



RULES FOR
CLASSIFICATION OF

**SHIPS / HIGH SPEED, LIGHT CRAFT AND
NAVAL SURFACE CRAFT
SHIPS IN OPERATION**

PART 7 CHAPTER 3

**MANAGEMENT OF SAFETY AND
ENVIRONMENTAL PROTECTION (SEP)**

JULY 2006

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CHANGES IN THE RULES

General

This booklet is a reprint of the previous Pt.7 Ch.5 and has been re-numbered Pt.7 Ch.3 in connection with the restructuring of Pt.7. Apart from clarifications of text and the inclusion of amendments and corrections, published in the January 2006 edition of Pt.0 Ch.1 Sec.3, no other changes have been made.

This chapter is valid until superseded by a revised chapter. Supplements will not be issued except for an updated list of minor amendments and corrections presented in Pt.0 Ch.1 Sec.3. Pt.0 Ch.1 is normally revised in January and July each year.

Revised chapters will be forwarded to all subscribers to the rules. Buyers of reprints are advised to check the updated list of rule chapters printed in Pt.0 Ch.1 Sec.1 to ensure that the chapter is current.

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SECTION 1

SAFETY AND ENVIRONMENTAL PROTECTION (SEP) CLASSIFICATION

A. General

A 100 Introduction

101 Statutory text that has been adopted in the rules will be written in normal rule text font (not italics) with a reference to the corresponding statutory regulation. Adopting statutory requirements by reference alone will not be used. Statutory requirements that are outside the scope of class but important to consider in association with the rules shall in some cases be referred to in Guidance notes.

A 200 Definitions

201 An *Accident* is an undesired event which results in harm to people, damage to property, process loss and/or damage to the environment.

202 *Administration* means the Government of the State whose flag the ship is entitled to fly.

(ISM Code 1.1)

203 *Audit* is a systematic and independent examination to determine whether safety and environmental protection activities and related results comply with planned arrangements, and whether these arrangements are implemented effectively and are suitable to achieve the objectives.

204 *Company* means the owner of the ship or any other organisation or person, such as the manager or the bare boat charterer, who has assumed the responsibility for operation of the ship from the ship owner and who, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the ISM Code.

(ISM Code 1.1)

205 *Corrective action* is an action taken to eliminate the cause of an accident, incident, finding, defect or other undesired situation in order to prevent recurrence.

206 *Critical equipment and systems* are those where sudden loss of functional capability or where failure to respond when activated manually or automatically may create high-risk situations or major accidents.

207 *Critical operations and conditions* are those which have a significant risk of causing major injuries or illness to people, or damage to the ship, cargo, other property and/or the environment.

Guidance note:

The ISM Code uses the wording "*key shipboard operations concerning the safety of the ship and the prevention of pollution*"

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208 *Finding* is a non-fulfilment of objectives or requirements as defined by the Company, which goes beyond what should be subject to mandatory ISM Code certification. (IACS PG No.9, 2)

Guidance note:

"Requirements as defined by the Company" include these rules for companies undergoing SEP classification.

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209 An "*Incident*" is an undesired event which could or does result in a loss.

Guidance note:

Terms such as accidents, near misses, near-accidents, non-

conformities, findings and hazardous occurrences are all covered under this definition.

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210 An *Instruction* is a document which defines how tasks shall be performed.

211 *International Safety Management (ISM) Code* means the International Management Code for the Safe Operation of Ships and for Pollution Prevention.

212 *Loss Control* includes any activity designed to prevent or reduce accidental losses to an organisation. These losses may include injuries, occupational illnesses, property damage, process losses, off-hire, quality degradation, environmental damage, etc. Loss control activities include anything done to prevent or minimise the chance of loss exposure, to reduce losses when loss producing events occur, and to terminate or avoid risks.

213 *Major non-conformity* means an identifiable deviation which poses a serious threat to personnel or ship safety or serious risk to the environment and requires immediate corrective action; in addition the lack of effective and systematic implementation of the ISM Code is also considered a major non-conformity.

(IMO Guidelines 1.1)

214 *Non-conformity* means an observed situation where the objective evidence indicates the non-fulfilment of a specified requirement.

(IMO Guidelines 1.1)

Guidance note:

"Specified requirement" refers to the ISM Code

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215 *Objective evidence* means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a Safety Management System element, which is based on observation, measurement or test and which can be verified

(IMO Guidelines 1.1)

216 *Procedure* means a documented, specific way to perform an activity, including who does what when.

