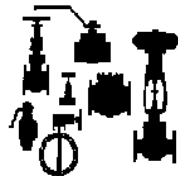


AVSCO Houston Inc.

3810 Juniper St.
Houston, Texas 77087

**Health, Safety & Environmental
Management System (HSEMS)**

System Manual



HSEMS Manual R0

7/06/09

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1 Preface

The Health, Safety and Environmental Management System (HSEMS) presented within this manual and its supporting procedures reflect AVSCO's strategic decision to adopt a process approach throughout our organization, in order to ensure compliance with applicable regulatory, customer and other requirements.

This approach considers the application of a system of processes throughout our organization, as well as the identification and interaction of these processes, and their management. This management system is consistent with the requirements specified by ISO 14001 and OHSAS 18001, as applicable to the products and services provided by our organization.

The policies presented herein are applicable throughout all areas and levels of our organization. All employees are responsible for conducting our business in a safe and environmentally sustainable manner and for operating in conformance with the requirements of this HSEMS.

SIGNATURE ON FILE

N.K. Gupta
President

2 Introduction

2.1 Scope

AVSCO maintains a documented Health, Safety and Environmental Management System (HSEMS) that encompasses all aspects of AVSCO's production and service operations, as applicable to the distribution of industrial equipment and related components.

As the basis for this Management System, AVSCO has adopted the following requirements/standards, as applicable to the products and services provided by AVSCO:

- ISO 9001:2008
- ISO 14001:2004
- OHSAS 18001:1999

This management system considers activities performed on a routine basis by AVSCO.

Where AVSCO chooses to outsource any process that affects conformity with regulatory or other requirements to which AVSCO subscribes, AVSCO's management will ensure that appropriate controls are established. Controls of outsourced processes are identified within this management system.

3 Organizational Structure

Specific details regarding AVSCO's organizational structure may be found by referencing the organizational chart maintained by AVSCO's Management Representative.

4 System Requirements

4.1 General

This management system is based on a four (4) step “Plan-Do-Check-Act” management model. It provides an organizational framework that requires continuous monitoring and periodic review, to provide effective direction for management in response to changing internal and external factors. It requires that all levels in the organization accept responsibility for working to achieve HS&E improvements, as applicable.

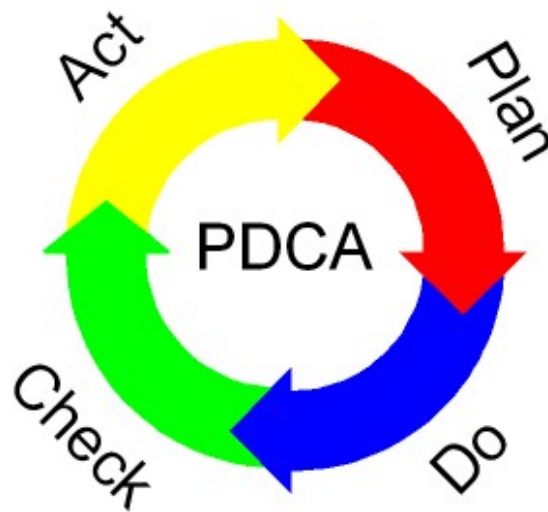


Figure 2 – PDCA Cycle

4.2 HS&E Policy

AVSCO’s HS&E Policy is described in procedure HSE-1. This policy has been established by the President to communicate AVSCO’s commitment to complying with legal, regulatory, customer and other requirements to which AVSCO subscribes, to the prevention of pollution and to continually improving the effectiveness of this HSEMS. These policies are further defined through the establishment of HSEMS objectives and targets throughout the organization (see 4.3.3), which are then monitored through the application of key performance indicators (4.5.1).

The HS&E policy is a controlled document. Copies of this policy are posted for prominent display for both employees and the public. In addition, this policy is also made available to the public through the use of AVSCO’s web site.

During AVSCO’s annual Management Review (see 4.6), this policy is reviewed for continuing suitability. Changes to this policy are communicated through subsequent revisions of this program.

