



Austal Australia

Supplier HSEQ Requirements Manual

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SHIPS • SYSTEMS • SUPPORT

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1. PURPOSE AND SCOPE

The purpose of this Supplier manual is to provide guidance to Suppliers who supply goods or services to Austal Australia in order for them to understand the Health, Safety, Environmental and Quality Assurance requirements placed on them by Austal Australia's (AA) Health, Safety, Environment and Quality – Integrated Management System (HSEQ IMS).

The requirements of this manual are applicable to Suppliers engaged on terms and conditions by AA through a Purchase Order (PO), or a contract, to supply products or services. Additional to requirements, this manual will outline compliance needs (objective evidence) and reasonable expectations placed on Suppliers by AA.

Austal Australia's Supply Chain meets, as a minimum, the requirements of the International Standard Organisation for Quality Management Systems ISO 9001:2015; therefore Suppliers to AA are expected to comply with the intent of Section 8.4 - Control of externally provided processes, products and services.

The HSEQ - Suppliers, Contractors and Partnership Standard (ABMS-500-163) is available on request.

To the extent that there are any inconsistencies between this Manual and the terms and conditions of Austal Australia's PO with a supplier, then the Austal Australia PO/Contract terms and conditions shall prevail.

This manual shall be read in conjunction with the Site Specific:

- Project Health and Safety Management Plan;
- Project Environmental Management plan; and
- Project Quality Management Plan

Or

- ABMS-500-224 - Health, Safety, Environment & Quality Integrated Management Plan

2. DEFINITIONS

Term	Definition
AA	Austal Australia
BMS	Business Management System
CA	Corrective Action
HSEQ	Health, Safety, Environment and Quality
HSEQ IMS	Health, Safety, Environment and Quality – Integrated Management System
HSEQ-RM	HSEQ Requirements Manual
ITAR	International Traffic in Arms Regulation
ITP	Inspection and Test Plan
JSEA	Job Safety & Environment Analysis
MME	Measuring and Monitoring Equipment
NATA	National Association of Testing Authorities
OQE	Objective Quality Evidence
PO	AA Purchase Order
PQMP	Project Quality Management Plan
SDRL	Supplier Data Requirement List
SDS	Safety Data Sheet

3. RESPONSIBILITIES

Role	Responsibility
Head of HSEQ	To maintain this manual
Head of Supply Chain	To supply this manual to contracted suppliers
Suppliers	To comply with this manual

4. SUPPLIER HSEQ RESPONSIBILITIES

Suppliers shall maintain a working environment in which the Supplier, the Suppliers’ employees, sub-tier suppliers, as well as AA personnel and customers are not exposed to uncontrolled risks and hazards.

This means that:

- The Supplier must maintain a safe system of work, so that all tasks are carried out as safely as possible. The safe system must take into account procedures, the workplace layout, the way materials have to be handled and the location and movement of other people in the work area;

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- The Supplier shall have on AA Site(s), during all working hours, a representative/supervisor, thoroughly familiar with the work, who shall have full authority to receive, and act on, all instructions relating to the work.
- Any notice given to the Supplier's Representative by the AA nominated Manager shall be deemed to have been given to the Supplier.
- The Supplier's Representative shall ensure the potential HSEQ impact of the activities of the Supplier on site is managed as far as practicable.
- The Supplier shall be fully responsible for the actions of all its employees.
- The Supplier shall ensure that its supervisors and employees are familiar with and adhere to this manual.
- The Supplier shall ensure copies of all applications made to Statutory Authorities for their inspections and/or tests, and the results, are provided to the AA nominated Manager.
- The Supplier must ensure that plant, equipment, substances and workplace activities are safe and without risk to employees, customers and the public; and
- The Supplier shall supply and wear appropriate protective clothing and equipment as per site requirements.

The Supplier must ensure that their personnel:

- Are suitably qualified and medically fit to carry out the required services;
- Have a thorough understanding of the procedures necessary to competently and safely carry out the required works and services;
- Exercise all reasonable care and diligence in the performance of the required services;
- Obey regulations made and directions given by AA and any relevant authority; and
- Meet and comply with all relevant Occupational Health and Safety standards.

The Supplier is responsible for the provision of all safety equipment, tools and consumables necessary or desirable for the safe performance of the required services.

The Supplier must ensure all works are completed and comply with project specifications, relevant legislation, Australian Standards and codes of practice.

Suppliers are defined as any company, which through a contractual arrangement with Austal Australia performs work on the contract site. Suppliers shall ensure:

- That their workers work in a safe and planned manner and that the area in which they work is safe.
- That their risk management methodologies are in consideration of AA HSEQ Hazard and Risk Register.
- That they participate in contract management meetings.
- That subcontractor staff adopt similar responsibilities as the staff of AA and report to the Project Manager on all matters relevant to the Contract.
- Submit and / or be involved with the development and review of project procedures and job safety environment analysis, participate in inspections, audits, investigations etc. as required, in consultation with the AA Management Team.
- Submit reports on Health, Safety, Environmental and Quality activities, incidents, events and injuries.

- Nominate a liaison officer to ensure communication on Contract matters is maintained between the supplier and the Austal Australia Management Team.

HEALTH AND SAFETY REQUIREMENTS

5. SAFE SYSTEMS OF WORK

Prior to starting a job, the Supplier's work group has a responsibility to ensure they are not exposed to any hazards. This is achieved by adopting a 'Safe System of Work'.

A safe system of work must consider things like the layout of a work place (PLANNING), the storage and handling of materials (EQUIPMENT), the training and competencies of personnel on site (PEOPLE), and anything that may affect the progress of your job (CHANGE).

