APPENDIX No. 1
to the Order dated _____ 2019
No. _____

STANDARD OF ILIM GROUP JSC

ON THE PROCEDURE FOR DEVELOPMENT AND AGREEMENT OF METHOD STATEMENTS

VERSION 2

Saint Petersburg
2019

Document content

1. Purpose and field of application of the Standard

1.1. The Standard of Ilim Group JSC (hereinafter, the “Company”) on the procedure, rules for the development, coordination, and approval of method statements (hereinafter, the **“Standard”**) establishes the requirements of the Company for the composition, content, procedure for development, review, coordination, and approval of method statements (MS).

1.2. This Standard has been developed in accordance with the requirements of regulatory documents of the Russian Federation, international standards, and local acts of Ilim Group JSC.

1.3. This Standard has been developed with the aim of adopting a unified approach to the composition and content of method statements developed in case of construction, reconstruction, and overhaul of industrial facilities on the Company’s site, both for the entire facility as a whole and for a separate stage (type) of work;

1.4. This Standard is obligatory for use by all structural units and all employees of the Company.

1.5. The present Standard is obligatory to implementation by subsidiaries and affiliates of Ilim Group JSC. Application of this Standard in subsidiaries and affiliates is reached by a statement and enforcement of the relevant local regulations by the authorized governing bodies of subsidiaries and affiliates.

1.6. This Standard is mandatory for application by contractors employees of which are admitted to the Company’s facilities by their inclusion in the list of regulatory documents governing industrial safety.

2. Definitions and abbreviations

Customer – the head of structural subdivision of a branch, project manager
MS – method statement
HM – hoisting machinery
PS – process sheet
SSD – structural subdivision of the Company
LR – local regulation
BS – buildings and structures
CEPR&FSE – Commission on emergency prevention and response and fire safety ensuring
UDDS – unified design documentation system
SRO – self-regulating organization

3. General provisions

3.1. MS is developed for the construction, repair of basic and auxiliary equipment, buildings and structures performed at their location under condition of the existing production in the presence of production factors requiring safe work.

3.2. In case of new construction and reconstruction, MS shall be prepared according to the design drawings on the basis of a project for the construction organization for the works of the preparatory period construction, for certain types of construction and installation works, as well as for the construction of the facility as a whole and/or its components.

3.3. Works with the use of MS shall be carried out by contractors; in exceptional cases, upon agreement with the Director of the branch, such works shall be carried out by the personnel of the structural subdivisions of the branch.

3.4. The source materials for the development of MS is the terms of reference for the performance of this type of works;

3.5. The list of works for which it is necessary to develop MS is defined in Appendix No. 1 to this Standard.

It is forbidden to carry out the specified types of work without an approved and coordinated MS.

3.6. For the repetitive types of work performed at the same place and using the same equipment carried out at least once a year, MS shall not be developed. Process sheet (PS) shall be developed for this type of works. The list of such works shall be developed in the structural subdivisions of the Company and approved by the maintenance manager of the branch.

3.7. The head of the structural subdivision (works customer), project manager, maintenance manager, director for investments, HSE&IS director, and the head of the FS&E service of the branch shall be entitled to demand the MS development for the works in cases not provided for in Appendix No. 1.

3.8. Deviations from the decisions of the project for the works performance shall not be allowed without written approval from the organization that developed and approved it, as well as with the coordinating heads of the branch.

3.9. MSs shall be developed by trained and certified specialists having sufficient qualifications or by a specialized organization having registration certificates for this type of design.

3.10. When developing MS under the conditions of the existing production, the MS developer is obliged to visit the facility in order to objectively consider all the features and production factors at the place of future works performance.

3.11. The method statement shall be approved by the Head of the organization that will perform this type of work and agreed upon by the managers and specialists of the branch.

3.12. If it is necessary to carry out emergency response when introducing the “High Alert” or “Emergency” modes, it is allowed to carry out works without MS in accordance with the decision of the Chairman of the FS&E Commission of the branch.