4.3 Planning

4.3.1 HS&E Aspects

As part of AVSCO's planning process, AVSCO has developed procedure *Aspect Identification and Analysis* (see Appendix A), to identify, analyze and document HS&E aspects, and associated impacts, within the scope of AVSCO's operations, and to determine those aspects which are considered by AVSCO as "Significant", therefore requiring immediate mitigation or control. In addition, this procedure also establishes criteria for the evaluation of non-significant aspects, and consideration of such aspects for action by AVSCO management.

These HS&E aspects are then used in the determination of applicable legal, customer and other requirements (see 4.3.2. below), as well as in the establishment of HSEMS objectives and targets (see 4.3.3. below).

4.3.2 Legal and other requirements

In conjunction with 4.3.1 above, AVSCO has also developed procedure *Legal and Other Requirements* (see Appendix B), to identify and ensure access to applicable legal, customer and other requirements (LOTR) related to identified HS&E aspects (see 4.3.1. above), and to determine how these requirements apply to these aspects.

4.3.3 Objectives, Targets, and Programs

AVSCO has developed procedure *Objectives, Targets and Programs* (see Appendix C), to establish, implement and maintain documented HS&E objectives and targets at relevant functional and levels within AVSCO.

Significant aspects and applicable legal, customer and other requirements are considered as part of this process, as are technological options, financial, operational, and business requirements, and the views of interested parties.

This procedure also defines AVSCO's program for achieving objectives and targets, which includes the designation of responsibility for achieving objectives and targets at relevant functions and levels within AVSCO, and the means and time frame by which they are to be achieved.

4.4 Implementation and Operations

4.4.1 Resources, Roles, Responsibility and Authority

4.4.1.1 Provision of Resources

AVSCO's management ensures the availability of resources necessary to establish, implement, maintain and improve this HSEMS program. These resources include human resources and specialized skills, organizational infrastructure, technology and financial resources.

Resource needs are identified through a variety of different processes, including periodic evaluations (4.5.2), corrective and/or preventative actions (4.5.3.2), and management reviews (4.6). Resource needs are addressed during AVSCO's annual budgeting cycle, however if special needs arise, they may also be requested on an as-needed-basis.

4.4.1.2 Responsibility and Authority

The President has designated, in writing, the Management Representative for AVSCO's HS&E Management System (HSEMS). The Management Representative, irrespective of other duties, is responsible for ensuring that all personnel are aware of the relevance and importance of their activities, and how they contribute to the achievement of AVSCO's overall HS&E and quality objectives. This relevance is further emphasized through a performance management program that recognizes HS&E excellence.

Additional information on the responsibilities of AVSCO's Management Representative and other key personnel is shown in Table 1. Additional information regarding responsibilities and authorities, are defined in job descriptions, instructions and documented procedures and are communicated to the appropriate personnel. (See Organizational Structure, 3.2 and Table 1)

A summary of personnel roles, responsibility and authority is shown in Table 1, as follows. Additional roles, responsibility and authority are documented throughout this program.

Table 1 - Summary of Roles, Responsibility and Authority

Title	Responsibility and Authority
President	<ul style="list-style-type: none"> • Define HSEMS Policy; and • Ensure the communication and understanding of the HSEMS Policy throughout the organization. • Promote HS&E excellence through a demonstration of personal commitment to this HSEMS, and employee recognition through AVSCO's performance management program
Management Representative	<ul style="list-style-type: none"> • Ensure that HSEMS requirements are established, implemented, and maintained by AVSCO; • Report on the performance of the HSEMS to Management for review and as a basis for continuously improving the efficiency of this management system; • Act as liaison to assess concerns of stakeholders, including external bodies and between AVSCO on matters relating to the this HSEMS; and • Ensure the promotion of awareness of regulatory and other requirements to which AVSCO subscribes, throughout the organization.
QHSE Coordinator	<ul style="list-style-type: none"> • Document and maintain this HSEMS, and the development of System Procedures and their subsequent revisions; • Perform scheduled corporate audits of this HSEMS as implemented by AVSCO and report results to the Management Representative; • Initiate or direct actions which result in solutions to problems and verifying results; • Review the implementation of this HSEMS and report the status to the Management Representative; • Conduct HSEMS Training of affected personnel; • Qualify and certify audit personnel; • Perform audits of suppliers to AVSCO; and • Determine and issue stop-work directions with concurrence of the Management Representative
Managers/ Supervisors	<ul style="list-style-type: none"> • Implement the HSEMS as defined by this manual and related procedures; • Obtain and communicate company, regulatory and customer requirements to the appropriate personnel or functional organization; • Ensure that qualified personnel and other resources are available to implement the HSEMS; • Ensure compliance with regulatory and other requirements to which AVSCO subscribes; and • Ensure that personnel comply with applicable regulations, standards, specifications, and documented procedures.
All personnel	<ul style="list-style-type: none"> • Ensure the quality and safe performance of their work; • Operate in conformance with the requirements of this HSEMS; and • Stop work in progress to make appropriate notifications when unsafe conditions exist or requirements are not being met.