5.1 Planning

- Have you completed and submitted the Austal Australia Supplier documentation to become an approved AA supplier?
- Has your submitted document been approved by AA?
- What are the procedures/ Work Instructions for the work involved with the project?
- Has the Project Specific Risk Register been assessed by all employees prior to starting works?
- For all High Risk Works, is there a JSEA in place?
- Do you have a Take 5 system in place?
- Have you identified the hazards?
- Are the controls in place?
- Have you checked if the controls are effective?

5.2 Equipment

- Do you have the correct equipment for the job?
- Has the equipment been inspected and approved for use?
- Has the equipment been serviced (with records available)?
- Is the equipment compliant with relative OHS Laws and standards?
- Are the tools to be used in good condition?
- Do you need to resource other equipment?

5.3 People

- Are you fit for work?
- Have you been trained in the task?
- Do you have the right competencies?
- Do you have enough resources?
- Is your training valid for the task?

5.4 Change

- Have you considered change in work scope?
- What should you do if there is a change in scope?
- Have you considered other work groups?
- Have you communicated any changes to others?
- Has your Risk Assessment Documentation been updated?

6. SUB-CONTRACTING OF WORKS

The Supplier may not subcontract any part of the work without the written approval of Austal Australia.

If permission is granted to subcontract part of the work under the Safety Terms and Conditions it shall not relieve the Supplier from any liability or obligation under these Terms and Conditions. On such an event, the Supplier must ensure that the contents of this document are communicated to all Suppliers and that they are inducted onto any AA or their Customer's site where they work.

7. SUPPLIER HSEQ REPORTING

7.1 Incidents

The Supplier must immediately report to the AA supervisory personnel (manager or supervisors) any loss, incident, injury, near miss or dangerous occurrence arising from the performance of the required services and attend to any legal requirements in respect of such loss, accident or injury.

NOTE: If an incident occurs, all personnel are required to make the area safe if they can do so without further harm to themselves or the incident scene. However, all incidents require investigation and it is the responsibility of involved or visiting personnel to "preserve" the incident scene so that causal factors can be assessed.

7.2 Monthly HSEQ Reporting

The Supplier is required to report monthly on their safety performance during, and at completion of the contract using the agreed reporting process.

7.3 Incident Reporting

All HSEQ incidents are to be identified, reported and thoroughly investigated, and where appropriate, corrective actions will be issued to prevent any recurrences of the incident.

All incidents, no matter how insignificant, must be reported and investigated to prevent further incidents from occurring.

Investigations must take place as soon as possible after the incident has occurred. All incident investigations are to focus on identifying the causes of the incident so that appropriate remedial and preventative control measures can be identified and implemented.

7.4 Reports to Statutory Authorities

In the event of a serious incident that requires notification to Relevant Regulatory or Statutory Authority, the Supplier must notify the AA Site Supervisor or the Manager immediately.

The Supplier will provide the AA Manager with a copy of any Improvement or Prohibition Notice issued for the contract by the Regulatory or Statutory Authority, within 2 days of receipt of the same. In the case of a Prohibition Notice the Project Manager is to be verbally notified within 2 hours, or as soon as reasonably practicable.

8. SUPPLIER ORDER & DISCIPLINE

8.1 General Requirements

A person employed on any AA site shall obey any directions given by the appointed person in accordance with that person's duties and responsibilities. However, all personnel have the right to refuse any directions that put themselves or other personnel, plant, asset or equipment at risk of injury, damage or harm.

A person shall not enter or remain at the workplace if he/she is:

- Under the influence of drugs or alcohol.
- Suffering from any physical or mental condition, to the extent that he/she is thereby prevented from performing his/her duties in a safe manner.

A person shall not bring onto site or consume at the site an intoxicating substance.

A person employed on site shall not fight with any other person or behave in a riotous or disorderly manner.

Persons shall not enter any marked culturally or environmentally sensitive areas.

A person shall not bring pets or animals onto the site nor feed wild animals living or entering the site.

A person shall not destroy damage or deface any equipment, structure, sign or notice.

9. FITNESS FOR WORK

9.1 Drugs and Alcohol

Austal Australia requires that all personnel are in a suitable condition to carry out their duties, regardless of whether they are working normal hours, overtime, temporary shift or availability.

Individuals are responsible for reporting to work in a fit condition in which they are able to carry out their duties without risk to themselves or others. This includes ensuring that they are not in an unfit state for any reason including the adverse effects of medical conditions, fatigue, stress, alcohol and other drugs, and are in an emotionally stable state.

Where any employee or subcontractor is taking medication that may affect their ability to undertake their duties, this must be disclosed to their immediate supervisor and/or Site Management. This requirement is conveyed to all employees and subcontractors during the induction.

An employee or subcontractor who arrives on site under the influence of alcohol or illegal drugs is considered unfit for work and will be removed from site immediately.

The consumption of alcohol on the worksite is prohibited. All personnel on site will have a blood alcohol concentration of 0.00. Drug and Alcohol testing may occur at any time on the project. Any person who is found to be under the influence of alcohol or drugs will be treated as per the requirements of the Austal Australia Fair Treatment Procedure.

All persons may be required to undergo random testing for alcohol and other drugs for the purpose of assessing their fitness for duty.

Any person involved in a serious incident or an incident resulting in injury or at their supervisor's direction will be required to undertake mandatory drug and alcohol testing.

10. TRAINING, EDUCATION AND COMPETENCY

10.1 General Requirements

To ensure that wherever work is conducted at the Project site, the Supplier is to ensure no person is appointed to a task unless they are deemed to be competent to undertake the task.

All personnel, including sub-contractors may be required to participate in a Competency Assessment by an Austal Australia-nominated competent person and be deemed 'competent' prior to commencing work.

HSEQ training shall be provided in accordance with identified risk and position requirements.

