

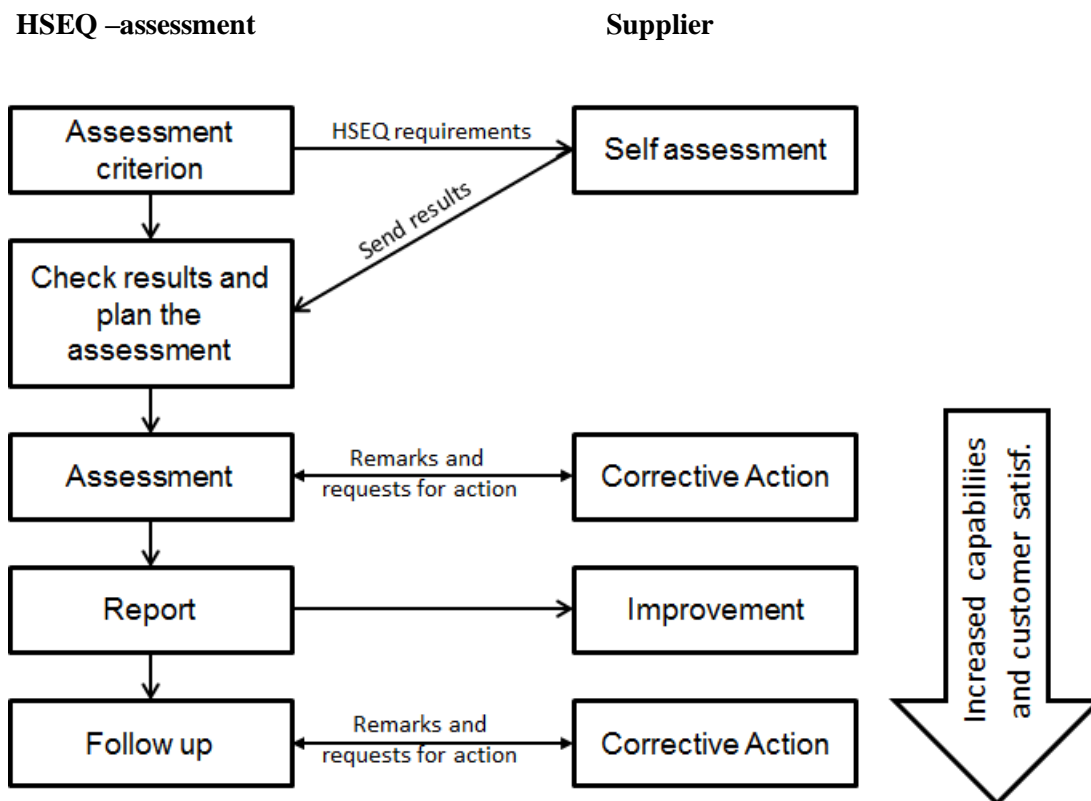


## HSEQ – ASSESSMENT, GUIDELINES FOR SUPPLIERS

### What is an “HSEQ –assessment”

Large industrial buyers have agreed upon a method to assess the maturity of their suppliers in the areas of Occupational Health and Safety, Environment and Quality. The scope of an HSEQ -assessment may vary from Supplier’s local business unit or a geographically defined service to company level and national level of operations.

### The assessment process:



### How to prepare for the audit

Please prepare to show evidence of the following documents (NDA as necessary, but intention is not to look at any details. Company confidential issues can also be restricted to lead auditor only):

- Management team memos
- Operation plan for Occupational Health Care
- Operation plan for Occupational Safety
- Memos of root cause analyses of accidents and close calls (5 latest memos of both)
- Guidelines for Induction training (new employees program)
- Training records
- Competence listings of all skills required by customers and authorities / Skills Matrix
- Results of self assessment (especially chapters 6, 7, 8 and 9)

Persons to meet during the assessment:

- Unit leader / relevant management
- Responsible persons for occupational safety
- Responsible persons for environmental issues

Review of production facilities and outside areas. (Optionally, a site visit to any work site nearby)

- Need to inform auditors of necessary personal protection equipment
- Need to reserve any special equipment for personal protection for auditors, as necessary

Audit may be interrupted in following cases:

- Supplier has not prepared adequately for the assessment
- Supplier cannot host the event with adequate representatives
- Severe lack of evidence or necessary documentation
- Severe discrepancies against required practices are seen during site visit

In case of an interruption, audit can be continued after corrective actions, earliest after 3 months.

**Assessment criteria**

Assessment criteria are presented in self-assessment. Forms are delivered to auditee by the lead auditor.

Assessment criteria are divided in nine sections and presented as questions. Areas covered by the criteria are occupational Health and Safety, Environment and Quality as well as some general issues at company level.

The maturity is assessed in both self-assessment and the actual audit in the following manner:

%	Practises	Application	Improvement
0	None or occational	Not applied or individual plans to carry out actions.	None (or occational) evidence of improvement
25	Some practices that support the criterion and serve supplier or buyer The operation principles have been partially agreed on.	Application is partial and fulfills legal obligations. The assessment grounds have been followed repeatedly.	Evidence of some monitoring practices, e.g. some data is being collected. Isolated examples of performance indexes.
50	Practises are planned, defined and controlled.	Application is systematic and planned. Deliveries have been successful.	Measurements are used and data is collected. Processes have been reviewed and improved. The effectiveness has been assessed.
75	The operation of the organization is at an outstanding level.	Application is done widely.	The principle of continuous improvement is fully used. Performance monitoring is systematic and there is evidence of improvements to practises.

%	Results
0	No or single evidence results
25	Some performance indexes or statistics are used. Some goals have been set. A positive trend and good results can be seen in some of them. Some performance indexes reach the “average” in the industry.
50	Positive improvement and/or good results in about half of the key performance indicators, measurements and statistics. About half of the goals have been reached. About half of the results are above average.
75	Positive trend and good results in many KPIs. Targes have been set to applicable goals and results are reached in 75% of the cases. Comparison to other companies show excellency.

The scale of the above table is cumulative, where requirements of the lower level need to be fulfilled before acceptance of the next level. To get high scores requires proof of application. This means documented information as evidence (e.g. memos, project plans, check lists, etc.)

If a required practices is not applicable to the auditee, the question may be skipped with comments. In this case, the results will not include this particular question and thus the final result will not be affected.

**Assesment proceedings**

1. Initial meeting 0..30 min,
2. Introductions
3. Induction to the HSEQ method
4. Short presentation of the company and short tour of the facility (max. 10 + 20 min). A more detailed site visit may be held later during the day.
5. If the company presentation provides answers and evidence to many criterion, the presentation may be extended to max 60 min
6. HSEQ –assessment, including all viewpoints will take app. 6 hours
7. Lead auditor may arrange a short consensus discussion with the audit team to prepare for the final meeting. Non conformities and recommendations will also be prepared.
8. Final meeting is held to present the general view of the company, findings and agree of the next steps.
9. The HSEQ -report is finalized after the visit and delivered to both auditee and the audit team by the lead auditor.