4.4.2 Competence, Awareness, and Training

AVSCO's employee training program is designed to clearly demonstrate the competence of personnel performing work that affects AVSCO's compliance with regulatory requirements or other requirements to which AVSCO subscribes. Training is provided to satisfy these needs within 30 days of hire, transfer, change in responsibility or position, or whenever the need is otherwise determined.

All AVSCO personnel responsible for performing activities with the potential to affect either the environment and/or the health and safety of our employees, contractors, customers, and/or the public shall receive HSEMS indoctrination training, which is designed to ensure that personnel are aware of the:

- importance of conformance with HS&E Policy, procedures, and the requirements of this management system,
- significant HS&E aspects, relative to the work to be performed, and related actual or potential impacts, and the benefits of improved personal performance,
- relevance and importance of their activities, including their roles and responsibilities in achieving conformity with the requirements of this management system, and
- potential consequences of departure from specified procedures (including potential criminal charges).

Additional training is administered based on the specific job functions and responsibilities of the individual.

Training records, including education, skills and experience are maintained on all AVSCO employees. Further information on AVSCO's training program, including the determination of competencies and the evaluation of training effectiveness may be found in AVSCO's *Quality Manual*, QP.100 (6.2), with specific training defined by specific employee job description, as appropriate.

4.4.3 Communication

Internal and External communications, including routine communications regarding health, safety and environmental issues, are typically handled by the AVSCO Management Representative. Additional information AVSCO's communication processes are documented in AVSCO's procedure, *Internal and External Communications* (see Appendix D).

4.4.3.1 Internal Communication

AVSCO has established processes to communicate HS&E policy, expectations, aspects, objectives and targets, roles and responsibilities to all employees. These processes are established not only to ensure that necessary information is communicated, but also to ensure employee involvement in the development, communication, and implementation of this program.

4.4.3.2 External Communication

External communication is typically made through an annual status report, which is posted on AVSCO's website. This communication may include, but is not limited to, information regarding policy, significant aspects, objectives and targets, and overall HS&E performance. Other external communications regarding this HSEMS and its related processes are typically upon customer request.

4.4.4 Documentation Requirements

4.4.4.1 General

This management system is documented and controlled to ensure that the services provided by AVSCO conform to regulatory and other requirements to which AVSCO subscribes. HSEMS documentation consists of the following levels of documentation:

- HS&E Systems Manual (includes policy, objectives and targets) - First level;
- HS&E Procedures (includes programs and responsibility) - Second level;
- Instructions (operational control documents) - Fourth level; and
- Forms, records, reports, etc., - maintained as part of each level

4.4.4.2 HS&E Manual

This Manual has been established to communicate the scope of AVSCO's HS&E Management System (HSEMS), AVSCO's HS&E policy, and to provide an overview of AVSCO's HSEMS, including supporting processes and direction to related documentation. While this manual follows the overall structure of the standards referenced in section 3.1, some modifications have been made to address specific AVSCO program requirements.

4.4.5 Controlled Documents

Documents that are required by this management system are controlled. A written procedure (see QP.101, *Document Control*) has been developed and implemented to define the controls needed to:

- Approve documents prior to issue;
- Review and update as necessary and re-approve documents;
- Ensure that changes and the current revision status of documents are identified;
- Ensure that relevant versions of applicable documents are available at points of use;
- Ensure that documents remain legible and readily identifiable;
- Ensure that documents of external origin are identified and their distribution controlled; and
- Prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose.