4. COMPOSITION OF THE SET OF MS DOCUMENTS AND REQUIREMENTS FOR THEM

4.1. The MS shall include:

- schedule and works performance regime for facilities and types of works;
- network schedule for works combining;
- construction master plan or site plan for demolition (dismantling) and adjacent areas;
- estimation of the need for workers;
- estimation of the need for main machines;
- process sheets for types of work;
- documentation for the construction of scaffoldings, platforms, location of anchor points, fastening of rigging tools and equipment, special lifting devices, and guard rails, etc.
- documentation for special hoisting devices and tooling;
- requirements for occupational safety when performing works, including MS using hoisting machinery (to be developed in case of works using hoisting machinery);

- risk assessment of the most hazardous manufacturing processes;
- executive summary.

4.2. Requirements for MS documents:

4.2.1. Schedule

The schedule of works on the facility and type of works establishes the sequence and timing of construction and installation works. According to the schedule, the need for construction machines, workers, terms for delivery of building structures, products and materials, and technological equipment are determined.

4.2.2. Network schedule for works combining

The network schedule for works combining is an organizational and administrative document containing a graphical description of the process with specification of the sequence, duration, and timing of the works, work shifts of the professional composition and number of personnel, mechanisms, and equipment.

4.2.3. Construction master plan

The construction master plan shall be developed as far as necessary for the works performance at the facility. The plan shall specify the location of permanent and temporary transport routes, temporary water supply networks, sewers, electricity, heat supply, hoisting cranes, warehouses, temporary inventory buildings, structures, and devices used to ensure construction or demolition (dismantling) works.

4.2.4. Estimation of the need for MSE and workers

Estimation of the need for MSE and workers for the performance of this type of works at the facility shall be carried out according to the attached form.

Estimation of the need for workers

Position	Number	Qualification	Types of certification in the field of HSE, IS & FS	Average daily number of workers per shift			
				1	2	3	Total per month

4.2.5. Estimation of the need for main construction machines

Estimation of the need for main construction machines for the performance of works at the facility shall be carried out according to the attached form.

Estimation of the need for construction machines

Description of works (model, make, and performance characteristics)	quantity	Average daily number of machines per shift			
		1	2	3	Total

4.2.6. Process sheets for types of work

Special process sheets shall mandatorily be developed as part of MS for certain complex types of work and for works performed according to new technologies.

For standard works standard process sheets as part of MS shall be used which are adjusted taking into account the characteristics of the facility and local conditions.

Process sheets shall be developed and executed according to MDS 12-29, SP 48.13330.2011, RD-11-06-2007

4.2.7. Documentation for the construction of scaffoldings, platforms, location of anchor points, fastening of rigging tools and equipment, special lifting devices, and guard rails

As part of MS documentation for the construction of scaffoldings, platforms, location of anchor points, fastening of rigging tools and equipment, special lifting devices, guard rails, etc. shall be developed.

When developing documentation, it is necessary to take into account the requirements of SP 48.13330.2011, GOST 24258, GOST 26887, GOST 27321, and GOST 28012.

4.2.8. Documentation for special hoisting devices and tooling

The documentation for special hoisting devices and technological equipment shall include a set of documents according to which special hoisting devices shall be manufactured that are used in the process of installation (dismantling) or repair of equipment.

When developing documentation, it is necessary to take into account the requirements of GOST 12.2.003, GOST 12.3.009, and FRR IS.

4.2.9. Occupational safety requirements when performing works

4.2.9.1. Health and safety requirements

The following information on health and safety shall be reflected in MS:

- determination of hazardous and harmful factors;

- specific design decisions on health and safety determining technical means and methods of work, ensuring compliance with regulatory requirements for health and safety. It is not allowed to replace design decisions with extracts from the rules and regulations on health and safety which are recommended to be given only as a justification for development of appropriate solutions;

- requirements for qualifications and types of training for health and safety personnel, electrical safety teams, works at heights teams, slingers, crane operators, electric and gas welders, etc.;

- procedure for issuing operations certificate and permit to work in accordance with the requirements of Ilim Group JSC;

- executors and their qualifications (in addition to the list of executors and their qualifications, it is necessary to include the requirements for employees who shall perform this work);

- determination of hazard areas and methods of fencing;

- requirements for the use of hand (bench, electric, etc.) tools;

- measures to ensure safety of workers when performing the specified type of works;

- main access paths to the place of work;

- list and number of required PPE in accordance with the Rules for the Use of Personal Protective Equipment at the facilities of Ilim Group JSC;

- risk assessment of the most hazardous manufacturing processes;

- emergency evacuation routes and emergency recovery measures;

- requirements for lighting, ventilation, air conditioning, and heating;

- sanitary and amenity and production premises for workers' leisure.

