

**This and the following 33 pages comprise Schedule 21 referred to in the foregoing Contract between the Scottish Ministers and Serco Ltd.**

**SCHEDULE 21 – HEALTH & SAFETY DELIVERY PLAN**

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## Glossary of Terms

Term	Definition
Assure	Serco's online database for the recording of unplanned events and subsequent investigation reports.
BSI	British Standards Institute
CMAL	Caledonian Maritime Assets Limited
DNVGL	Det Norske Veritas Germanischer Lloyd Classification Society
DOC	Document of Compliance
DPA	Designated Person Ashore
GSOP	Global Standard Operating Procedure
HEAT	Human Element Assessment Tool
HSE	Health, Safety and Environment
HSEA	Health, Safety, Environment and Assurance
iBoard	NorthLink Intranet platform containing a range of information including Health and Safety and general practice information
IoM	Isle of Man
IoMSR	Isle of Man Ship Registry
ISM	International Safety Management (Code)
ISO	International Standards Organisation
ISPS	International Ship and Port Security
MARPOL	International Convention for the Prevention of Pollution from Ships
MCA	Maritime and Coastguard Agency
MLC	Marine Labour Convention
MOU	Memorandum of Understanding
MS Regs	Merchant Shipping Regulations
NC	Non-Conformance
NEBOSH	National Examination Board in Occupational Safety and Health
NIFS	Northern Isles Ferry Services
P & I Club	Protection and Indemnity Club
PGI	Planned General Inspection
QHSE	Quality, Health, Safety and Environment
RM3	Risk Management Maturity Model
Serco UK&E	Serco United Kingdom and Europe
SMS	Safety Management System
SOLAS	International Convention for the Safety of Life at Sea
SS&EC	Shipboard Safety and Environmental Committee
STCW	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers
VMS	Vessel Management System

## B4 Health and Safety Delivery Plan

### 1. Executive Summary

#### 1.1. Serco's approach to the delivery of the Health and Safety Delivery Plan

The purpose of this Health and Safety Delivery Plan is to demonstrate our understanding of the objectives that Serco and Scottish Ministers have set for the operation of the Northern Isles Ferry Service, with respect to Health & Safety.

Our Health and Safety Plan provides a comprehensive and robust approach, both shore-based and vessel-based, and details our safety policies, systems and procedures. We have outlined our steps for satisfying all statutory requirements, our management system, how we monitor compliance with this plan, and how we involve our colleagues and the trades unions in the development, implementation and performance of the plan.

Our proposed Health and Safety Delivery Plan is mindful of Scottish Government's (SG) high level objective of having 'a safe, sustainable and efficient ferry service', which covers every aspect of a customer's journey at the departure port, on the ferry and at the arrival port, and which is resilient to change that could occur during the term of the new contract.

The Delivery Plan has been structured around the ITT Vol 2 - B4, with a section explaining about the challenges of Health and Safety as a whole – relating to technical, logistical and management challenges. We have then covered HSE1-Health and Safety Systems and HSE2-Zero Accident Culture as separate sub-plans. These contain:

- Our Approach and methodology for each sub-plan, utilising the best practice we have developed over the last six and a half years on which our proposals have been based
- Our Proposals for the new contract term

We have stated the processes and procedures necessary to deliver the plan and how this aligns with our current contract management systems including ISM, ISO and Serco-specific requirements.

We have set out the proposals which will form part of the agreement between SG and Serco and show where there are areas of continuous improvement which will be targeted throughout the term of the new contract. The areas of continuous improvement may require TS, CMAL or third-party approvals, feasibility studies or business cases in order for them to be delivered, and thus are to be viewed as having the potential to be implemented

We have not identified any costs associated with the delivery of the objectives, but they can be found in the financial model. However, where there is a requirement for additional investment or resource, we have indicated this. We have provided suitable evidence to support the delivery of the requirements throughout the plan.

#### 1.2. Key Improvements

Table 1 highlights key improvements that form part of Serco's Health and Safety Delivery Plan.

Table 1: Key improvements

Area of improvement	Improvement introduced from July 2012	Future Improvements
Masters' Training Portfolio	Introduced for new entry Masters or Chief Officers being promoted to Master	Redacted
Operational and Technical meetings	Introduced on award of the current contract and carried out on each vessel every three months	
Incident, Accident and Near miss reporting	Previously very laborious, so was simplified to encourage use. Introduction of Safety Observation reporting	
Safety Pocket Guides	Produced to enhance crew and contractor safety	
Safety Feedback Guides	These were produced to gather visitors' feedback on safety practices onboard and ashore	
HEAT Assessments	Human Element Assessment Tool was introduced on award of current contract and carried out by an independent surveyor annually	
Bridge procedures audit	Introduced in 2014 and carried out by an independent surveyor annually	
Engine room procedures audit	Introduced in 2016 and carried out by an independent surveyor annually	
Master's and Chief Engineer's Appraisals	New forms produced in 2013	
Behavioural Safety Training and awareness	To be delivered during 2019 to all Serco staff – shore and ship – via Safety Hub	
Crowd control	All onboard staff	
Crisis management and human behaviour	For specific onboard staff	
Introduction of Red benchmarking	Red benchmarking system is to be introduced in 2019	

## 2. Introduction

Our vision is one of 'zero harm' with the adoption of a 'Just' culture within health and safety which sees human error as a way for organisations and staff to learn and improve. Serco's Group Standard for Health, Safety and Environment (SMS GS-HSE1) noted that wherever we operate we must ensure, for our people, our customers, our partners and contractors and the public, that we maintain a safe and healthy working environment and minimise the impact we have on the natural environment. Serco will:

- Build a culture that actively encourages sound health, safety and environmental practices through engaging with our people and those for whom we have a duty of care
- Consider the safe and sustainable use of resources and materials in the design, development and operation of our business activities
- Minimise the negative environmental impact of our current and future business
- Reduce carbon emissions in line with Scottish Government (SG), customer and/or internal targets as necessary
- Comply with all applicable health, safety and environmental legislation and, where appropriate, going beyond compliance with the minimum requirements of legislative bodies, regulators and our customers
- Encourage the free and honest reporting of health, safety and environmental issues
- Procure goods and services that meet our health and safety standards and minimise environmental impact
- Support occupational health programmes and promoting the health and wellbeing of our people
- Co-operate with major stakeholders where we share responsibilities, premises or activities
- Learn and benefiting from our experience and the experiences of others

At Serco our work is never so urgent or important that we cannot take time to do it safely and ensure that we maintain a safe, healthy and sustainable working environment. We actively encourage our staff to report any safety opportunity or incident whilst providing an environment that will give them the confidence that all reports will be dealt with in the strictest confidence, without judgement and fairly. All our health and safety investigations follow the same process of review to ensure each incident is treated the same as the last.