4.4.6 Operational Control

AVSCO identifies, plans, and controls operations where necessary to meet the commitments of its HSEMS policy, to achieve objectives and targets, to comply with applicable legal, customer or other requirements to which the organization subscribes and to manage AVSCO's HS&E aspects. Operational controls include, as applicable:

- Availability of operating criteria and other information, including documented procedures and/or work instructions, where the absence of such procedures could lead to risks that are not in accordance with established HS&E policy, objectives, and/or targets.
- Operating and maintenance procedures sufficient to ensure safe operations and the achievement of policy, objectives, targets, and programs,
- Use and maintenance of suitable equipment for production and product operations;
- Availability and use of measuring and monitoring devices;
- Implementation of monitoring and measurement activities to ensure that operating criteria are being met; and
- Implementation of defined processes for release and delivery.

These controls have been developed, as applicable, throughout AVSCO operations, which include but are not limited to, manufacturing/assembly, purchasing, sales, handling, storage and delivery. These controls may be found in documented procedures and instructions.

These controls are reviewed for continuing suitability on a regular basis (see QP.101), and updated as necessary. Revisions or changes to these controls are distributed to all affected personnel.

Employee training on these requirements, and subsequent revisions, is provided through company and department level training programs (see 4.4.2).

4.4.7 Emergency Preparedness and Response

AVSCO maintains documented Emergency Action Plans (EAPs) to identify potential emergency situations, respond and mitigate HS&E emergencies, and to ensure necessary communications. This includes normal and abnormal operating conditions, including start-ups and shutdown, and addresses accidents and other potential emergency situations

These plans include consideration of:

- Accidental releases to the atmosphere
- Accidental discharges to water and land
- Specific environmental and ecosystems effects from accidental releases
- Severity of the emergency event

AVSCO's EAPs are maintained as part of AVSCO's general HS&E Policies and may be further supplemented by job or project-specific plans or policies. Training is provided for all affected personnel (see 4.4.2).

AVSCO's EAPs is periodically reviewed, as necessary, and revised for continuous improvement, with special consideration given after the occurrence of accidents or emergency situations. This procedure is also tested periodically, where practicable.

Due to the nature of AVSCO's production and service activities, considerations for communications and community recovery needs, and community recovery plans are not applicable. In the future, should such a need be identified, appropriate procedures will be developed.

4.5 Checking

4.5.1 Monitoring and Measurement

AVSCO monitors and measures on a regular basis, the key characteristics of our operations that can have a significant HS&E impact. This includes the documenting of information to analyze trends and monitor performance, applicable operational controls and conformity with the organization's HS&E objectives and targets.

Key Performance Indicators (KPI's) are used to evaluate AVSCO's on-going performance, as related to HS&E objectives and targets. KPI's used may include, but are not limited to, the following:

- Regulatory citations
- Customer issued nonconformances or complaints
- Training compliance
- Corrective actions
- Audit results
- P&L (Profit and Loss) performance
- Total Recordable Incident Rate (TRIR) and
- Lost Time Incident Rate (LTIR)

Appropriate processes have been implemented to ensure validity of results, including, where applicable, the calibration or verification of monitoring and measuring equipment, which can be found in AVSCO's *Quality Manual*, QP.100 (7.6).

4.5.2 Evaluation of Compliance

To ensure consistency with AVSCO's commitment to compliance, AVSCO has established, implemented, and maintains procedures for periodically evaluating compliance with applicable legal, customer and other requirements to which AVSCO subscribes. These activities may include, but are not limited to:

- Internal management system audits
- Third party reviews/inspections
- Documents or record reviews
- Incident investigation reports
- Work reviews (including customer surveys)
- Supplier evaluations, to review HS&E performance

A third party review of this management system is required at least every 5 years. Other evaluations above are performed in accordance with published schedules, or as necessary, and utilize appropriate tools to ensure compliance with specified requirements. Records of these evaluations are maintained.

4.5.3 Control of Nonconformances, Corrective and Preventative action

4.5.3.1 Control of Nonconformances

AVSCO has developed documented procedures to prevent the inadvertent use of product, personnel, equipment and/or materials which do not conform to HS&E requirements, to correct the nonconforming condition, and to provide for proper nonconformance notification to affected parties, as applicable.