217 *Process* means an interrelated set of resources and activities designed to achieve a specific result.

218 *Process loss* is any undesired event which results in decreased or substandard production or services, loss of process capability, off-hire costs or other increased costs due to delays in the voyage or in cargo handling.

219 *Safety* is the control of accidental loss.

220 *SEP* means Safety and Environmental Protection and refers specifically to the application of these rules.

221 The *SEP Management System* is the organisation structure, responsibilities, authorities, interrelationships, decision making, procedures, instructions and resources needed to implement and maintain the Company's safety and environmental protection policy and objectives, onboard and ashore.

222 *Verification* is the confirmation by examination and provision of objective evidence that specified requirements have been fulfilled.

B. Scope and Application

B 100 Scope

101 The objective is to prevent human injury or loss of life, to avoid damage to the environment, in particular the marine environment, to avoid damage to property (including ship, cargo and terminal equipment) and avoid process loss (including off-hire and other losses related to the shipping process).

102 Relevant principles from the ISM Code, the ISO 9000 series "International Standards for Quality Management, Assurance and Systems" and Loss Control Management, as well as good operational practices have been incorporated into these rules.

103 Except as indicated in 101, these rules do not seek in any way to define or embrace detailed regulatory requirements. Companies are to comply with such requirements.

104 The Company may include additional safety and environmental protection management and Loss Control Management objectives and improvement processes, which are not covered by the scope of these rules. At the Company's request, the SEP classification can be used to verify that the arrangements needed for the achievement of such additional objectives are implemented and maintained.

B 200 Application

201 These rules are applicable to all companies operating all types of ships, including companies previously classified under former SEP rules. The rules form the basis for the classification of the Company's Safety and Environmental Protection Management System onboard and ashore.

B 300 Reporting of ship operation responsibility

301 If the entity which is responsible for the operation of the ship is other than the owner, the owner shall report the full name and details of such entity to the Society, and to the appropriate Administration, as required.

C. Classification and Notation

C 100 Company SEP Classification certificate

101 Companies who comply with the requirements of these rules will receive a "Company SEP Classification" certificate. The "Company SEP Classification" certificate will be valid for five years provided the conditions for retention are maintained.

102 Validity of the certificate is subject to the Company complying with the requirements for periodical audits. The certificate will be renewed following the satisfactory completion of a renewal audit.

C 200 Shipboard SEP Classification certificate and class notation **SBM** (Ship Board Management)

201 Ships that have implemented a Management System that complies with these rules may receive a "Shipboard SEP Classification" certificate. To receive the "Shipboard SEP Classification" certificate, the Company must hold a valid "Company SEP Classification" certificate and the ship must have been successfully audited by the Society. Ships classified by the Society according to these rules will be given the classification notation **SBM**.

202 The "Shipboard SEP Classification" certificate and the notation **SBM** will be valid for five years provided the conditions for retention are maintained. Validity of the certificate and notation is subject to the ship complying with the requirements for periodical audits. The certificate and notation will be renewed following the satisfactory completion of a renewal audit.

D. Classification

D 100 General

101 SEP classification will include:

- assessment of the Management System covered by these rules
- initial audit of the SEP Management System ashore and onboard
- periodic audits ashore and onboard for retention of the SEP classification certificates
- renewal audits ashore and onboard to be carried out every fifth year.

D 200 Assessment of the SEP Management System

201 The Society will perform an assessment of the SEP Management System to verify conformity with the requirements in these rules. Corrective action is to be taken by the Company based on all identified findings prior to the initial audit.

D 300 SEP Management System initial audit

301 The Society will perform an audit to verify conformity between the defined SEP Management System and its implementation onboard and ashore. All defined processes, functions and activities in the SEP Management System, including the internal audit process, management review and the master's review shall be implemented prior to the audit. In addition, the SEP Management System shall be implemented for at least three months on board and ashore before the initial audit may be conducted.

302 The initial audit is to include at least one ship of each type to which the "Company SEP Classification" certificate is to apply.