Table 2 contains procedures for the Serco Management System and the Vessel Management System.

**Table 2: Procedures for the Serco Management System and the Vessel Management System**

Risk assessment	Marine pollution
Personal Protective Equipment	Noise in ships
Permit to work	Legionella
Manual lifting	Shipboard safety and environment committee
Hazardous substances	Ship Safety Officer and representative
Hand arm vibration	Diving-onboard safety responsibilities
Accident, incident investigation	Hot work
Working aloft and overside	Control of contractors
Enclosed space entry	

A sample list of standard management procedures can be found in Appendix B4-1.

Serco will continuously improve health and safety systems that will enable NorthLink to be recognised globally as an industry leader in safe and effective passenger ferry operations. Wherever we operate, we are dedicated to the prevention of injury and promoting the health and welfare of our people.

At NorthLink we recognise the importance of integrating a 'Just' health and safety culture within all aspects. We have introduced safety observation reporting across all of our operations. This is seen as the first line in health and safety reporting. Each safety observation is investigated and managed as needed, with the aim of preventing it from becoming a near miss or an incident.

Since 2018, due to Serco NorthLink now having a better understanding of safety observations—i.e. what they are, and us being able to report them more accurately onto Redacte – there has consequently been an increase in near miss reports of 26%. During 2018 Serco NorthLink reported 67 near misses; during 2019 to date there have been a total of 29 near miss reports (combined ship and shore) of which 10 were deemed to be safety observations.

We promote a positive health and safety culture in which we continuously improve our performance. Our objective is to exceed statutory requirements and empower staff to continuously improve health and safety using lessons learned within a 'Just' culture, where our people are empowered to stand up for health and safety by freely reporting accidents, incidents and near misses without fear of reprisal. This is echoed across the Serco group, with the inclusion of a Global Standard Operating Procedure (GSOP) on 'Just' culture being included within the Serco Management System and supported with 'Just' culture awareness training and briefing.

The structure and hierarchy of the Serco Management System covering Quality, Health, Safety and Environment management is shown in Figure 1. All of our operating procedures sit within this structure.



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*Figure 1: Serco Management System, underpinning delivery of environmental protection for NorthLink*

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We understand that for us to manage the health and safety of all our staff and customers we need to have the right training and support network available. Serco has implemented a robust Health and Wellbeing procedure to ensure all our people receive the right support and care that they need. This provides our teams with the right tools to help our customers and manage the risks to health and safety in all aspects of our operations more effectively.

Since Commencement Date of the current contract in July 2012, Serco has brought additional scrutiny and expertise to the Northern Isles Ferry Service in relation to Health and Safety, and we have been proactive in continuously seeking ways to improve.

We value the wellbeing, not only of our people, but also just as importantly of our customers, partners, contractors and the public to whom we come into contact with on a daily basis. Our vision and HSE priorities are illustrated in Figure 2.

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*Figure 2: Vision, and Health and Safety Priorities*

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### 3. Understanding the requirements of the Demand Delivery Plan

Table 3: Assessment of the Challenges – Health and Safety

Health & Safety Systems	
Technical	Ensuring any technical issues arising from safety observations are processed, monitored, closed out and outcomes shared within Serco.
Logistical	Ensuring that Classification Society, flag state, Serco and NorthLink audits are carried out as per planned schedule and focusing on where accidents are likely to happen and what can be done to prevent them. Ensuring all contractors are provided with Contract Safety Check Forms and proper induction.
Management	Ensuring that the three core principles of the ISM Code and ISO Code accreditation standards are being followed: <ul style="list-style-type: none"> <li>• Say what you do</li> <li>• Do what you say</li> <li>• Prove it</li> </ul> Updating safety training aids (Safety Hub, Videotel), so as to provide all vessel personnel and contractors with an up to date copy of the Serco pocket safety guides.
Zero Accident Culture	
Technical	Mitigating the risks to an individual at the workplace. Continue with crew resource management training carried out at Glasgow Nautical College.
Logistical	Promoting emphasis on proactive safety measures rather than reactive. Continue with, and monitor, the permit to work system. Continue to use risk assessments as a living document and record and report any changes that are found necessary.
Management	Instilling behavioural change with regard to safety. Fulfilling a 'Just' culture.

## 4. Health and Safety Systems – HSE 1

### 4.1. Approach to Health and Safety Systems

#### 4.1.1. Serco's Safety Management System

The Serco Management System provides the overarching approach to Health and Safety for the NIFS Contract. This covers all aspects of the operation and is supported by the Vessel Management System (VMS) to comply with international maritime regulations under the ISM Code.

Serco is accredited under the ISM Code by:

- Maritime Coastguard Agency for the passenger vessels (RoPax)
- Isle of Man Ship Registry (IoMSR) for the freight vessels (RoRo)

Each agency has issued a Document of Compliance (DOC) and Safety Management Certificates (SMC) as appropriate for the management system and vessels.

Redacted is appointed as the Designated Person Ashore (DPA) acting as the shore contact for employees with direct access to Serco senior management.