All personnel operating mobile plant must have completed a recognised Competency Course for the plant, where required by legislation. Personnel operating plant which does not require a certificate of competency must participate in a Competency Assessment from their employer or competent person.

11. AUSTAL AUSTRALIA INDUCTIONS

To ensure that all Suppliers are made aware of, and are conversant with the requirements laid out in this manual to support its implementation, Austal Australia has developed a project specific induction program for all project personnel and visitors.

Suppliers shall successfully undertake the HSEQ Induction and any the Site Specific Induction prior to working on the site. All personnel who attend and satisfactorily complete the induction assessments will be granted access to the site.

Suppliers' personal details will be retained for emergency purposes and evidence of their competency is to be retained for capability assessments.

No subcontractor's employees will carry out any work until they have received the HSEQ Induction and the Site Specific Induction and successfully completed any associated induction competency assessments.

12. RISK ASSESSMENT METHODOLOGY

12.1 General

Job Safety & Environment Analysis (JSEA) must be used on the project for all High Risk work.

Take 5's are able to be distributed throughout the workforce to enable a situational risk assessment to be conducted and the job front.

12.2 Health, Safety, Environment & Quality Integrated Management Plan

A copy of the Austal Australia Health, Safety, Environment & Quality Integrated Management Plan (ABMS-500-224) or Project Health and Safety Management Plan shall be made available to all Suppliers who will be working on site.

The Supplier shall read, understand and implement the Health, Safety, Environment & Quality Integrated Management Plan requirements. The plans detail the management and control of health and safety hazards and risks and environmental aspects on site which is supported by Austal Australia's commitment to HSEQ.

The Plans have been developed in accordance with the Austal Australia HSEQ Values, Policies, HSEQ Standards and Integrated Management System framework and has been structured to conform to the requirement of the OHS and WHS legislation and their Regulations.

12.3 HSEQ Hazard and Risk Register

A copy of the Project or Austal Australia Hazard and Risk Register shall be made available to all suppliers who will be working on the project.

The Hazard and Risk Register forms the basis of operational hazard and risk management. The intention of this register is to identify the major hazards and risks that apply across the entire contract. The recommended controls are described in broad terms and often refer to information and checks that must be completed before work commencement.

The hazards and risks recorded in the register will be informed by the design risk assessments, scope of work, client requirements as well as relevant high risk construction hazards as identified. Appropriate controls will be documented and residual risk assessed.

12.4 Job Safety & Environment Analysis (JSEA)

The Supplier shall ensure that all JSEAs are developed in conjunction with employees who perform the work or who will be impacted by the work (that is, those employees not directly involved in the activity).

The Supervisor or person responsible for the works and the work crew has overall authority and responsibility for the facilitation and briefing of the JSEA with those conducting the works. The JSEA will be facilitated by the Supervisor or Leading Hand.

Note: JSEA's are only valid for a maximum of 7 days.

Note: High Risk work shall not be carried out without an authorised JSEA in place

12.5 Take 5's

The Take 5 process is a process to complement the JSEA process, whereby 5 minutes is taken prior to the start of an activity on the project site to review the hazards present and implement additional controls where necessary.

The purpose of the Take 5 assessment is to identify changes in the work location from one day to the next and to identify hazards that have not been included in the JSEA for the task and therefore require control implementation prior to works commencing.

13. IMPLEMENTATION & OPERATION PROCESSES

13.1 Consultation & Communication

Consultation and communication is to be used to establish a project culture that reflects a positive, inclusive approach to HSEQ and also encourages the full involvement of all personnel to achieve a safe working environment that is aligned to Austal Australia expectations. It is also paramount to ensure a positive environment in which all employees are motivated to openly suggest opportunities, report incidents, drive innovation and continuous improvement.

Regular structured meetings will be conducted on site to ensure effective communication occurs at all levels and provide an avenue for systematic input and monitoring of the project's safety, health and environment.

13.2 Toolbox Meeting

Toolbox Meeting will be scheduled weekly. The meetings will be minuted and active participation encouraged from all participants.

Attendees may include Austal Australia Managers, Employees, Client Representatives and Suppliers.

A safety topic will be developed by the HSEQ Department which relates to the current work practices on the project and any Incident Alerts received by the project which relates to the nature of work being conducted on the project site.

Austal Australia will ensure minutes of the meetings are maintained and any actions raised are recorded and tracked to their completion.

Feedback on progress is to be provided to managers, client, employees / subcontractors at subsequent toolbox meetings or where required dependent on the urgency of the issue.

13.3 Incident Alerts & Lessons Learnt

In line with the Austal Australia culture of being a learning organisation, Incident Alerts and Lessons Learnt will be shared in order to encourage a high level of HSEQ awareness across all Austal Australia workplaces.

Austal Australia frequently issue Lessons Learnt from all significant HSEQ incident investigations across the business. These are to be reviewed along with the required actions, and the level of relevancy to the supplier is to be determined and communicated to all relevant personnel.

13.4 Noticeboards

Austal Australia will ensure noticeboards are established across the site. The noticeboards may display, but not be limited to, the following information:

- Names of First Aiders;
- Emergency contact numbers and reporting processes
- Copies of all Austal Australia Policies;
- Issue Resolution procedure flowchart;
- Hazard Identification procedure flowchart;
- Site plans, including traffic management, and the location of emergency assembly points, fire extinguishers, first aid kits and spill kits;
- HSEQ Messages
- Other communications from Austal Australia HSEQ Department.

13.5 Site Safety Rules

Austal Australia has determined a set of basic site safety rules to be complied with by all persons on site at all times.

- Appropriate personal protective equipment is to be worn at all times;
- High visibility vests, hard hat and safety glasses must be worn at all times when outside buildings;

- Eating is prohibited except in designated areas;
- No alcohol is to be taken onto or consumed on site;
- No Smoking on site unless in designated areas and during establish times;
- Instructions provided on safety signage must be adhered to; and
- Any person working on or near operation plant / equipment must be competent and trained.

