

HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

(PROCESS DESCRIPTION)

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OBJECTIVE:

The main goal of this regulation is to define the Health, Safety and Environment requirements in MOL Group in order to support the execution of the business strategic objectives.

SCOPE:

MOL Group

(MOL Plc. and controlled, operative subsidiaries involved into matrix operation.)

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DATE OF EFFECT: 27 May 2024

The provisions of this Regulation are obligatory and binding for affected employees, and all the annulled regulation becomes invalid.

CLASSIFICATION: C2

VERSION: 4

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KEY PERFORMANCE INDICATORS AND KEY CONTROLS: N/A

TRANSITIONAL PROVISIONS: N/A

RELATED INTERNAL REGULATIONS

Identifier	Title	Description of Relationship
HSE	Health, Safety and Environment Area Book	Contains HSE Area processes, process indicators and main principles.
GOV5.1_PD1	Development & Maintenance of Regulations	Regulations justified by the HSE Management System must be issued in line with regulation preparation principles.
LOG3.1_PD1	Contract Management in Transportation (Process Description)	Defines additional Transportation specific HSE rules
HSE2.4_LOG_PD1	HSE Manual for Logistics Operations (Process description)	Defines additional Logistics operation specific HSE rules
HSE_RET_PD1	HSE Manual for Retail Operations (Process description)	Defines additional Retail operation specific HSE rules
HSE1.5_PD1	HSE Compliance Audit Process Description	A documented risk-based Audit Program is established both on a Group and on relevant Country and OpCo levels to ensure compliance with Group HSE Management System requirements.

RELATED EXTERNAL REGULATIONS

Identifier	Title	Description of Relationship
TDSF	Truck drivers' safety fundamentals	Appropriate controls are established and implemented to prevent road accidents in line with road safety principles. Related to heavy vehicle transportation are followed
ADR, ADN, RID, IMDG Code, IATA DGR	European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) European Agreement concerning the International Carriage of Dangerous Goods by Inland (ADN) International Carriage of Dangerous Goods by Rail (RID) International code for the maritime transport of dangerous goods (IMDG) The global reference for shipping dangerous goods by air and the only standard recognized by airlines (IATA DGR)	The transportation of dangerous goods (HAZMAT) ensured or contracted by MOL Group member companies is in line with MOL Group best practices and national and/or international standards related to the carriage of dangerous goods.
EU ETS	EU emissions trading system	Planning, forecasting, monitoring and reporting process is implemented for installations that come under the European Union Emission Trading Scheme
ISO 14001	International standard for environmental management systems	Compliance with the requirements
ISO 45001	International standard for health and safety at work	Compliance with the requirements
IOGP	International Association of Oil and Gas Producers	Follow the specific industry recommended practices



IADC	International Association of Drilling Contractors	Follow the specific industry recommended practices
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ANNULMENTS

Identifier	Title	Version Number	Date of Effect
HSE1.1_PD1	Health, Safety and Environment Management System	3	26 June 2023

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1 DESCRIPTION OF HSE MANAGEMENT SYSTEM

1.1. GENERAL

Scope: Group HSE MS is developed to:

- cover relevant HSE topics in a single document;
- be relevant to all of the activities of the Group;
- be sufficiently generic to be adaptable to different operational activities;
- recognise, and be applicable to the role of contractors and subcontractors.

Implementation: MOL Group HSE MS is to be followed by all MOL Group companies, for all types of operations and projects; and manages operational integrity through the lifecycle of the assets. The requirements included in this Process Description (PD) are mandatory from the date of effect for all MOL Group companies and they should implement them using the following steps:

- Run a prior gap analysis (self-assessment based on the set of expectations of each element) in 6 months after the date of effect, sent to Group HSE for information,
- Develop a program for the compliance with the provision of this Process Description. Send to Group HSE for approval.

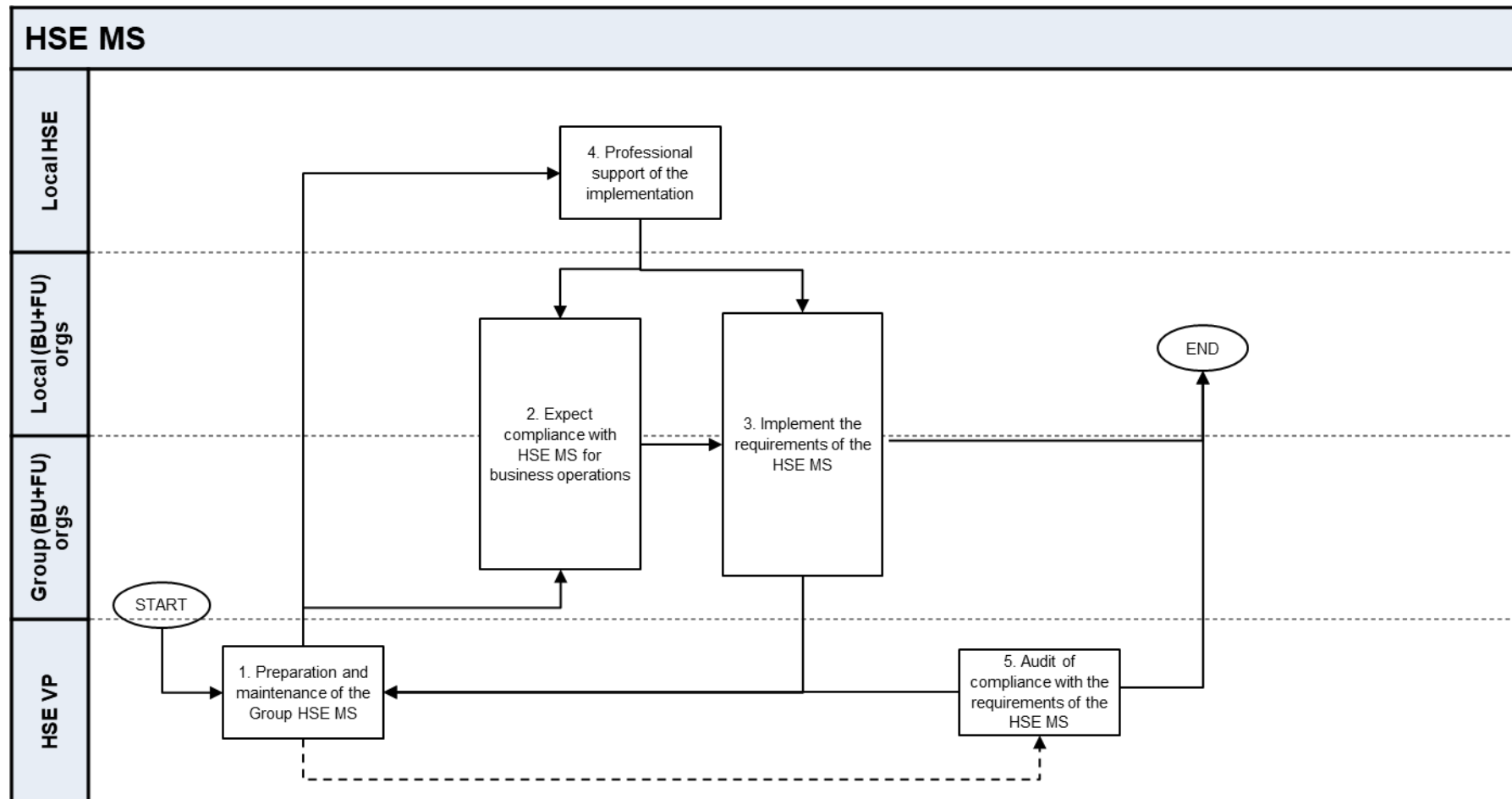
In case of newly joining (acquired) companies **an integration period of maximum three years** is considered depending on maturity of its HSE management system, in order to catch up with the relevant Group level requirements. Although within this period the defined HSE reporting is relevant, the HSE performance is not included into overall MOL Group HSE performance.

HSE legal compliance issues and **regulatory requirements** are not aimed to be covered within the frame of this Process Description– that is regarded as a baseline of HSE operation and must be regulated by the individual legal entities (in their respective local regulations).

In case there is a contradiction between this Process Description and the local legal requirements, the local legal requirements must be followed, unless this Process Description defines stricter rules.

If a MOL Group company has a management system in place established in line with other standard-based management system(s) e.g. ISO 14001, ISO 45001 or other specific industry recommended practices (e.g. IOGP, IADC), this local management system must be fully harmonized with MOL Group HSE MS requirements.

1.2. OVERVIEW OF THE HSE MANAGEMENT SYSTEM DEVELOPMENT AND IMPLEMENTATION PROCESS



#	Process step	Process description	Responsibilities	Connected Documents and Templates
1.2.1	Preparation and maintenance of the Group HSE Management System	<p>MOL Group HSE is responsible for defining the minimum requirements of appropriate HSE management applicable for all businesses and operations across MOL Group. These requirements are summarized in one standalone document called the HSE Management System. The requirements are summarized in chapter 2. of this Process Description.</p> <p>Group HSE Vice President is responsible for issuing the HSE Management System. The content of the Management System has to be consulted within HSE and other functional units as well as business units. All organizations must be consulted in order to allow them to identify their respective role in helping the compliance of operations with this management system.</p> <p>This regulation has to be reviewed and if necessary updated at least every two years in line with corporate governance principles. At the same time the HSE Management System Requirements (chapter 2) must be reviewed when necessary either based on internal changes and, in order to be continuously in line with the accepted international trends, but at least every five years.</p>	<p>R – HSE VP</p> <p>C – Group orgs (BU+FU)</p> <p>C – Local HSE</p> <p>C – Local orgs (BU+FU)</p>	
1.2.2	Expect compliance with the HSE Management System	<p>All MOL Group leaders must be aware of the content of the HSE Management System. The leaders, especially business and functional Area Owners on Group level must ensure that the compliance with the HSE Management System is a priority for all operational sites and operating companies and that HSE is integrated in the daily business operation and development. Besides expectation setting they shall support decisions needed to fulfil the requirements whenever it is possible. The expectation setting from the Group level business leaders can take various forms which are outlined in point 8 of Element 1.</p> <p>HSE shall be consulted in this task and has a responsibility to give the support to the area owners (e.g with necessary information) that is needed for them to represent HSE in their businesses.</p>	<p>A – Group orgs (BU+FU)</p> <p>R – Local orgs (BU+FU)</p> <p>C – HSE VP</p> <p>C – Local HSE</p>	

#	Process step	Process description	Responsibilities	Connected Documents and Templates
		Group level leaders have an outstanding role in creating and maintaining a strong HSE culture within their businesses on all levels.		
1.2.3	Implement the requirements of the HSE Management system	All leaders but particularly the leadership team of operative sites and operating companies have a responsibility to ensure compliance with the expectations of the HSE Management Systems that are defined in chapter 4 of this Process Description. This means both that the principles of the Management System shall be followed in the everyday activities and also that wherever necessary and possible the requirements of the Management Systems have to be translated into regulations and procedures or have to be integrated into existing ones.	A – Group orgs (BU+FU) R – Local orgs (BU+FU) C – Local HSE I – HSE VP	
1.2.4	Professional support of the implementation	HSE experts and leaders at all levels must ensure through information and trainings that business leaders are familiar and comply with the HSE Management System requirements. Additionally detailed HSE regulations – that are necessary to ensure compliance with the principles of the HSE Management System – have to be prepared and issued by local HSE organization and be kept continuously up to date. Such regulations must be issued in line with regulation preparation principles (Regulation Management GOV5.1_PD1).	R – Local HSE C – Group orgs (BU+FU) C – Local orgs (BU+FU) C – HSE VP	
1.2.5	Audit of compliance with the requirements of the HSE management System	HSE organizations operate audit procedures to survey compliance with the HSE Management System and/or external legal requirements. HSE Vice President is responsible for the planning and implementation of the audits. The annual audit plan and the audit results are consulted with business leaders locally and on group level. All audits aim to identify corrective actions (as well as good practices that can be shared) and the organization responsible for the audit must follow up the closure of those actions. The implementation of the actions identified during the audits is the responsibility of the operational site or company that was the subject of the audit.	R – HSE VP C – Group orgs (BU+FU) C – Local orgs (BU+FU) C – Local HSE	

2 HSE MANAGEMENT SYSTEM REQUIREMENTS

ELEMENT 1: Leadership, Commitment & Accountability

Management, workforce and contractors understand their accountabilities aligned with job responsibilities, authority levels and performance objectives, and they demonstrate leadership and commitment to the Group-level HSE and Social Impact Policy through visible and effective HSE management.