When developing the documentation, it is necessary to take into account the requirements of SP 12-136-2002, MDS 12-46.2008, MDS 12-29.2006, H&S Rules in construction approved by order No. 336n, H&S Rules for works at heights approved by order No. 155n, and Labor Code of the Russian Federation.

4.2.9.2. Fire safety requirements

MS following fire safety information shall be included in MS:

- determination of smoking areas;

- traffic routes, evacuation routes, placement and connection of temporary amenity premises, and parking areas;

- procedure for placement of fire safety signs;

- fire prevention measures for construction and installation works;

- selection of the type and calculation of the norms for completing the required number of primary fire extinguishing means;

- fire prevention measures in respect of storage facilities;

- procedure for providing personnel with special RPE against combustion products;

- confirmation of the qualifications of personnel involved in the performance of fire hazardous works.

4.2.9.3. Requirements for the protection of personnel against accidents and emergencies

MS shall reflect the requirements for the protection of personnel against accidents and emergencies:

- information on the size and boundaries of protective zones (in the presence of a right-of-way and protective zones of linear facilities, protective zones of energy facilities, etc.);

- information on the boundaries of the zones of possible formation of blockages and collapses;

- information on the boundaries of the zones of possible accidental oil spill or spill (discharge) of chemically hazardous substances;

- information on the availability of explosive objects and possible boundaries of explosive zones;

- procedure for reporting storm warnings, adverse weather conditions and signaling of civil defense and emergency situations;

- procedure for calling emergency services;

- collection points and evacuation routes with the introduction of the emergency mode;

- procedure for providing personnel with special RPE (with specification of filters brands) to protect personnel in the area of possible chemical contamination;

When developing documentation, it is necessary to take into account the requirements of SP 165.1325800.2014 and the order of the Ministry of Emergency Situations of Russia No. 543 dated October 1, 2014.

4.2.9.4. Environmental safety requirements

The following information shall be reflected in MS:

- information on the person responsible for compliance with environmental safety requirements, sanitary and hygienic requirements at the place of works; for collection, segregation of waste in containers marked by type of waste, waste collection for disposal, and dumping (landfilling);

- if necessary, installation of containers for waste agreed upon with the customer, the chief ecologist's service of the branch at the location of temporary accumulation of waste, including scrap metal.

In order to ensure environmental safety requirements, the following requirements shall be included in MS when performing works:

- cleanliness of the works place and the territory immediately adjacent to it;

- installation of containers for waste collection on a waterproof site for the period of works with their subsequent removal to the industrial waste landfill (IWL) in accordance with the internal regulatory documents of the Customer (except for the waste from the life activities of the Contractor's employees); apply the name of the waste collected to the container; avoid overfilling of waste containers; containers installed outdoors must be covered with lids to prevent entering atmospheric precipitation;

- prevention of placement of paper waste (scrap paper) and waste from uncontaminated packaging made of polyethylene, polypropylene, cardboard, and other waste prohibited by environmental legislation for landfilling, in general places of accumulation of process waste;

- disposal of paper waste (scrap paper) and waste from uncontaminated packaging made of polyethylene, polypropylene, cardboard, and other waste prohibited by the environmental legislation for landfilling, generated from the materials of the Customer (branch) during the performance of works – in designated places specified by the head of the branch subdivision;

- in case of emission (discharge) of contaminants into the air, water, or soil, that occurred due to an accident or other circumstances in the territory of the Facility, the Contractor's responsible person must immediately take measures to eliminate the consequences of environmental contamination and notify the Customer thereof;

- the executor shall solely be responsible for the violations of environmental legislation committed thereby in the course of the works; for compensation for damage to the environment or its components caused through its fault.

- waste from the life activities of the Contractor's employees (garbage from amenity and office premises and liquid municipal waste), as well as those formed from the materials of the Executor, are its property and must be removed from the territory of the Facility on the basis of its own agreements for waste management.