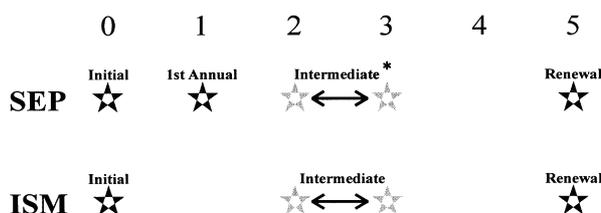
303 The Company is to submit, for approval by the Society, a plan for the implementation of their Management System onboard all the ships of the types covered by the "Company SEP Classification" certificate. The time period for implementation onboard shall not exceed the first five-year classification period for the Company. A minimum of one third (1/3) of the fleet operated by the Company shall be SEP classified by the Society within the first five-year classification period.

D 400 Periodical audits for retention of the Company and Shipboard SEP Classification certificates

401 Periodical audits of the shore-based and shipboard SEP Management Systems are to be carried out annually by the Society. Periodical audits should be satisfactorily completed in the three (3) month period either side of the certificate anniversary date.

Guidance note:

Harmonisation with ISM Code certification



*An intermediate audit arrangement to be applied for

Fig. 1
Harmonisation with ISM Code certification

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402 The Company may apply for an extended audit period for a particular ship after the ships first annual audit provided all non-conformities and findings are satisfactorily closed. The shipboard audit period and time window may then be harmonised with ISM Code certification.

D 500 Renewal Audits

501 Shore-based and shipboard renewal audits are to be carried out every fifth year according to established procedures. Renewal audits may be carried out from six (6) month before the expiry date of the certificate and should be completed before the expiry date.

D 600 Follow up of Findings and Non-conformities

601 Findings and non-conformities will be reported in writing to the Company. Corrective actions must be taken by the Company to respond to the findings and non-conformities. Be-

fore a SEP classification certificate will be issued or renewed all findings and non-conformities are to be closed by the Society.

602 Major non-conformities. The Company should take immediate corrective action. Implementation of corrective actions must be verified and accepted by the Society through an additional audit, before the major non-conformity will be closed or the certificate endorsed.

603 Findings and non-conformities are to be corrected, implemented and verified by the Company. Corrective actions are to be accepted by the Society and should be completed within three months. The Society may also require that the Company provide objective evidence of satisfactory implementation of corrective actions. The identification of findings and non-conformities does not prevent the endorsement of the certificate during periodical audits.

SECTION 2 SAFETY AND ENVIRONMENTAL PROTECTION (SEP) MANAGEMENT SYSTEM

A. Leadership and Administration

A 100 SEP management objectives and policy

101 The Company is to define their objectives for the key processes, functions and activities of safety and environmental protection, including but not limited to:

- provide/improve a safe working environment
- provide/improve safe practices in ship operation
- establish/improve safeguards against all identified risks
- continuously improve safety and environmental protection management skills of personnel ashore and on board, including preparing for emergencies related both to safety and environment protection.

102 The Company is to develop, implement and maintain a corporate policy. The policy is to state the objectives (see 101) and set out the means for achieving them. The policy is to ensure commitment to the following functional requirements:

- safety of personnel
- safety of ship and property
- environmental protection
- prevention of process loss
- compliance with rules and regulations

103 The policy is to be signed by the Chief Executive or comparable senior decision-maker as an indication of top level management commitment.

104 The policy is to be reviewed at regular intervals and amended when necessary to ensure that it remains relevant and effective.

A 200 Compliance with rules and regulations

201 The Company's Safety and Environmental Protection System shall ensure compliance with mandatory rules and regulations, and that applicable codes, guidelines and standards recommended by the Organisation(s), .hw Ad-mini-stration(s), classification societies and maritime industry organisation(s) are taken into account.

A 300 Company responsibility

301 The Company shall develop, implement and maintain a management system according to these rules which includes:

- preparing documented procedures and instructions in accordance with the requirements of these rules and relevant international and flag state regulations both on board as well as ashore
- ensuring that critical shipboard operations concerning safety of the ship and environmental protection are effectively controlled
- identification and establishment of reporting and record-keeping requirements and procedures for operational matters.

302 The Company shall identify resource requirements to effectively support the shore-based and shipboard Management Systems. Adequate resources should be provided to:

- support the Master in the safe performance of duties
- properly train and qualify own personnel
- establish necessary verification activities including internal audits.

