



# CONTRACTOR HSEC INCIDENT REPORTING & INVESTIGATION GUIDELINES

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TRAFIGURA TRADING DIVISION & SHIPPING AND CHARTERING DESK



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## 1.

# INTRODUCTION

### 1.1. PURPOSE

Trafigura requires that serious Health, Safety, Environmental and Community (HSEC) work-related incidents associated with our business are reported and appropriately investigated. By building a clear view of the HSEC risks faced by our employees and by contractors engaged in support of Trafigura's business we will be better placed to manage our shared risks.

This document aims to provide Trafigura's partners involved in the storage and transportation of Trafigura owned product with clear guidance on how to:

- i) Report to Trafigura an incident or near miss;
- ii) Report monthly HSEC performance;
- iii) Carry-out incident investigations with a view to mitigating future incidents and;
- iv) Implement required corrective and preventive measures to avoid recurrence.

Contractors are required to report incidents that occur when working for Trafigura, either on a Trafigura facility or outside of a Trafigura facility. Data obtained from incidents and investigations will be used to inform and manage Trafigura's HSEC risks on a global basis and help prevent future incidents.

Should you have any questions about the approach presented in this document please contact your existing contact point at Trafigura or email [hsec@trafigura.com](mailto:hsec@trafigura.com).

For further information on Trafigura's HSEC Policy and Business Principles please refer to [Trafigura.com](http://Trafigura.com).

### 1.2. SCOPE

All contractors engaged directly or indirectly by Trafigura's "Oil and Petroleum Products Trading Division", "Metals and Minerals Trading Division" and "Shipping and Chartering desk" are required to report against these guidelines.

Trafigura defines an incident as a single event or continuous/repetitive series of events that results in, or could have resulted in, one or more of the following impacts:

- Injury or illness;
- Damage to the environment;
- Damage to physical assets (e.g. product, buildings, plant and equipment);
- Disruption to a community;
- Exposure to legal liability;
- Security threat.

Contractors are to report incidents and near misses associated with the work they are doing for Trafigura. Incidents are classified by severity using the matrix in Section 1.5.



# 1. INTRODUCTION

## 1.3 WHO REPORTS

### 1.3.1 Contractor Work Related Activities

Industry practice is to record contractor HSEC incidents that occur when Company (e.g. Trafigura) has 'control' over the work being performed. Three types of contractor are identified here referred to a Mode 1, 2 and 3.

Reporting of incidents is required for all work performed by Contractor personnel under the contractual Modes 1 and 2. Reporting of incidents is encouraged from Mode 3 contractors.

#### Mode 1

This is when the contractor provides people, processes and tools for the execution of the contract under the supervision, instructions and HSE Management System of Trafigura or other Trafigura company. The contractor has a management system to provide assurance that the personnel for whom it is responsible are qualified and fit for the work and that the processes, tools, materials and equipment they provide are properly maintained and suitable. If a contractor is working on a Trafigura facility, they are Mode 1.

#### Mode 2

This is when the contractor executes all aspects of the contract under its own HSE Management System, providing the necessary instructions and supervision and verifying the proper functioning of its HSE Management System. Trafigura is responsible for verifying the overall effectiveness of the HSE management controls put in place by the contractor, including its interface with subcontractors, and assuring that both the client's and the contractor's HSE Management System are compatible.

Trucking contractors who transport Trafigura commodities from one Trafigura location to another are Mode 2 contractors as Trafigura has control over the type of vehicle used, routes, drug and alcohol testing, etc.

Time charter vessels where we have a time charter for more than one year are also considered Mode 2 contractors (less than one year are considered Mode 3).

#### Mode 3

This is when the contractor operates within its own HSE Management System that has no interfaces with the client HSE Management System and is not required to report HSE performance data including incidents to the client, however they are strongly encouraged to do so. This does not exclude the possibility that the client may wish to guide and influence HSE performance under this type of contract.

Trucking contractors delivering commodities to a Trafigura site from a non-Trafigura location are usually considered Mode 3 as Trafigura have little control over them.