13.6 Work Permits

A work Permit must be completed and authorised prior to the commencement of all:

- Confined Space work
- Hot work – outside of designated Hot Work Areas
- Isolation, Lockout and Tagging – multiple sources of isolation and /or more than 6 persons working on the isolated equipment.

13.6.1 Hot Work

Any work that will introduce an ignition source (heat, flame or spark) and which could:

- Ignite combustibles (flammable material, gas or vapours).
- Scatter sparks or hot particles.
- Require time to cool to below the ignition temperature of any potential fuel sources.

Hot work includes brazing, oxy cutting, grinding of steel, soldering, welding, using torches to heat and any operation involving open flames, heat or sparks.

When possible, hot work activities shall be performed in a Designated Hot Work Area.

A JSEA or Take5 for the task shall be provided prior to commencing any hot work activity – noted that the “The Hot Work Permit and Risk Assessment” is inclusive of a risk assessment.

Prior to commencing any welding task an inspection and assessment of the welding environment area shall be conducted.

A ‘Hot Work Permit and Risk Assessment’ is required for all hot work tasks performed outside of ‘Hot Work Designated Areas’.

Hot work shall not be conducted in ‘Hot Work Non-Permissible Areas’.

Hot Work Permits shall only be issued by authorised Hot Work Permit Issuers.

13.6.2 Confined Space Entry

All work occurring in any confined space must comply with AS 2865 or higher equivalent and AA requirements.

No person shall enter a Confined Space unless:

- The confined space has been risk assessed to determine hazards associated with the space, exposure pathways and mandatory controls.
- A risk assessment has been completed or an SOP is available for the work to be performed. All persons involved in the Confined Space Entry were involved in developing the risk assessment or have reviewed it prior to entry. The risk assessment shall consider activities in and around the Confined Space and identify controls for activities that may be more hazardous when performed within the Confined Space (e.g. hot work, noise).
- All control measures identified during the risk assessment and the Confined Space Entry permit are implemented prior to any person entering the space.
- They have been trained, assessed and deemed competent.
- A trained, assessed and competent CSE Sentry is in place.
- A Confined Space Emergency Rescue Plan has been developed. This plan is developed in conjunction with Emergency Response personnel, as applicable and is based on the inherent risk of the confined space. It is a key input/part of the Emergency Response Plan which is developed each time a confined space entry permit is raised taking into account activities and conditions involved in the particular confined space entry at a particular time.
- It has been determined that there is a safe atmosphere inside the space or that adequate protective measures are implemented to ensure their safety.
- All sources of energy are confirmed as being isolated and isolation lockout devices have been attached.
- All other permits (e.g. hot work) and their conditions have been met and signed onto.
- There is a current, valid Confined Space Entry Permit issued by an Entry Permit Issuer .
- There is a system to ensure that where there is more than one Entry point to the Confined Space, all Entry points are controlled in a way that shall prevent unintentional access or the introduction of hazards.
- A clear and confirmed system of communication is established between all personnel involved with the task.

13.6.3 Isolation, Lockout and Tagging

All energy sources that are potentially hazardous to personnel shall be isolated before any work is done on a piece of equipment.

All isolations carried out on the site must be in accordance with Austal's isolation, locking and tagging requirements.

All personnel that are working on, or who may be affected by the operation of, the isolated equipment, must complete a danger tag and lock out the equipment as either individuals or as a group isolation/lockout using a lock box.

The lockout must be completed by attaching a personal isolation lock using a hasp. Some equipment may have more than one drive, therefore, it is extremely important to identify all

isolation points for any piece of equipment prior to the isolation commencing and that all of these points are isolated and tagged.

The group isolation is to be used when such work as major maintenance work, commissioning and de-commissioning of equipment and machinery or the repairs will take longer than one shift to complete and/or when more than one (1) worker is working on plant or vehicles at the same time.

Permits of Isolation are designed for work involving multiple Isolation Points, and complex Isolations involving multiple personnel. They are raised and cancelled by Authorised Isolators, and while in force, they are administered by a nominated responsible person.

Under a Permit of Isolation, Permit Locks are applied to the relevant Isolation Points keeping the area safe, and the key to the Permit Locks is secured inside an Isolation Lock Box. Each individual involved in work under a Permit of Isolation shall apply a Personal Lock to this Isolation Lock box, sign onto the Permit before commencing work, and sign off when leaving.

13.6.4 Working at Heights

Working at height is defined as where there is a risk of falling from, through or into any place or thing. This means that it is not limited to working in areas that are above ground level. It may also include areas in which personnel are required to work below ground or below deck, but above a void of some sort. In all cases a JSEA or risk assessment shall be completed.

13.7 Site Personal Protective Equipment (PPE) Requirements

Personnel (includes workers, subcontractors, consultants and suppliers) on the project site will be required to wear the following personal protective equipment at all times.

- Hard hat (conforming with AS1801)
- Safety vest if high visibility clothing is not worn
- Safety glasses
- Safety boots (conforming with AS2210) (Boot laces must be tied snugly and must not to be left loose or untied)
- Long pants and Hi visibility long sleeve shirts
- Task appropriate gloves for all field work (where the risk introduced by the use of gloves is greater than the benefits this must be included the JSEA for the specific activity).

The requirements for use of this equipment will be identified in the JSEA for the task. All required additional PPE will be available on site.

13.8 Working in Isolation

Austal Australia prefers that no persons are on site undertaking manual work in isolation. However, it is recognised that there are circumstances where this is unavoidable, such as during emergency

maintenance works. In situations where working in isolation is unavoidable, under no circumstances are persons working alone to be short term employees (i.e. labour hire).

