



Petroleum Development Oman L.L.C.

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Audit guidance:
L2 Audit plan
L3 Audit plan
L2/L3 training delivery

Audit & Assurance guidance for Asset planning for 2024

L1 Audits:

Level 1 HSE Audits have been transferred to IAM team for planning, execution and close-out.

Refreshed Approach towards L2 Audits in 2024:

HSE Assurance is a key enabler for PDO Safety Refresh Strategy and a comprehensive review of HSE Assurance activities was conducted in Q4 2024. One of the key findings based on data analysis was the need to enhance L2 HSE Assurance. L2 Refresh strategy and implementation approach has been endorsed by Safety Refresh Assurance champions (TD and DPM). Following executive summary outlines trends, learnings- and opportunities derived from the analysis.

Executive Summary: L1 & L2 Trends & Learnings and Opportunities



Following is the proposed way forward for L2 process using the PDCA improvement approach.

L2 Audit Process – Today and Way Forward

| From | To |
|---|--|
| <ul style="list-style-type: none">• Plan:<ul style="list-style-type: none">• L2 annual and multi-year plan is co-created with MSE53 and HSE Business, 3 to 4 mandated L2 Audits / year• L2 audit dates are agreed for each auditee and scheduled is followed per plan• L2 audit terms of references are developed by MSE53 with relevant SMEs from risk areas• Do:<ul style="list-style-type: none">• L2 audits are led and conducted by HSE Business• In most cases the actual Auditee is the contractor• L2 audit reports are submitted to MSE53 and audit sponsors• Check:<ul style="list-style-type: none">• L2 audit process and reports are not checked/reviewed against agreed TOR• L2 audit action quality and effectiveness is variable• L2 audits may or may not address the risks associated• Adjust/Act:<ul style="list-style-type: none">• Minimal cyclical process improvements in place both at MSE53 and group level | <ul style="list-style-type: none">• Plan:<ul style="list-style-type: none">• L2 annual and multi-year plan is co-created with MSE53 and HSE Business. 2 mandated audits from MSE53 + 2-3 L2 audits selected by the business against respective risk areas• L2 audit dates are agreed for each auditee and scheduled is followed per plan, , 2 mandated L2 audits have fixed dates across PDO – similar to AIPMS audits. Flexibility on 2-3 business HSE L2 Audits on timing.• L2 audit terms of references for the 2 mandated L2 audits will be developed by MSE53 with relevant SMEs from risk areas ensuring robustness by focusing on quality of findings, actions and action closeouts and audit team members (cross functional / business HSE audits)• Do:<ul style="list-style-type: none">• Mandated L2 audits are executed by a different business/ function enabling fresh eyes approach• Auditee is the respective PDO business and not only the contractor• L2 audit reports are to be peer-reviewed by the directorate LT Member (not HSE) and are submitted to MSE53 and audit sponsors• Check:<ul style="list-style-type: none">• L2 audit process and reports to be checked/reviewed against agreed TOR by MSE53 team• L2 audit action quality and effectiveness to be checked• L2 audits focus will be on ensuring risks are addressed.• Adjust/Act:<ul style="list-style-type: none">• Post Audit process review both at MSE53 and business level to ensure capturing and acting on potential any process improvements |

For 2024, priority will be to deliver only ONE (1) L2 Corporate HSE Audit based on the refreshed approach that will be across PDO with same time window (similar to AIPSM audits). This is expected to be in **May 2024**. In addition to this, **Performance HSE Audits will continue for 2024**. For overview of this plan, please refer to Appendix 1.

Directorate/ Business HSE L2 Audits will be paused for 2024 to provide focus on L2 Refresh approach and Performance HSE Audits

Terms of Reference for the L2 Corporate HSE Audit will outline the scope, deliverables, timelines and resources. It is expected that directorate HSE team members will be required to support these Audit activities (similar to 2023).

L3 Assurance:

10 x L3 Assurance Inspections focusing on identified risks areas below.

Assets affected: DPM, GD, OND, OSD, UID, UOD, UED, UWD, XD.