A 400 Master's responsibilities and authority

401 The Company should clearly define and document the Master's responsibilities and authority with regard to the following:

- implementing the management system on board
- motivating the crew in the observation of the Company policy
- issuing appropriate orders and instructions in a clear and simple manner
- verifying that specified requirements are consistently observed
- regularly reviewing the shipboard SEP Management System and reporting its deficiencies to the shore-based management.

402 The Master shall without delay report to the Company possible modifications to the system that he considers necessary to ensure safety and environment protection. He shall also request the Company's assistance as may be necessary to develop and/or implement these modifications.

403 The company shall ensure that the SEP Management System operating onboard contains a clear statement of the Master's authority. The Company shall establish in the SEP Management System that the Master has the overriding authority and the responsibility to make decisions with respect to safety and pollution prevention and to request the Company's assistance as may be necessary.

404 In the event that the Master uses his authority to deviate from the system, the Master shall, as soon as practicable, report in writing to the Company the specific deviation and the reason for it.

A 500 Designated person(s)

501 To ensure the safe operation of the Company's ship(s) and to provide a link between the Company and those on board, every Company shall designate a person (or persons) ashore having direct access to the highest level of management. The responsibilities and authority of the designated person(s) includes monitoring the safety and environmental protection aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied as required.

502 The Company is responsible for ensuring that adequate resources and shore-based support are provided to enable the designated person or persons to carry out their functions.

A 600 Organisational responsibilities and authority

601 The responsibility, authority and interrelationships of all personnel ashore and onboard who manage, perform and verify work affecting the SEP Management System shall be defined and documented.

602 The responsibility to communicate this information and to verify that position/function descriptions are correctly understood is to be established and documented.

603 Relevant information regarding the responsibility and authority of shore-based personnel supervising or supporting ship operations is to be included in the shipboard documentation.

604 Interfaces and lines of reporting between the Master and shore-based personnel are to be clearly documented on board and ashore.

605 The Company shall include a personal performance evaluation system of all safety and environmental protection related activities for all relevant personnel at least annually.

A 700 Safety and environmental protection committee

701 The Company shall conduct formal safety and environmental protection management meetings ashore at regular intervals. Records shall be maintained.

Guidance note:

If incorporated into regular management business or planning meetings, SEP issues shall be a regular, planned and significant agenda item in these meetings.

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702 Each ship shall have a shipboard safety and environmental protection committee, made up of at least one senior officer and at least an equivalent number of rating representatives.

703 These committees shall meet at regular intervals. Records of such meetings shall be maintained.

Guidance note:

The purpose of these committees is to provide a forum for reviewing, discussing and recommending improvements to safety and environmental protection issues. The committee is not a substitute for safety meetings as required by N100.

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A 800 Company and shipboard SEP Management System documentation

801 The Company SEP Management System shall be documented in a well-structured format.

802 This documentation is to be maintained and kept at the Company's head office and all other relevant locations. All relevant elements of the SEP Management System shall be available onboard the ships.

Guidance note:

This document serves as reference material in the implementation and continuous improvement of the management system.

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803 External documents such as the following, if adapted to and included in the SEP Management System, may be kept in their original form. The documented system shall, where relevant, contain references to these external documents:

- mandatory laws and regulations
- requirements and standards made as a part of the Company system
- guidelines and codes of the shipping industry
- manufacturer's manuals and drawings.

A 900 Document control and record keeping

901 Procedures to control documents and data, both ashore and onboard, shall be established and maintained. These are to include provisions for documents to be developed, reviewed, modified as necessary and approved for adequacy by qualified and authorised personnel before the documents are issued.

902 A method shall be used to ensure all changes to documents are readily identifiable.

903 The document control system shall include guidelines for determining documents and records requiring document control. Document control includes the proper identification, distribution, collection/filing and maintenance of controlled documents and records.

904 The Company is to establish a system which ensures that the Company and its ships are supplied with up-to-date, applicable Rules, Regulations, Codes, Guidelines and Publications, and any changes thereto.

905 Master list(s), index or equivalent control procedures shall be established and maintained ashore and onboard for all valid documentation, including external documentation (see 803). The master list(s) are to include document holder and/or location. They shall be used to ensure that pertinent documents are available for all relevant personnel, and that obsolete documents are promptly removed.

906 The Company shall identify and establish retention times for all SEP Management System related records both ashore and on board.