The control and related responsibilities and authority for dealing with nonconformances are defined in QP.104, *Control of Nonconformances*. Records of the nature of nonconformance and any subsequent actions taken, including concessions obtained, are maintained.

Customer-specific requirements for the reporting of nonconformances, including the immediate reporting of incidents, near misses and accidents on a customer's property shall be determined by AVSCO, and reported in accordance with AVSCO and the customer's procedures.

4.5.3.2 Corrective and Preventative Action

AVSCO maintains documented procedures for the analysis of nonconforming conditions including incidents and accidents. These procedures also address the initiation, implementation and verification of corrective actions, as well as for implementing preventative action to deal with potential nonconformances (see QP.105, *Corrective and QP.106, Preventative Action*).

Any corrective action taken to eliminate the causes of actual or potential nonconformities shall be to a degree appropriate to the magnitude of problems and commensurate with the risks encountered. AVSCO implements and records any changes to documented procedures resulting from corrective or preventive action(s).

Requirements for corrective action(s) include:

- Identifying nonconformities (including customer complaints);
- Determining the causes for the nonconformity;
- Evaluating the need for actions to ensure that nonconformities do not recur;
- Determining and implementing the corrective action needed;
- Recording results of action taken;
- Reviewing corrective action taken; and
- Applying controls to ensure that corrective action is taken and that it is effective.

Requirements for preventive action(s) include:

- Identifying potential nonconformities and potential causes;
- Evaluating the need for actions to ensure that nonconformities do not occur;
- Determining and implementing the preventative action needed;
- Recording results of action taken; and
- Reviewing preventative action taken.

4.5.4 Control of Records

HSEMS Records includes all documents generated during the operation of this management system. A written procedure has been developed and implemented (see QP.102, Control of Records) to ensure that records remain legible, readily identifiable and retrievable.

4.5.5 Internal Audit

Internal audits of this management system are planned and performed on a regular basis throughout AVSCO by an auditor or audit team in accordance with documented procedures (see QP.103, Internal Audits). Audits are performed by trained personnel on areas for which they have no direct responsibility. These audits objectively evaluate the effectiveness of all aspects of the HSEMS.

Internal audits are scheduled on the basis of status and importance of the activities involved. The audit scope, frequency and methodologies are defined.

Management for the area audited is responsible for reviewing any findings found by the auditors and taking appropriate corrective and preventative action. The Internal HSEMS Auditors review and verify action taken to ensure adequate and effective corrective action of the findings. Findings, actions, and closure are documented.

4.6 Management Review

4.6.1 HS&E System Review

Management reviews this HSEMS, including HS&E Policy, Objectives and Targets on an annual basis. These reviews are performed to assess the adequacy, effectiveness and continuing suitability of the existing HSEMS, as well as opportunities for improvement.

The Management Representative is responsible for scheduling, conducting, and recording the review, including participants, and also for maintaining the collective records of all reviews performed. Management reviews include the Review Inputs and Outputs shown in Table 2.

Table 2 – Management Review

Review Input	Review Output
<ul style="list-style-type: none">• Results of audits and evaluations of compliance with legal requirements and with other requirements to which the organization subscribes• Communication(s) from external interested parties, including complaints• HS&E program and process performance, and product conformance• Status of corrective and preventative actions• Follow-up actions from earlier management reviews, including the extent to which objectives and targets have been met• Personnel status• Changes that could affect this management system, including developments in legal and other requirements related to identified HS&E aspects• Recommendations for improvement.	<ul style="list-style-type: none">• Improvement of this management system and its processes (includes policy, objectives, targets, and other elements)• Improvement of products related to customer requirements• Resource needs• Management Objectives and Targets for upcoming year (also requires Management Plan per 4.3.3.2)

4.6.2 Continuous Improvement

AVSCO continually improves the effectiveness of this HSEMS through periodic reviews of its performance. Improvement opportunities identified during these reviews may form the basis for discrete improvement projects, or may serve as the basis for larger company-wide initiatives (e.g., Six Sigma, Lean, 5S, etc.). The results of such improvements activities are demonstrated in corresponding process and/or product records, as appropriate, and documented as part of AVSCO's Management Review.