1. All individuals in MOL Group are personally responsible for supporting HSE goals.
2. Leaders are committed advocates and owners of the HSE Management System, with no compromise on its implementation and execution.
3. Leaders demonstrate integrity, communicate openly, are role models and foster an environment where people openly provide feedback.
4. Leaders are pro-actively involved and visibly contributing to the risk management, implementation and continuous improvement of processes and systems.
5. Leaders support a strong HSE culture, establish HSE strategy, strategic objectives and action plans, and provide clear direction to guide the organisation in sustaining responsible operating practices.
6. Systems for HSE management are established and sustained throughout the organisation.
7. Roles and responsibilities are clearly defined; authorities and accountabilities are assigned and exercised.
8. Leaders are fully aware of and demonstrate visible leadership and proactive commitment towards HSE excellence through:
 - a) setting a personal example that can be followed;
 - b) communicating HSE requirements to employees clearly;
 - c) empowering individuals and teams to fulfil their HSE responsibilities;
 - d) valuing competency, recognizing and utilizing expertise;
 - e) open, transparent and effective communication;
 - f) discussing and reviewing progress against HSE targets;
 - g) demonstrating personal participation in HSE initiatives;
 - h) recognising good practice;
 - i) applying appropriate rewards and consequence management; and
 - j) ensuring regular personal presence on site.
9. Leaders are committed to ensuring an organizational culture that enables safe, reliable, responsible operations and allows for continuous improvement.
10. Leaders integrate HSE targets into their business targets as well as personal actions into business and personal performance evaluation systems and personal action plans of their direct subordinates.
11. Employees are committed to undertaking activities in accordance with company policies, standards and objectives, and in compliance with external requirements.

12. Leaders engage in clear, two-way communication with employees, contractors and third parties about HSE issues.
13. Employees, contractors and customers are aware of the proper HSE behaviour expected from them, and the consequences of inappropriate conduct.
14. Systems are in place to recognize, reinforce and reward HSE performance, innovation, initiatives and desired behaviour.
15. Commitment is made to learning from internal and external sources through processes that continuously reduce risk and improve performance.

ELEMENT 2: Risk & Change Management

Systems are in place to identify, assess, manage, regularly review and document HSE-related hazards and risks associated with MOL Group activities to prevent or reduce the likelihood and/or consequences of incidents. Planned and unplanned changes to MOL Group activities are identified and properly managed from a risk perspective.

1. A company-wide risk assessment system is in place to identify, assess, manage, regularly review and document hazards and risks related to operations.
2. Risk assessment is conducted by competent personnel with appropriate knowledge and experience. The methodology used for risk assessment is selected in accordance with the complexity of the assessed activities/workplaces.
3. Identified risks, preventive, control and mitigation measures are documented and a tracking system is in place that facilitates regular reviews to ensure that risks are properly managed. Risk mitigation measures follow the hierarchy of elimination, substitution, engineering control, administrative control and personal protective equipment.
4. A management-of-change process is in place to assess, control and manage all critical changes to organization/personnel, technologies, facilities and processes. All changes in operations, processes and activities are accordingly re-assessed from a risk perspective. Risk assessments related to changes are subject to the same rigorous review that is applied to new processes and activities.
5. Identified risks, preventive, control and mitigation measures are communicated to all relevant employees and affected parties.
6. Environmental risks and impact of the operation are identified and assessed. In order to minimize medium and high risks and impacts, action plan is developed and implemented. (for more detail, please see the Appendix 3).

The detailed requirements related to risk and change management are regulated in Appendix 3.

ELEMENT 3: Competence, Training & Behaviour

Employees, contractors and third parties are aware of relevant HSE requirements, hazards, risks and controls, and are competent at conducting their activities and behave responsibly. Competencies are regularly assessed.

1. Recruitment, selection and placement processes are in place ensuring that personnel are qualified, competent and physically and mentally able to meet job requirements.
2. The legally required HSE qualifications are obtained by individuals in specific jobs.
HSE and Process Safety critical jobs and relevant competencies, including training needs, are determined and related criteria are included in job descriptions.

3. New hires are trained about HSE rules relevant to the given positions before starting work individually. When returning to work after more than 1 year off work, employees are regarded as new hires and trained accordingly.
4. Employee, contractor/supplier and visitor HSE and process safety competencies and training needs are identified, documented and periodically reviewed.

Written procedures exist to govern HSE Competency Assessments and Training procedures at company level.
5. Contractors/Suppliers working permanently or temporarily on MOL Group sites are adequately trained.

Visitors and others not permanently working for MOL Group are informed about basic local HSE rules (before entering sites).

The HSE Leadership approach is expected of all leaders who manage teams (supported by dedicated trainings, education).
6. Following any serious incidents (Severity 3 or above and HiPo), the affected local department leader(s) ensure(s) additional training about the lessons learned to prevent recurrence.
7. A culture is maintained where behaviour-based processes for reducing the risk of incidents, including personnel safety, process safety and environmental considerations, are in place. It is expected that:
 - a) employees and contractors consistently recognize and proactively mitigate operational, procedural, and physical hazards;
 - b) employees and contractors proactively and routinely identify and eliminate their at-risk behaviours and those of their co-workers;
 - c) everyone understands their responsibility to “Stop and Intervene” and is motivated to apply Stop Work Authority during any activity in which risk is not adequately controlled or refuses to work in circumstances that may cause HSE harm;
 - d) HSE near-misses, unsafe acts and unsafe conditions are reported and mitigated, and relevant learnings are shared on relevant local levels.

The detailed requirements related to competence, training and behaviour are regulated in Appendix 4.

ELEMENT 4: Contractor Management

Contractors are assessed for their capabilities and competencies and selected to perform work for / on behalf of MOL Group where they are monitored to ensure their HSE performance is in alignment with MOL Group requirements.

1. Hazards and risks associated with working environment and contractor activities are identified, assessed, communicated and managed throughout the procurement process and the entire duration of contracts; the HSE risk category of contractual work is defined before any tendering process. Linguistic differences are not an obstacle to effective hazard communication.
2. Contractors are qualified and audited, depending on the HSE risk category of the activity.
3. HSE experts are involved into tenders/sourcing processes, depending on the HSE risk category of the activity.
4. Interfaces between contract owner/site owner and contractors are identified and managed.

5. Area owners are responsible for ensuring a safe working environment for contractors (e.g. energy isolation). Contractors are aware of the technological hazards and mobilize their workforce prepared with risk mitigation measures.
6. Trainings for contractors are efficient, practical and interactive (including site/project/work specific trainings, e.g. HSE plan training). Trainings are available at least on local language and in English, but preferably/ possibly on the language of foreign staff to be trained as well. Minimum knowledge is defined and strictly tested.
7. It is ensured that Contractors are in control of their own activities; that they perform on-site supervision, its regularity depending on the risk category.
8. Our own staff and our contractors are treated equally.
9. The principles that support the application of progressive discipline/consequences are followed in case of HSE rule violations.

Contractors are encouraged (e.g.: using clear requirements, a bonus/malus system) to report unsafe acts, conditions, near-misses and HSE incidents.

The performance of key suppliers who undertake safety-critical activities is monitored using performance indicators agreed with the supplier. Fair and consistent consequence management is applied in case of non-compliances.
10. A system for the post-evaluation of the HSE performance of Contractors involved in medium and/or high risk category contracts is in place.
11. Operations assess the opportunity to support key suppliers who perform high-HSE risk category work to evaluate and improve their HSE culture, processes and awareness. Regular communication network is maintained with HSE relevant Suppliers. Feedbacks are regularly asked from Suppliers regarding to applied HSE requirements. Suppliers' relevant managers are involved in frequent joint site visits and also in Leadership engagement trainings.
12. Systems and practices are implemented for recognition of exceptional contractor's (employee or working group) HSE performance.

The detailed requirements related to contractor management are regulated in Appendix 5.

Transportation operation specific Contract management requirements are regulated in LOG3.1_PD1 Contract management in transportation.

ELEMENT 5: Design & Construction

The assessment and management of process and HSE risks are an integral part of project design and construction, enabling sound HSE performance throughout the planning, construction and commissioning of facilities.

1. Criteria, specifications and standards for the design, construction/selection, commissioning and modification of assets and their associated facilities, equipment and materials are defined to address risks and verify conformance throughout their lifecycle.
2. For all greenfield and brownfield investment where at least 25% increase in environmental emission is expected (new activities, facility developments and/or significant modification of existing operations) environmental and social effects are assessed via Environmental and Social Impact Assessments (ESIA) in the required depth. Action plan is the part of the ESIA in order to minimize impacts, and operator is responsible for the implementation.
3. For all major projects, risks of the climate change are assessed during the design phase. Guidelines for the assessment are available in the [Group HSE Toolbox](#). Based on the result of the risk assessment action plan is prepared and project manager is responsible for the implementation.

4. Review processes are designed to ensure that HSE risks and related considerations are effectively identified, addressed and documented.
5. Operational, maintenance, process safety and HSE experts are involved early in the project/design phase as team members. All available experience and lessons learned from previous projects and operations are integrated at an early stage.
6. A commissioning plan that incorporates HSE risk management and defines responsibilities and competencies is documented and approved. The plan ensures that the facility, plant and equipment conform to the required standards for start-up and operability.
7. Besides all commissioning requirements, a Pre Start-up Safety Review (PSSR) is conducted and documented to confirm that the facility/technology is safe to start-up.
8. Over the asset lifecycle, all records/documents pertaining to design, equipment documentation (as built), technology and HSE risk assessment, quality assurance/control, testing and inspection, change and PSSR issues are retained.

ELEMENT 6: Operational and occupational safety

6/A Operational safety

Maintain operational reliability and integrity throughout the whole lifecycle of our assets by use of clearly defined and documented operational and structured maintenance and inspection programs. This requires effective procedures, reliable safety-critical equipment, and adequate and competent human resources who consistently execute these procedures and practices.

1. Comprehensive programs and safe systems for operational, maintenance and inspection work are established, implemented and maintained with consideration of Human Factors to ensure that all health and safety related risks are adequately managed; additionally, assets, facilities and equipment are operated within their defined design and operating limits at all times. This requirement is communicated to all staff that operate, maintain, inspect and manage them.
2. There are processes for maintaining, replacing, testing, inspecting, calibrating, certifying and verifying the performance of assets, facilities and equipment. These activities are performed at frequencies appropriate to the level of risk, and deviations from specified criteria are managed.
3. Safety-critical operational processes and activities are identified and executed according to documented regulations to ensure appropriate control and safe operation. Safety-critical equipment is identified and tested and undergoes preventive maintenance.
4. A hazardous energy control and isolation process is established that ensures the health and safety of employees and contractors involved, and others who may be affected.
5. Systems are established, documented and maintained to ensure the operational readiness and integrity of systems before commencing work. Processes are in place to prepare for activities and to confirm that interfaces/handovers are established.
6. Procedures are implemented for managing the temporary disarming, deactivation or unavailability of critical alarm, control, shutdown, security and emergency response equipment and the reactivation of such devices in a timely manner.
7. An appropriate fire prevention system is operated and maintained to prevent circumstances evolving that may cause fires or explosions in operational areas.