NOTE: For recording purposes, Subcontractor personnel are to be treated as if they were Contractor personnel and work hours and work-related events reported as Contractor events.

### 1.4 REGULATORY REPORTABLE INCIDENTS

Trafigura's reporting guidelines do not supersede local or national regulatory incident reporting requirements or absolute contractors associated with our business from reporting within designated timescales.

### 1.5 WHEN TO REPORT

Trafigura requires that third-parties provide an initial alert to their nominated contact within Trafigura within 4 hours of a serious (Level 3,4,5) incident occurring. Contractors are not expected to submit a formal incident investigation as part of this alert. Level 1 and 2 incidents should be reported in monthly report.

### 1.6 WHAT TO REPORT

The following guidelines are designed to enable contractors to assess the seriousness of HSEC incidents. While Mode 1 and 2 contractors are required to report Level 1 to 5 incidents and near misses, the company also welcomes the reporting of incidents and near misses from Mode 3 contractors.

If in any doubt as to the seriousness of an incident, contractors are encouraged to contact Trafigura immediately.

Mode 1 and 2 contractors should report hours worked and kilometers driven on Trafigura activities each month.

### 1.7 REPORTING HOURS WORKED AND KILOMETERS DRIVEN

In order to understand the frequency at which incidents are occurring, Mode 1 and 2 contractors are required to report the hours they have worked on Trafigura business and the kilometers they have driven on Trafigura business. This should be provided monthly by the 10<sup>th</sup> working day of the following month.

### 1.8 HOW TO REPORT

Level 3, 4 and 5 incidents should be reported within 4 hours to your Company contact. All incidents, near misses and hours worked should be reported in summarised form within 10 working days from the last day of each month. Appendix B contains a template for this monthly report.

## INCIDENT SEVERITY MATRIX

| CATEGORY  | LEVEL 1 LOW   | LEVEL 2 MINOR   | LEVEL 3 MODERATE   | LEVEL 4 MAJOR   | LEVEL 5 CRITICAL  |
|---|---|---|--|---|---|
| Injury and Illness (to employees, contractor or subcontractor, third parties/ members of the public)  | First aid treatment<br>Short-term subjective inconvenience.   | Medical treatment case or restricted work duties<br>Objective but reversible disability / impairment.<br>Illness or injury results in restricted / modified duties.<br>Potential breach of health and safety legislation.   | Lost Time Incident injury<br>Moderate irreversible disability or impairment to 1 or more persons.<br>Clear breach of health and safety legislation.  | Single fatality.<br>Severe irreversible disability or impairment to 1 or more persons.<br>In-patient hospitalization equal to or more than 3 people and equal to or less than 9 persons).   | Multiple fatalities.<br>Significant irreversible human health effects or hospitalization of more than or equal to 10 people.  |
| Environmental Effects   | Hydrocarbon spill* of less than 1 barrel (BBL).<br>Volume of metal, metal concentrate or bulk material spilled less than 1 tonne.<br>Limited damage to minimal area of low significance e.g. hydrocarbon spill largely contained on deck of vessel or at loading rack.<br>No permanent impact on biological or physical environment.<br>*NB. Gross volume spilled not residual or 'effective' volume remaining in environment following recovery efforts. | Hydrocarbon spill of more than 1 BBL less than 7 BBLs (1 tonne).<br>Small volume of metal, metal concentrate or bulk material spilled e.g. more than 1 tonne less than 5 tonnes.<br>Minor / short-term effects on biological or physical environment.<br>Minor short-term damage to small area of limited significance.<br>Some limited clean-up required within boundaries of local legislation.<br>Potential breach of environmental legislation. | Hydrocarbon spill of more than 7 BBLs less than 51 BBLs (more than 1 tonne less than 7 tonnes).<br>Large volume of metal, metal concentrate or bulk material spilled e.g. more than 5 tonnes less than 25 tonnes (1 truck load).<br>Moderate short-term widespread impacts on biological or physical environment but not affecting ecosystem function.<br>Clear breach of environmental legislation. | Hydrocarbon spill of more than 51 BBLs less than 5,110 BBLs (more than 7 less than 700 tonnes).<br>Serious environmental effects with impairment of ecosystem function or relatively widespread long-term impacts, irrespective of product volume lost.<br>Significant clean-up required.                 | Hydrocarbon spill of over 700 tonnes or 5,110 BBLs.<br>Long-term, widespread effects on significant (i.e. protected) ecosystem, irrespective of product volume lost.<br>Impact on nationally or internationally recognised protected environment.<br>Major clean-up / intervention programme required.  |
| Social / Community / Reputational Issues  | An isolated point of negative feedback from an individual.<br>No lasting social, cultural or reputational impact.   | Negative feedback from more than 1 individual. Concern limited to the local community.<br>Adverse local media or local NGO attention.<br>Minor infringement of cultural heritage.   | Repeated, on-going negative feedback.<br>Significant infringement of cultural heritage.<br>Adverse national media or national NGO attention.<br>Breach of social / community related law / company policy.   | One fatality to member of the public<br>On-going significant negative community feedback or human rights impacts.<br>Significant damage to items of cultural significance.<br>Significant infringement and disregard of cultural heritage.<br>Adverse international media or international NGO attention. | More than 1 fatality to member of the public<br>Reputation severely tarnished, license to operate under threat.<br>Repeated widespread grievance(s) related to serious negative feedback or human rights impacts.<br>Irreparable damage to highly valued items / property of cultural significance.<br>Highly offensive infringements of cultural heritage. |
| Financial cost of the HSEC incident with an impact leading to losses, material damages or business interruption of the following financial values | Less than or equivalent to US\$5,000.   | Between US\$5,001 and US\$50,000.   | Between US\$50,001 and US\$500,000.  | Between US\$500,001 and US\$5 million.  | More than US\$5 million   |

