



Health, Safety and Environmental Integrated Management System

HSE EXPECTATIONS



HORIZON NORTH
Logistics Inc

Horizon North Logistics' Commitment to Health,
Safety and Environmental Performance (HSE)



HSE Policy

Horizon North Logistics Inc. (HNL) is committed to achieving, maintaining and exceeding excellence in managing all of the HSE aspects of our operations. We steadfastly believe that this is the basis for reaching our vision of: “Being recognized and valued by industry and the communities in which we operate as Best in Class in Health, Safety and Environmental performance”.

Furthermore, we will not only achieve our goals, but also will constantly monitor and improve our efforts in Taking HSE Beyond and setting new industry standards.

It is the responsibility of all employees, management, and sub-contractors, to ensure that all operations are performed in a safe manner and to comply with all set policies, procedures and guidelines.

In addition, it is management’s responsibility to ensure that the Health, Safety and Environmental program is reviewed on an annual basis and updated as required.

Our goal is simple – “Achieving and maintaining incident and injury free operations”.

Horizon North Logistics Inc. is committed to:

- Complying with all relevant legislation, regulation and industry standards;
- Continual improvement to drive down HSE impacts of our operations by identifying all HSE aspects and impacts with appropriate controls and steps to improve them;
- Safety by believing all injuries are preventable;
- Protecting the land where we operate;
- Working with others - our customers, sub-contractors, competitors and regulators to raise the HSE standards of our industry;
- Recognizing those who contribute to improved HSE performance; and
- Openly reporting our HSE performance, not only taking record of the positives but also constructive detailing of the negatives.

Management, employees and contractors are all committed to meeting this policy, now and in the future.



Rod Graham

President and CEO

Horizon North Logistics Inc.

“Being recognized and valued by industry and the communities in which we operate as Best in Class in Health, Safety and Environmental performance”.

Health, Safety and Environmental Management System Framework

Horizon North Logistics Inc. (HNL) is committed to conducting business in a manner that is compatible with the environment and communities where we operate, and that protects the safety, health and security of our employees, those involved in our operations, our customers and the public. These commitments are documented in our HSE Policy. This policy is put in practice through a disciplined HSE Integrated Management System Framework.

Horizon North Logistics' HSE Integrated Management System Framework provides a broad-based set of common Group Expectations integrated into 12 elements of accountability. The Group Expectations are used for controlling the inherent risks with our operations that can impact HSE performance.

All components of the Management System, including setting the level of HSE performance, are controlled by each company within HNL's group of companies.

It is the HNL Management's intent that these Group Expectations within the Framework receive full support from within HNL's group of companies. Management systems are the people and integrated processes that meet these Group Expectations and deliver desired, consistent business performance. All components of the Management System, including setting the level of HSE performance, are controlled by each company within HNL's group of companies. They have the authority to satisfy the 12 elements with existing processes, programs and systems as long as conformance with the Group Expectations can be demonstrated. The scope, priority and pace of management system implementation should be consistent with the risks associated with the operations.

I firmly believe this will help drive HNL ever closer to our goal of "Achieving and maintaining incident and injury free operations".