5 Revision History

<u>Rev.</u>	<u>Description</u>	<u>By:</u>	<u>Date</u>
0	Initial	NKG	07/31/09

Appendix A
Procedure: Aspect Identification and Analysis

1. Procedure

1.1. General

1.1.1. AVSCO identifies HS&E aspects and related impacts within the scope of this management system, that are associated with its past, ongoing or planned production activities and services. This includes the consideration of normal and abnormal operating conditions including start-up and shut-down maintenance and emergency situations and accidents.

1.1.2. In addition to those aspects that AVSCO can control directly, AVSCO also considers those aspects that it can influence, such as those relating to products and services used by AVSCO. This includes activities provided by subcontractors, the design of products, services, materials, goods or services used, and the transport, use, reuse or recycling of products.

1.2. Aspect Identification

1.2.1. As part of this HS&E Management System, AVSCO has developed a listing of HS&E aspects, relative to routine operations performed by AVSCO.

1.3. Aspects Analysis

1.3.1. For each aspect identified, aspect significance shall be determined based on the severity of the aspect, should it occur, and the probability of its occurrence (see Table 1). Aspects determined to be “Significant” require immediate mitigation or control.

1.3.2. Aspects determined through this process to be “Significant” shall be considered in the establishment and/or review of HS&E objectives and targets, respectively (see Appendix C).

1.4. Other Considerations

1.4.1. In addition to those aspects identified as “Significant”, other aspects may be selected for immediate mitigation or control by AVSCO’s management, based on the consideration of other factors, such as:

- Aspect is covered by applicable legal, regulatory, customer requirement or other requirement to which AVSCO subscribes,
- Aspect is covered by AVSCO’s principles and commitments (HS&E policy),
- Views of employees and interested parties
- Aspect provides an opportunity for the prevention of pollution (source reduction, reuse, recycling) and/or energy and resource conservation
- Technological options exist to control aspect
- The benefit of mitigating or controlling the aspect outweighs the cost
- Continuous improvement opportunities

1.5. Aspect Review

- 1.5.1. HS&E aspects relating to new, existing, and changes to existing products and services are identified and evaluated during production planning (see QP.100). One-time, job-specific risks are typically identified through a Job Safety/Hazard Analysis (JSA or JHA). Recurring risk shall be documented and evaluated through the use of a revised aspect listing (see above).
- 1.5.2. AVSCO's shall review its HS&E aspect listings on a regular basis as part of its annual management review, or as needed, and any revisions are reflected in periodic updates to this manual and its related documentation.

1.6. Training

- 1.6.1. Each Manager/Supervisor shall be responsible for ensuring that all affected personnel have received training on all aspects that are applicable.
- 1.6.2. Training shall be documented and records of training retained per 33.G.102, *Control of Records*.

Table 1 – Determining Aspect Significance

1a. Severity Rating

Class	Definition	Value
Major	Death or permanent disability to one or more persons (H&S). Long-term or irreversible impact on the environment (ENV).	4
Medium	Hospital admission required (H&S). Medium to long-term impact on the environment (ENV).	3
Minor	First aid required only (H&S). Short-term reversible impact on the environment* (ENV).	2
Negligible	Injuries not requiring first aid (H&S). No appreciable effect on the environment* (ENV).	1

**Note: no infringement of environmental regulations*

1b. Probability / Occurrence

Probability	Definition	Value
Likely	High probability of happening, on average once per week	4
Probable	Medium probability of happening, on average once per month	3
Possible	Low probability of happening, on average once a year	2
Unlikely	Negligible probability of happening, on average once in ten years	1

1c. Calculating Significance Rating

$S \times P = SR$
Where: SR: Significance Rating S: Severity of aspect P: Probability of occurrence

1d. Significance Rating

SR	Rating
12-16	SIGNIFICANT - Mitigation/control required
6-9	MODERATE - Monitor to evaluate need to mitigate or control.
1-4	LOW - No action, review annually to evaluate significance status

Appendix B
Procedure: Legal and Other Requirements

2. Procedure

2.1. General Requirements

2.1.1. As part of this HS&E Management System, AVSCO has established a listing of legal, regulatory, customer and other requirements (LOTR), relative to production and service activities performed by AVSCO (see QP.101).

