

Implementing IOGP 423 – HSE management guideline for working together in a contract environment

INFO SHEET



## We All Care

Key documents and tips for worker and community welfare

### Introduction

IOGP and IPIECA have several valuable tools and recommended practices available for workers and communities. Clients and contractors working in the oil and gas industry have a shared responsibility to safeguard the welfare of both their workers and the communities in which they operate.

This Info Sheet highlights relevant IOGP-IPIECA good practices and shares tips on implementation. It does not provide an all-inclusive list of resources but is intended to direct companies to the most relevant guidance on a particular topic.

For further information, visit the [IOGP](#) and [IPIECA](#) webpages and reach out to a specialist in your company.

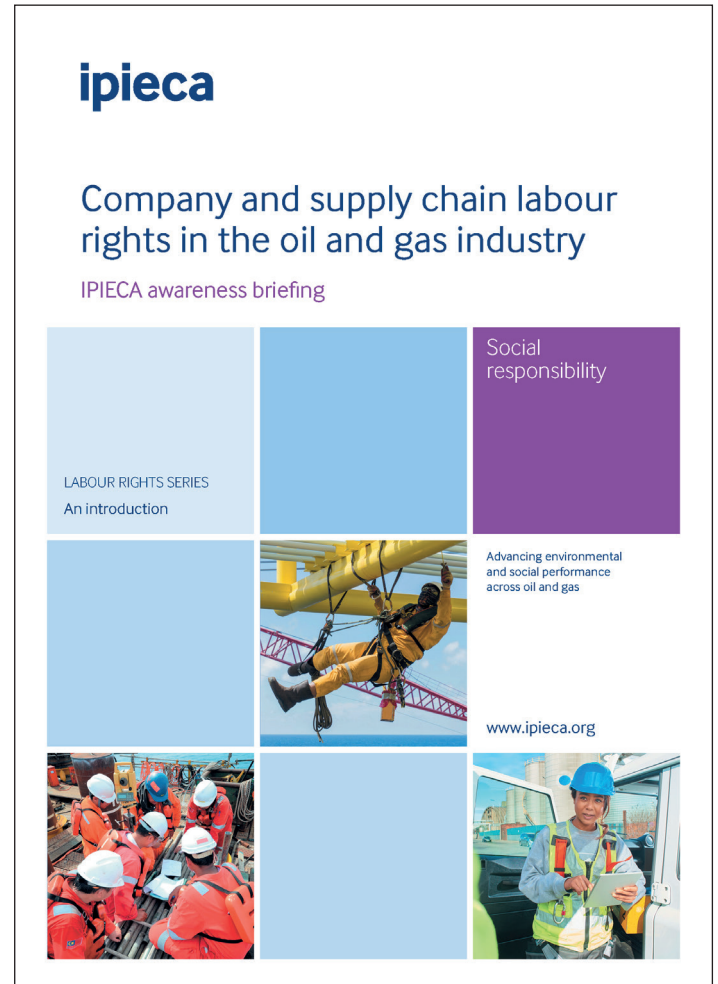
Together, we will work for continuous improvement in worker and community welfare.

## Company and supply chain labour rights in the oil and gas industry

Company and supply chain labour rights issues are complex and multifaceted. They cover, for example, forced labour and human trafficking, supplier and subcontractor management, working hours and pay, health and safety, and welfare principles. Additionally, there is an evolving regulatory context (such as host country labour laws) and increasing external interest (from governments, investors, and the public) to know what companies are doing in a given area.

Oil and gas companies care greatly about the health, safety, and well-being of their workforce and of workers in their supply chain. Companies recognize that better welfare correlates with better business results, and that this can be achieved through greater respect for the rights of workers in the supply chain. Protests and work stoppages stemming from labour issues in the supply chain can affect operators as much as similar actions in their own operations.

Through IPIECA's work on business and human rights, it was determined that the most significant risk activity for the industry is the construction of large projects in sensitive geographies with vulnerable workers, and therefore an initial focus for work and collaboration on labour rights. To help the industry to effectively identify, prevent and mitigate labour rights risks and impacts within projects, operations and supply chains, IPIECA developed practical guidance and tools on *Company and supply chain labour rights* – which are listed in the box below.