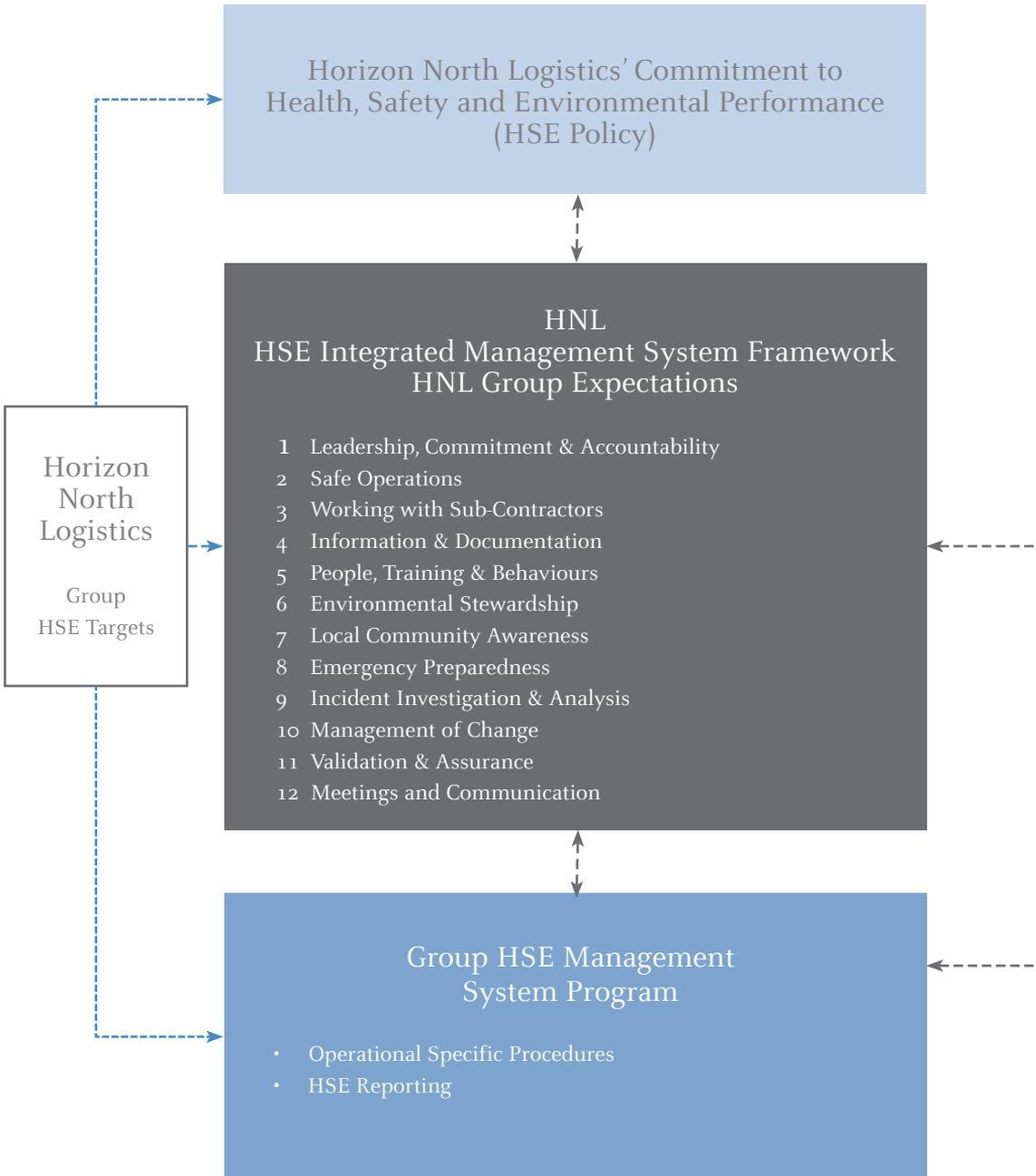
BILL ANDERSON

VP Quality & HSE

Horizon North Logistics Inc.



Horizon North Logistics' Health, Safety and Environmental System



HSE Toolbox

- Legislative Compliance
- Emergency Response Plan
- HSE Processes
 - Substance Abuse Program
 - Incident Investigation
 - Risk Management
 - Driving
 - Journey Management
 - VMIS
 - Behavioral Based Safety Programs
 - Personal
 - Peer to Peer
 - Leadership Safety Audit
- Injury Claims Management
- Subcontractor Management Program
- Safe Work Procedures
 - Lockout/Tagout
 - Working Alone
 - Permit to Work
 - Working at Heights
- Training
 - Indoctrination
 - SEFSAM
- Safety Awards Program
- Sharing of Best Practices
- Environmental Practices
- Health

The Elements of HSE



Element 1

Leadership, Commitment and Accountability

People from all levels in HNL’s organization are responsible for leading and engaging the workforce in meeting our HSE goals and objectives. Leaders will be held accountable for accomplishing this by demonstrating correct HSE behaviours, by clearly defining HSE roles and responsibilities, by providing needed resources, and by measuring, reviewing and continuously improving their organization’s HSE performance.

Group Expectations

- 1.1** Leaders will reinforce and reward positive HSE behaviours by personal example both on the job and off the job.
- 1.2** Leaders will engage in clear, two-way communication with employees, sub-contractors and others on HSE issues.
- 1.3** Leaders will visibly demonstrate involvement and commitment to improve HSE performance.
- 1.4** Leaders will integrate HSE Group Expectations into business planning and decision making processes and ensure that documented systems are in place to deliver these Expectations.
- 1.5** Leaders shall establish clear HSE goals and objectives, roles and responsibilities, performance measures and allocate competent resources and, where necessary, specialist expertise.
- 1.6** Leaders will ensure sufficient HSE Management systems are developed, documented, implemented and supported throughout their organization. These address HSE risks associated with the operations.
- 1.7** Leaders will integrate HNL group HSE targets into their business activities.
- 1.8** Leaders will promote the sharing of HSE lessons learned inside and outside their company.