13.9 Smoking on Site

Smoking is not permitted on site at any time.

13.10 Issue Dispute Resolution

It is the intention of the process to resolve issues whilst maintaining productive work. It must be emphasised that at all times employees/Suppliers must accept responsibility for their own safety and how they impact on the personnel around them, including members of the public.

Nothing within the process diminishes an employee / Suppliers right to refuse to work in an area where he / she has reasonable grounds to believe that to continue to work would expose him / her or any other person to a risk of imminent and serious injury or imminent and serious harm to his / her health.

The same also applies where employees or Suppliers who continually ignore safety rules or procedures or through a deliberate action, place the health and safety of themselves or others at risk may be subject to disciplinary action including dismissal for employees and being banned from one site or all sites for Suppliers.

All HSEQ Issues raised on site will be recorded in IRIS Data Base Report. These issues will be monitored and tracked through to close out and reviewed to ensure the actions implemented were effective.

14. PLANT, EQUIPMENT AND TRAFFIC MANAGEMENT

All mobile equipment, including those under the control of Suppliers and subcontractors is to be inspected by a competent person appointed by Austal Australia prior to being put into service. The inspection shall check that equipment complies with all statutory requirements, is suitable for its intended duty and is in a safe working order. This inspection should preferably be carried out prior to dispatch to site. Any remedial works shall be re-inspected and certified as complete.

Only plant and equipment having the correct log book, manufacturers' Operation and Maintenance Manual, and current certification will be permitted to operate on site.

14.1 Plant & Equipment Inspections

Prior to the operation of any plant, the operator or other competent person will inspect the general condition or maintenance of plant.

The Austal Manager shall verify competency of all supplier plant operators prior to the commencement of work.

Where any fault or defect is identified, whereby the plant is unsafe to operate or presents a risk to the environment, the plant must be locked out in accordance with an approved Isolation, Lockout and Tagging Procedure.

Daily plant and vehicle inspections will be carried out by the Supplier on their equipment.

Where required current test status tags will be fixed to equipment, these tags will not be removed under any circumstances. Identification information such as serial numbers and safe working loads will be visible on equipment where information is required.

14.2 Electrical Equipment

All portable, mobile or moveable electrical equipment shall be double insulated.

All electrical equipment and extension leads shall be inspected, tested, tagged and maintained by competent persons at 3 monthly intervals or otherwise at frequencies specified in AS/NZS3012 and AS/NZS3760. The results of inspections for leads, power tools and electrical equipment shall be recorded. Non-tagged equipment will not be used on site.

14.3 Electrical Safety

All persons performing electrical work shall be appropriately qualified and have received the appropriate and relevant training commensurate with the type of electrical work being carried out and be provided with and wear the appropriate PPE. The Supplier will maintain records of such qualified persons.

All electrical work will be carried out according to the Austal Australia procedures and all test equipment shall be certified, calibrated and registered as per the company requirements.

14.4 Isolation of Energy

Where required, isolation of energy procedures shall be strictly followed for any work on live plant or equipment. Otherwise, energy sources shall be isolated in accordance with Austal Australia requirements.

15. SITE TRAFFIC MANAGEMENT

The following rules shall apply to Austal Australia and supplier vehicles on the site:

- All plant are to be fitted with visual and audible warning devices;
- No driver or operator is to use a hand held mobile phone or other electronic devices while driving or operating machinery or equipment;
- Site parking is regulated and restricted, parking as per site plan only;

15.1 Plant and Pedestrian Interface

All worksite activities involving reversing or that have a potential to come into contact with services, assets and/or personnel must have a spotter in place. The spotter must have a means of communication enabling contact or acknowledgement with drivers of vehicle or plant. Spotters must maintain visual contact with the driver of the vehicle or plant at all times. If communication is lost, reversing must immediately stop until visual contact has been re-established.

All Suppliers are to ensure that they;

1. NEVER walk directly behind or in the path of a reversing vehicle;
2. NEVER enter an exclusion zone without authorisation.

16. SITE ACCESS

Access to the site is controlled by Austal Australia at all times. Access to the site may be revoked by Austal Australia in the following circumstances:

- Serious breaches of site safety rules
- Disregard for site entry requirements

17. EMERGENCY MANAGEMENT

17.1 Emergency Response Management Plan

Austal Australia has prepared an Emergency Response Procedure for the site to manage the potential impacts of emergency scenarios arising from our operations.

During an emergency the Supplier shall follow the instruction of Austal personnel at all times.

The Emergency Response Procedure documents all relative potential emergency scenarios and the controls to manage such events.

17.2 First Aid

First Aid Kits will be provided by Austal Australia at strategic site locations.

Where required the Supplier shall have suitably stocked First Aid kits in place.

First aid provisions for the site shall be determined by the number of persons working, the hazards and risks associated with the works and the time taken and distance to emergency medical treatment. As a minimum there will be one trained first aider with an adequately stocked first aid kit at all times.

17.3 Housekeeping Plan

A Housekeeping Plan will be developed and will be maintained. The plan is communicated during the HSEQ induction and displayed on site noticeboards and other locations visible to site personnel. The location of items listed on the site plan includes:

- First aid kits.
- Firefighting equipment.
- Emergency evacuation points.
- Spill kits.
- Car parking locations.
- Details of plant/people separation areas.

17.4 Emergency Response Training and Drills

All employees and Suppliers are instructed in the emergency response procedures during the site inductions.

Emergency drills and coordination protocols shall be conducted at regular intervals or when significant changes occur to the workplace or workforce.

ENVIRONMENTAL REQUIREMENTS

18. ENVIRONMENTAL MANAGEMENT

18.1 Environmental Management

Austal Australia is committed to best practice environmental management.