8. Processes are implemented to prioritize operational, maintenance and inspection activities and to identify critical - including new and non-routine - tasks that require specific controls and competencies.
9. Processes are implemented to report and prioritize identified deficiencies and track the actions taken to resolve these deficiencies.
10. Assets are operated, inspected and maintained to achieve and sustain robust standards of integrity and performance throughout their lifecycle.
11. Processes are implemented to identify the necessary spares, support and testing equipment for critical structures, equipment and protection devices, and to ensure their availability when needed. A system is implemented to monitor, report and manage maintenance, inspection, testing and monitoring backlogs.
12. Procedures are implemented for the calibration and control of measuring and testing equipment and control systems, including the bump-testing of personal gas monitor devices.
13. Mechanical integrity programs are in place and stewarded to ensure the testing, inspection, and maintenance of equipment occurs.
14. Quality-assurance processes are in place, ensuring that facilities and materials that are received meet the designated specifications.
15. The long-term shutdown or abandonment of facilities is properly planned and managed.
16. A decommissioning plan is established prior to decommissioning, and its appropriate control/management is ensured.

6/B Occupational safety

We continuously maintain occupational safety by use of clearly defined and documented operational and structured work safety programs. This requires effective procedures and training of staff as well as reliable, adequate and competent human resources who consistently support these procedures and practices, while protecting the health of employees, providing adequate relevant medical services, and promoting healthy lifestyles.

1. A permit-to-work process is established that incorporates checks and authorizations that are consistent with mechanical and operational risks to ensure that hazardous and non-routine work is assessed, planned, authorized and carried out in a way that ensures the health and safety of the employees and contractors involved, as well as others who may be affected.
2. A hazardous energy control and isolation process is established that ensures the health and safety of employees and contractors involved, and others who may be affected.
3. Comprehensive health and safety programs for operational, maintenance and inspection work are established, implemented and maintained with consideration of human factors to ensure that all health and safety related risks are adequately managed.
4. Processes are implemented to prioritize operational, maintenance and inspection activities and to identify critical - including new and non-routine - tasks that require specific controls and competencies.
5. Processes are implemented to report and prioritize identified deficiencies and track the actions taken to resolve these deficiencies.

6. Appropriate controls are established and implemented to prevent road accidents in line with road safety principles. Truck drivers' safety fundamentals (TDSF) related to heavy vehicle transportation are followed.
7. The transportation of dangerous goods (HAZMAT) ensured or contracted by MOL Group member companies is in line with MOL Group best practices and national and/or international standards related to the carriage of dangerous goods (e.g. ADR, ADN, RID, IMDG Code, IATA DGR, etc.). Dangerous goods transportation Safety Advisers are appointed with responsibilities and accountabilities for all relevant transport modes.
8. Own staff as well as contractors follow life-saving and safe operating rules and exercise safe behaviour, as well as safe working practices.
9. Management ensures a process is implemented to provide personnel with appropriate personal protective equipment (PPE) appropriate to the task and level of risk, and they are trained and occasionally supervised on proper use.
10. Suitable and sufficient supervision exists to confirm that each activity and/or task is executed in compliance with plans and procedures and delivers the expected outcomes.
11. Procedures are implemented to ensure that information which is critical to safe and efficient operations is effectively communicated between all relevant personnel, including crew shifts and rotations.
12. Health exposures or risks (including ionizing radiation) are managed through preventive and protection measures. Occupational health and safety programs are implemented to ensure that the health and safety of employees is maintained and industrial hygiene and medical surveillance programs appropriate to the location and work activity are implemented.
13. First-aid facilities and/or ready access to adequate medical services is ensured at every site considering the local availabilities and complexity of operation as well as number of employees and remoteness of site (i.e. from basic first-aid to full-scale medics/paramedic intervention). An emergency off-site medical service (including medical evacuation) is available even at the most remote sites.
14. Formal programs for supporting fitness-for-duty, and for promoting health, wellness, work-life balance and return to work are in place.
15. Processes are in place to promote catering hygiene and where relevant, food and water safety as well.

The detailed requirements related to safe operation and maintenance are regulated in Appendices 6/A and 6/B.

Logistics operation specific HSE requirements are regulated in HSE2.4_LOG_PD1 HSE Manual for Logistics operations.

Retail operation specific HSE requirements are regulated in HSE_RET_PD1 HSE Manual for Retail operations.

ELEMENT 7: Environmental Stewardship

Our environmental footprint is reduced, natural values are protected, and climate-change-related risks are addressed. Environmental issues are addressed and controlled, consistent with policy, regulatory requirements and business plans. Environmental performance (including emissions, discharges and wastes) is tracked and stewarded to meet performance goals.

1. GHG emission plans that cover direct and indirect emissions are in place, monitored, and reported according to local legal requirements and MOL Group requirements.

A CO2 emission planning, forecasting, monitoring and reporting process is implemented for installations that come under the European Union Emission Trading Scheme – EU ETS (for more detail, please see Appendix 7).

An energy management plan is developed with the aim of reducing energy consumption, costs, and GHG emissions.

2. All air emission sources are included in an inventory, and key air emissions are monitored, controlled and reported and best available technologies for their reduction are considered.
3. Processes are in place to assess the impact of the current use of water sources in the long term and their availability (quantity and quality) for our operations, considering location-specific circumstances.

An assessment of the technical status of distribution and sewage networks is performed at least every fifth year.

At every site, all water consumers are identified and water-saving measures are considered at least every fifth year.

The identification of potential pollutants relevant to specific site operations is completed and appropriate water treatment technology is in place. All key water pollutants are monitored, controlled, reported, and measures are applied to reduce water pollution and minimize smells and odours from operations.

4. A hazardous and non-hazardous waste inventory and classification are developed, and kept up to date for each site/location.

A waste management programme is in place, containing as a minimum the identification of waste streams for each operation and feasible measures should be taken to minimize their volume and associated risks, incorporating the methods of reuse, recycle, recovery, pre-treatment and safe and permitted disposal.

Each operation must ensure that appropriate waste collection methods are in place (including for selective communal waste) and waste management techniques are applied to avoid soil and groundwater pollution and worker exposure. The responsibility of waste producers is exercised to ensure that handling and managing wastes is done in a proper and environmentally responsible way.

5. Each operations must ensure and regularly check the mechanical integrity of equipment to avoid any leaks or spills to environment, considering technical development and applying containment systems, operational monitoring and maintenance activities and all other necessary measures to prevent further damage.
6. Pre-existing soil and groundwater contamination at Group-owned sites (arising from past or current industrial activities) is addressed (for more detail, please see Appendix 7).

All sites are included in an inventory and are assessed and categorized according to a soil and groundwater hazard ranking. Assessments and hazard rankings are updated annually.

A remediation program describing the necessary actions, foreseeable financial demands, responsibilities and a timeline is developed for all sites ranked high/medium risk.

7. A Biodiversity Action Plan (BAP) is developed, implemented, and reviewed in the case of changes in operation/legal requirements at each site that is in/adjacent to an environmentally sensitive area, and its effectiveness is evaluated annually. The mitigation hierarchy (avoid, minimize, restore and offset) is kept in mind when preparing Biodiversity Action Plans.

Biodiversity Action Plans are taken into account at the project-planning phase.

8. A process is in place to inventory and assess the impact of all sources of light pollution, noise, vibration and odour. Measures are in place to mitigate the related impacts via the pollution pathway.
9. Before selling a property the status of the soil and groundwater is checked and environmental liability is managed based on an individual decision.

The detailed requirements related to environmental stewardship are regulated in Appendix 7/A and 7/B.

ELEMENT 8: Information & Documentation

All the information required to ensure accuracy and consistency when applying risk controls is documented and systematically maintained. The HSE impacts of MOL Group's products and services are assessed, managed and communicated to customers and users to enable their responsible use. The introduction of new products/substances into manufacturing or operational processes is controlled.

1. A process is in place to identify, access, track, review and understand all legal HSE requirements that are applicable to the company. Compliance with relevant legal HSE requirements is assessed regularly.
2. In case that a company has standard-based requirement system(s) in force, or other specific industry recommended practices (e.g. IOGP, IADC), such system(s) must be fully harmonized with MOL Group HSE MS requirements.
3. All the information required to ensure accuracy and consistency when controlling risk is documented and systematically maintained.
4. The information necessary for the identification and understanding of HSE hazards derived from MOL Group activities and operations is continuously documented and maintained in an up-to-date status.
5. HSE documents are established and maintained in accordance with identified legal and other requirements in line with the required risk controls.
6. HSE documents are supported by guidance or training as appropriate to enable effective implementation by competent resources.
7. HSE documents and information exist in languages understandable to affected employees, contractors and other parties.
8. Processes are in place to ensure the latest version of approved HSE documents are available at the point of use.
9. Product stewardship local processes identify risks related to dangerous substances/products at an early stage and manage those risks along the value chain (i.e. development, authorization, registration and restrictions on their manufacture, market distribution, use, disposal or recycle), thereby enabling adequate protection of human health and the environment.
10. New product assessments are locally conducted prior to introduction of product to market to identify and address HSE hazards and risk associated with their normal use and potential misuse.

Periodic re-assessments are conducted if product specifications change, including the identification and review of adverse effects that are reported or experienced. All the information that the company possesses throughout manufacturing and distribution for all dangerous products is collected and kept updated.
11. Local control processes are in place and operating to cover all aspects of the introduction of new products or substances into manufacturing or operational processes.

12. Processes are in place and operational to ensure that operating conditions and risk management measures as defined in relevant Exposure Scenarios materials and substances are included in relevant risk assessments.
13. Preparation and handling of Safety Data Sheets, packaging and labelling of products/goods is locally defined and controlled.
14. Local processes are developed to include a REACH-relevant clause in contracts for all chemicals that are procured.

ELEMENT 9: Stakeholder & Community Relations

Open, proactive and effective HSE communication and consultation is maintained with stakeholders regarding the HSE aspects of all of our business activities.

1. Open and proactive communication and consultation frameworks with all stakeholders are established and maintained during all stages of operation, including the phases of:
 - a) Project development;
 - b) Operation;
 - c) Abandonment/exit.
2. An HSE communication plan is developed, implemented and reviewed regularly. This is part of the existing Community Engagement Plan, where such exists.
3. External inquiries are collected, investigated and responded to; grievance management systems and mechanisms are created for all the phases of the operational life-cycle at all MOL Group sites.
4. The responsibility for HSE-related stakeholder communication and consultation is clearly defined by the site operation manager.
5. Safety Councils are set up and operated where mandatory, and additionally, where they can contribute to the improvement of occupational health and safety performance.

ELEMENT 10: Incident Management

Systems are in place to ensure that all HSE incidents are reported, recorded, investigated and analysed in a timely manner to prevent recurrence and improve performance. Corrective and preventive actions are defined, their effectiveness is evaluated and learning outcomes are shared.