“Leaders will visibly demonstrate involvement and commitment to improve HSE performance.”

Element 2

Safe Operations

Utilize a comprehensive HSE program to prevent injuries, illness and incidents for all operations.

Group Expectations

- 2.1** Written safe work practices / procedures (permitting, lockout-tagout, working at heights, Personal Protective Equipment (PPE) requirements, etc.) for identified hazards will be in place for each operation.
- 2.2** A risk-assessment process will be in place to periodically identify, assess and mitigate the safety and health risks related to operations. Included is a Job Safety Analysis process (JSA) to identify, eliminate or mitigate potential risks prior to conducting work.
- 2.3** Key operating parameters are established and regularly monitored. The workforce understands their roles and responsibilities to maintain operations within these parameters.
- 2.4** A comprehensive road safety management program will be in place to minimize risks and promote motor vehicle safety.
- 2.5** A human behavioural safety program will be in place to provide for observation and commentary on worker behaviours, tracking and analysis of observations, and a process for identifying and implementing actions for improvement.
- 2.6** Risks introduced by concurrent operations are assessed and managed.
- 2.7** Have an industrial hygiene and medical surveillance program appropriate for the location that include procedures for identification and control of workplace exposures.
- 2.8** A program will be in place to ensure that the performance of our workforce is not impaired by drugs and alcohol.
- 2.9** A training program is in place to ensure that employees have the skills and knowledge to perform their jobs competently, in an incident-free manner and in compliance with all applicable laws, regulations, company policies, and requirements.
- 2.10** New or transferred employees, sub-contractors and other visiting personnel undergo specific and appropriate job site orientation training which covers HSE rules and emergency procedures.

Element 3

Working with Sub-Contractors and others

Sub-Contractors / Service Suppliers and others are key to our business performance and, therefore, it is essential that they perform in a manner that is consistent and compatible with HNL's policies and business objectives. We will assess their capabilities and competencies to perform work on our behalf that ensures our HSE Group Expectations are aligned.

Group Expectations

- 3.1** A process will be in place to ensure sub-contractors and service suppliers perform to the HSE standards consistent with those required of HNL employees and operations. That includes:
- Identification of our company contract “owners” (or management sponsors) accountable for each contract;
 - Active engagement of sub-contractors / service suppliers in implementing and improving on HSE performance;
 - A contractor qualification and selection process which includes safety performance; and
 - Sub-contractor performance monitoring and feedback process.

Element 4 Information / Documentation

Accurate information is essential to assess and manage risk. Information on the configuration and capabilities of processes, properties for our products, materials handled, potential operations integrity hazards, and regulatory requirements. Confidential information will be controlled and readily available to authorized personnel.

Group Expectations

- 4.1** Drawings and other pertinent documentation necessary for sound operation and maintenance of equipment and facilities will be identified, accessible, accurate and appropriately safeguarded.
- 4.2** Information on the potential hazardous materials will be kept current through an MSDS (Material Safety Data Sheet).
- 4.3** Applicable laws and regulations, licenses, permits, codes, standards and practices will be identified, documented and kept current.
- 4.4** Employee health and medical records are maintained with appropriate confidentiality and retained as necessary.

Element 5

People, Training and Behaviours

The success of our business depends upon the people working for us. Our workforce will be carefully selected, trained, and their skills and competencies regularly assessed.

Group Expectations

- 5.1** A process is in place for recruitment, selection and placement to ensure that personnel are qualified, competent, and physically and mentally fit for their assigned tasks.
- 5.2** HNL's workforce has the required skills and training to competently perform their tasks in a healthy, safe and environmentally sound manner. Training will be regularly evaluated to determine its effectiveness.
- 5.3** A process or system exists to continually improve HSE behaviours through observation, recording and coaching / mentoring.
- 5.4** A program will be in place to ensure that the performance of the workforce is not impaired by drugs and alcohol.
- 5.5** A process for the management of personal safety will be in place. It is expected that:
 - Employees proactively and routinely identify unsafe behaviours of their co-workers and others on the worksite;
 - Employees consistently recognize and proactively mitigate operational, procedural and physical hazards.
- 5.6** An occupational health management programs will be provided. Based upon assessed risk to personnel, exposure monitoring, proper protective and preventative measures, early detection and diagnosis, with pertinent health data recorded and reviewed.



Element 6

Environmental Stewardship

The land that HNL operates on is home to generations of aboriginal people and HNL values the importance of protecting that land. HNL will continually strive to improve environmental performance and reduce impact from our operation.