The Serco Management System and Vessel Management System deliver the objectives for health and safety by:

- Ensuring safe practices in ship operation and a safe working environment
- Continuous improvement of safety knowledge and skills ashore and afloat, including emergency preparedness and environmental protection
- Compliance with all relevant rules and regulations
- Ensuring that applicable codes, guidelines and standards recommended by the International Maritime Organisation, classification societies, and other maritime organisations and administrations, are taken into account
- Establishing safeguards against all known or anticipated risks
- Considering all relevant codes, guidelines and recommendations of maritime industry organisations

Serco's Senior Management at NorthLink is dedicated to the continuous improvement of quality and health and safety performance. Our approach is to implement our integrated management system procedures and follow the Serco Quality Management process of **PLAN, DO, CHECK, REVIEW**. The following Figure 3 explains this approach.

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*Figure 3: Serco Quality Management process of PLAN, DO, CHECK, REVIEW*

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#### 4.1.2. Near miss reporting and investigation

Reporting, investigation and analysis of near miss events is paramount in the reduction of accidents, the prevention of injuries and damage, are critical to enabling learning that prevents harm to our people and the business. As part of the Serco vision of 'zero harm', we rigorously encourage the reporting and investigation of near misses. All staff can report near misses either Redacted

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*Figure 5: An example of NorthLink 'iBoard' intranet site*

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#### 4.1.3. Objectives of the ISM Code

The objectives of the ISM Code are to ensure safety at sea, prevention of human injury or loss of life, and protection of the environment, in particular, to the marine environment and to property. Serco understands that the attainment of these objectives is profoundly reliant on the human element (the people who use the system). The knowledge and experience of the officers and crew, their fluency with the company's management system, their training and records will be checked by observation and interview. Where feasible, our auditors witness as many onboard procedures as possible. These include, but are not limited to:

- Pre-arrival and departure checks on the bridge and in the engine control room
- Voyage planning
- Navigational briefing
- Mooring stations fore and aft
- Bridge procedures in harbour
- Engine room operations
- Machinery maintenance, including system preparation
- Bunkering operations
- Passenger musters and handling
- Watch handover
- Onboard training
- New joiner (crew) instructions
- Emergency drills
- Safety committee meetings
- Routine inspections
- Watch keeping at sea

#### 4.1.4. Performing audits

These audits provide Serco with assurance that the vessels and activities conducted under contract are managed safely and in complete accordance with company policy and statutory requirements. The audit process will provide feedback to the Serco NorthLink senior management team on compliance and recommendations for improvement.

### 4.2. Proposals – Health and Safety Systems

#### 4.2.1. Listing of the Statutory Requirements that Serco considers shall be met

We will meet all Statutory Requirements for the new Contract in respect of all aspects of the operation including shore and marine regulations that are applicable. An example list of regulations is shown below:

#### **Statutory Requirements include, but are not limited to:**

- HSE Regulations
- Port Marine Safety Code Regulations
- The International Safety Management (ISM) Code
- The International Convention for the Safety of Life at Sea (SOLAS)
- The International Convention for the Prevention of Pollution from Ships (MARPOL)
- The International Regulations for the Prevention of Collisions at Sea
- The International Ship and Port Facility Security (ISPS) Code
- International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)
- The Maritime Labour Convention (MLC 2006) (While the regulations do not directly apply to all NorthLink vessels, its application is followed in spirit. They do, however, directly apply to the freight vessels that are MLC compliant and certificated.)
- The Merchant Shipping (International Safety Management Code) Regulations 2014



NorthLink vessels and staff must comply with all UK and EU legislation that are pertinent to the operation of passenger ferries. This includes:

**Primary legislation:**

- The Merchant Shipping Act (1995)
- The Merchant Shipping (Pollution) Act (2006)

**Secondary or supporting legislation:**

- The Merchant Shipping (Passenger Ships) (Safety Code for UK Categorised Waters) Regulations (2010)
- The Merchant Shipping (Safety of Navigation) Regulations (2002)
- The Merchant Shipping (RoRo Passenger Ships) (Stability) Regulations (2004)
- The Merchant Shipping (ISM Code) (RoRo Passenger Ferries) Regulations (1997)

Other relevant vessel-related health and safety legislation includes, but is not limited to:

- Merchant Shipping and Fishing Vessels Regulations
- Health and Safety at Work Regulations
- Chemical Agents Regulations
- Biological Agents Regulations
- Personal Protective Equipment Regulations
- Manual Handling Operations Regulations
- Asbestos Regulations
- Carcinogens and Mutagens Regulations
- Artificial Optical Radiation Regulations
- Working at Height Regulations
- Provision of Work Equipment Regulations
- Lifting Operations and Lifting Equipment Regulations
- Control of Vibration at Work Regulations
- Control of Noise at Work Regulations
- Safety Signs and Signals Regulations
- Employment of Young Persons Regulations

Statutory requirements demand that all vessels, and the staff who operate them or are utilised in the delivery of a commercial passenger ferry service, are in possession of all certification required by flag state regulations. The company managing the vessels is also required to obtain certification to do so. This comes in the form of a Document of Compliance (DOC), which is issued by the flag state authority. In the case of NorthLink, it is the Maritime and Coastguard Agency (MCA) and Isle of Man Ship Registry (IoMSR). Certification is achieved by demonstrating compliance with the ISM Code, which is issued by the International Maritime Organisation and ratified in the UK by 'The Merchant Shipping (International Safety Management Code) Regulations 2014', adopted and enforced by its member states.

There are numerous legislative requirements that are managed between the Serco employees on site (who have day to day responsibility for vessel safety and operational activities), Serco Group QHSSE Transport team, Head of Marine Safety and the Serco Transport business unit's Safety and Compliance officer who maintains the Compliance and Obligations Register on behalf of Serco (and as required under the ISO 9001:2015, ISO14001:2015 and ISO 45001:2017 standards on behalf of Serco NorthLink Ferries). The QHSSE team updates the register with input from the Serco's Transport business unit's Safety and Compliance Officer as and when required, adding any amendments, revocations and modifications to the marine regulations associated with the applicable legislation.