Suppliers must liaise with the Austal Australia Nominated Manager regarding planning of works/methods and preparing work site(s) to avoid or minimise environmental impact. This shall be specified in the project or program-specific Health and Safety Management Plan, Environmental Management Plan, Hazard and Risk Register, and JSEAs.

18.2 Significant Risks for Environmental Management

The following significant risks have been identified with the Austal Australia Environmental Management system, if your scope of work includes activities relating to the significant risks please liaise with the HSEQ department for further guidance.

Significant risks:

- Storage, handling and use of Hydrocarbons, hazardous and dangerous goods
- Energy use
- Waste management processes
- Fauna Interactions – operating on Water
- Dust management form Painting and Blasting operations.

18.3 Protection of Stormwater Drains, Spill Kits and Cleaning up of spills

Any liquid or solid that enters (or can enter) a waterway, stormwater drain or kerbside gutter that is not clean rainwater is considered pollution. Pollution can harm aquatic animals and plants and have adverse effects on communities and businesses. Instances of pollution can also result in fines, prosecutions, damage to reputation and client relationships and contractual breaches. For these reasons, it is imperative that Suppliers prevent water and ground pollution. This can be readily achieved by implementing applicable controls such as:

- Prohibiting the discharge or disposal of dirty or contaminated water or other liquids into stormwater drains
- Ensuring plant and equipment are inspected prior to mobilising and before they enter a work site to ensure hydraulic hoses are not damaged and there are no oil leaks. Temporary drip trays should be used in the event of a leak being identified
- Ensuring appropriate spill kits are available and key personnel are trained in their use
- Requiring prior written authorisation from Austal Australia for any work that may involve disturbing destabilising banks, dredging, de-snagging, sediment removal or excavating watercourses.

18.4 Store Hazardous Substance in a Bunded Area, Out of the Way

To prevent human harm, pollution, and ecological damage, all hazardous chemicals and dangerous goods must be stored in appropriately located and designed bunded areas.

Bunds must be constructed of impervious materials (masonry surfaces must be sealed) and hold the greater of 120% of the volume of the largest container or 25% of the total stored volume. Containers or other storage vessels must be located away from bund walls to prevent liquid from any punctured vessel spraying outside of the bunded area.

18.5 Minimise Waste through Reuse, Recycling and Responsible Procurement

Austal Australia is committed to minimising waste wherever possible and requires Suppliers to implement the waste hierarchy: avoid, minimise, reuse, recycle, and dispose. Waste management efforts increasingly make good financial sense and help conserve resources. Strict regulations are in place regarding waste disposal and these must be followed.

Suppliers must ensure:

- Precise quantities of materials are ordered or take-back arrangements are in place with key suppliers
- 'Waste' materials are separated at source
- The appropriate number and type of bins are used to maximise recycling and segregation of material types (this will help reduce costs)
- Any regulated wastes must be disposed of by appropriately licensed providers
- Seek to retain isolated native trees wherever possible or required
- Protect retained trees or those adjoining work areas with bunting/fencing and tie-back branches

18.6 Environmental Incidents and Near Misses

Austal Australia is committed to continually improving its environmental performance. This means that we want to learn from any environmental incidents and near misses. As a consequence, we require Suppliers to advise Austal Australia immediately in the event of incidents or near misses such as harm to threatened species, environmentally sensitive areas or heritage items, leaks or spills of potentially polluting substances.

Other specific incident-related actions to be undertaken are:

- Take immediate steps to stabilise the area or prevent further environmental damage
- Implement site emergency response procedures if needed

18.7 Keeping the Site Tidy and Ensure Litter is not left behind

A clean and tidy site reduces risks, and is consistent with Austal Australia's reputation. Suppliers are to undertake the following actions:

- Organise a site and work area so that items are readily accessible and within reach
- Maintain the site(s) in a clean and tidy condition – no litter should be visible at any time and ‘wastes’ should be placed in the appropriate receptacles/areas as soon as practicable
- Remove/recycle unwanted items and debris at the end of a job

19. DANGEROUS GOODS & HAZARDOUS SUBSTANCES

19.1 Hazard Identification, Risk Assessment and Control

Hazard identification, risk assessment and control of dangerous goods and hazardous substances are a requirement of legislation and Austal Australia.

The legislative risk assessment required for all chemicals classified as hazardous and /or dangerous may be completed using an approved risk assessment form or by using a Job Safety and Environment Analysis (JSEA).

A copy of the JSEA or an approved completed risk assessment form shall be filed with the SDS for the dangerous goods and hazardous substances kept on site.

19.2 Approval to bring Chemical onto Site

Suppliers are required to seek pre-approval to bring any chemical onto site. A completed Chemical approval form is to be submitted to the HSEQ Department prior to the chemical arriving at site.

19.3 Dangerous Goods and Hazardous Substances Register

The supplier shall have in place a Dangerous Goods and Hazardous Substances Register which shall include all chemicals on site that are used by the Supplier. The chemical register lists all chemicals including fuels and oils etc., as well as those used in the site office and chemicals purchased in retail size packaging from local stores.

PPE as specified in the relevant SDS shall be used at all times when handling hazardous materials. Containers or systems in which hazardous materials are contained must be clearly labelled. Disposal of hazardous substance containers is carried out in accordance with the SDS.

All hazardous materials shall be handled and used in line with the specifications of the relevant SDS.

19.4 Safety Data Sheets

SDS's shall be kept on file for all chemicals that are stored on site. The SDS provide information about the hazards of a chemical and how to use, store and dispose of it in a safe manner. To comply with the legislation the SDS must include:

SDSs shall be kept for the duration the chemical is stored or used on-site. The SDS must be available for easy reference by those using the chemical. Ideally a copy should be provided with the chemical register and where the chemical is used or stored.