1. HSE incidents are reported, recorded and their severity is classified based on their real and/or potential consequences.
2. Work related HSE incidents are investigated by a dedicated team. High severity incidents (severity 4-5) are investigated by a multi-functional team with the participation of an (organizationally) independent team leader. High severity or high potential (HiPo) events are pre-discussed with MOL Group HSE before official approval is given to reports.
3. The root causes of incidents are formally identified (severity 3-5, or even below, if requested). Corrective and preventive actions are identified and prioritized with the goal of eliminating or reducing the risk of recurrence of incidents and near-misses. Approved actions are implemented and implementation is tracked.
4. Lessons learned from incident investigations are shared across the organization with stakeholders and others, as appropriate, to prevent recurring incidents.

The detailed requirements related to incident management are regulated in Appendix 8.

ELEMENT 11: Emergency Preparedness & Response

Plans, procedures and resources are in place to effectively respond to emergency situations, to protect people/employees, the environment (including the workplace) and the public, and to preserve the company's assets and reputation.

1. Systems are in place to identify potential emergency scenarios and their likely impact, including on nearby operations and communities.
2. For identified significant scenario(s), emergency response plan(s) and related procedures are in place readily accessible and kept up-to-date. After major incidents, technology/site layout changes or other significant changes, emergency response plans are subject to revision.
3. Emergency resource plans for the above-mentioned scenarios define and describe all the necessary resources. Resources are kept readily available, maintained and tested/evaluated at least on an annual basis. The required supply of related equipment is ensured in a timely manner.
4. A proper communication system between emergency response members and units, as well as with external response services, is defined and established.
5. Emergency response plan(s) must be appropriately and regularly communicated (with associated training) to all affected employees and contractors.
6. Emergency rules are communicated to visitors and other relevant third parties in the necessary depth and format.
7. An annual plan for emergency drills is in place. Emergency response preparedness (including evacuation) is drilled at least on an annual basis to validate the relevancy of plans and resources.
8. In the case of emergency situations, the emergency response is initiated and carried out based on the emergency response plans.
9. Emergency response plans are updated based on evaluations and lessons learned.

The detailed requirements related to emergency preparedness and response are regulated in Appendix 9.

ELEMENT 12: Assurance, Monitoring & Improvement

HSE performance and systems are monitored, audited and reviewed to identify trends, measure progress, assess compliance and drive continuous improvement.

HSE Planning is an integral part of business planning with strategic objectives, goals and annual targets to drive performance improvement.

1. HSE planning is an integrated part of business planning; schedules are always harmonized with the MOL Group planning calendar.
HSE Planning at all levels is in line with the HSE and Social Impact Policy, approved HSE strategy (strategic objectives and actions), and with stakeholder expectations.
2. HSE performance in Businesses and in affected Functional Unit(s) is monitored, evaluated and reported using Group Performance Indicators and additional locally defined indicators if practicable to facilitate understanding of risk control/ barrier weaknesses and identify opportunities for improvement.
3. Annual targets defined in MOL Group companies, including in their Business and affected Functional Unit(s), including targets/ tolerable limits related to HSE performance.

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4. Annual HSE Action Plans (actions, tasks, projects and programs) are put in place and include the responsibilities, resources and time frames required to achieve annual HSE targets and strategic objectives; these should support HSE compliance improvement and HSE risk mitigation.

Annual HSE Action Plan(s) are approved by the highest-level leader directly responsible for the performance of the business unit / entity (local CEO, head of unit, etc.).
 5. Consolidated and interpreted performance information is used for management review, internal and external benchmarking and stakeholder communications and input for continuous HSE improvement actions and decisions.
 6. Companies conduct and document gap analysis (self-assessment) about their compliance with the MOL Group HSE Management System. This self-assessment identifies the required actions for compliance and is kept up-to-date.
 7. HSE Management System gap analysis (self-assessment), action planning, fulfilment on Country level is obligatorily conducted in case of new significant Group HSE requirements issued (e.g. Policy, Strategy, HSE MS, SOP, other requirement, (re-) issuance, etc.), new acquisitions, significant changes in operation or newly established companies to identify the actions necessary to comply with Group HSE requirements. This is done within the shortest period (max 12 months in case of existing companies, and max 36 months at new acquisitions or newly established companies). Group HSE is informed about the necessary actions and their status.
 8. A documented risk-based Audit Program is established both on a Group and on relevant Country and OpCo levels to ensure compliance with Group HSE Management System requirements. ([HSE1.5_PD1 - HSE Compliance Audit Process Description \(v1\)](#) and *HSE Compliance Audit protocol*)
 9. HSE Due Diligence is performed before any company acquisition, divestiture (in case of business decisions) or merger. Such HSE Due Diligence identifies risks and potential costs related to all HSE issues at the company or site that is concerned.

BUSINESS RULES

All recommended reference documents (including but not limited to Compliance checklists; Recommended practices; Templates; Process methodologies; Training materials, etc.) are stored in the [Group HSE Toolbox](#), and their application is strongly recommended.

3 RECORDS

Record identifier	Title
HSE1.1_PD1_v4_R1	HSE Compliance Audit protocol

4 APPENDICES

Appendix number	Appendix title
Appendix 1	List of modifications
Appendix 2	Glossary
Appendix 3	Detailed rules on Risk & Change Management (Element 2)
Appendix 4	Detailed rules on Competence, Training & Behaviour (Element 3)
Appendix 5	Detailed rules on Contractor Management (Element 4)
Appendix 6/A-B	Detailed rules on (A) Safe Operation, Maintenance & Fire safety and (B) Detailed rules on Occupational Safety (Element 6)
Appendix 7 A-B	Detailed rules on Environmental Stewardship in (A) GHG management and (B) soil and groundwater remediation liability management process (Element 7)
Appendix 8	Detailed rules on Incident Management (Element 10)
Appendix 9	Detailed rules on Emergency Preparedness & Response (Element 11)
Appendix 10	Cross reference with standard based HSE Management Systems

LIST OF MODIFICATIONS

Version No.	Description of change	Date of effect
1	New version	21 October 2019
2	Updated and supplemented main Group HSE rules, separated content of Annex 6 (Operational safety in 6A and Occupational safety in 6B).	20 December 2021
3	<p>SD&HSE organization name changed for HSE</p> <p>Updated and supplemented main Group HSE rules, separated content of:</p> <p>Record 1 transferred to HSE Management System Regulation, new form introduced: HSE Compliance Audit Protocol)</p> <ul style="list-style-type: none"> - Annex 6 (Operational safety in 6A and Occupational safety in 6B (Element 6) <ul style="list-style-type: none"> o Fire Safety o Pressure tests - Annex 7 (Detailed rules on Environmental Stewardship (Element 7) - Annex 8 (Detailed rules for Incident Management (Element 10) - Annex 9 (Detailed rules on Emergency Preparedness & Response (Element 11) 	26 June 2023
4.	Modification of Appendix 7 . The appendix has been divided into Appendix 7/A – Soil and groundwater remediation liability management and Appendix 7/B – CO2 management. There are no changes in the Appendix A, in the Appendix B the is updated according to the new rules of the revised EU ETS Directive.	27 may 2024

GLOSSARY

Term	Definition
ADN	European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways.
ADR	Agreement concerning the International Carriage of Dangerous Goods by Road
Affected employee	He/she is a person who works in an area in which the energy control procedure has been implemented.
ALARP	As Low As Reasonable Practicable. For a risk to be ALARP it must be possible to demonstrate that the cost involved in reducing the risk further would be grossly disproportionate to the benefit gained. It is more a best common practice of judgement of the balance of risk and societal benefit.
Annual Action Plan	It is a detailed framework indicating the responsibilities and ways and means of achieving established objectives within the allocated time span.
Area handover	Documented procedure where the work area or equipment (asset) and certain roles and responsibilities are fully or partially handed over by the area/asset owner or operator to the Contractor or MOL Group Company.
Area owner	A MOL Group Company organisation which is the owner and/or operator of the asset/equipment used for implementing the given task or operation (project, reconstruction, maintenance, etc.).
Assessment	A systematic and documented review of the effectiveness of implementation of HSE processes, programs and process regulations based on general process criteria and the professional judgment of experienced assessors.
Audit	A systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the management systems audit criteria set by the organisation are fulfilled.
Change	A deviation, either permanent, temporary, or incremental, from a currently established baseline, or anything that is or may be substituted for something else. This includes changes to personnel, processes, systems, plant and equipment, technology, documents, risks, legislation, commitments, obligations, other requirements, and external

Term	Definition
	environmental, physical and social factors affecting or affected by the organisation.
Clearing a system	Any activity involving equipment isolation from all potentially harmful energy sources, including liquid, gaseous and electrical, including depressurization or draining, flushing and all other appropriate steps necessary such that the equipment is safe for maintenance to proceed.
Closure	The process and activities related to the cessation of the operating life of an operation following a decision to close the operation which ends following abandonment, decommissioning, rehabilitation and, if required, remediation.
MOL Group member Company (OpCo)	A Company in the MOL Group, or a company or other legal entity where MOL has operational control.
Company premises	MOL Group premises are locations, equipment, activities, or projects that are owned, operated, leased, or controlled through rights secured by MOL Group or its joint ventures or consolidated subsidiaries.
Complex works	Works (e.g. entire project or order etc.) lasting longer than 120 man-days and involving more than 2 contractor simultaneously (including all contractors and subcontractors; this usually means works such as constructions, demolitions, turnarounds, large tank cleanings, installations, pipeline lying, seismic, oil/gas drilling etc.). Range of complex works can be extended locally if stringent conditions are defined by local legal regulations or based on local consideration of hazards/risk of the area/activity involved.

Term	Definition
Contractor	<p>A company or an individual engaged by a MOL Group Company to carry out specified work. These are typically facility/construction contractors (companies providing project-oriented facilities type work such as construction, demolition, rearrangement, equipment installation etc.), vendor on premises (contractors providing definable activities such as shipping operations, food services, medical services, manufacturing, drilling etc.), service contractors (companies performing installation and maintenance services). This definition includes all levels of subsequent subcontractors. Mode of contracting:</p> <ul style="list-style-type: none"> • Mode 1: On-site contractors - examples include usually contractors working at MOL Group technological/operational sites, such as maintenance, construction, demolition, rearrangement, equipment installation etc. <p>The contractor provides people and tools for the execution of the work under the supervision, instruction and HSE Management System of the MOL Group.</p> <ul style="list-style-type: none"> • Mode 2: Off-site or open site (e.g. exploration/production blocks) contractors - examples include usually contractors working outside MOL Group technological/process sites, such as drilling, seismic, well workover, transportation companies (hauliers), off-site construction (e.g. green field etc.). Case-by-case it must be decided whether circumstances and/or contractual conditions are not qualifying off-site contractors as Mode 1. <p>The contractor executes (all) aspects of the job under its own HSE Management System, provides the necessary instructions and supervision and verifies the proper functioning of its HSE Management System. MOL Group is responsible for verifying the compatibility and effectiveness of the contractor's HSE Management System controls with MOL Group HSE Management System via pre-qualification scheme defined by this Regulation (if contract risk category level can be defined), or by other relevant business scheme. It must be clarified in the contract (e.g. in form of a bridging document) what elements of MOL Group HSE Management Systems will be followed by the contracted party.</p>