#### 4.2.1.1. Statutory health and safety requirements for shore-based operations.

The responsibilities for shore side health and safety has shared responsibility with the various harbour authorities and 3rd party suppliers. Regular contract review meetings are held of which

HSE is a priority topic. Redacted

Serco has facilities management responsibilities for shore-based infrastructure and equipment, maintaining the infrastructure under current UK, Scottish and EU legislation. This legislation is applicable to contractors and employees under an MOU between the MCA and HSE.

Shore-based operational activities are managed by Serco employees on site in accordance with current legislative requirements (e.g. Regulations and Acts). The Serco employees on site have day to day responsibility for shore-based activities including safety management.

The Serco Group Quality, Health, Safety, Security and Environment (QHSSE) Transport assurance team that supports Serco’s management and employees at NorthLink maintains the Compliance and Obligations Register on behalf of Serco, and as required under the ISO 9001:2015, ISO14001:2015 and ISO 45001:2017 standards on behalf of Serco NorthLink Ferries.

The QHSSE team updates the register in line with UK, Scottish and current EU amendments, revocations and modifications to the regulations, some of which are listed below. For marine legislation please refer to section 4.2.1 and Table 4, although this shoreside list is not exhaustive.

**Table 4: List of applicable Health and Safety requirements for shore-based operations**

<ul style="list-style-type: none"> <li>• Port Marine Safety Code</li> <li>• Acetylene Safety (England and Wales and Scotland) Regulations 2014</li> <li>• Chemicals – Classification, Labelling &amp; Packaging (CLP) Regulations 2015</li> <li>• Confined Spaces Regulations 1997</li> <li>• Construction (Design and Management) Regulations 2015</li> <li>• Control of Asbestos Regulations 2012</li> <li>• Control of Lead at Work Regulations 2002</li> <li>• Control of Major Accident Hazards Regulations 2015</li> <li>• Control of Noise at Work Regulations 2005</li> <li>• Control of Substances Hazardous to Health Regulations 2002</li> <li>• Control of Vibration at Work Regulations 2005</li> <li>• Dangerous Substances (Notification and Marking of Sites) Regulations 1990</li> <li>• Dangerous Substances and Explosive Atmospheres Regulations 2002</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Safety Information for Employees Regulations 1989</li> <li>• Heavy Fuel Oil (Amendment) Regulations 2014</li> <li>• Lifting Operations and Lifting Equipment Regulations 1998</li> <li>• Management of Health and Safety at Work Regulations 1999</li> <li>• Manual Handling Operations Regulations 1992</li> <li>• Notification of Cooling Towers and Evaporative Condensers Regulations 1992</li> <li>• Personal Protective Equipment at Work Regulations 1992</li> <li>• Pressure Systems Safety Regulations 2016</li> <li>• Provision and Use of Work Equipment Regulations 1998</li> <li>• Regulatory Reform (Fire Safety) Order 2005</li> <li>• The Fire Safety (Scotland) Regulations 2006</li> </ul>
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**Table 4: List of applicable Health and Safety requirements for shore-based operations**

<ul style="list-style-type: none"> <li>• Dangerous Substances in Harbour Areas Regulations 2016</li> <li>• Diving at Work Regulations 1997</li> <li>• Electricity at Work Regulations 1989</li> <li>• Explosives Regulations 2014</li> <li>• Gas Safety (Installation and Use) Regulations 1998</li> <li>• Gas Safety (Management) Regulations 1996</li> <li>• Gas Safety (Rights of Entry) Regulations 1996</li> <li>• Health and Safety (Consultation with Employees) Regulations 1996</li> <li>• Health and Safety (Display Screen Equipment) Regulations 1992</li> <li>• Health and Safety (Fees) Regulations 2012</li> <li>• Health and Safety (First-Aid) Regulations 2017</li> <li>• Health and Safety (Safety Signs and Signals) Regulations 1996</li> <li>• Health and Safety (Training for Employment) Regulations 1990</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013</li> <li>• Safety Representatives and Safety Committees Regulations 1977</li> <li>• The Supply of Machinery (Safety) Regulations 2008</li> <li>• Employers Liability (Compulsory Insurance) Regulations 1998</li> <li>• Work at Height Regulations 2005</li> <li>• Work in Compressed Air Regulations 1996</li> <li>• Workplace (Health, Safety and Welfare) Regulations 1992</li> <li>• Food Safety Act 1990</li> <li>• Food (Scotland) Act 2015</li> <li>• Safety in Docks Approved Code of Practice (L148) 2014</li> <li>• Food Hygiene Scotland Regulations 2014</li> <li>• Official Feed and Food Controls (Scotland) Regulations 2009</li> <li>• Food Information Regulations 2014</li> </ul>
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**4.2.2. Health and safety management system to meet statutory requirements, including monitoring and bench-marking activities**

All shoreside activities for NorthLink will be managed under the Serco Management System, policies, standards and procedures. The system will be managed and maintained by Serco with Serco Group standards and procedures that are applicable to:

- The global Serco organisation
- UK-based businesses that Serco operates, with business specific procedures that deal with particular operational activities.

Figure 6 shows Serco's Group Standard Operating Procedures.

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*Figure 6: Serco Group Standard Operating Procedures*

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Performance monitoring is undertaken at Redacted

These are incorporated in the monthly reports to

Transport Scotland Redacted

### 4.2.3. Details of how compliance with the plan will be monitored

#### 4.2.3.1. Audits

We will include all relevant audit outputs as part of the contract reporting requirements under Schedule 13. As a proactive monitoring tool, the audits will be undertaken locally – e.g. planned general inspections and safety tours with scheduled independent divisional and group audits that ensure that NorthLink is operating against all Serco Management System standards, including legal and regulatory requirements and those of the contract with Scottish Ministers.

Figure 7 shows the scope of the auditing process.