### IPIECA guidance on company and supply chain labour rights

- *Awareness brief on company and supply chain labour rights in the oil and gas industry*
- *Guidance on Responsible recruitment and employment*
- *Guidance on Labour rights assessment including:*
  - Reference tool covering *Key steps for carrying out an on-site labour rights assessment*
  - *Labour rights assessment toolkit*
- *Guidance on Worker grievance mechanisms*

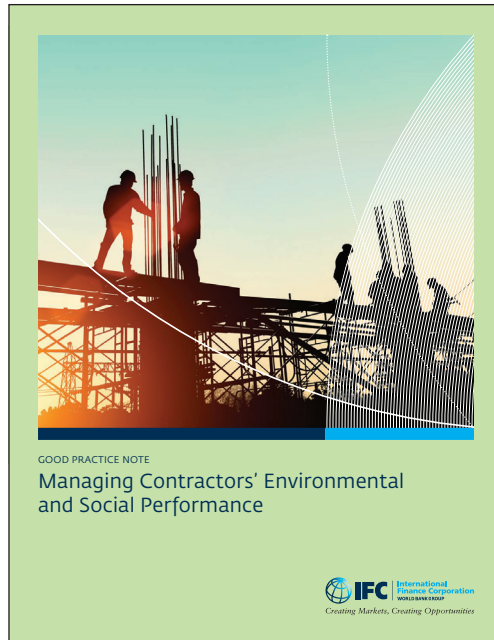
## Managing contractors' environmental and social performance

A significant part of the activities of oil and gas companies are carried out by contractors or subcontractors. Companies are responsible for managing their contractor's environmental and social performance.

Proactive and sound management of contractor health, safety and environment (HSE) practices (including community engagement, managing of environmental and social impacts on communities/Indigenous Peoples, and local content) are key. This includes a risk-based approach to contractor selection and managing the project performance through proactive monitoring.

Companies generally do not have direct control over subcontractor performance, although they may have some influence over selection and may (indirectly) supervise their environmental and social performance. Therefore, companies must use their direct control over their contractors to ensure that social requirements are being met by subcontractors.

For detailed guidance, see the International Finance Corporation's Good Practice Note, "[Managing Contractors' Environmental and Social Performance](#)."



### TIP: Integrate environmental and social performance into contracts

Making contractor environmental and social requirements documentation an integral part of contracts provides companies with better tools to manage contractor performance, and puts companies in a better position to adequately control the identified risks and impacts of a project or activity.

The number of documents and level of detail specified should be commensurate to the scope of work and other features that the contractor is being prequalified against. Contractor performance should be evaluated and monitored with data-based methods and feedback from stakeholders.

At all times, the environmental and social plans to be developed by the contractor shall be proportionate to the environmental and social risks involved in the execution of the work.

## Building Responsibly

Building Responsibly is an industry association working to raise the bar in promoting the rights and welfare of workers across the engineering and construction industry. In July 2018, they launched a set of principles for their members to adopt and promote. These principles provide a framework for the association's ongoing development of good practice notes, implementation guides and tools.

Operators work closely with engineering and construction companies on design and execution of projects and facilities support. The principles provide a common baseline for treatment of workers across the industry, and the [associated guiding notes](#) are a valuable resource for companies looking to implement them.

For more information on Building Responsibly, [please visit its website](#).

## Temporary onshore accommodation – Selecting the camp type



## Temporary onshore accommodation – Design, layout, accommodation, facilities and services



## Temporary onshore accommodation

The upstream sector of the oil and gas industry utilizes temporary accommodation for staff living and working in a wide variety of project activities, including seismic operations, drilling, pipeline and facilities construction, and geological field studies. The scale and duration of accommodation use varies from a few people for a few days to hundreds or thousands of people for several months.

Temporary accommodation impacts the health, safety and security of workers and communities and may lead to social and environmental impacts as well. While there are no globally accepted published standards to cover the minimum requirements for temporary accommodation, as they may vary greatly by location or contractor, IOGP Reports [541](#) and [542](#) have helped to align expectations across operators and contractors in providing appropriate temporary accommodations to workers.

### TIP: Provide accommodations using qualified contractors

If the contractor lacks capability and/or project circumstances are challenging (such as a heavy dependence on migrant labour, remote location, lack of rule of law), companies might consider taking provision of accommodation out of the contractor's scope of work. Accommodations may be arranged by the company using specialized camp contractors. Companies may also opt to issue reimbursable or lump sum payments to have the flexibility to maintain appropriate living conditions.