4.2.9.5. Industrial safety requirements:

MS shall reflect the industrial safety requirements:

- Method statement using hoisting machinery shall be developed in addition to the main MS in cases where work using hoisting machines is an integral part of the works at the facility. This section shall be developed in accordance with RD-11-06-2007 "Methodological Recommendations on the Procedure for Developing MS with Hoisting Machines" by specialists having experience in construction, trained and certified in the field of industrial safety of hazardous production facilities.

4.3.9. Explanatory note requirements

The explanatory note shall contain the sequence of works (captures, stages, field of work, etc.), the main technical and technological solutions, technical characteristics of the means of technological equipment developed and provided for use (platforms, scaffoldings, hoisting devices, and repair sites), and requirements to the organization and works performance.

If necessary, the explanatory note shall include the rigging schemes for the cargo movement, the selection and calculation of its elements; a list of heavy cargoes with specification of the weight and patterns of their slinging, etc.

An explanatory note shall generally consist of the following sections:

- a list of works performed with specification of the area of works, the scope, and time of the works, a description of the methods and procedure for performing certain operations;

- decisions on the geodetic works performance;

- decisions on laying temporary networks of water, heat, energy supply and lighting of the construction site and workplaces;

- work and rest schedule;

- decisions on the performance of works, including winter time;

- need for energy resources;

- need for and reference of construction camps and mobile (prefabricated reusable) buildings;

- measures for the preservation of materials, products, structures, and equipment at the construction site;

- environmental measures.

5. PROCEDURE FOR MS PREPARATION

5.1. MS shall be prepared with a title page and a sheet of project documents.

When compiling MS documents into folders or albums, all sheets shall be sequentially numbered by specifying the numbers in the lower right part of each sheet.

5.2. The rules for the execution and preparation of text and graphic materials that are a part of the MS shall be established by the standards for design documentation (UDDS).

5.3. MS shall be prepared in advance, not later than 15 working days, and agreed upon before the works commencement.

5.4. MS shall be certified by the signature of the head of the contractor and transmitted to the customer in duplicate on paper and 1 copy in electronic form.

5.5. Coordinated and approved copies of MS shall be transmitted to the customer in paper and electronic form, stitched, numbered, with a seal of the executing organization with specification of the number of sheets, the date of registration, and employees acknowledgement sheet.

5.6. Without signature of the workers in the acknowledgement sheet and the seal of the executing organization, the MS shall be considered INVALID.

5.7. Amendments to the MS without re-approval shall not be allowed.

6. TERMS AND PROCEDURE FOR MS APPROVAL

6.1. Upon receipt, MS shall be registered in a special log. The log shall be maintained by the HSE & IS Directorate in paper or electronic form in the form of Appendix No. 2. The electronic log shall be placed on the Company's network resource which ensures the information integrity.

6.2. The HSE & IS Director of the branch shall determine the approvers in accordance with the supervised areas. Scheme of MS approval is given in Appendix No. 3.

6.3. The approving manager / specialist shall study MS, issue comments, if any, to the executing organization with the date specified. Information on the presence of comments shall be registered in the log of MS.

6.4. The term of approval by the manager/specialist shall not exceed 3 working days. The total term for approval of MS shall not exceed 15 working days.

6.5. The composition of mandatory approvers at the branch shall include:

- Head of the structural subdivision of the branch – the Customer;
- Chief Construction Engineer of the branch;
- HSE&IS Director of the branch;
- Chief Ecologist of the branch;
- Head of the FS&E Service of the branch;
- Maintenance Manager.

6.6. HSE&IS Director and the Maintenance Manager of the branch may additionally appoint the necessary specialists for approval of the MS.

6.7. If works are carried out on investment projects, an additional approver shall be the project manager and investment director.

6.8. When implementing major capital projects, the mandatory approvers shall include representatives of the equipment supplier performing installation supervision (supervising engineers).