L3 SMART checklists templates available in HSE MS website: <https://hsedocs.pdo.com.om/Pages/Home.aspx> under HSE Assurance tab.

Risk areas requiring 1 p/a per risk area: (Once per year per risk area)

- L3 Worksite hazards: Environmental controls
- L3 Worksite hazards: Life Saving Rules
- L3 Emergency response
- L3 Contractor HSE Management
- L3 IHTIMAM (BBS)
- L3 Worksite hazards: Chemical Handling
- L3 Worksite hazards: Work at Height & Access
- L3 Road safety
- L3 Incident reporting, investigation, LFI & Action closure
- L3 Worksite hazards: Lifting & Hoisting Activities

Note: This plan represents the minimum requirements, and you are encouraged to add additional checklists (from CMS) or increase frequencies based on risk. If any L3 risks (from the table below) do not apply, please mark them as such in your response with a reason. Refer to Appendix 2 for Illustration of 1 per year / risk area

L2/L3 training delivery 2024.

Planning is done in Al Manar application and dates allocated and supported by PDA8 (Habsi, Saud PDA8 <Saud.SH.Habsi2@pdo.co.om)

- Q1 – Feb 13th to 14th
- Q2 – June 25th to 26th
- Q3 – Aug 27th to 28th
- Q4 – Nov 5th to 6th

HSE Engagements 2024.

As part of annual improvement cycle to the process – feedback will be sought from key stakeholders and quick-wins will be implemented for 2024 plan and others parked for longer time.

Ensure the Host (Coordinator) is consulted as to date & site involvement

Select suitable date for hosting of engagements (Based on previous hosting locations)

Utilize HSE Engagement Assurance planning tool for development of scheduling and confirming themes, participants, senior management participation and communication.

- Amal
- Bahja
- Project Delivery
- Drilling
- Exploration
- Fahud
- Harweel
- Lekhwair
- Marmul
- Nimr
- Qarn Alam
- Ras Al Hamra
- Terminal