Group Expectations

- 6.1** A process is in place to assess and mitigate significant risks and impacts to human health and the environment associated with operations, releases and wastes.
- 6.2** HNL recognizes and responds to government and local community environmental expectations and concerns raised about our operations and our services.
- 6.3** Operations are managed to comply with the Company's HSE Policy and environmental laws, regulations and approvals.
- 6.4** Assessments are completed to identify environmental risks and liabilities before irrevocable commitments are made to acquire, lease or divest physical properties, a business, technology/intellectual property or an interest in joint venture operations.

Element 7

Local Community Awareness in our areas of operation

HNL values the importance community awareness in the our areas of operations and will actively engage in dialogue with the various stakeholders to maintain public confidence in the integrity of our operations, our services and our commitment to HSE performance. The land that HNL operates on is home to generations of aboriginal people and HNL values the importance of protecting that land.

Group Expectations

- 7.1** Open and proactive communications are established and maintained with employees, sub-contractors, regulatory agencies, and communities regarding the HSE aspects of our business.
- 7.2** HNL recognizes and responds to government and local community raised expectations and concerns about our operations and our services.

Element 8

Emergency Preparedness

Emergency planning and preparedness are essential to ensure that, in the event of an incident, all necessary actions are taken for the protection of our workers, the public, the environment and our assets. Emergency management plans will be maintained to cover all phases of business. These plans will identify equipment, training and personnel necessary to effectively respond immediately and effectively to emergencies.

Group Expectations

- 8.1** Emergency management plans are based on the risks that potentially impact the business. These plans are documented, accessible, clearly communicated and align to the HNL emergency management system.
- 8.2** Equipment and trained personnel needed for emergency response are identified, tested and readily available.
- 8.3** Drills and exercises are conducted to assess and improve emergency response capabilities.

Element 9

Incident Investigation and Analysis

Incidents will be reported, investigated and analysed to prevent recurrence and improve our performance. Incident investigations will focus on root causes and/or system failures. Corrective actions and preventive measures will be utilized to reduce future injuries and losses.

Group Expectations

- 9.1** All HSE incidents, including near misses, are openly reported, investigated, analysed and documented.
- 9.2** Major incidents are investigated by a multi-functional team with participation by senior HNL Management.
- 9.3** Incident investigations, including identification of root causes and preventative actions, are documented and closed out.
- 9.4** Lessons learned from investigations are shared across HNL and personnel are expected to take appropriate action upon receipt of such information.
- 9.5** Mutual sharing of lessons learned and good practices are encouraged within the wider oil and gas industry.

Element 10

Management of Change (MOC)

Changes (including temporary) in operations, procedures, standards and personnel, must be evaluated and managed to ensure that HSE risks arising from these changes remain at an acceptable level.

Group Expectations

10.1 A process will be in place for the management of change to equipment, processes, products or the organization. The management of change process shall address:

- Both permanent and temporary changes;
- Authority for approving changes;
- Compliance with regulations and approved standards;
- Evaluation of health and safety hazards, environmental impacts and mitigation;
- Documentation, including reason for change;
- Communication of risks associated with the change and required mitigation measures;
- Training;
- Changes in operating procedures;
- Up-dating task and site hazard assessments.

Element 11

Validation and Assurance

HNL will periodically validate the implementation of and compliance with these Group Expectations to assure ourselves and stakeholders that management processes are in place and working effectively. This will involve internal self assessments, and appropriate external assessments. HNL will use this information to improve its performance and processes.

Group Expectations

- 11.1** HSE performance leading and lagging indicators are established, communicated and understood throughout the organization. A system is in place to monitor key performance indicators, goals and objectives of the corporation.
- 11.2** Findings from learning processes (audits, incident investigations, near misses, etc.) are prioritized, tracked and used to improve the HSE management system. The completion of identified actions is tracked to ensure timely completion.
- 11.3** HNL's companies report HSE performance data, as part of the HNL reporting requirements. Benchmarking occurs to assure that systems and programs remain current and effective.
- 11.4** The results from incident investigations, non-compliances, compliance audits are reviewed by management.
- 11.5** HNL's group of companies periodically review their respective Management Systems to ensure it is continually delivering consistent, desired performance. Based on the review, risk-based targets are considered and established. Audits will confirm compliance with applicable legislation, and regulatory requirements. Audits will confirm conformance with corporate and industry policies, standards and guidelines.
- 11.6** A process is in place whereby assurance is regularly provided to the HNL President and CEO demonstrating effective implementation of the HNL HSE Commitment and Group Expectations. Periodic self-assessments against the Group Expectations are carried out by each HNL company (at least every 2 years).
- 11.7** New or changed legislation and other requirements as well as changing stakeholder expectations are monitored to understand the impact on the Company's plans and programs.