## Health management contract guidelines for clients and contractors

Guide to preparing HSE plans and Bridging documents – Supplement to Report 423

IOGP • IPIECA

### Health management checklist

Subject	Item no.	Check item	Required? Yes / No / N/A	Responsibility: operator or contractor?	Exists? Yes / No	If not available, when is it needed?
<b>Section 1: Health Risk Assessment</b>						
The Health Risk Assessment (HRA) is a systematic process to identify health risks and prevent and mitigate these risks. The HRA identifies risks that have the potential to: cause injury or illness; disrupt operations owing to medical issues; and increase costs owing to lost productivity, medical treatments and potential litigation. This helps to improve workforce health and safety and regulatory compliance, and protects the company's reputation. (Source: IPIECA/IOGP, 2006: <a href="http://www.iogp.org/bookstore/product/a-roadmap-to-health-risk-assessment-in-the-oil-gas-industry">www.iogp.org/bookstore/product/a-roadmap-to-health-risk-assessment-in-the-oil-gas-industry</a> )						
	1	Health hazards will be identified and risks assessed. a) Geographical location, e.g. altitude, temperature b) Physical, e.g. noise, vibration c) Chemical, e.g. mercury, benzene, silica d) Biological, e.g. legionella, mould, blood-borne pathogens, malaria e) Psychosocial, e.g. remoteness, substance misuse, fasting observance f) Ergonomics hazards g) Health hazards resulting from fatigue				
	2	A plan will be in place to prevent, mitigate and control health risks in conformance with the hierarchy of controls (elimination, substitution, modification, containment), isolation, procedures, education and training and personal protective equipment (PPE).				
	3	Location health practices and programmes will be compliant with the local laws and regulations.				
	4	Identified health-related risks and mitigation measures will be communicated in a timely manner.				
	5	The risk assessment will be periodically reviewed and communicated.				
	6	The risk assessment will be reviewed in response to changes in activities, equipment or personnel.				

4

## Health management contract guidelines for clients and contractors

Effective health management systems are key to maintaining a healthy workforce and community and help reduce or prevent health related accidents, injuries and illness, disruptions in operations and, most significantly, loss of life. [IOGP Report 423-02A](#) provides guidance on:

- Health management system elements, requirements, and deliverables
- Roles and responsibilities between contractor(s) and client/operator
- Health aspects related to the pre-qualification, bidding and execution phase
- Promoting transparency and effective communication on health management in contracts
- Implementing and maintaining health promotion and wellbeing programs

### TIP: Verify desktop assessments at the contractor office and worksite

Assessing the capability of contractors starts with a desktop assessment, but be prepared to conduct on-site audits. While contractors' policies and procedures might be well articulated in writing, it is important to verify their implementation at a site level. Verification efforts are worthwhile because they provide the company reassurance that the contractor is addressing risks per their stated processes. They can also help companies allocate resources to address potential risks in a timely manner, minimizing exposure to workers and the company. Depending on the scope of work and risk of the contract or country where the work is executed, more resources or efforts may be needed.

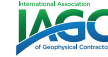
## Management of subcontractors and temporary workforce in geophysical operations

Subcontractor management is a critical part of any management system. Companies have a significant amount of risk exposure through their subcontractors and often struggle to implement a successful management system for their activities at a site.

The management of local temporary personnel is a critical and key aspect of land crew management. The presence of the contractor creates benefits for the local population through employment, training, and procurement of goods and services. Correct and respectful management of local personnel is an important part of a contractor and client's reputation in the country as well as their operational success.

### IOGP Info Sheet – Implementing Report 423 - Oversight, roles, and responsibilities

The IOGP Info Sheet "Oversight, roles and responsibilities" provides an overview of the central ideas in Reports 423 and 423-01 and examines how any uncertainties regarding client/contractor responsibilities can be anticipated and addressed both before and after contracts have been signed.



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## Management of subcontractors and temporary workforce in geophysical operations

Supplement to Report 432



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**Registered Office:** City Tower, Level 14, 40 Basinghall Street, London EC2V 5DE, United Kingdom / T +44 (0)20 3763 9700 / [reception@iogp.org](mailto:reception@iogp.org)

[www.iogp.org](http://www.iogp.org)

**Brussels Office:** Avenue de Tervuren 188A, B-1150 Brussels, Belgium / T +32 (0)2 790 7762 / [reception-europe@iogp.org](mailto:reception-europe@iogp.org)

**Houston Office:** 15377 Memorial Drive, Suite 250, Houston, TX 77079, USA / T +1 (713) 261 0411 / [reception-americas@iogp.org](mailto:reception-americas@iogp.org)