QUALITY ASSURANCE REQUIREMENTS

20. EXPECTATIONS OF AUSTAL SUPPLIERS

As a preferred Supplier Austal Australia expects the Supplier to share our commitment to meeting our end customer's requirements for quality, technical performance and on-time delivery.

This will be achieved by you sharing Austal values and working with AA in delivering significant ongoing value through an integrated and collaborative approach to Supply Chain Management.

The Supplier shall be required to support AA by providing (as required) evidence that Products or Services are offered where:

- The requirements identified in Specifications, PO's or Contracts have been understood, evaluated and planned to be met.
- Requirements are validated through test/inspection/review.
- Regulatory body requirements are met and validated.
- The schedule of delivery is aligned to the Austal delivery date (DIFOTIS)
- Evidence is available as required of delegated authority, qualification or license to perform work.
- Sub-tier contractors are effectively managed.
- They are approved for release by a delegated authority with appropriate qualification or license within the Suppliers organisation.
- Evidence of conformity to requirements are maintained (Objective evidence).
- There is effective change control throughout the period of engagement (i.e. changes to product or objective evidence such as drawings, certification, manuals etc.)
- Traceability to requirements is maintained (through Identification).
- A system/process is in place to manage non-conformance / issue resolution (Zero defects).
- Suppliers openly engage in AA Supplier performance management (Audit)
- Supplier are engaged in continuous improvement

21. ACCESS TO SUPPLIER FACILITIES FOR INSPECTION / AUDIT

During the course of the contract between AA and the Supplier, AA may (with reasonable notice) require access to the supplier manufacturing/production areas for the purpose of quality audits and for assessing manufacturing/production processes capability to meet AA's PO/contract requirements.

Where required through the Supplier management process AA may (with reasonable notice) require access to the sub-tier supplier's facilities of the Supplier.

The requirement to conduct inspections/audits forms part of PO/contract with the Supplier unless specifically waived by Austal Australia.

22. REQUIREMENTS REVIEWS / ISSUES CONTROL (PO/CONTRACT)

The Supplier is expected to have in place a PO "Requirements Review" procedure/process that complies with the intent of ISO 9001:2015 Section 8.2 Requirements for products and services.

The Supplier will be expected, if audited, to be able to demonstrate how the requirements of an Austal PO/Contract have been understood and have been planned to be met.

If the Supplier is uncertain about any aspect of what AA has ordered, the Supplier must immediately contact AA and resolve this uncertainty prior to incurring any costs and committing to supply.

23. RECEIPT AND 'IN-PROCESS' ASSURANCE OF PRODUCTS OR SERVICES

The Supplier is expected to have in place adequate controls for the management of their products or services within their own supply chain organisation, including the control of their release. Controls are to include traceability to conformity of requirements, and approval for release. The Supplier, is expected to be able to demonstrate 'in-process' (i.e. a systematic approach to approval for product release) to quality assurance/inspection activities.

The in-process control may take the form of a checklist, test, inspection, analysis or verification and validation activity.

The Supplier must ensure that products or services have undergone an adequate level of checking e.g. mandated Factory Acceptance Testing (if required), visual inspections, traceability checks, sample dimensional inspections as applicable during production and prior to delivery to AA.

24. CONTROL OF SUB-TIER SUPPLIERS

It is a requirement that the Supplier maintains effective control over their sub-tier suppliers.

The Supplier must (on request) provide to AA the necessary Objective Quality Evidence (OQE) to confirm that their sub-tier suppliers have been adequately evaluated by them and have been approved to supply.

The Supplier must provide evidence on request of the flow down of AA PO requirements (e.g. technical/OQE requirements) to their sub-tier suppliers.

25. PURCHASE ORDER NOMINATED CRITICAL ITEMS

Austal maintains a register of Supplied items considered critical for the successful delivery of a Project. This register is called the Equipment Order List (EOL), the Supplier will be advised through PO/contract that their products are considered critical.

When supplying critical items Suppliers are expected to:

1. Provide evidence as required that internal schedules align with the EOL delivery due date.
2. Reduce sub-tier supply chain risks by sourcing from manufacturers that are certified – or can demonstrate compliance with the intent – to the requirements of ISO9001:2015.
3. Provide evidence – where required - that the Supplier has ‘Material Manufacturer’ approval, as certified by an independent certification body.
4. Plan for and monitor schedule compliance where a certified approval by an independent certification body of a Factory Acceptance or ITP requirements is required.
5. Provide evidence (on request) of product or service reviews conducted internally by i.e. internal audit that considers risk to DIFOTIS for supply of goods to AA.
6. Ensure that items are independently sample tested (by a NATA equivalent testing house) in accordance with criteria defined by AA, with test reports (OQE) provided to AA.

26. INSPECTION AND TESTING PLANNING (ITP) APPLICABILITY/CONTROLS

This section applies as necessary.

Where a PO or AA contract requires the Supplier to submit to AA an ITP the Supplier’s ITP document will be subject to AA’s approval and must be submitted prior to commencement of work.

As part of AA’s approval of the Supplier’s ITP, AA may add hold and witness points at its discretion; in regards to hold or witness points,

1. Where hold and witness points have been allocated the Supplier must inform AA of the upcoming event with appropriate notice.
2. Hold points are not to be conducted without an AA representative present unless the hold point has been formally waived by AA.

The ITP document must contain sufficient information to identify what inspection and/or testing will be carried out to meet contract/PO requirements; the ITP must provide auditable OQE of acceptance criteria being met.

27. NON-CONFORMING PRODUCT

Austal will advise the Supplier of non-conforming product through direct contact in the first instance. Where a product cannot be rectified or repurposed Austal will advise the Supplier of the intention to return the product using the AA form (ABMS-901-3464) Goods Return Form.