2024 Corporate HSE Assurance Plan



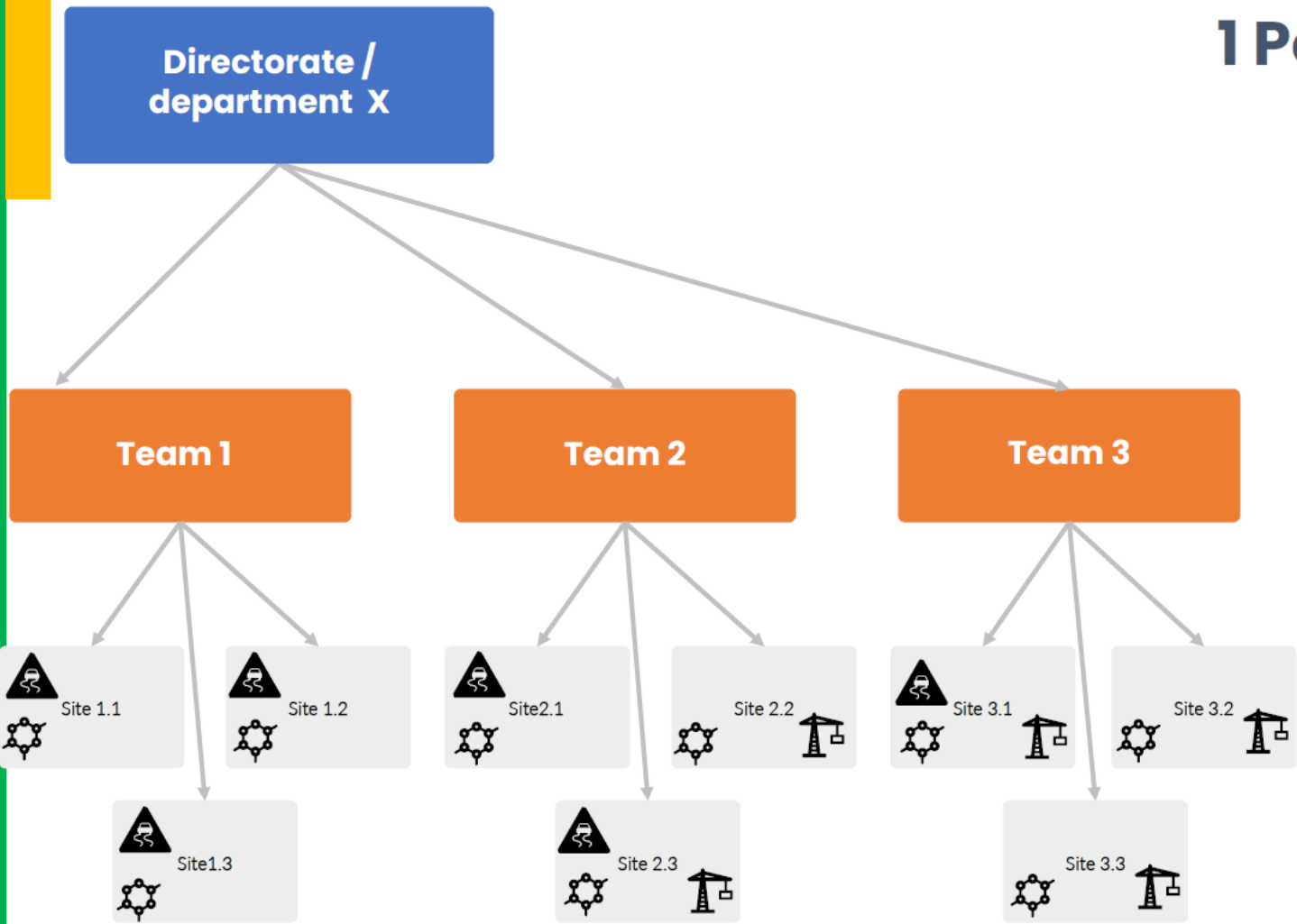
| | Q1 | Q2 | Q3 | Q4 |
|-----------------|--|------------------------|---|----------------------------|
| LOA | LOA issuance with Performance Audit Checklists | LOAs received | Desktop review of LOAs (Performance Audit Checklists) | |
| L2 Audits | Auditor Identification & Upskilling of "Auditors" for refreshed approach to L2 Planning & TOR Development | Execute L2 Audit (May) | L2 Closeout & Learning | |
| HSE Performance | Planning & TOR Development | | HSE Performance Audit Execution | Gap closure & verification |
| AIPSM | | | AIPSM- Sept | |
| Learnings | | | | Learnings from Audits |

Appendix 2: L3 Assurance plan 2024

| Assurance Level | Audit Title | Basis of Assurance | Timing 2024 (Frequency) | Risk rating basis (CP-122 Risk Matrix) | Inspector | PIM Findings Data capture | PIM Action approval | PIM Post action verification |
|-----------------|---|--------------------|------------------------------|--|---------------------------------|---------------------------|--------------------------|------------------------------|
| L3 | Worksite hazards: Environmental controls | SP-2194 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Worksite hazards: Life Saving Rules | CP-122 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Emergency response | PR-1065 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Contractor HSE Management | PR-1171 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | IHTIMAM (BBS) | P-2145 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Worksite hazards: Chemical Handling | SP-1194 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Worksite hazards: Work at Height & Access | SP-1257 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Road safety | SP-2000 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Incident reporting, investigation, LFI & Action closure | PR-1418 , SP-1418 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |
| L3 | Worksite hazards: Lifting & Hoisting Activities | SP-2273, SP-2275 | 1 p/a per risk area (yearly) | H,M & L (Risk matrix) | L2/L3 Trained internal auditing | Inspector | (H) Director (M&L) MDC-1 | HSE TL |

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| Findings Rating Criterion (Overall report) (p/a = Per/Anum) |
| Red = < 50% compliance tested |
| Amber Banding = > 50% and < 85% compliance tested |
| Green Banding = > 85 compliance tested |

EXAMPLE 1 Per year / risk area



| L3 assurance | | Frequency |
|--------------------|--|-----------|
| Road safety | | 6 |
| Lifting & hoisting | | 5 |
| Chemical | | 9 |