2.

# INCIDENT INVESTIGATION

## 2.1 INCIDENT INVESTIGATION APPROACH

The following guidelines provide a recommended template for use by contractors. Trafigura encourages all contractors to conduct incident investigations of Level 3, 4 and 5 incidents.

Trafigura may request information in relation to an incident in order to seek assurance that incidents are adequately investigated and that appropriate measures have been taken to mitigate against a repeat of the incident taking place in future.

## 2.2. RESPONSIBILITY

The responsibility for an investigation by a contractor should be handled by an "Investigation Lead". The Investigation Lead is to be technically competent to undertake the investigation, or have the appropriate technically competent resources made available to them.

The Investigation Lead is responsible for undertaking a causal analysis and identifying corrective actions required associated with each incident.

## 2.3 RECOMMENDED PROCESS

Incidents do not just happen, they are caused. The key to the investigation process is to determine the root cause of the incident. The investigation process adopted by the third-party shall include the following steps as a minimum:

### Information gathering

- What happened, under what conditions and as a result of what actions – examine the sequence of events that led up to the incident.
- Obtain information - physical (scene of incident), verbal (accounts of witnesses), written (photos, documents, drawings, risk assessments, procedures, etc.).

### Causal analysis

- Review of information obtained to determine the underlying or root causes. May involve application of formal method of analysis (e.g. event and causal factor analysis).
- Analysis should be methodical, thorough, open and transparent.

### Identification of suitable risk control measures

- Determine what risk control measures were missing or inadequate and are needed to prevent future actions.

### Development and implementation of an action plan

- Provide an action plan that deals with the immediate and root causes of the incident.

### Reporting

- The investigation report shall constitute an accurate and objective record of the incident.

### Corrective Actions

- As part of the incident investigation, corrective actions shall be identified and reported, appropriate to the nature and classification level of the incident. Corrective actions shall both address any need to remediate the impact of an incident and prevent reoccurrence, specifically through addressing root cause.