907 The Company is to establish and document a system to ensure controlled distribution of mail, including electronic mail, relevant to the SEP Management System, to all appropriate personnel

908 The Company shall establish an effective system for document and record protection, including data back-up and storage procedures and facilities ashore and on board.

A 1000 Verification

1001 The Company is to identify and describe all activities requiring formal verification ashore and on board.

1002 The Company shall establish specific measures/ verification that will ensure that procedures and instructions are complied with in day to day operation.

1003 These measures shall include regular verification by the Master. Verification records shall be maintained. Verification duties delegated to officers shall be documented.

A 1100 Internal audits

1101 The Company shall conduct internal audits and evaluations, at least annually, of their onshore operations and of each ship. The objective of internal audits is to determine whether the SEP Management System is implemented and effective in achieving stated objectives, and to take corrective actions as necessary when deficiencies are identified.

The audits, evaluations and corrective actions should be carried out in accordance with documented procedures.

1102 Personnel carrying out audits shall be appropriately qualified and independent of those having direct responsibility for the activity being audited. Activities involving the Master are to be audited by an auditor who is independent of the shipboard organisation.

1103 An audit plan shall be established by the Company for their shore operations and all their ships, covering the following items:

- criteria for carrying out the audit
- the specific area(s) and activities to be audited
- procedures for reporting audit findings, conclusions and recommendations to management and officers responsible for the area audited, and to other appointed members of Company management
- responsibility for review, approval and follow up action.

1104 Management and officers responsible for the area audited shall take timely corrective action.

1105 Follow-up audit activities shall verify and record the implementation and effectiveness of the corrective action taken.

1106 Records of internal audits, audit results and corrective actions shall be maintained.

B. Leadership Training

B 100 SEP Management System training

101 The Company shall establish a system for identifying all

SEP Management training needs for all shore-based and shipboard personnel. The training shall ensure that personnel are fully conversant with the relevant aspects of the SEP Management System and how it operates.

102 Management personnel, including relevant onshore personnel, masters, ship's officers and other responsible shipboard personnel shall receive training which meets identified needs (see 101). This training shall include the procedures to implement and maintain the system as well as the methods and criteria used to evaluate the effectiveness of the system.

103 Training records shall be maintained.

B 200 Training in rules, regulations, codes and standards

201 The Company shall ensure that all relevant personnel involved in SEP-related matters have an adequate knowledge of mandatory Rules, Regulations, Codes and other Guidelines such as:

- international and national legislation, codes and guidance generated by a ship's flag state and port states visited by the ship
- classification societies' rules and regulations
- guidance issued by international and national industry organisations, insurance companies, etc., both in regard to general operational practices and to specific technical details.

C. Planned Inspection and Maintenance

C 100 Maintaining the condition of ship and equipment

101 The Company shall establish a planned inspection and maintenance system to ensure that each ship is maintained to conform with the provisions of mandatory rules and regulations and with any additional requirements established by the Company.

102 The Company shall establish procedures to identify equipment and technical systems the sudden technical failure of which may result in hazardous situations. Specific measures shall be provided promoting the reliability of such equipment and systems.

C 200 Planned general safety inspections by ship personnel

201 Planned general safety inspections of all working and living areas of the ship shall be conducted by ship personnel on a regular basis. These inspections should be designed to identify hazards and other substandard conditions, which may exist throughout the work environment.

C 300 Planned inspection and maintenance system

301 The planned inspection and maintenance system shall include items of hull, equipment (including deck and bridge equipment), machinery, systems and components subject to class or statutory surveys; and other critical functions, equipment and systems which, if not maintained, may result in high-risk situations and/or significant damage to personnel, ship, cargo or the environment. This includes equipment supplied by charterer, owner or others, such as cargo-handling equipment.

302 The planned inspection and maintenance system shall include the following:

- a) identification of all functions, equipment and systems requiring planned inspections and maintenance
- b) documented inspection and maintenance intervals, which shall be analysed and reviewed at least annually
- c) inspection and maintenance methods and procedures to be followed

- d) specification of condition assessment criteria and methods
- e) identification of all critical measuring and testing equipment and the planning and performance of calibration and/or verification and adjustment of the identified equipment
- f) assignment of responsibilities for performing and verifying the inspection and maintenance activities
- g) inspection and maintenance reporting and record keeping requirements.