2.1.2. The requirements identified in this listing are maintained and updated as necessary, by AVSCO's Management Representative; copies are available upon request. Notification of significant changes to these requirements is made system-wide by the Management Representative, or their designee, when they are identified.

2.2. Requirements Covered by this System

2.2.1. Legal and regulatory requirements maintained within this system include, but are not limited to:

- Legislation, including statutes and regulations;
- Decrees and directives;
- Permits, licenses or other forms of authorization;
- Orders issued by regulatory agencies; and
- Judgments of courts.

2.2.2. Customer and other requirements include, but are not limited to:

- Customer-specific requirements;
- Non-regulatory guidelines;
- Voluntary principles or codes of practice;
- Public commitments by AVSCO; and
- Corporate requirements.

2.2.3. The determination of applicable legal, regulatory, customer and other requirements is typically performed during the identification and analysis of HS&E aspects (see Appendix A) and are taken into account when evaluating the adequacy of existing operational controls.

2.3. Training

2.3.1. Each AVSCO Manager/Supervisor shall be responsible for ensuring that all affected personnel have received adequate training on applicable legal and other requirements. Supplemental or refresher training shall be performed as requirements are updated, where appropriate.

2.3.2. All training shall be documented in accordance with **QP.10X**, *Training*.

Appendix C

Procedure: Objectives, Targets and Programs

1. Procedure

1.1. General

- 1.1.1. As part of AVSCO's annual management review process, HS&E objectives, targets, and Key Performance Indicators (KPI's) are established and documented by management to move the organization to improved levels of performance.
- 1.1.2. Objectives are defined goals in terms of HS&E performance that AVSCO intends to achieve. These objectives are further detailed by targets, which are measurable by performance levels needed to ensure achievement of the related objective, and include a specified time frame to be delivered.
- 1.1.3. Key Performance Indicators (KPIs) relates to the monitoring and measurement, on a regular basis, of key characteristics of its operations that can have a significant HS&E impact. This includes the documenting of information to analyze trends and monitor performance, applicable operational controls and conformity with AVSCO's stated HS&E objectives and targets.

1.2. Objectives and Targets

- 1.2.1. As a minimum, in the establishment of objectives and targets, AVSCO's management shall consider the following:
 - AVSCO's principles and commitments, as related to HS&E policy,
 - Significant HS&E aspects
 - Applicable legal requirements and other requirements to which AVSCO subscribes,
 - Pollution prevention (source reduction, reuse, recycling) and energy and resource conservation
 - Technological options
 - Financial/business and operational needs
 - Views of employees and interested parties
 - Continuous improvement

1.3. Key Performance Indicators (KPIs)

- 1.3.1. KPI's are established, based on established objectives and targets, to monitor AVSCO's performance toward meeting these specified goals. Immediate adjustments made to management plans where cause exists.
- 1.3.2. KPI's used by AVSCO to evaluate the performance of their operations, as related to HS&E objectives and targets, include, but are not limited to:
 - Regulatory citations
 - Customer issued nonconformances or complaints
 - Training compliance

- Corrective actions
- Audit results
- P&L (Profit and Loss) performance
- Total Recordable Incident Rate (TRIR) and
- Lost Time Incident Rate (LTIR)

1.4. Program

- 1.4.1. As part of the management review process, AVSCO's Management Representative shall develop a Management Plan, detailing the steps intended by AVSCO to meet stated objectives and targets.
- 1.4.2. These plans shall detail key considerations, such as:
- General information (fiscal year, submittal date, revision, etc.)
 - Responsibility and authority for achievement of the objectives,
 - Significant aspects addressed,
 - How objectives address significant aspects
 - Targets, and how they will be assessed,
 - Scope of aspects, objectives, and targets,
 - Tasks and activities,
 - Procedures/Operational controls related to this plan,
 - Training required, and
 - Any other pertinent information.
- 1.4.3. Management plans shall be communicated to all affected personnel, and the Management Representative shall periodically report to affected personnel on AVSCO's progress towards meeting stated objectives and targets (i.e., by bulletin board postings, email, meetings, newsletters, etc.)
- 1.4.4. Management plans shall be periodically reviewed, and revised as necessary, to reflect changes to activities, services, and/or operating conditions.
- 1.4.5. Overall performance is then evaluated in detail as part of the next scheduled Management Review, and nonconformance notification made as necessary (see QP.100 – para 8.3).