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Figure 7: The scope of the auditing process

#### 4.2.3.2. Auditing agencies

Table 5 contains agencies with a remit to audit the NorthLink contract; this includes legal compliance, contractual and Serco internal audit requirements. We will record non-conformities, observations and deficiencies raised through external audit/inspection in the Redacted database and then manage them to closure. External reports will be filed for the duration of the new contract.

Table 5: Audit Agencies

Organisation	Standard	Periodicity
Transport Scotland	<ul style="list-style-type: none"> <li>Auditing of contract</li> </ul>	<ul style="list-style-type: none"> <li>Monthly Monitoring Reports and Meetings</li> <li>Ad hoc spot checks</li> </ul>
MCA	<ul style="list-style-type: none"> <li>ISM Code – Document of Compliance and Vessel Safety Management Certificates</li> <li>Domestic Safety Management Certificates</li> <li>Ship Statutory inspections</li> <li>Ship Statutory certification</li> </ul>	<ul style="list-style-type: none"> <li>Annual verification, five yearly renewals</li> <li>Flag State General Inspections as required</li> <li>Annual passenger ship certification</li> </ul>
Classification Society	<ul style="list-style-type: none"> <li>Statutory survey, inspection and certification</li> </ul>	<ul style="list-style-type: none"> <li>Various, according to vessel class and type</li> <li>Class certification surveys and other statutory surveys (as delegated by the MCA and IoM Flag)</li> </ul>
P&I Club	<ul style="list-style-type: none"> <li>Safety management system</li> <li>Hull and machinery maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Full insurance cover is provided by P&amp;I Club, and Hull and Machinery is covered through broker's underwriters.</li> </ul>
BSI	<ul style="list-style-type: none"> <li>ISO 9001, 14001</li> </ul>	<ul style="list-style-type: none"> <li>Periodicity is risk-based and can be anything from annually to every five years. Audited by DNVGL an external agency</li> </ul>

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Redacted

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#### 4.2.3.3. Proactive measures

Proactive measures are the preferred method, they provide indication of potential incidents occurring which allow then preventative actions. Proactive measuring includes:

- Health surveillance
- Planned general inspections and audits
- Behavioural observation
- Zero Harm tours
- Safety Observation and Near miss reporting
- Human Element Assessment Tool (HEAT) assessments
- Safety Engagement Tours

Where risks are identified through these measures, we will make sure the appropriate preventative action is put in place, to ensure suitable workplace health, safety and environmental compliance.

We will:

- Perform management reviews with senior management
- Set achievable objectives and targets based on contract / business policies for improvement
- Measure our ongoing performance through audit, inspection, assessment and feedback, to ensure compliance. Redacted
  
- Use problem solving and statistical techniques to provide meaningful performance measurements and report our findings to management on a regular basis. Redacted

- Implement corrective and preventative action to effect improved performance. These actions are discussed and reviewed at regular intervals to ensure they are robust enough to manage the risks identified at the time of reporting and address and shift in the risk as time has elapsed. This process also includes recommendation from accident investigations, either locally, from industry or within the Serco group. This allows a greater level of risk management and awareness helping drive down incident numbers.

#### 4.2.3.4. Reactive measures

The occurrence of an accident requires proactive measures, and these are considered to provide more concrete results. However, these results can come at a cost and the reactive measures could be considered too late. Reactive monitoring is initiated by events such as:

- Personal injuries
- Accident reports
- Property damage
- Incident investigation including the use of the Redacted

Where incidents do occur, we will make sure the appropriate changes are put in place to rectify and prevent any future reoccurrence.

#### 4.2.3.5. Behavioural observation

We encourage all Serco's NorthLink staff to understand they have a moral and legal duty to ensure the safety and health of themselves and others. Serco NorthLink staff are provided with training in accordance with the principles of the review process in the ISM code. This training is recorded accordingly.

Redacted

#### 4.2.3.6. 'Zero Harm' tours

Redacted

#### 4.2.3.7. Safety observation and near-miss reporting and investigation

Safety observations are issues waiting to become a near miss or safety event should they not be addressed as soon as possible. Safety observation reporting has more than doubled at NorthLink since 2012 which has resulted in a vast drop in near miss incidents.

Near misses are warnings of potential future accidents and incidents. Based on positive results experienced in other Serco contracts, by working closely with Ship Safety Officers and representatives, and trades union safety representatives, we introduced a similar reporting programme at NorthLink which will continue.

The benefits of this programme:

- Allows Serco to pro-actively resolve hazards before a tragic or costly incident occurs at NorthLink
- Engages Serco's NorthLink workforce in solving problems
- Enhances safety ownership and strengthens workers' self esteem
- Brings to light important information that otherwise might not be discussed
- Develops a positive and necessary attitude surrounding health and safety

This reporting programme is not only a valuable active measuring tool for health and safety reporting, but is also fundamental to the development of a 'Just' health and safety culture, by providing all our NorthLink people with the confidence and assurance that safety opportunities reported are treated fairly and with a non-judgmental approach, even if the incident being reported is a self-report. Serco actively promotes this 'Just' culture approach and denounces any form of blame culture.

To ensure an environment exists at NorthLink where each incident and safety report are treated equally and by the same standard, Serco uses a system based on Redacted

#### 4.2.3.8. Shipboard Safety and Environmental Committee (SS&EC)

The Vessel Safety Committee is the focal point for health and safety activities onboard each of the five NorthLink vessels, raising health, safety and environmental awareness. It functions as a conduit between the vessel and Serco on workplace health and safety, and onboard environmental issues and concerns. A Vessel Safety Committee plays an important role in accident reduction through risk assessment; accident, incident and near-miss reviews; inspections and training. It serves as the forum for raising, discussing and recommending solutions for health, safety and environmental issues on the vessel.

Members of each Vessel Safety Committee are balloted and must have at least one year of experience at sea. Members are drawn from various levels of experience so as to provide a diversity of observation of shipboard activities.