C 400 Testing and maintenance of critical stand-by and inactive equipment and systems

401 Critical stand-by equipment and systems shall be regularly tested and maintained.

Guidance note:

Critical stand-by equipment and systems are those provided to ensure that a single failure does not cause loss of critical functions, for example emergency generator.

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402 Critical equipment and systems that are not continuously active or that have been inactive for some time are to be regularly tested and maintained.

Guidance note:

Examples include emergency equipment such as lifeboat launching systems.

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403 Testing and maintenance of critical stand-by and inactive functions shall be integrated into the ships operational and/or maintenance routine.

404 Systematic testing of stand-by arrangements and inactive functions are to be recorded and the records maintained.

C 500 Inspection and testing of safety and emergency equipment

501 All emergency and safety monitoring, detection, alarm and response equipment shall be inspected and tested on a regular basis. Records shall be kept.

C 600 Reporting and handling of deficiencies

601 The Company shall ensure that all deficiencies and hazards identified through general safety inspections, maintenance inspection or otherwise identified are reported, investigated and followed up according to items E100 to E300.

D. Critical Operation and Condition Analysis and Controls

D 100 Development of plans for shipboard operations

101 The Company shall establish procedures for the preparation of plans and instructions for critical operations concerning safety of the ship and pollution prevention. The various tasks involved should be defined and assigned to qualified personnel.

D 200 Analysis

201 Critical operations and conditions are to be identified and analysed to determine the associated risks. Operations and conditions to be analysed include cargo handling and other service processes (e.g., passenger services, drilling operations, fishing, towing) as well as those associated with the operation and maintenance of the ship.

D 300 Controls

301 The analysis shall result in the identification of appropriate means to ensure that all critical operations are carried out under controlled conditions. Means for controlling conditions include the use of physical devices and technical modifica-

tions, as well as procedures, operating practices, detailed instructions, check lists, work permits, training, work verification, etc. The methodologies (approaches) used and the results of the analysis shall be documented.

E. Incidents

E 100 Reporting, investigation and follow up

101 The Company shall ensure that systems are in place for incident reporting, investigation and follow up. The system shall include:

- a) incident reporting
- b) investigation and data collection
- c) cause analysis
- d) corrective action development
- e) report review and follow-up to ensure the information is complete
- f) corrective action implementation and follow-up.

Guidance note:

The purpose of the system is to reveal the basic or root causes so that corrective action can be implemented to remove or reduce the chance of recurrence and improve the management system.

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102 The investigation process shall include a review of the events with the personnel involved.

E 200 Reporting and records

201 The Company shall establish procedures for the distribution of the investigation reports to appropriate personnel. Records of incidents and the corrective actions shall be maintained.

202 The Company shall ensure that a system is in place to report any accidental damage or defect that might adversely affect ship safety or the environment to the appropriate authorities and classification societies as required. Records shall be maintained.

E 300 Claims handling

301 The Company shall establish procedures on board and ashore for handling any casualty or property damage that might result in a claim. These procedures should cover damage to hull and machinery and casualties to ship personnel and sub-contractors and cargo claims as well as third party claims.

F. Emergency Preparedness

F 100 Emergency planning

101 The Company shall establish arrangements to ensure that the Company is prepared at any time to respond effectively to hazards, accidents and emergency situations involving any of its ships.

102 Procedures and instructions shall be established to ensure that the Company can respond effectively to potential emergency situations. Such situations are to be identified, described and analysed for risk potential and response requirements.

Guidance note:

Emergency situations may be related to external conditions, ship operation and maintenance, as well as cargo handling and other service processes (e.g. passenger services, drilling operations, fishing, towing).

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F 200 Emergency training and drills

201 The Company shall establish documented programmes and objectives for emergency training and drills ashore and on board. These drills are to be exercised in accordance with the emergency plan established and provide preparation for all identified potential emergency situations. Records shall be maintained of all emergency training and drills conducted ashore and on board.

202 Emergency training and drills ashore are to be carried out regularly and at least once per year.

203 Emergency training and drills programmes and objectives, including drill frequency, shall meet applicable regulatory requirements.

F 300 Media response

301 The Company shall establish procedures for communication with the media in emergency situations.

G. Safety Rules and Work Permits

G 100 General safety and environmental protection rules

101 The Company shall identify, establish and maintain general shipboard rules for safety and environmental protection, which apply to the conduct and activities of the crew. These rules should cover at least incident reporting, use of personal protective equipment, the care and use of tools, housekeeping requirements and drug and alcohol restrictions.