Appendix D
Procedure: Internal and External Communication

1. Procedure

1.1. Internal Communication

1.1.1. AVSCO has established processes to communicate HS&E policy, expectations, aspects, objectives and targets, as well as roles and responsibilities to all employees.

1.1.2. These processes are established not only to ensure that necessary information is communicated, but also to ensure employee involvement in the development, communication, and implementation of this program.

1.1.3. These processes include, but are not limited to (see Table 1 also):

- This HS&E manual and associated documentation,
- Electronic (Internet, Intranet and email) communications,
- Employee meetings and bulletin board postings,
- Employee Safety Steering committees,
- Employee Safety Suggestion program,
- Corporate training programs,
- Local emergency notification systems (e.g. fire & security alarms),
- Employee performance reviews, and
- HS&E Management reviews.

1.1.4. This communication may be used for problem solving, coordination of activities, following up on action plans, and for further developing this management system.

1.2. External Communication

1.2.1. External communication is typically made through an annual status report posted on AVSCO's website. This communication may include, but is not limited to, information regarding policy, significant aspects, objectives and targets, and overall HS&E performance.

1.2.2. Other external communications regarding this HS&E and its related processes are typically upon customer request. All external communications will be handled by the Management Representative.

1.2.3. The effectiveness this communication system will then be evaluated and reported on by the Management Representative as part of AVSCO annual Executive Management Review.

Table 1 – Internal Communications (General)

Information Type to Be Communicated	Communication Mechanism / Action	Responsibility	Completion / Target Date
AVSCO HS&E - Policy & Expectations	Indoctrination Training for Management	Mgmt. Representative	Upon hire, transfer or promotion
	Indoctrination Training for employees	Manager/ Supervisor	Upon hire or transfer
	Annual refresher training for employees	Manager/ Supervisor	Annually
Significant Aspects	HS&E Manual	Mgmt. Representative	Annually
Objectives & Targets	HS&E Manual	Mgmt. Representative	Annually
Progress towards meeting Objectives & Targets	Bulletin board postings; meetings	Mgmt. Representative	Annually
	Awareness discussions with employees	Manager/ Supervisor	Annual
Notification of Legal & other Required Changes (general)	Email notifications; Master Listing	Mgmt. Representative	As required
Task Requirements	Procedures, Instructions, etc.	Various	As required
Emergency Action Plans	AVSCO Safety Policy Manual; employee training	Mgmt. Representative	As required
Findings from Audit & Assessment Activities	Bulletin board Postings; employee meetings	Mgmt. Representative	As required
Finding's from Accident & Incident Investigations	Bulletin board Postings; employee meetings	Mgmt. Representative	As required
Results of HS&E Executive Management Review	AVSCO Annual Report / Website; employee meetings	Mgmt. Representative	Annually
HS&E Annual Report	AVSCO Website; employee meetings	Mgmt. Representative	Annually
Reponses to request for Public Information (External inquires from public & Non Regulatory Agencies)	AVSCO will review/respond to public inquires through direct contact, public meetings and other public forums.	Mgmt. Representative	As needed
Responses to inquiries / communities "need to know" during facility events / emergencies. Respond to Media Inquiries.	AVSCO will respond in a fashion that shares information regarding facility status, with a priority placed on public safety during emergencies. Briefing of Media personnel will be conducted.	Mgmt. Representative	As needed
HS&E External Communications and Awareness	Verbal and written as need is identified.	Mgmt. Representative	As needed
Routine Environmental Issues (Regulatory Agencies)	Verbal and written as need is identified.	Mgmt. Representative	As needed
Routine Health & Safety Issues (Regulatory Agencies)	Verbal and written as need is identified.	Mgmt. Representative	As needed

1.3. Emergency Communications

Specific processes for communicating with appropriate parties in case of emergency situations or accidents that could affect or concern them are addressed by documented procedures for *Emergency Preparedness and Response*.

1.4. Mutual Assistance

AVSCO will make every effort to work with our customers, suppliers, and other stakeholders in order to share learning, and for benchmarking purposes, in order to further develop and continuously improve this management system.