The following is an example of the minimum membership:

- Vessel's Master (Chairman)
- Chief Officer
- Chief Engineer
- Ship Safety Officer (Secretary)
- Crew Safety Representatives



The membership of the committee is published so the crew knows who sits on the committee and how to present issues or concerns for the committee's consideration.

Vessels berthed locally, or at other ports within reasonable distance of the support office, advise the Operations Department of the intention to hold a committee meeting, to allow any relevant member of the shore management team the opportunity to attend.

Shipboard Safety Officers (SSO) are appointed where vessel safety committees are established onboard. The SSO acts as a focal point for all occupational health and safety matters that arise onboard the vessel. The appointment of an SSO is issued to someone adept at promoting a constructive health and safety culture onboard. The SSO is normally the Chief Officer on our vessels at NorthLink. Their skill sets include good interpersonal and administrative abilities and have completed a flag state accredited Safety Officer's course.

Ship Safety Representatives (SR) are elected by vessel staff in accordance with MS Health and Safety at Work Regulations (1997), and carry out their duties in accordance with these regulations. One SR is elected by the officers and one for the ratings. On vessels where crew numbers are larger, one SR is elected from each department.

Meetings are held at the discretion of the Vessel Master and shall not exceed six-week intervals. Minutes of these meetings and actions are taken and then distributed onboard and copied to shore management. On vessels where crews work a shift or roster system, a scheme of alternate committee members can be adopted to secure proper representation.

#### 4.2.3.9. Manuals and documentation

Any documentation and manuals will be based on the premise of 'Keep it Short and Simple'. Excessive amounts of documentation can be detrimental to the effectiveness of a management system, which. It will be structured in such a way that allows its implementation to be verified by the observation of objective evidence.

#### 4.2.4. The name of the individual responsible for all health and safety matters

The position responsible for all Health and Safety matters will be the Redacted, a member of the management team at NorthLink. The individual who will hold this position will be Redacted

We will allocate sufficient resources to introduce, maintain and continuously improve health and safety within NorthLink. Resources include people who are suitably qualified and experienced for the roles they are to fulfil, organisational networks, any required technology and the necessary financial resources.

This role is supported by Redacted

health and safety professionals, Redacted, with a vast experience of operational and occupational health and safety management, ISO and BSI standards and industry legislation requirements. This team is further supported by a Redacted who acts as the subject matter expert (SME) where needed.

##### 4.2.4.1. Appointment of the Designated Person Ashore (DPA)

Serco has appointed the Redacted of the management team at NorthLink as the DPA who, irrespective of other responsibilities, has defined roles, responsibilities, skills, competence and authority to:

- Report to Transport Scotland on Health and Safety
- Report directly to the highest levels of Serco management and provide a link between the company and all those serving onboard any vessel
- Ensure safety and pollution prevention in the operation of each vessel and the overall conformity with VMS

- Effectively implement the VMS
- Arrange both shipboard and shore-based audits of the VMS
- Investigate reported non-conformances with Vessel Masters and shore managers
- Programme system review meetings and keeping records
- Ensure the Safety management System is understood by sea staff and office staff
- Ensure that adequate resources and shore-based support are applied, as required

#### 4.2.5. Organisational structure of the management of health and safety, including the Board Level person responsible for the conduct of health and safety performances

Serco's organisational structure for the management of Health and Safety at NorthLink will be as shown in the following org chart:

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Redacted

*Figure 8: Serco's Health and Safety Organisation at NorthLink*

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#### 4.2.6. Proposals for consulting with employees and the trades unions on the development, implementation and performance of the plan

Serco currently consult with two major trade unions – Nautilus and RMT in relation to NorthLink. A period of consultation is invoked where proposed amendments to working practices and procedures affect the workforce. In cases of legislative change, draft procedures are regularly exchanged with the trade unions prior to implementation as a matter of good practice, to build the company and trade union relationship. In accordance with Volume 2 paragraph 15.4 of the ITT, we will consult annually with trades unions and employee regarding the implementation and performance of this Health and Safety Delivery Plan.

As the Health and Safety Plan is essentially enacted by the implementation of the vessel's VMS, the process of consulting with staff will recommence after the award of the new contract.

##### 4.2.6.1. Embedding a Health and Safety culture into NorthLink.

We will continue to provide the proper level of training to the relevant staff, implement an effective reporting system and introduce procedures that will ensure that the selection of any corrective or preventative actions. These will be guided by the person's actions and purpose, as

opposed to the result of them. Our objective is to guarantee that any control measures adopted to avoid recurrence is optimal from a human factor and operational point of view.

The Serco management team at NorthLink will lead by example. They will influence and maintain a 'Just' health and safety culture that permeates every level of the NorthLink organisation. We will promote a positive work environment where everyone adopts best health and safety practices, places the highest value on our health and safety performance and contributes to the process of continuous improvement.

We ensure a high level of engagement and communication on health and safety within NorthLink (both shore-side and in relation to vessels) and with all stakeholders, including members of the public using the services – community groups, councils, transport partnerships, regulators, other public transport providers, our contractors, suppliers and business partners.

In all areas and functions for which Serco is responsible, risks will be identified, assessed and managed in proportion to the likelihood and consequences of an unplanned occurrence. Risks will be reduced to tolerable levels and kept as low as reasonably practical.

Over the last six and a half years we have ensured that every member of Serco's NorthLink organisation understands their health and safety responsibilities for each task they are required to perform. A system has been established to ensure each person is competent to undertake all tasks safely, is comprehensively trained and briefed on the requirements, and is provided with the equipment and systems with which to work safely. This same successful approach will continue in the new contract.