Note: where the Supplier provides products or services that are non-compliant with requirements – for any reason – at the first stage of resolution, AA will endeavour to work with the Supplier to resolve the issue through agreed remedial actions. AA reserve the right to also issue a “Supplier Corrective Action Report” (SCAR) which requires the Supplier to document any actions taken to remediate a product or service.

28. CONTROL OF RETAINED INFORMATION (QUALITY RECORDS).

The Supplier is required to maintain effective control of the information that provides evidence (i.e. record) that the supplied product or service conforms to requirements. This requirement is stated in ISO 9001:2015 Section 7.5.3 Control of documented information, i.e. demonstrate controls for the distribution, access, retrieval and use; storage, preservation, change, retention and disposition.

Unless otherwise stated on the purchase order/contract, records must be retained for a minimum period of seven (7) years after delivery of the products or services to AA.

The Supplier shall provide documented evidence in a format standard that, as a minimum, meets the requirements of ISO 9001:2015 Section 7.5.

The OQE (records) required to provide evidence of conformity – technical and/or contractual – for a product or service requirement is stated in the PO, or a contract. For complex Projects the Supplier may be required to provide the OQE as a contract deliverable, as identified in a Supplier Data Requirement List.

The Supplier is expected to provide the required OQE in a timely manner

28.1 Delivery of OQE for AA

AA OQE must be delivered in an electronic format (PDF preferred) directly to AA Supply Chain with hard copies accompanying products or services unless otherwise agreed.

29. CONTROL OF CALIBRATED MEASUREMENT AND MONITORING EQUIPMENT (MME)

This section applies as necessary.

The Supplier is required to maintain documented information that verifies that the MME used to produce products used in Austal vessels is compliant with AA purchase order/contract requirements.

The supplier calibration system must be fully compliant with the requirements of ISO 9001:2015 Section 7.1.5.2 Measurement traceability.

MME calibration must be performed by NATA accredited laboratories and certificates must be NATA endorsed.

The MME calibration system/procedures of the Supplier must ensure that;

- MME is calibrated or verified at specified intervals prior to use.
- The MME's calibration status can be determined.
- Safeguards are in place that would not invalidate measurement results.

AA must be notified in the event of actual or potential non-conforming products and services being supplied as a result of an out of calibration MME.

30. PRODUCT TRACEABILITY

The Supplier is expected to meet the requirements of ISO9001:2015 Section 8.5.2 Identification and traceability.

The requirement for the Supplier to provide unique identifiers is flowed down to the Supplier through a Supplier Data Requirement List (SDRL), or as a PO/Contract for commercial Projects.

Where the traceability requirements are stated in a contract SDRL the Supplier must provide to AA objective evidence prior or with delivery that the requirements are met.

Where traceability requirements are not defined on a PO / SDRL the Supplier shall provide delivery transaction records which must identify as a minimum the following information (where applicable):

- Purchase order/contract number and revision number
- PO line/item number
- Item description
- Part Identifier (i.e. model number)
- Quantity
- Manufacturer's part number, including identification of the original equipment manufacturer and country of origin

31. HANDLING OF AA SUPPLIED MATERIALS

This section applies as necessary.

Where AA supply materials to the Supplier for use as part of a labour hire PO/Contract, the Supplier is responsible for undertaking a level of quality assurance for the preservation, inspection, testing and traceability control of that material while in their facility /or onsite as agreed with AA.

Where required the Supplier must provide evidence of inspections to verify the material remains compliant with end user requirements, inspections may that includes sample dimensional inspection, visual inspection and marking/traceability checks (validated against the delivered certification/OQE).

Where the material provided by AA is deemed 'not fit for purpose' by the Supplier, AA Supply chain must be informed immediately, prior to incurring costs or commitment to supply.

Material traceability must be maintained until products are delivered or provided to AA for approval.

Unused material (including off cuts/remnants) must be marked and remain fully traceable up until the point of use in the Supplier's production or returned to AA.

32. PRODUCT PRESERVATION

Goods or Services provided to AA must be adequately protected by the Supplier prior to and during delivery, protection will be required to the extent that the product will meet customer quality requirements.

The Supplier is to segregate goods where it is agreed with AA that segregation to prevent contamination within the Supply Chain is a risk or is a requirement of the PO or Contract.

33. PRODUCT RECALLS

Where the Supplier self-identifies the goods or services provided to AA do not meet requirements – through for example subsequent internal product reviews - it is expected that the Supplier advise AA immediately.

It is expected that the Supplier has a product recall process.

34. MONITORING SUPPLIER QUALITY PERFORMANCE

AA Suppliers are actively managed and relationships are developed and nurtured to ensure ongoing compliance to contract terms and to improve service delivery and innovation.

Supplier performance management is a key strategy to ensure Suppliers are delivering to their contract conditions, but more importantly to help drive innovation and a better working relationship.

AA Suppliers, where appropriate, will be provided KPIs and SLAs that are contained in the contract; those performance indicators will be meaningful, category specific and measurable.

Measurement tools used by AA will include:

- Supplier Self-assessment / 360 assessment.
- Survey & User feedback
- Reporting data and analysis

AA will monitor supplier performance, AA operates a rolling evaluation system where periodic evaluations are conducted:

- Where performance indicators identify a need
- Annually for Qualified Suppliers

The Supplier is expected to participate in reasonable AA Supplier Quality performance management activities.

35. CUSTOMER/SUPPLIER RELATIONSHIP AND FEEDBACK

AA Supply Chain management is fully committed to maintaining a good relationship with all Suppliers and subcontractors.

AA believes that without the assistance and commitment of our suppliers the requirements specified in this manual cannot be adequately achieved.

The Supplier should contact AA Supply Chain personnel in the event that any requirements contained in the AA contract/PO or this manual is not fully understood.