Term	Definition
	<p>Retail Service Station partners/operators are not considered as Contractors based on this Regulation, however they must follow some elements of MOL Group HSE Management System as defined in business rules and contracts.</p> <ul style="list-style-type: none"> • Mode 3: Contractor operates within its own HSE Management System that has no interfaces with the MOL Group HSE Management System and is not required to report HSE performance data including incidents to MOL Group. Examples include utility providers (e.g. telephones, electricity, sewage, water supply), recruitment agencies, advisory organisations, material/shop goods suppliers etc.
Corrective action	<p>Action designed to correct an undesirable HSE non-conformity or defect against the management system. Examples of them may include breakdown of controls, non-conformance with MOL or regulatory requirements, accident, injury, illness, fire, release to the environment or other HSE-related loss, undesirable trends in HSE metrics, etc.</p>
Critical lifting	<p>Lifting operations which include any of the following are considered critical lifting:</p> <ul style="list-style-type: none"> • Lift over hazardous equipment or technology in operation (e.g. equipment containing hazardous material), or in hazardous areas (e.g. ex-zones, over power lines), or • Load exceeds 80% of crane load capacity, or • Lifting maneuvers involving simultaneously two or more cranes, or • Lifting of personnel, or • Lifting of special loads such as structures, mobile cranes, or • Where the preparation of a Lifting Plan is required by national law or local internal regulation.
Dangerous goods	<p>Dangerous goods are solids, liquids or gases that can harm people, other living organisms, property or the environment if released without necessary precautions being taken and/or if improperly stored, shipped, or handled. They are often subject to chemical regulations. Personnel specially trained to handle dangerous goods, which include materials that</p>

Term	Definition
	are radioactive, flammable, explosive, corrosive, oxidizing, asphyxiating, biohazardous, toxic, pathogenic or allergenic. Also included are physical conditions such as compressed gases and liquids or hot materials, including all goods containing such materials or chemicals, or may have other characteristics that render them hazardous in specific circumstances. They are materials that transportation of which is prohibited by Codes of ADR/RID/ADN/ICAO/IMDG or other national and/or international regulations and/or permitted only subject to conditions.
Dead Work	Activity in which a worker makes contact with de-energized system
Enablon	It is a Data Management System (Data MS) used at MOL Group, a software for creating and managing data. Enablon provides users with a systematic way to create, retrieve, update and manage data.
ESIA	Environmental and Social Impact Assessment. The purpose of the ESIA is to assess and predict potential adverse social and environmental impacts and to develop suitable mitigation measures, which are documented in an Environmental and Social Management Plan (ESMP)
Decommissioning	Planned shut-down or removal of a building, equipment, plant, etc., from operation or usage
Detailed investigation	<p>Refers to root cause analysis which can be performed using different methodology, for example TRIPOD. The main parts should include:</p> <ol style="list-style-type: none"> 1. General information (site details, incident description) 2. Investigation team composition 3. Consequences 4. Sequence of events, failed barriers, root causes/latent failures 5. Findings of the investigation 6. Improvement measures (responsible persons & deadlines) 7. Attachments (evidence, reports etc.)
Emergency	An abnormal occurrence that can pose a threat to the safety or health of employees, customers, or local communities, or which can cause damage to assets or the environment.

Term	Definition
Emergency drill	An exercise intended to train people on duties and escape procedures to be followed in case of emergency.
Energy isolation	Energy isolation includes works that lead to isolation (closing, emptying, releasing, discharging, etc) of hazardous energies such as chemical (hazardous material), electrical, pressure, mechanical, hydraulic, thermal, gravitational, pneumatic or other intensity of which could endanger health and/or life of personnel by unexpected release of hazardous energy.
Energy isolating device	A mechanical device that physically prevents the transmission or release of energy (Lock-out).
Environment	Surroundings in which MOL Group operates, including air, water, land, soil, natural resources, flora, fauna, habitats, ecosystems, biodiversity, humans (including human artefacts, culturally significant sites and social aspects) and their interaction. The environment in this context extends from within an operation to the global system.
EU ETS	European Union Emission Trading System
EX-proof tools	Equipment and tools designed and certified to be used in different EX Zones .
Personal Fall Restraint Systems (PFRS)	A system consisting of a body harness or belt and a fixed length lanyard attached to a lifeline and/or anchorage that prevent the user from reaching a position where a fall from height hazard exists.
Fatality	<p>Death of an own or Contractor employee resulting from work-related injury or occupational illness within 12 months of the incident. Death of a third-party person is considered as work-related if it involves:</p> <ul style="list-style-type: none"> a) Company premises (e.g. a location, property, activity or project owned, operated, controlled or supervised by the company), or b) A location or operation (exclusive of Company premises) operated by others where the Company has 50% or greater working interest, or c) Road accident, independently on culpability of the company (own employee or contractor on company assignment). However, the preventability from company's side needs to be clearly defined.
Fire	Process Safety Event related Fire:

Term	Definition
	<p>Any combustion resulting from a LOPC, regardless of the presence of flame. This includes smoldering, charring, smoking, singeing, scorching, carbonizing.</p> <p>Other type of Fire</p> <p>An unplanned combustion. It includes electrical arcs that involve a subsequent fire or evidence of combustion (flame, smoke or charring).</p> <p>Note: All fires occurring on MOL Group technologies and/or assets are own fires. Fire occurring on contractors or third parties assets at MOL Group premises is counted as contractor or third party fire.</p>
Frequent drivers	Drivers on frequent business trips - This category includes drivers who use a car owned or leased by MOL on a permanent or regular basis for business purposes, as well as drivers of service or maintenance vehicles and drivers who frequently use their own car (minimum 2,000 km / month on yearly average) in order to carry out their work.
GHG – Greenhouse Gases	The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O). Less prevalent -- but very powerful -- greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF ₆). Reported as CO ₂ equivalent.
Earthworks	Any excavation, construction or other activity that results in penetration of the ground.
Guardrail systems	Systems providing passive fall protection by application of guardrails, such as scaffolds and fixed platforms.
Harm	A significant and/or long-lasting adverse impact on people, the environment or the community.
Hazardous area	Any area where hazardous materials or hazardous energy sources that have the potential to harm are or are likely to be present.
Hazardous materials	Hazardous materials are substances or mixtures that pose a health hazard, a physical hazard, or harm to the environment.
Hazardous process	Undesired, dangerous release of materials or energy (e.g., toxic or corrosive discharges, fires, and explosions) with potential for causing serious injury to

Term	Definition
	people and/or significant property or environmental damage.
Hazardous waste (HW)	Waste featuring one or several hazardous characteristics listed in the local applicable legislation. In MOL Group HW is categorized according to source of waste production: a) arising from normal operation b) emergency events c) resulting from construction/demolition d) from past operations.
Hazards	Source or situation with a potential for harm in terms of injury or illness, damage to property, damage to the environment, or a combination of these.
High pressure cleaning/ washing/ flushing	High pressure water (above 300 bars) industrial cleaning, and all blast cleaning (including the dry ice blasting as well) activities.
Hot work	Any work that generates sufficient heat to ignite combustible or flammable materials. These include, but are not limited to: use of open flame, welding, flame cutting, sawing, grinding, portable heaters, portable air blowers, sandblasting operations (static charges), some compressed air equipment such as jackhammers, saws or grinders, combustion engines.
HSE Competency Assessment	Assessment of employee's HSE competencies (knowledge, skills, abilities and behaviours) that influence one's jobs.
HSE documents	HSE related documents, either electronic or paper (e.g. procedures, work instructions, checklists, training tools, etc.) developed and implemented to provide HSE direction, guidance and requirements and ensure organisations operate in a safe manner and in compliance.
HSE event	An unplanned or uncontrolled outcome of a business operation or activity that has or could have contributed to an injury or illness, and/or damage (loss) to assets, the environment or company reputation. It does not include operations, maintenance, quality or reliability incidents which had no potential or actual HSE consequence.
HSE impacts	Any change that has adverse or beneficial effects on health, safety or the environment resulting from the organization's aspects. Some examples of impacts include toxication due to exposure to chemicals, asphyxiation in confined spaces, resource depletion from energy usage, pollution from air emissions, and environmental release during product distribution.

Term	Definition
HSE incident	An HSE event or chain of events that has resulted in injury or occupational illness or damage (loss) to assets, the environment or company reputation or environmental limit exceedance.
HSE non-compliance	A non-fulfilment of a requirement of a) HSE MS, policy, operational regulation and b) HSE related laws, legislation.
HSE plan	It is a plan prepared by the main contractor in cooperation with its subcontractor(s) and approved by the area owner with the aim to ensure that the conditions, circumstances, hazards and control measures etc. of the planned high risk complex works have been considered and involved parties are properly prepared for the activities.
HSE risk	Combination of the likelihood and consequence(s) of a specified hazard causing undesirable HSE event.
IADC	International Association of Drilling Contractors
IATA DGR	International Air Transport Association Dangerous Goods Regulations is a manual of global reference for shipping dangerous goods by air and the only standard recognized by airlines.
IMDG Code	International Maritime Dangerous Goods Code is accepted as an international guideline to the safe transportation or shipment of dangerous goods by sea.
Impact	Any change to the health and safety of people, the environment, the community or property, whether adverse or beneficial, wholly or partially resulting from an organization's activities, products or services.
Induction training	HSE Training provided to new employees by the employer in order to get familiar with all necessary HSE requirements and risks before starting work individually.
IOGP	International Association of Oil and Gas Producers
KPI	Key Performance Indicator
Line of defence	Any equipment, device or function what designation is to defend against the impact of an accident or unexpected hazard.
Live work	Activity in which a worker makes contact with energized parts or enters/ intervenes inside the live working zone with either parts of his or her body or with tools, devices or equipment. According to IEC 60050.

Term	Definition
Lockout device	A device that holds an energy isolating device in safe position (e.g. fuse locks, padlocks) or an energy isolating device that is by its nature fixed against unauthorized or accidental removal (e.g. blinds).
Lock-out/Tag-out procedure	A written document that contains those items of information an authorized employee needs to know in order to safely control hazardous energy during servicing or maintenance of machines or equipment.
Lone worker	An employee who performs a work activity that is intended to be carried out in isolation from other workers, without close or direct supervision, who are not audible or visible by anybody else and not expected that anybody else will visit him/her periodically or there is no immediate assistance if it is necessary.
Lone-working	Refers to situations where staff in the course of their duties work alone in the company, in the homes of individuals and/or they are physically isolated from colleagues, and without access to immediate assistance. This last situation may also arise where there are other staff in the building but the nature of the building itself may essentially create isolated areas.
Lower explosive limit (LEL)	The lowest concentration of a gas or vapour in air required to produce a flash of fire in presence of an ignition source like arc, flame or heat. Concentrations lower than LEL are 'too lean' to burn.
Management of change (MOC)	The systematic process for dealing with changes to manage HSE risk.
Near-miss	An HSE event or chain of events that has not resulted in injury or occupational illness and/or damage (loss) to assets, the environment or company reputation, but had the potential to do so in other circumstances.
Non-safety critical hot work	Any work activities that introduce potential ignition sources of any kind to the jobsite in a hazardous area and not defined under safety critical hot work. These include, but are not limited to, camera with battery/flash/motor, portable heaters, use of electrical/battery-operated equipment/devices/apparatuses/instruments that are not properly designed (i.e. intrinsically safe) in relation to the areas where they are to be used, driving vehicles into a classified hazardous area (e.g. CH tank impounding basins), etc.