Our approach is built upon various strategies to achieve a 'Just' health and safety culture, which will be continued on Contract Commencement:

- 1) **Providing outstanding leadership** – continuing to entrench health and safety at the core of the NorthLink operation, through strong and visible leadership and in our management development programmes, to assure health and safety leadership is sustainable throughout the new contract. Redacted
- 2) **Increasing the effectiveness of communications** – we have implemented a Communications Strategy to effectively communicate all matters related to health and safety, Redacted within the organisation to assist in the positive promotion of all health and safety related matters. Further to that, we will continue to actively seek the cooperation and involvement of all staff and our trades union colleagues, to ensure the communication of all health and safety related matters is effective. Safety notices are cascaded, where pertinent, throughout all Serco marine contracts, to share lessons learned, engagement scores, HSE scores and best practice.
- 3) **Maintaining a robust reporting system** – suitable for developing a 'Just' health and safety culture. Redacted is Serco Group's primary tool for recording and tracking accidents and incidents. Redacted at NorthLink will be responsible for ensuring that all Redacted reporting requirements are met and that timely and adequate investigations are completed. All entries in Redacted will continue to be reviewed Redacted and any trends identified.
- 4) **Dealing effectively with risk** – identification and assessment of risk applies to all activities, to ensure that we are clear about levels of associated risk within the operating environment, security, operational safe working, human behaviour, emergencies, managing assets and procurement. All risk control measures developed will be continuously reviewed as part of the risk assessment process.
- 5) **Improve processes** –improvement of the existing VMS for NorthLink and will adopt 'best practice' throughout the business to ensure safety processes are always based on risk management principles, and mindful of the staff and customers we serve.

- 6) **Motivate our people** – processes are ineffective unless our people put them into practice. Therefore, we will continue to consistently engage our workforce in the development and application of our safety management systems to enable our goal of achieving a truly ‘Just’ health and safety culture. This will continue to be achieved through Redacted

## 5. Zero Accident Culture – HSE2

### 5.1. Approach and Proposals for achieving a zero-accident culture

Serco has introduced a ‘Just’ culture at NorthLink and will continue to concentrate on behavioural safety as a means of promoting a ‘zero accident’ culture in the workplace. Our approach will incorporate the understanding of the barriers that stop people protecting themselves, the things that will stimulate behaviour change and the most effective targeting of messages.

With 2018 being the Year of the Young Person, Serco changed the pre-departure passenger safety announcements at NorthLink. This involved a group of school children, from Orkney and Shetland, to make safety announcements. The outcome on broadcast was that they gained the immediate attention of passengers.

#### 5.1.1. Continuous improvement

Based on the guidance provided in HSG65 Redacted

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Redacted

approach at NorthLink and developed Smart actions, annually grouped under each strategic goal following the continuous improvement model as shown in Figure 9. We will continue with this approach.

Redacted

*Figure 9: Continuous Improvement Model*

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Redacted

To achieve continuous improvement, we will maintain a sustained and systematic approach to goal setting for HSE matters. These strategic goals are the core of our vision of 'zero accidents – zero harm' as set out in Serco's HSE Group Standard. Serco believes that work is never so urgent or important that we cannot take time to do it safely and with respect for the environment, aligning with Transport Scotland's vision to provide the highest standards of health and safety, as set out in our strategic goals in Table 6.

**Table 6: Strategic Goals of the Zero Accident – 'Zero Harm' Vision**

<b>Safety</b>	'To have a mature, "Just" health and safety culture leading to zero accidents and incidents'
<b>Health</b>	'A fit workforce, working in a healthy environment with zero occupational health-related absence'
<b>Environment</b>	'To eliminate waste, reduce our carbon footprint and provide efficient environmental management solutions'

Health and safety information, communication and awareness are critical to creating a 'Just' health and safety culture, a culture where all staff take ownership of health, safety and environmental (HSE) matters and help to make a positive contribution.

Our approach at NorthLink is based on recognising the importance of integrating a 'Just' health and safety culture within the ferry operations that reduces accidents at work to an absolute minimum. Redacted

By a 'Just' culture we mean the creation of trust in which people are encouraged, or even rewarded, for providing essential HSE information, but in which they are also clear about where the line must be drawn between acceptable and unacceptable behaviour. It refers to a way of HSE thinking that promotes a questioning attitude, is resistant to complacency, ensures excellence and fosters both personal accountability and corporate self-regulation in HSE matters.

### **5.1.2. Implementation stages towards a 'Just' health and safety culture**

The journey towards embedding a 'Just' health and safety culture within NorthLink has been a staged approach that took place during the transformation phase and start of the current contract in 2012. Training on 'Just' health and safety is provided to staff to influence the change to improving the health and the safety culture within the business. To gain the benefits associated with a 'Just' culture, it is vital that all levels of the organisation are engaged and understand the role they play, including those parties external to NorthLink, such as trades unions. A 'Just' culture is not just about how we deal with failure, but how we learn from our mistakes and introduce effective root cause analysis to drive real improvements in the way we work. It is also about understanding how behaviour and decisions can have an impact on performance. This is known as non-technical skills and often play a key part in an incident.

#### 5.1.2.1. Stage 1 – Promotion of a ‘Just’ health and safety culture

A ‘Just’ health and safety culture within NorthLink comes from Serco’s CEO, and is published in our Health and Safety Policy and within the recently published Serco Group ‘Just’ Culture Standard. A communication strategy was devised to successfully circulate this message throughout every level of the organisation, ensuring all staff understand what a ‘Just’ health and safety culture is, and that the highest levels of management stand firmly behind its implementation.

