources and Documentation
4. Risk Evaluation and Management
5. Planning
6. Implementation, Recording and Monitoring
7. Audit and Review
1. Commitment and Leadership

Management shall provide strong visible commitment, leadership and personal involvement in health, safety and the environment. Management shall make available the resources necessary to achieve our HSE objectives.

Expectations

• Set a personal example day to day by following HSE rules.

• Make decisions that consider HSE matters equal to cost, quality, morale and production.

• Delegate the necessary authority to the appropriate personnel and allocate resources to carry out HSE functions.

• Visit operations on a regular basis to demonstrate commitment and recognize performance in HSE matters.

• Hold those in positions of authority accountable at all levels of the company for compliance with company policies and global standards.

• Develop HSE objectives at your level of responsibility.

• Communicate with employees, clients, subcontractors and industry personnel so that they know and understand the intent of HSE policies.

• Celebrate and promote your HSE success.
2. Policies and Objectives

Say what you are going to do. Develop and communicate policies demonstrating a commitment to HSE that is consistent with, and at least equal to, other business aims. Supporting objectives shall be defined, deployed and maintained at all organizational levels.

Expectations

• Develop local HSE policies that support and are consistent with corporate standards.

• Set objectives for continuous improvement.

• Involve all levels of management and personnel in the development of objectives for the division.

• Develop specific objectives for the reduction of risk.

• Communicate the policies and objectives to all employees in a clear, readily understood, medium.

• Develop performance measures to guide and gauge progress towards achieving objectives.

• Meet and strive to exceed regulatory requirements in all jurisdictions.

• Review policies and objectives at all levels on a regular basis, to determine continued validity.
3. Organization, Resources and Documentation

Define, document and communicate the roles, responsibilities and accountabilities to enable every individual to fulfill their role in improving HSE performance.

**Expectations**

- Define the interrelationships between individuals, operating groups, support functions, employees, clients and partners in joint activities, trade associations and regulatory bodies.
- Appoint and support a management team representative to act as the focal point for HSE matters.
- Ensure that each group and individual receives sufficient information and training to fulfill their role with respect to HSE.
- Allocate sufficient resources to support policies and work towards achieving objectives set for HSE issues.
- Ensure a system that provides and maintains effective procedures, resource material and records on HSE subjects.
4. Risk Evaluation and Management

Continually evaluate the HSE risks to the workforce, customers and the environment. Continually evaluate processes and activities for specific hazards – assess potentials, record and control the subsequent risk to a tolerable level.

**Expectations**

- Establish a methodology that identifies both acute and chronic hazards and their associated impacts. Address routine and non-routine tasks, emergencies and outside influences.
- Conduct hazard assessments during the design, development, operating and decommissioning stages of equipment, processes and facilities.
- Control hazards and reduce risk to a tolerable level through mitigating and recovery measures.
- Apply risk management tools to all proposed activities including acquisitions, bids and new business development.
5. Planning

HSE considerations shall be integral to all aspects of business planning or changes in the design, development, purchasing and delivery of our products and services.

Expectations

• Identify and evaluate the consequences to health, safety and the environment when making changes to organizational structure, personnel, equipment, processes or procedures.

• Assign responsibility for the achievement of HSE objectives in plans at all levels of the organization.

• Determine the resources required to achieve the plan.

• Identify the means by which the plan is to be achieved.

• Set a time scale and develop milestones for implementation.

• Develop contingency plans for emergencies and in cases when plans or objectives cannot be completely achieved.

• Regularly review and follow up on progress towards achieving the HSE plans and objectives.
6. Implementation, Recording and Monitoring

Do what you said you would do. Determine and record whether those actions are effective. Activities shall be conducted in accordance with defined standards, and continuous improvement shall be promoted and monitored through active employee participation.

Expectations

• Assign necessary resources and authority to groups or individuals to implement plans, processes, procedures and work instructions.

• Hold personnel accountable for completing tasks according to plans and HSE performance standards.

• Develop and use systematic monitoring systems for both proactive and reactive performance measures to measure and support HSE objectives.

• Determine non-compliance and the opportunity for practicable improvement against performance measures.

• Determine what records are needed to meet HSE policies, objectives, company standards, local laws or regulations and customer requirements.

• Create records that are clear, easily understood and unambiguous in the language applicable to Ensign. Store records for a time interval consistent with good practice and local regulations.

• Collect and record information on incidents which actually, or have the potential to, affect health, safety and the environment.

• Evaluate incident information to determine the need for corrective action to prevent recurrence. Distribute lessons learned.
7. Audit and Review  
(Assessment and Continuous Improvement)

Prove you did what you said you would do. Is the Management System achieving results and fulfilling policy intent? Audits and reviews shall be conducted to verify the implementation and effectiveness of the HSE Management System and its conformation to this specification.

Expectations

• Set frequency and level for audits for each division or operation.

• Document and distribute the audit report for corrective action and future reference. Review with all affected employees.

• Monitor progress towards achieving and completing corrective actions at scheduled time intervals.

• Schedule periodic management system reviews to include, but not be limited to:
  - Audit finding summaries
  - Analysis of incidents, regulatory citations and non-compliance to divisional standards
  - Current and future requirements of customers and regulators
  - Feedback from customers and regulators
  - Feedback from employees
  - Analysis of risk management processes
  - Appropriateness of current systems to meet business needs

• Create review team with the authority to change the system and update the system requirements.
DIVISIONS OF ENSIGN ENERGY SERVICES

Canadian Oilfield Services
Ensign Drilling Partnership
  Champion Drilling
Ensign Drilling
Tri-City Drilling
Big Sky Drilling
Encore Coring & Drilling
Arctic Ensign Drilling Ltd.
  Gwich'in Ensign Oilfield Services Inc.
Rockwell Servicing Partnership
Enhanced Petroleum Services Partnership
  Enhanced Drill Systems
  Chandel Equipment Rentals
  Cheechako Camps & Catering
Opsco Energy Industries Ltd.
  Hi-Calibre Industries

United States Oilfield Services
Ensign United States Drilling Inc.
Ensign United States Drilling (California) Inc.
Ensign Well Services Inc.
Opsco Energy Industries (USA) Ltd.

International Oilfield Services
Ensign Energy Services International Limited
Ensign de Venezuela C.A.