Term	Definition
Observation	A systematic, independent and documented process for recognition of Unsafe Acts and Unsafe Conditions during execution of the regular jobs by employees.
Occupational Exposure Limit (OEL)	The upper limit of the acceptable concentration of a hazardous substance in workplace air for a particular material or class of materials. It is typically set by competent national authorities and enforced by legislation to protect occupational safety and health.
Permit to Work (PTW)	Is a written record that authorizes specific work, at a specific location, for a specific period of time. A PTW is an agreement between the issuer and the receiver, which documents the conditions, preparations, precautions and limitations before work commences.
PFAS	Personal Fall Arrest System. A system used to arrest the fall of a person in a fall from height. It consists of an anchorage, connectors, a full-body harness and the suitable combination of two lanyards, a deceleration device and lifeline.
PHA	Process Hazard Analysis
PPE	Personal Protective Equipment. All equipment (including clothing) which is intended to be worn or held by a person at work and which protects him against one or more risks to his health or safety (e.g. safety helmets, gloves, eye protection, high-visibility clothing, safety footwear).
Practical training	An HSE training in which participants are actively involved, they perform different HSE related training activities and learn by doing besides listening.
Preventive Action	An action designed to prevent or reduce the probability of occurrence of an undesirable HSE incident such as the breakdown of controls, non-conformance to MOL Group or regulatory requirements, accident, injury, illness, fire or other HSE related loss, etc.
Primary cause (Active failure)	Active failures, which are specific to the event and reflect to an occurrence that triggered the incident, can come about for many reasons, including human, organizational, and technical. Analyzing why the active failures came about is an important part of the investigation.
Procedure	A formal and documented combination of methods, steps and actions established by an organization to achieve specific results, behaviour or activity.

Term	Definition
Process	Any activity or set of related activities (including storage, manufacturing, use, handling, on-site transfer) and the associated equipment and technology.
Progressive discipline/consequence application principle	A principle that ensures that consequences are applied depending on the magnitude, frequency and severity of safety rule violation, unsafe act or creation of unsafe conditions. The disciplinary consequences usually vary from coaching, re-training, verbal warning, first written warning, final written warning, cancellation of work permit, banning from site, monetary penalty, dismissal, blacklisting etc. Normally the most stringent disciplinary actions must be applied in case of deliberate violation of Life Saving Rules.
Product stewardship	Product stewardship is a concept whereby health and environmental protection centres around the product itself, and everyone involved in the life-cycle of the product is called upon to take up responsibility to reduce its health and environmental impact.
Professional driver	Any heavy vehicle (vehicles greater than or equal to 3.5 tonnes of fixed chassis or articulated trailer) driver, bus driver or chauffeur.
PSM	Process safety management. Application of a management system and controls (programs, procedures, audits, evaluations) to a manufacturing or chemical process in a way that process hazards are identified, understood, and controlled so that process-related injuries and incidents are prevented.
PSM relevant operation	<p>Operation/process/technology which contains a threshold quantity or greater amount of hazardous chemicals (defined by local SEVESO or other comparable/relevant legislation, or by using selection method and calculation of selection number: "$s \geq 1$"). In MOL Group the following operations are considered PSM relevant:</p> <ul style="list-style-type: none"> • oil and gas production; • refinery and petrochemical; • oil, gas, fuel and other CH product storage, loading and unloading; • distribution infrastructure operation (pipelines). <p>Note 1: Support units and utilities to be assessed from risk point of view (e.g. HAZID) and to be considered as</p>

Term	Definition
	<p>PSM relevant if high level consequences are identified (in relation to people, asset and/or environment)</p> <p>Note 2: Retail business is excluded from implementation of PSM system.</p>
PSSR	Pre start-up safety review - a final checkpoint for new and modified equipment to confirm that all appropriate elements of process safety management have been addressed satisfactorily and the facility is safe to start up.
Reference document	Any document providing recommendations and support for HSE Management System users to implement MS expectations and requirements in practice. Reference documents include but are not limited to the following: Compliance checklists; Recommended practices; Best practices; Templates; Process methodologies; Training materials, etc.
Requestor/Contract owner	A MOL Group Company organisation requesting specific works to be carried out. For the purposes of this Regulation it is usually the area/asset owner or an organisational unit that is responsible for implementing the given task or operation (project, reconstruction, maintenance, etc.). In case of CAPEX projects implemented by Corporate Services – Investment Project Implementation, the term Requestor represents commonly Project (Asset) Owner organisation, End User and Investment Project Implementation.
RID	Agreement Concerning the International Carriage of Dangerous Goods by Rail
Risk Assessment (HSE)	A systematic approach used to determine the degree of risk or vulnerability associated with identified hazards.

Term	Definition									
Risk category for Contractual works	<p>HSE Risk category of the work(s) specified in the Request is classified based on the combination of safety critical activities and the area hazards involved. If the Request covers multiple works, the highest risk category must be applied.</p> <table border="1" data-bbox="756 501 1386 770"> <thead> <tr> <th data-bbox="756 501 992 622">Risk category</th> <th data-bbox="992 501 1197 622"><i>Safety critical activity</i></th> <th data-bbox="1197 501 1386 622"><i>Non-safety critical activity</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="756 622 992 680"><i>Hazardous area</i></td> <td data-bbox="992 622 1197 680">high risk</td> <td data-bbox="1197 622 1386 680">medium risk</td> </tr> <tr> <td data-bbox="756 680 992 770"><i>Non-hazardous area</i></td> <td data-bbox="992 680 1197 770">medium risk</td> <td data-bbox="1197 680 1386 770">low risk</td> </tr> </tbody> </table> <p>In case of frame contracts, the risk category and complex work category must be specified as per orders/contracts, and the requirements of this Regulation must be applied accordingly.</p>	Risk category	<i>Safety critical activity</i>	<i>Non-safety critical activity</i>	<i>Hazardous area</i>	high risk	medium risk	<i>Non-hazardous area</i>	medium risk	low risk
Risk category	<i>Safety critical activity</i>	<i>Non-safety critical activity</i>								
<i>Hazardous area</i>	high risk	medium risk								
<i>Non-hazardous area</i>	medium risk	low risk								
Root cause (Latent failure)	<p>A Latent failure reflects something wrong with the Company’s management systems and is resulting in preconditions. All latent failures can be put in one of Root Cause Categories.</p>									
Safe Operating Procedures (SOPs)	<p>Written documents that provide step-by-step instructions on how to safely perform high risk tasks or activities. The use of SOPs is mandatory in the activities covered by the SOP. In addition to SOPs, local legal requirement shall be taken into account and applied.</p>									
Safety-critical activity	<p>Activity with increased inherent safety risks. Minimum the following activities must be considered safety critical:</p> <ul style="list-style-type: none"> • confined space entry, • safety critical hot work, • critical lifting, • works at height and/or over/under water, • earthworks deeper than 1,2 meters, • maintenance works of particularly increased risk, or condition (e.g. simultaneous operation in case the affected parties endanger the other’s safe working, work on live high voltage system/equipment, opening of vessel/equipment with hazardous content/energy, overriding safety critical equipment/system, high pressure cleaning etc.); this list must be further defined in local operative regulation. 									

Term	Definition
Safety-critical equipment	Equipment and systems whose failure could cause or contribute to an accident with severe or catastrophic consequences or whose purpose it is to prevent or limit the effect of such accidents.
Safety-critical hot work	Any work activities that introduce effective ignition sources with high energy in the form of sparks, open flame or flame arc to the jobsite. These include, but are not limited to, activities such as welding, flame cutting, brazing, burning, sand-blasting and the use of any forms of open flame.
Safety-critical operational processes	Processes in which failure would cause a significant increase in HSE risk.
Safety Data Sheet (SDS)	Safety data sheets are the main tool for ensuring that suppliers communicate enough information along the supply chain to allow safe use of their substances and mixtures. They include information about the properties of the substance (or mixture), its hazards and instructions for handling, disposal and transport and also first-aid, fire-fighting and exposure control measures.
SCC (VCA)	Safety Certificate for Contractors. Procedure for the certification of the HSE Management Systems of contractors. Three levels of certification are distinguished: SCC* - focused on the control at workplace (for enterprises with less than 35 employees or if self-employed); SCC** - focused on the control at workplace as well as on the HSE structure (including HSE policy, organization, and improvement management); SCC ^P - focused on the control at workplace, as well as on the HSE structure (including HSE policy, organisation, and improvement management), and on specific supplementary requirements for the petrochemical industry.
SEVESO	EU legislation that deals specifically with the control of major accident hazards involving dangerous substances.
Social Impact Assessment (SIA)	<p>Social Impact Assessment</p> <p>a. can be integrated into Environmental Impact Assessments.</p> <p>b. shall give proper answer to whether risk management plan is necessary or impact monitoring is sufficient.</p> <p>c. must be prepared in line with local legislation.</p>

Term	Definition
Simplified investigation	Refers to identification of optional root causes (latent failures) which are leading to choosing one or more different Root Cause Categories.
Site	Geographically separated operational installation.
Site mobilisation	The process by which prior to starting the contracted work, Contractor(s) sets up its site facilities (e.g. parts storage area, tool container, welfare facilities) and makes all necessary arrangements (e.g. assign first-aid providers, obtain necessary fire extinguishers & gas detectors) for contract/work delivery.
Spills	Unintended or uncontrolled release of hazardous materials to the external environment (groundwater, surface/sea water, soil), not inclusive of any released volume retained within secondary or other confinement.
Sub-contractor	A company or an individual engaged by a Contractor to carry out specified work as part of the contract performed for the MOL Group Company without a direct contractual connection with MOL Group.
Tag	A warning tool which can be securely fastened to an energy isolating device in accordance with the LOTO procedure, to indicate that the energy isolating device and the equipment being controlled may not be operated until the tag is removed.
Tagout	The placement of a Tag-out device on an energy-isolating device in accordance with an established procedure to indicate that the energy-isolating device and the equipment being controlled may not be operated until the tag-out device is removed.
Tagout device	Any prominent warning device, such as a tag and a means of attachment, that can be securely fastened to an energy- isolating device in accordance with an established procedure. The tag indicates at the machine or equipment to which it is attached is not to be operated until the tag out device is removed in accordance with the energy control procedure.
Targets	Detailed goals identified by an organisation as being necessary to achieve HSE strategic objectives. Targets are usually short term and achievable within a year and carry the most weight when integrated into the organisation's annual Business Plan. All targets should be realistic.
Third party	Any individual other than a Company, contractor or subcontractor employee.

Term	Definition
Toolbox-meeting	Is a short meeting before starting the respective work/ shift, to discuss issues that primarily focus on HSE topics. Generally is organized by supervisor of the working team (permit receiver of Contractor), with or without participation of the PtW issuer and is to share, interpret the details of the PtW.
TRIPOD	TRIPOD is an advanced methodology for conducting incident analysis identifying hazard(s), event(s), target(s), barrier(s)/control(s), active failures, preconditions and latent failures.
Unsafe Act (UA) and Condition (UC)	UA: a behaviour which increases unnecessarily the risk for injury, damage or loss; UC: a condition which could lead to injury, damage or loss if not corrected.
Validation	Validation refers to pre-approval of the HSE incident notification and/or its closure by HSE professional/expert and/or HSE manager, i.e. whoever was set within the validation process as a validator.
Vehicle	For the purpose of this regulation vehicles are self-propelled vehicles, such as trucks, cars and motorbikes etc.
Visitor	A person visiting MOL site, who is not a MOL Group employee or contractor at that site.
Work at height	Works carried out (including access to place of work) on a walking or working surface with an unprotected side, edge, or hole where the potential exists to fall 2 metres or more.
Work in confined space	<p>A confined space is any space that is large enough for an employee to enter, that has a restricted means of entry or exit and that is not designed for continuous employee occupancy. Examples of confined spaces include tanks, pits, certain tunnels, utility vaults, other technological vessels, etc. The temporarily created closed spaces where the conditions listed above can appear has to be considered as confined spaces as well (e.g. areas covered by foil, or any other temporary structure, etc.). Earthworks involving entering into pits, ditches, dikes deeper than 1,2 metres is to be considered work in confined space as well.</p> <p>Entry into/work in confined space means having any part of the body inside the confined space.</p>
Work in the vicinity of energized parts	Activity in which a worker with part of his or her body, with a tool or with any other object enters into the vicinity zone without entering/ intervening into the live working zone. According to IEC 60050.