#### 5.1.2.2. Stage 2 – Alignment of processes and training

There was a requirement to amend certain organisational processes so as to successfully support the implementation of a ‘Just’ health and safety culture. Redacted

New staff will be provided with the training as required. This allowed us to tackle eradicating any element of a ‘blame culture’ that might have been identified during the Redacted

All training requirements were identified and prioritised during stage one; these included the following:

Redacted

#### 5.1.2.3. Stage 3 – Assurance

Assurance that the embedding of the culture has taken hold is established by a variety of methods, including the following:

Redacted

#### 5.1.2.4. Stage 4 – Measurement

A system of measurement was created to measure the various elements of a ‘Just’ culture, such as Redacted

As a result of this measurement, areas for improvement were identified and the appropriate action taken; for example, the design of processes that consider the Redacted

As part of a ‘Just’ culture our people are openly encouraged to report any unsafe act or condition. A review of safety observation and near miss reporting shows that Serco NorthLink has had a Redacted

Redacted

To ensure NorthLink is moving in the right cultural direction, Serco employs the use of a Redacted

Redacted

#### 5.1.2.5. Aims and benefits of a 'Just' culture

The implementation of a 'Just' health and safety culture takes time. It is comparable to a journey as opposed to a project, or initiative, where every single person who is part of NorthLink will pass through various organisational approaches to health and safety. At the end of this journey, our people reach a destination where they proactively look for information on all health- and safety-related matters, and where any failures lead to far-reaching improvements.

The benefits of a 'Just' culture include the following:

- Improvements in the quality and quantity of accident, safety observation and near miss reporting, leading to the identification of trends that assist in the forecast of possible future issues before they develop
- Improved trust through all levels of the organisation, which speeds up the journey towards a more developed health and safety culture
- A decrease in the number of actual accidents or incidents occurring
- Through a heightened attitude towards health and safety, an improvement in the motivation and morale of staff and operational productivity, and a reduction in overall operational costs
- A step towards a restorative cultural approach, where it becomes the priority to ensure the risks are managed effectively to prevent reoccurrence, and not to look for blame or at those involved.

#### 5.1.3. Serco's Redacted system

Redacted is Serco's online database for the recording of unplanned events, such as injuries, accidents, incidents, near misses, security breaches and pollution, and subsequent investigation reports. These can be experienced by staff, contractors and members of the public, and it is Serco's policy to record all events no matter who is affected.

Redacted

Redacted has been continuously developed since its introduction to Serco many years ago. With input from health and safety specialists within Serco's aviation and rail contracts in particular, it has become one of the essential tools for the embedding of a 'Just' health and safety culture.

Redacted

#### 5.1.3.1. Management review/ escalation

Redacted

#### 5.1.3.2. Incident crisis management

Redacted

## 6. Monitoring and review

### 6.1. Continued monitoring of performance

It is good practice to adopt wide-ranging measures to monitor performance. Inspections and audits will be used to identify any possible issues with the NorthLink Health and Safety Plan and to ensure that its requirements are being met throughout the organisation. These will normally be pre-arranged.



### 6.1.1. Inspections

A general inspection of the five vessels and all shoreside functions will be performed by a suitably experienced person utilising a checklist, or aide-memoire as a guide. It will involve the person or people looking at the condition of the vessels, including all accommodation and working spaces.

All inspections will require proper planning and will be performed at an appropriate frequency. Any issues found will be recorded with corrective actions allocated and prioritised appropriately, based on risk, to be completed within an agreed timescale. All inspection results will be reviewed at pre-determined intervals as part of the governance process (e.g. management meetings, health and safety meetings), to identify any potential trends.

### 6.1.2. Management of the audit and verification processes

Safety in the workplace will be monitored by performing a schedule of robust and regular audits, inspections, site visits, safety tours, management reviews and other active and reactive measuring of health and safety performance throughout the term of the new contract. Progress against this schedule will be regularly monitored and results of activity findings reviewed at both NorthLink and Serco senior management level.

Redacted

Health and safety in the workplace will be routinely monitored by Serco's Senior Management at NorthLink. The maintenance, at all times, of a safe place of work and safe methods of work will be a key responsibility and objective for management at all levels within the NorthLink.

For shore-side Health and Safety, a buildings compliance matrix will continue to be used to identify the various HSE requirements we must adhere to. This will also be used to record the various tests and assessments carried out in support of our shore-side HSE responsibilities. A shore-side Health and Safety committee currently meets quarterly to review all aspects of shore side HSE, and this will continue throughout the new contract period.

### 6.1.3. Internal audits

Internal audits are programmed at a Serco Redacted, in accordance with company standard operating procedures, and carried out by trained auditors who are normally, wherever feasible, independent of areas audited.

Each vessel and office that is part of the Northern Isles Ferry Service (NIFS) Contract will continue to receive an internal ISM audit at least once a year. The passenger vessels will continue to have an internal ISM and ISPS audit annually and the freight vessels an ISM, ISPS and MLC annual internal audits. A selection of audits on vessels, and in offices within, are conducted by qualified and experienced auditors from other commercial marine organisations who have a thorough working knowledge of the management system but are independent of all areas being audited.

Redacted

Any findings, both positive and negative, or identified trends will continue to be discussed at the Maritime Regulatory Forum, to allow all maritime contracts to benefit from shared lessons learned.

#### 6.1.3.1. Health surveillance

Health surveillance is the process of systematic regular checks on staff to identify early signs of ill health, and then acting upon the results. During the gap analysis conducted in the NorthLink mobilisation period back in 2012, we identified areas where occupational health requirements needed to be more closely monitored. We performed risk assessments on all areas identified during the gap analysis within the first twelve months. Close monitoring will continue at NorthLink by performing a schedule of robust and regular audits, inspections, site visits, safety tours and management reviews.

Health surveillance is introduced when the risk assessment identifies the following:

- A particular work activity is causing ill health
- An identifiable disease or adverse health condition relating to the work. Recognised testing methods are available for early detection of an occupational disease or condition, e.g. audiometric testing, skin inspection where dermatitis is a hazard
- A reasonable likelihood that a disease or condition may occur in relation to particular work conditions

Surveillance is likely to further the protection of the person's health.

Redacted

#### 6.1.3.2. Planned General Inspections

Planned General Inspections (PGIs) will continue to be conducted by the Technical and Marine Managers, at least annually, and sometimes bi-annually. PGIs are an effective monitoring tool to ensure that shortfalls in existing systems are identified and addressed. A programme for PGIs was developed for all areas. Each manager responsible for that area will continue to complete the PGIs as per the agreed programme and ensured that all hazards identified are addressed at the earliest opportunity.

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