# DEFINITIONS

## 1 INCIDENT

An unplanned or uncontrolled event or chain of events that results in one or more of the following impacts:

- Injury or illness;
- Damage to the environment;
- Damage to physical assets (e.g. product, buildings, plant and equipment);
- Disruption to a community;
- Exposure to legal liability (as related to an HSEC incident);
- Security incident.

## 2 INCIDENT LEVEL

In order to standardise the reporting of incidents, including near misses, Trafigura has adopted a classification matrix based on the actual and potential severity of the consequences of the incident. This is shown on page 5.

Incidents are classified as Level 1 to 5, with 1 being a minor incident and 5 being a very significant incident. The classification level in the Incident Severity Matrix which best matches the incident should be selected.

Multiple categories may be selected however only one classification level per category can be recorded. The overall classification of the incident will be the highest classification across all four (4) categories.

Should the resulting outcome of an incident change over time then the incident should be re-classified. This can occur during the investigation process or following receipt of further information regarding the outcome of the incident.

## 3 INCIDENT POTENTIAL

All incidents shall be reported based upon their actual consequence and their potential consequence. For instance, the actual consequence of an incident could be a first aid injury, however, under slightly different circumstances the injury could have been a LTI. In this example the incident would be reported as an actual Level 1 first aid case and a

potential Level 3 LTI. Of course, the actual consequence could also be the highest potential consequence, for instance: a cook cuts his finger with a knife which results in an LTI, however the worst case of this incident is also an LTI. This incident would be recorded as an actual Level 3 LTI with a loss potential also of Level 3.

Classifying incidents by their potential means we can identify potentially significant consequence events and investigate them accordingly. This may mean an incident moves from an Actual Level 2 to a Potential Level 3 and hence an incident investigation is required (incident investigations are required for level 3, 4 and 5 incidents).

## 4 NEAR-MISS

A near miss is defined as an unplanned or uncontrolled event or chain of events that has not resulted in an injury, physical damage or environmental damage but had the potential to do so in other circumstances.

Near misses should be reported as a near miss and the potential consequence reported e.g. a near miss with potential for a Level 3 incident. Similarly, in the event an actual Level 2 hydrocarbon release could have resulted in a Level 3 incident this would be reported as an actual level 2 incident with potential for Level 3. The First Response Receiver should confirm both the actual impact at 'Level 2' and, on being asked by Safeguard whether the incident could have been more serious, a near miss at 'Level 3' potential incident will be selected from the same incident matrix.

## 5 HIGH POTENTIAL INCIDENT (HPI)

This refers to any incident or near miss that could have realistically resulted in a Level 4 or 5 incident for example, under slightly different circumstances there could have been one or more fatalities.

In all near misses and HPI events where potential consequence is considered, what could have reasonably happened should guide the classification, rather than an absolute worst case scenario based on an improbable sequence of events.

For instance, in the case of a road traffic accident (RTA) when a passenger receives a lost time injury (LTI) injury but under slightly different circumstances he and the driver could have been killed: this would be reported as an actual Level 3 LTI and a potential Level 5 HPI. Of course, an HPI may also be a near miss. For instance, if a hammer was dropped 20 meters into an area where people work, although no one was there at the time, this would be recorded as a near miss with a potential Level 4 HPI.

## 6 FIRST AID CASE

These are cases that are not sufficiently serious to be reported as medical treatment or more serious cases but nevertheless require minor first aid treatment, e.g. a dressing on a minor cut is required, or removal of a splinter from a finger.

## 7 MEDICAL TREATMENT CASE (MTC)

Cases that are not severe enough to be reported as lost work day cases or restricted work day cases but are more severe than requiring simple first aid treatment e.g. the provision of sutures and prescribed medication.

## 8 RESTRICTED WORK DAY CASE (RWDC)

Any work-related injury other than a fatality or lost work day case which results in a person being unfit for full performance of the regular job on any day after the occupational injury. The injury is not sufficient enough to miss a day of work (e.g. not an LTI) but is severe enough to prevent performance of regular duties and so 'light duties' are assigned instead. Work performed might be:

- An assignment to a temporary 'light duties' role
- Part-time work at the regular job
- Working full-time in the regular job but not performing all the usual duties of the job.