Element 12

Meetings and Communication

HNL commits to an open dialogue with employees, the communities in which we operate, and other relevant stakeholders with respect to HSE issues associated with Company operations.

Group Expectations

- 12.1** Ensure workers have been made aware of the hazards and the control measures for any given task or job.
- 12.2** HSE issues and performance are an integral part of every meeting including management, field operations and project meetings.
- 12.3** Establish a process, including documentation, for monitoring the status of the Key Actions identified in meetings to address current HSE issues and improve the Company's HSE performance.
- 12.4** Provide meaningful opportunities for the sharing of HSE information at every level of the organization through relevant risk management bulletins.
- 12.5** Provide opportunities for all stakeholders to raise HSE issues.

HNL HSE Management System

All companies working within the HNL organization are required to maintain the HSE Management Systems and practices needed to conform to the Group Expectations described in the HSE Integrated Management System Framework. All components of the HSE Management System, including setting the level of HSE performance, are controlled by each company within HNL's group of companies. They have the authority to satisfy the 12 elements with existing processes, programs and systems as long as conformance with the Expectations can be demonstrated. The scope, priority and pace of Management System implementation should be consistent with the risks associated with the operations.

Addressing the full set of HSE Group Expectations is mandatory for every activity across the entire HNL organization. The Expectations are met through processes and programs put in place by local management (within HNL's group of companies). In many cases, a single process or program may fulfill the intent of one or more expectations. However, in some cases, one expectation may require several processes to be put in place.

Management Systems will:

- Include processes, practices and programs.
- Comply fully with all legal requirements and meet or exceed these Expectations wherever we operate.
- Provide a secure working environment by protecting ourselves, our assets, and our operations against risk of injury, loss or damage.
- Ensure that all of our employees, contractors and others are well informed, well trained, engaged and committed to the HSE improvement process. We recognize that safe operations depend not only on technically sound equipment but on competent people and an active HSE culture, and that no activity is so important that it cannot be done safely.
- Regularly review our programs and processes for effectiveness. While all HNL employees and contractors are responsible for HSE performance, line management is accountable for understanding and managing HSE risks.
- Fully participate in hazard identification and risk assessments, validation audits, and reporting of HSE results.
- Ensure all incidents are reviewed or investigated to determine causes, correct them and thus prevent recurrences of similar incidents.
- Strive to maintain public confidence in the integrity of our operations. We will openly report our performance and consult with people outside the company to improve our understanding of external and internal issues associated with our operations.
- Expect that all parties working on HNL's behalf recognize that they can impact our operations and reputation, and must operate to our standards. We will ensure that our sub-contractors' Management Systems fully support our commitment to HSE performance.

HSE Integrated Management System TOOLBOX

HSE Toolbox – How we learn from each other and support each other.

The HSE Toolbox is centrally located and contains a common set of HSE processes, practices, procedures, audit protocols and lessons learned that are shared throughout HNL's group of companies. The HSE Toolbox contains good demonstrated practices from within the HNL group of companies and industry best practices, and should be referenced when developing HSE Management Systems. More importantly, company personnel are encouraged to contribute their good practices to the HSE Toolbox in order to promote sharing and adoption of lessons learned.



HNL Group HSE Targets

HNL will set yearly HSE targets for all levels within the organization that will include individuals and groups. These targets will be used in progression towards our goals and against which HSE performance is assessed in the short and medium term.

In addition to serving as progress measures, there are two other important objectives to setting HSE targets:

- To encourage sound behaviours – by changing or reinforcing.
- To demonstrate commitment – both internally and externally.

HSE Targets are expressed in terms of

- Lagging Indicators (outcomes) – tangible results indicating improved performance, e.g., fewer injuries, spills, or near misses.
- Leading Indicators (inputs) – activities expected to cause or affect the desired outcomes, e.g., safety opportunity reporting, risk assessments, leadership visits, audits completed.

HSE data collected by the HNL Management Group are used to:

- Evaluate monthly, quarterly and annual performance trends for the executive team;
- Monitor HSE performance against group targets;
- Promptly inquire within HNL's management team on what is working well and not so well within the organization;
- Promptly inquire within HNL's group of companies to facilitate the sharing of learnings and best practices; and
- Provide data for HNL's annual report



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