6.9. After the approval, the final version of MS in paper form shall be printed in two copies, stitched, numbered, and approved by the head of the contractor, and the representative of the HSE&IS Directorate of the branch shall affix a seal on the familiarization of the contractor's representative on the title page of the final versions of the document:

This document has been coordinated and approved.
Any changes of the safety requirements set out in this document, methods, and sequence of works without approval of the project manager or the Ilim Group subdivision are FORBIDDEN.
Read and understood _____
signature of the contractor's manager, full name, and position
date _____**, 20**__

7. REGISTRATION AND PROCEDURE FOR MS STORAGE

7.1. At the branch, an MS registry (Appendix No. 2) shall be maintained by the HSE&IS Directorate on paper and in electronic form on disk Z, in the folder "Contractors' Safety";

7.2. During the works – 1 copy of MS shall be stored by the works performer – the contractor; the second one shall be stored by the Customer; a copy of MS on electronic media shall be stored on disk Z, in the folder "Contractors' Safety";

7.3. A copy on paper shall be stored for three months after completion of works, that on electronic media – for three years.

8. SUPERVISION OF COMPLIANCE WITH THE MS REQUIREMENTS

8.1. At the branch, the director of the branch shall issue an order appointing persons responsible for control over the safe work of counterparties and coordinators for occupational safety responsible for organizing works with contractors.

8.2. The appointed responsible persons shall be certified for HSE, IS, and FS and pass a knowledge assessment in the manner established at the branch.

8.3. The appointed responsible persons shall regularly conduct checks of actual compliance with MS before, during, and after the work completion. The frequency of checks shall provide the required level of work safety.

8.4. The approving managers shall organize supervision of compliance of the works performed with the requirements set forth in MS and local regulatory documents of the branch.

8.5. In case of violations, inconsistencies with the requirements specified in MS, noncompliance with the approved work procedure or non-availability of MS, the appointed responsible persons must stop works until the violations are eliminated.

9. RESPONSIBILITY

9.1. Directors of branches shall be responsible for ensuring the implementation of this Standard in the Company's branches;

9.2. The heads of the Company's structural units are responsible for:

- bringing this Standard to the notice of the workers subordinate to them and other persons admitted to the Company's facilities;

- the providing and compliance with the requirements of this Standard in the controlled structural units.

10. REVISION PROCEDURE

10.1. This Standard is approved by the General Director of the Company.

10.2. Changes and additions to this Standard are made on the basis of the order of the General Director of the Company.

Appendix No. 1

LIST OF HAZARDOUS WORKS THE PERFORMANCE OF WHICH REQUIRES MS DEVELOPMENT

1. Works at heights:
- Repair, construction, and installation works at a height of more than 1.3 m from the floor without inventory platforms and scaffolding;
- Repair, painting of roofs, and cleaning of roofs of buildings from snow or dust in the absence of fences along their perimeter;
- Any works at a height above the floor level for more than 5 meters;
2. Any construction in the territory of the enterprise;
3. Reconstruction of buildings and structures (including the reinforcement of the facades of the building structure);
4. When constructing in difficult natural and geological conditions, as well as when constructing technically extra complex facilities – at the request of the authority issuing the permit for construction or for construction and installation and special works;
5. Works in confined spaces (tanks, compartments, boxes, and pipelines);
6. Excavation works:
- Digging of pits, trenches deeper than 1.5 m and performing works therein.
- Excavation works in the area of the underground energy networks, gas and oil pipelines, and other similar underground utilities and facilities.
7. Works on dismantling (collapse) of buildings and structures, as well as on the reinforcement and restoration of dangerous parts and elements of buildings and structures.
8. Installation / dismantling of large equipment.
9. Construction, installation, repair, service, and other works performed in the conditions of existing production of one subdivision of the organization by forces of another subdivision or contractor in case of relation or superimposing of their production activities (combined works);
10. Handling (rigging) works performed manually with heavy bulky goods;
11. Construction, installation, and repair works with the use of construction machines and mechanisms in the protective zone of power lines, utilities near or in the warehouses of flammable or combustible liquids, combustible or liquefied gases, toxic and aggressive substances;
12. Construction, installation, and repair works with the use of hoisting machinery.

Appendix No. 2.

MS registry

Sequence number	Date of receipt by HSE&IS Directorate	Name of the contractor, TIN/Full name, and phone number of the responsible person	MS name / code	Approver				MS approval date
				Full name	Position	Date	Signature	

Appendix No. 3

Procedure for MSs approval