Where no meaningful restricted work is being performed, the incident should be recorded as a lost time incident (LTI).

## 9 LOST TIME INJURY (LTI)

Any work-related injury, other than a fatal injury, which results in a person being unfit for work on any day after the day of occurrence of the occupational injury. 'Any day' includes rest days, weekend days, leave days, public holidays or days after ceasing employment i.e. if work could not be performed the day after the injury occurring it is counted as an LTI even if the next day was a weekend.

## 10 OCCUPATIONAL ILLNESS

An occupational illness results from prolonged or repeated exposure to potentially harmful external factors. Sunburn or welding flash burns which result from prolonged or repeated exposure to sunrays or welding flashes are considered occupational illnesses. An occupational illness differs from an occupation injury as an occupational injury is the consequence of a single instantaneous incident at the work environment.

## 11 FATALITY

Cases that involve one or more people who died as a result of a work related incident.

## 12 TOTAL RECORDABLE CASES (TRCs)

TRCs are fatalities, lost work day cases, restricted work day cases and medical treatment cases (not First Aid Cases). When reporting the number of TRCs this is the sum of fatalities, lost work day cases, restricted work day cases and medical treatment cases.

## APPENDIX A DEFINITIONS

### 13 ROAD TRAFFIC ACCIDENT (RTA)

Land transportation-related incidents have historically been the single largest cause of fatalities in company operations. A 'crash' involving light duty vehicles, heavy duty vehicles and heavy duty plant equipment (bulldozer, earthmoving equipment, etc.) including buses or coaches which occur on a public road. This includes motorcycles. Specifically excluded from the definition of motor vehicle are vehicles operated on fixed rails and vehicles which are not capable of more than 10 mph (16 kph).

#### 13.1 Exclusions from reporting:

The following should not be reported as RTA when the vehicle is properly parked:

- Injuries that occur when entering or exiting the vehicle (these are reported as occupational injuries)
- Any event involving loading or unloading from the vehicle
- Damage to or total loss of a vehicle solely due to environmental conditions or vandalism (vandalism would be reported as a security incident)
- Another vehicle crashes into the parked vehicle.

In addition the following should not be reported as a motor vehicle crash:

- Superficial damage, such as a stone or rock chip damaging a windscreen or paintwork while the vehicle is being driven
- Damage related to the theft of a vehicle.

#### 13.2 RTA Work-relatedness

Any crash involving a company, rental or personal vehicle while performing company business.

Work-relationship is presumed for crashes resulting from business being conducted on behalf of the company while operating a company assigned vehicle. Examples of company business include driving a client

to the airport, driving to the airport for a business trip, taking a client or work colleague out for a meal, deliveries, visiting clients or customers, or driving to a business related appointment. Personal business which should not be counted includes, but is not limited to, personal shopping, getting a meal by yourself, commuting to and from home, or driving to a private appointment.

Contractor RTA includes any vehicle procured (owned, leased, fleeted or rented) by a contractor or subcontractor while performing work on behalf of the company.

#### 13.3 Commuting

Commuting RTAs are not considered work related. Commuting is defined as:

- Travel from home to first work site and travel from last work site to home.  
Note: Travel to and from field operations locations is considered to be non-commuting if the employee would be considered to be on company business and thus to be working under management controls – e.g. being dispatched, being compensated for travel, or similar.
- Travel between a worker's identified work location and any location for personal business, including a restaurant
- Travel between a worker's established home-away-from-home to the first worksite or to any location for personal business, including a restaurant
- Travel between home and a non-employer-endorsed local conference or other similar function.

#### Commuting travel

For injury/illness reporting, Commute travel begins when the worker is seated in the vehicle in preparation for departure and ends when the worker arrives at their home or worksite and the vehicle is placed in park

or taken out of gear. For RTA reporting, Commute travel begins when the worker is no longer driving for company business and ends when the worker begins to drive for company business.