Term	Definition
Work in „Home Office”	<p>The work in Home Office means the regular performance of work from a regular workplace outside the employer’s premises, which is a well defined dedicated and designated place for work, usually being in the employee’s home. Its conditions usually need to meet the relevant local legal requirements, and the employer might have different shared responsibilities over the conditions – based on local law (e.g. ensuring tools, training, regular inspections, etc.). Incidents that occur while an employee is working in Home Office are considered work-related if:</p> <ol style="list-style-type: none"> a. The incident occurs while the employee is performing work for pay or compensation in the home, and b. The injury or illness is directly related to the performance of work rather than to the general home environment or setting.
Work under „Flexi” conditions (Flexi-place, Flexi-time)	<p>The Flexi-work means a possibility for occasionally registered and approved, occasionally performed work from an alternative worksite other than any regular workplace, which is not necessarily the home of employee but any other place within the given country, which enable safe and sufficient working conditions. Responsibility over all conditions (e.g safety, ergonomics, confidentiality etc.) belongs to employee, employer is not due for any of those.</p>

Detailed rules on Risk & Change Management (Element 2)

[Link to](#) Detailed rules on Risk & Change Management (Element 2)

Appendix 4: Detailed rules on Competence, Training & Behaviour (Element 3)

1. **Induction Training materials for new hires must contain the following topics as a minimum:**
 - a) **HSE Policy**
 - b) **Work safety rules**
 - c) **Hazards of work places, processes and materials**
 - d) **Environmental protection**
 - e) **Fire-protection**
 - f) **Work-hygiene**
 - g) **Rules in case of fire and emergency**
 - h) **Life Saving Rules**
 - i) **Truck Drivers' Safety Fundamentals (if relevant)**
2. **Induction HSE Training must be delivered by competent persons.**
3. **Training plans and calendars must be harmonized with HR processes for optimum resource management.**
4. **Written procedures must exist to govern HSE Competency Assessments and Training procedures at a company level. They must contain the following:**
 - a) **Content and method of examination;**
 - b) **Requirements regarding the training of visitors, students, assignees and part-time employees;**
 - c) **Practical training requirements, if applicable;**
 - d) **Refreshing training requirements including frequency (yearly frequency is recommended) and topics;**
 - e) **Induction and practical training topics,**
 - f) **New HSE requirements that have become effective since last training,**
 - g) **Lessons learned from incidents.**
5. **A test of understanding must be carried out after training.**
6. **Language and cultural circumstances must be considered when planning and delivering/performing training.**
7. **Employees working in Process Safety Critical Jobs (relevant positions should be identified on site level) must be trained on the following (at least):**
 - a) **Basic operational skills;**
 - b) **Specific process or job task training - specific safety and health risks and procedures and safe working practices applicable to employees' assignments;**
 - c) **Emergency response and control procedures - training shall cover safe and prompt shutdown of facilities, including personnel, first-aid assistance, notification of affected parties, coordination with site and local emergency response groups, and notification of regulatory agencies and fire-fighting efforts.**
8. **Criteria and local regulations regarding management of change of process-safety critical personnel must be in place to ensure that minimum levels of specific, direct, process experience and minimum levels of knowledge and skill in managing process safety are maintained.**

Appendix 5: Detailed rules for Contractor Management (Element 4)

1. General

A process must be in place to manage contractors throughout the entire procurement and contract lifecycle, involving: planning, selection of contractor (bidding and contracting), on-site work, and evaluation.

The scope of this regulation excludes suppliers who provide transport services under the Logistics regulatory framework (e.g. Road Transportation Management System).

Application of the process steps should depend on HSE risk category and work complexity. The basic principle of this Regulation is to ensure the strictest control in high-risk category cases, allow for more space for the optional application of principles in the medium-risk category on a case-by-case basis, and have less control points in the case of low-risk category, while still ensuring the necessary safety level.

This Regulation is:

- fully valid for contractors with Mode 1 contracting;
- partially valid for contractors with Mode 2 contracting – MOL Group is responsible for verifying the compatibility and effectiveness of HSE Management System controls with the MOL Group HSE Management System usually via a pre-qualification scheme defined in this Regulation, or by other relevant business scheme. What elements of MOL Group HSE Management System are to be followed by the contracted party should be clarified in the contract (e.g. in the form of a bridging document);
- not valid for contractors with Mode 3 contracting (i.e. contracts whose scope is material supply only, or intellectual work such as consultancy, design, software, legal services, advisory activity, development, etc.).

Deviation from Local Operative Regulations in the Contractor HSE Management process steps as defined in this Regulation will be accepted in exceptional cases only, and must be approved by Group SD&HSE Vice President and Group Industrial Services Vice President based on a detailed written explanation.

2. Planning and Scope Definition

Contractual works must be properly planned and their scope and HSE-related aspects (incl. contracting mode, contract risk and complexity) must be thoroughly considered and defined.

In the case of foreign contractors, all risks related to language barriers should be assessed and managed (e.g. work permitting, emergency response, special exams, site-specific training sessions, coordination of parallel work).

3. Bidding and Contracting (incl. pre-screening and pre-qualification)

HSE aspects must be considered even during the Bidding and Contracting phase. These aspects include:

- pre-screening (for medium-risk and high-risk category),
- pre-qualification (for high-risk category),
- communication of HSE expectations and rules for potential Bidders (e.g. HSE Appendix of contracts),
- limitation on levels of sub-contractors.

4. On-site Work

A MOL Group contact person must be designated to act as an interface with the Contractor and relevant employees of contractor(s) and subcontractor(s) must be aware of this contact person.

4.1. HSE Plan

In the case of on-site high-risk category complex works, the HSE Plan should be prepared by the Contractor(s) in cooperation with the site/facility representative and contract owner and approved by both parties prior to site mobilization (in the case of low- and medium-risk category complex works this is an optional requirement to be decided on a case-by-case basis dependent on the scope, activities involved and hazards). As part of HSE Plan preparation, a joint on-site review should be carried out to ensure that all relevant HSE aspects of the contracted work are considered and that the Bidder is familiar with the location, facility and personnel in appropriate depth prior to preparation of the HSE Plan. The HSE Plan shall contain as a minimum:

- Measures for promoting safe and environmentally friendly on-site logistics and facilities that support a healthy and clean working environment (an organizational plan containing these elements may be considered adequate),
- Name, position and contact of person(s) responsible for coordination of parallel work or simultaneous operations,
- Job Safety Analysis of the predefined work based on site/technology hazards, related to the specifics of the planned work,
- Incident reporting rules,
- Emergency provisions (including rescue plans and drills if necessary),
- Necessary energy isolation procedures (e.g. lockout, tagout),
- Training plans,
- Inspection plans (detailing who, when, etc.),
- Waste management (estimate of amounts of waste, planned deposit and treatment),
- Prevention of soil/air/water/underground water pollution,
- Approval (signature) of contractor, area owner, HSE, subcontractors.

In the case of local legal requirements about Occupational Health and Safety plans, a single HSE plan that meets the requirements of both guidelines should be created.

The HSE plan must be approved and signed by the representative of the Contractor, area owner, HSE, the contract owner, and the person responsible for coordination of the parallel works or simultaneous operations.

The HSE plan must be available on site, and all personnel who work on site must be familiar with its content, in so far as it is relevant to them.

4.2. Training and awareness

A pre-condition of performing any activity on the technology and facilities of MOL Group operational sites is that all Contractor and sub-contractor employees must participate in documented HSE training that ends with a written test that assesses understanding, valid for no more than 12 months. The training must include at least the following information: site-specific hazards, safe work practices (incl. life-saving rules), environmental rules, permit-to-work rules, safe energy isolation rules, emergency

rules, incident reporting rules, communication rules, site inspection rules, and other content of HSE Plan, as applicable. The training format should be as interactive and practical as possible.

It must be also ensured that every Contractor and sub-contractor employee is aware of specific information related to the particular activity and site/facility (e.g. interaction with other contractors, specific hazards inherent to the given site/facility, specific emergency and communication rules, ongoing work, any unusual circumstances or conditions). If there is an HSE plan, contractors must be made aware of its content (effective training sessions) and their understanding should be checked in a documented way.

4.3. HSE control and supervision

Areas and/or equipment (assets) can be handed over to Contractors only if all facility/site-related hazards and related energy sources have been eliminated/isolated and/or are controlled. Local rules should be defined, specifying the responsibilities of the parties involved.

It must be ensured that Contractors are in control of their own activities. The main contractor is responsible for their Subcontractors and must ensure that they are in full compliance with MOL Group requirements. Main contractor must ensure the 24/7 presence of a safety supervisor during the performance of high risk category complex work (when work is ongoing), also supervising all subcontractors related to the given work. This requirement is optional in the case of low- and medium-risk category complex works. In the case that there are multiple main contractors, the details of this obligation, as well as the exact number of safety supervisors required, must be agreed prior to commencement of any work; if it is necessary or required by local legislation, area/contract owner also should provide an HSE coordinator.

Permit-to-work rules must be applied.

Contractor activities must be monitored (e.g. through inspections and audits) on a frequent basis - as often as the hazards of the tasks/activities, materials, equipment, tools, environment etc. demand, especially in the case of medium- and high-risk category activities. If there is an inspection plan it should be followed. Monitoring must be undertaken by the main contractor, site/facility representative (e.g. such as permit-to-work issuer), contract owner, HSE department, safety supervisor, etc. Deficiencies must be documented, corrected and progressive consequence principles must be applied as appropriate.

A system must be in place to ensure that results of inspections are used during post-evaluation.

5. Post-evaluation

Contractors must be post-evaluated in terms of their HSE performance during work execution, and the results of this post-evaluation must be considered in the case of future tenders.

6. Supplier development

'Key suppliers performing high-HSE risk works' must be identified and supported to improve their HSE culture, performance and processes through provision of information and knowledge sharing, job-specific training and supplier forums, as applicable. The HSE managers of these suppliers should be regularly informed about changes in HSE rules, learning outcomes of incidents and other materials which can support their work.

On the company website a section with information for suppliers should be developed where the HSE appendix of the contract and other HSE-relevant documents can be shared.

The HSE performance of key high-HSE risk suppliers should be monitored with performance indicators agreed with the supplier, and reviewed regularly with supplier management.

HSE performance evaluation shall not be based on number of incidents because this may motivate contractors not to report them. Instead, the focus should be on compliance with HSE rules; i.e. the results of on-site HSE inspections, penalties that are imposed, and the fulfilment of corrective action plans, etc.

HSE prequalification audits serve not only to finalize the qualification of companies for given tenders, but should be used to prepare contractors for working according to the MOL Group HSE framework. Special requirements can be explained and all support should be given to suppliers to make them fully prepared to work safely for MOL Group.

Contractors should be encouraged to report unsafe acts, conditions, and near-misses. Moreover, it is recommended that a HSE reward and recognition scheme be applied.

7. Business-specific Additional Requirements

Business-specific rules (related mainly to pre-qualification) for International Exploration & Production (incl. offshore) as well as Logistics are listed in the relevant Procurement regulation.

7.1. Retail

Business-specific rules for Retail (Mainly related to on-site work requirements) are listed below:

- In the case of the cleaning of fuel tanks at Service Stations, an HSE Plan must be prepared (this requirement needs to be communicated during the tendering process).
- In the case of a series of standardized works at similar locations (e.g.: Service stations dispenser establishment), where having a HSE plan is necessary, the necessity of a joint on-site review as regulated in Chapter 4.1 shall be regulated locally.
- Local regulation must define the type of work that Service Station operators may contract in their own names (independently from MOL Group) with external parties. For these types of contractor activities on-site HSE training must be provided and local regulation must define the content and the frequency of this training. Safety-critical activities must not be contracted by the Service Station operator.

7.2. Exploration&Production

Seismic surveys, well-site construction, pipeline line laying, drilling, transportation, well intervention, plant construction and commissioning are considered high-risk activities, regardless of the area in which they are performed.

8. Process wrap-up

Step	Low risk	Medium risk	High risk	Relevancy in case of Mode 2 contractors
<i>Deviation (in LORs) approval from Contractor HSE Management process steps</i>	Group SD&HSE VP and Group Industrial Services VP			No
<i>Planning and scope definition</i>	Yes	Yes	Yes	Yes*

<i>Communication of the HSE requirements to potential Bidders</i>	Yes	Yes	Yes	Yes*
<i>Communication of the need of HSE plan preparation</i>	No	Optional in case of complex works	Yes, in case of complex works	Optional
<i>Limitation of sub-contractual levels</i>	Yes	Yes	Yes	Optional
<i>Pre-screening</i>	No	Yes	Yes	Yes*
<i>Pre-qualification</i>	No	Optional	Yes	Yes*
<i>Contract HSE Annex</i>	Yes, can be simplified	Yes	Yes	Yes, defining the agreed principles
<i>Site visit possibility for Bidders</i>	No	Optional in case of complex works	Yes, in case of complex works	Optional
<i>Designated Contact person for interface with the Contractor</i>	Yes	Yes	Yes	Yes*
<i>On-site review (pre-mobilization)</i>	No	Optional in case of complex works	Yes, in case of complex works	Optional
<i>HSE Plan</i>	No	Optional in case of complex works	Yes, in case of complex works	Optional
<i>HSE training</i>	Yes	Yes	Yes	Yes*
<i>HSE Auditing/inspection (monitoring activity)</i>	Yes	Yes	Yes	Yes*
<i>24/7 safety supervisor on site ensured by Contractor</i>	Optional in case of complex works	Optional in case of complex works	Yes, in case of complex works	Optional
<i>Obligatory documented check on daily basis</i>	Optional in case of complex works	Optional in case of complex works	Yes, in case of complex works	Optional
<i>Post-evaluation</i>	No	Yes	Yes	Yes*

Note: Roles and responsibilities between different units related to the tasks arising from this Regulation must be defined locally unless they are defined in this Regulation.

* can be done based on Group-specific Business regulation

Detailed rules on (A) Safe Operation, Maintenance & Fire safety and (B) Detailed rules on Occupational Safety (Element 6)

[Link to](#) Detailed rules on (A) Safe Operation, Maintenance & Fire safety and (B) Detailed rules on Occupational Safety (Element 6)

Detailed rules on Environmental Stewardship (Element 7A, 7B)

Link to Detailed rules on Environmental Stewardship in [\(A\) soil and groundwater](#) and (B) [GHG management](#) remediation liability management process (Element 7)

Detailed rules on Incident Management (Element 10)

[Link to](#) Detailed rules on Incident Management (Element 10)

Appendix 9: Detailed rules on Emergency Preparedness & Response (Element 11)

1. Identification of emergency scenarios

Systems must be in place to identify potential emergency scenarios and their likely impact, including those on nearby operations and communities.

Assessment must consider all necessary aspects, including but not limited to:

- concentration of combustible materials and other hazardous materials (storage and use);
- configuration of combustible materials, buildings, etc.;
- exposure to fire, heat, smoke, etc. that may require areas to be evacuated;
- fires occurring in control rooms;
- lack of access;
- lack of explosion prevention or relief measures;
- failure or loss of electrical supplies;
- inadvertent operation of fire suppression systems;
- natural hazards (e.g. earthquake, flooding, etc.);
- security-related hazards (where relevant, e.g. destabilisation etc.).

Emergencies can include fires, explosions, well-blowout, accidents, medical emergencies, loss of containment, spills of hazardous material, etc. and any locally foreseeable disasters/emergencies.

2. Emergency response plans and procedures

For identified significant scenario(s), emergency response plan(s) and related procedures must be in place and readily accessible.

Site emergency response plans should define:

- alert and response to the identified predictable emergency scenarios;
- medical response;
- evacuation plan;
- access roads and assembly points;
- utility network details and back-up;
- communication and reporting details;
- specific hazards with emergency response relevancy (e.g. presence of various hazardous materials/substances, etc.);
- members (including names and phone numbers) and roles of different emergency response team and response units;
- roles and responsibilities of employees, contractors, external emergency services, government agencies, local authorities, and other third parties as necessary;

-
- training;
 - coordination between concerned parties (e.g. local authorities, local fire departments, etc.);
 - capabilities of external (local/community) response organisations and their timeliness;

Emergency response plans must be reviewed as necessary – e.g. after major incidents, technology/facility/site layout changes, changes in volume of hazardous materials that are present, etc. – and kept up-to-date.

3. Resources

Emergency resource plan for the above-mentioned scenarios should define and describe all necessary resources such as equipment, staff, organisations, material, their availability, methods of alerting of internal and available external resources.

Resources defined in emergency plan(s) must be kept readily available; equipment and devices such as leak-, smoke-, heat-, gas- and flame detectors, passive and active fire protections systems, emergency vehicles, first-aid boxes, rescue equipment, spill/leak kits, communication devices and systems, etc. should be identified, maintained and tested at least on an annual basis. The required supply of this equipment must be ensured in a timely manner.

Where facilities are remote from local/community response services, or where anticipated hazards and risks could exceed the capacity of the local/community response service, considerations must be given to maintaining an internal response unit (e.g. fire, medical or paramedic, etc.). The extent of this should be dependent upon the aforementioned fire hazard analysis, foreseeable risk and emergency scenarios.

4. Communication and training

A proper communication system between emergency response members and units, as well as with external response services must be defined and established. Based on potential risks an emergency control, operating rooms and incident command system must be established based on international standards and industrial practices.

Emergency response plan(s) must be communicated and trained to all affected employees and contractors in necessary detail on a every two years basis at least to ensure they understand emergency response tasks, roles and responsibilities and the use of emergency resources. Emergency rules must also be communicated to visitors and other relevant third parties in the necessary depth and appropriate format.

Members of emergency response teams (especially Fire Brigade members) and units must be trained according to an annual training plan and must have the capability to respond in a timely manner and have the appropriate resources to handle emergencies.

5. Emergency drills

An annual plan for emergency drills must be in place. Emergency response preparedness (including evacuation) must be trained frequently, at least on an annual basis, to validate the relevancy of the plan and associated resources; this may include desktop exercises and live drills or complex co-operational drills escalated to external response organisations, depending on hazards and emergency scenarios inherent to the site/facility.

Sites/facilities that store, handle or process large quantities of hazardous chemicals and dangerous goods must carry out complex multi-agent drills (involving scenario-driven responses with the objective of validating response, interaction, communication and decision-making competencies) with the involvement of internal and external response organisations and other stakeholders as appropriate, on

an annual basis. Joint emergency and crisis management drills must be held as applicable. Emergency drills must be evaluated and documented.

6. Emergency response

In the case of emergency situations, emergency responses must be based on emergency plans; deviation from these may be justified based on escalation of the emergency. Emergency responses must be evaluated during incident investigation, and plans updated accordingly (as applicable).

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4.1 table among MOL Group HSE Management System elements, PSM, ISO 14001:2015, OHSAS 18001 and ISO 45001¹

HSE MS Element	PSM	ISO 14001 standard	OHSAS 18001 standard	ISO 45001 standard
HSE Policy	Not defined	5.2. Environmental policy	4.2. OH&S Policy	5.2 OH&S Policy
1. Leadership, Commitment & Accountability	Specifically not defined (expectations defined as Area Management requirements – see PSM compliance checklist)	5.1 Leadership and commitment 5.3 Organizational roles, responsibilities and authorities	partly in 4.4.1 Resources, roles, responsibility, accountability and authority	5.1 Leadership and commitment 5.3 Organizational roles, responsibilities and authorities
2. Risk & Change Management	3. Process Hazard Analysis 4. Management of Technology Change 8. Management of Subtle Change 12. Management of Pers. Change	6.1 Actions to address risks and opportunities	4.3.1. Hazard Identification, Risk Assessment and determining controls	6.1.2 Hazard identification and assessment of risks and opportunities 8.1.2 Eliminating hazards and reducing OH&S risks 8.1.3 Management of change
3. Competence, Training & Behaviour	9. Training and Performance	7.2 Competence 7.3 Awareness	4.4.2 Competence, training and awareness	7.2 Competence 7.3 Awareness

¹ The implementation deadline is March 12, 2021

HSE MS Element	PSM	ISO 14001 standard	OHSAS 18001 standard	ISO 45001 standard
4. Contractor Management	10. Contractor Safety & Performance	N/A	from different aspects in 4.3.1. Hazard Identification, Risk Assessment And determining controls 4.4.6. Operational control 4.5.1. Performance measurement and monitoring	8.1.4.2 Contractors
5. Design & Construction	5. Quality Assurance 6. Prestart-up Safety Review	partly in section: 6.1.2 Environmental aspects	partly in section: 4.3.1. Hazard Identification, Risk Assessment and determining controls	partly in section 6.1.2 Hazard identification and assessment of risks and opportunities 6.1.4 Planning action
6. Safe Operation & Maintenance	2. Operating Procedures & Safe Work Practices 7. Mechanical Integrity Partly in 9. Training and Performance	8.1 Operational planning and control	4.4.6 Operational control as implementation of 4.3.3 Objectives, targets and programme(s)	8.1 Operational planning and control

HSE MS Element	PSM	ISO 14001 standard	OHSAS 18001 standard	ISO 45001 standard
7. Environmental Stewardship	Not defined	6.1.2 Environmental aspects 6.1.3 Compliance obligations as implementation of 6.2 Environmental objectives and planning to achieve them	N/A	N/A
8. Information & Documentation	1. Process Safety Information	7.5 Documented information	4.3.2 Legal and other requirements 4.4.4 Documentation 4.4.5 Control of documents as implementation of 4.3.3 Objectives, targets and programme(s)	7.5 Documentation and information 6.1.3 Determination of legal requirements and other requirements 8.1.5 Procurement
9. Stakeholder & Community Relations	Specifically not defined (expectations defined as Area Management requirements – see compliance checklist)	6.1.2 Environmental aspects 7.4 Communication 8.1 Operational planning and control	4.4.3 Communication, participation and consultation 4.4.6 Operational control	5.4 Consultation and participation of workers 7.4 Communication
10. Incident Management	11. Incident Investigation & Reporting	8.2 Emergency preparedness and response	4.5.3. Incident investigation, non- conformity, corrective action and preventive action 4.5.3.1. Incident investigation	10.2 Incident, nonconformity and corrective action 10.3 Continual improvement

HSE MS Element	PSM	ISO 14001 standard	OHSAS 18001 standard	ISO 45001 standard
11. Emergency Preparedness & Response	13. Emergency Planning & Response	8.2 Emergency preparedness and response	4.4.7 Emergency preparedness and response	8.2 Emergency preparedness and response
12. Assurance, Monitoring & Improvement	14. Auditing	6.1 Actions to address risks and opportunities 9.1 Monitoring, measurement, analysis and evaluation 9.2 Internal audit 9.3 Management review 10. Improvement	4.5.1 Monitoring and measurement 4.5.3 Incident investigation, Nonconformity, corrective action and preventive action 4.5.5 Internal audit 4.6 Management review	6.1.4 Planning action 6.2 OH&S objectives and planning to achieve them 6.2.2 Planning to achieve OH&S objectives 9.1 Monitoring, measurement, analysis and performance evaluation 9.2 Internal audit 9.3. Management review