Note: Travel to and from field operations locations is considered to be company business travel.

An incident is considered to have occurred during commute travel if it meets the requirements above, regardless whether the incident occurs while driving a company or personal vehicle or whether the employee or contract employee is being compensated during this time. Where appropriate, any incident occurring during commute travel may be considered as asset or property loss but not as an RTA.

Note: All work-related travel performed by workers that are home-based, i.e. work from their place of residence, is considered to be non-commuting travel.

#### Home-away-from-home

When traveling, workers establish a 'home away from home' when checked into a hotel, motel, or other similar temporary residence.

Travel directly to the temporary residence before check-in from the airport (train station, etc.) or rental car agency and travel direct from home to the temporary residence is considered business travel, when on work-related business.

Travel home directly from the temporary residence after checkout to the airport (train station, etc.) or rental car agency and travel direct to home from the temporary residence is considered business travel, when on work-related business.

### 14 REGULATORY RECORDABLE INCIDENT

A work related incident which transgresses local country HSEC legislation (includes International Maritime Organisation (IMO) requirements). These incidents shall be logged as at least a 'Level 3' incident in accordance with the Incident Severity Matrix, on page 4.

Trafigura's reporting guidelines do not supersede local or national regulatory incident reporting requirements or absolve contractors or others associated with our business from reporting within designated timescales.


### 15 SECURITY INCIDENTS

Security incidents associated with Trafigura commodities or activities should be reported to Trafigura in a similar way to HSE incidents.



APPENDIX B

# EXAMPLE MONTHLY HSE REPORT TEMPLATE

|  <b>CONTRACTOR HSE PERFORMANCE MONTHLY REPORT</b>   |                                       |   |                   |
|--|---------------------------------------|---|-------------------|
| Your Company Name  | Your Activity Type                    | Which Trafigura Entity contracts your services? | Reporting period  |
| <b>INSTRUCTIONS FOR COMPLETING THIS FORM:</b><br>Please report all HSE events concerned with your work for Trafigura for the REPORTING PERIOD indicated on the top of this form.<br>See Trafiguras's <i>Third Party Incident Reporting and Investigation Guidelines</i> for definitions and information, e.g. to find out our definition of a Level 3 incident.<br>In case of queries, please contact your Trafigura contact person.                       |                                       |   |                   |
| <b>Near misses</b>   | <i>Number of</i>                      | <i>Comments on incidents:</i>                   |                   |
| <b>HSEC Incident (per level)</b>   | <i>Number of</i>                      |   |                   |
| Level 1  |                                       |   |                   |
| Level 2  |                                       |   |                   |
| Level 3  |                                       |   |                   |
| Level 4  |                                       |   |                   |
| Level 5  |                                       |   |                   |
| <b>Total Recordable Cases</b>  | <i>Total number of TRCs</i>           | <i>Employee</i>                                 | <i>Contractor</i> |
| <b>Lost time Injury or Illness</b>   | <i>Total number of LTIs</i>           | <i>Employee</i>                                 | <i>Contractor</i> |
| <b>Fatalities</b>  | <i>Number</i>                         | <i>Employees</i>                                | <i>Contractor</i> |
| <b>Hours worked</b>  | <i>Trafigura related only (total)</i> |   |                   |
| <b>Kilometers driven</b>   | <i>Trafigura related only (total)</i> |   |                   |
| <i>Any other comments:</i>   |                                       |   |                   |
| <b>REMEMBER:</b><br>Level 3, 4 and 5 incidents should be reported within 4 hours to your Company contact and summarised on this form each month. All incidents, near misses and hours worked should be reported in summarised form within 10 days from the last day of each month using this form.<br>Please report all HSE events concerned with your work for Trafigura each month.<br>In case of queries, please contact your Trafigura contact person. |                                       |   |                   |





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TG/0210.2e

Last updated: May 2017

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