G 200 Work permits

201 The Company shall identify, establish and maintain work permit systems onboard that are appropriate to the work hazards.

Guidance note:

Work permits may cover such activities as hot work, confined space entry, work with energy sources, work on safety systems, work aloft and working over the side, among others.

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G 300 Statutory and classification certificates

301 The Company shall have a system in place to ensure that the Company and their ships are always provided with the necessary valid statutory and classification certificates.

302 The Company shall have onboard measures for the routine monitoring and controlling of all certificates. If required, these measures are also to ensure that the ship is provided with any additional valid certificates (statutory, class, equipment, other) required for the intended voyage.

G 400 Drug and alcohol policy

401 The Company shall establish a drug and alcohol policy.

402 The Company shall include a system for monitoring officer and crew compliance with the Company's drug and alcohol policy.

H. Knowledge and Skill Training

H 100 Training needs identification

101 The Company shall establish and maintain a system for identifying all training needs for all shore-based and shipboard personnel. The analysis shall include an assessment of the need for training to the next professional level.

H 200 Training programs

201 The Company shall establish and maintain a system for ensuring that the necessary training, as identified in the training needs analysis, has been provided so that all shore-based and shipboard personnel possess the skills needed for the proper execution of the tasks they are to perform.

202 Training needs for personnel transferred to new assignments shall be identified and training provided.

203 Training records shall be maintained.

I. Personal Protective Equipment

I 100 Identification and provision

101 The Company shall establish a system to identify the needs for personal protective equipment and to ensure that the required personal protective equipment is available and used while performing specified tasks/operations.

J. Occupational Health and Hygiene

J 100 Identification and control

101 The SEP Management System shall include a system for identifying and controlling occupational health and industrial hygiene hazards on board.

K. SEP Management System Review and Evaluation

K 100 Management review

101 Company management shall review the SEP Management System at least once a year to ensure its efficiency continuing suitability and effectiveness. Such reviews shall be carried out according to established procedures, by appropriate members of Company management or by competent personnel as decided on by Company.

102 Reviews are to consist of well-structured and comprehensive evaluations which shall include the following:

- a) safety and environmental protection policy and objectives
- b) findings of internal and external audits
- c) Master's review reports
- d) findings and deficiency reports
- e) analyses of accidents and incidents
- f) industry experience
- g) internal and external surveys and inspections
- h) effectiveness of procedures, instructions, checklists etc.
- i) effectiveness of the safety and environmental protection management improvement process
- j) recommendations/conditions of class and memos, following class and statutory surveys
- k) overall effectiveness of the management system in achieving stated safety and environmental protection objectives
- l) considerations for updating the system in response to or in anticipation of new regulations or changes in fleet, trade, social or environmental conditions and/or market strategies.

103 Findings, conclusions and recommendations reached as a result of this review shall be documented. A plan of action for necessary improvements shall be established. Records of reviews and action plans shall be maintained.

104 The results of the reviews and action plans shall be distributed to all relevant ships, branch offices and sections in the main office for appropriate follow-up and implementation.

K 200 Master's review

201 The Master shall review the SEP Management System at least once a year to ensure its efficiency, continuing suitability and effectiveness. Such reviews shall be carried out according to established procedures. The review is to include items referred to in Management Review (see 102), as applicable on-board. Records of such reviews shall be maintained.

202 Findings, conclusions and recommendations reached as a result of the Master's review are to be submitted to the Company for review and action as appropriate.

L. Engineering Management, New-buildings, Major Repairs and Acquisitions

L 100 Major repairs and stays at repair yard and dry-dock

101 The Company is to establish plans to ensure that the repairs and dry-docking are carried out in a safe and controlled manner.

L 200 New-building/conversions

201 If applicable, the Company shall identify, establish and maintain a Management System to control and verify the safety and environmental aspects of the following activities of new building, major repair or conversion projects:

- design basis/concept
- building/conversion/repair specification and contract
- specification and contract review and approval
- follow-up during building or conversion phase
- testing, commissioning and trials
- project conclusion
- evaluation of finished project.

L 300 Acquisition of ships

301 If applicable, the Company shall establish, maintain and document safety and environmental protection standards for the acquisition of ships. Acquisition includes taking over the management of ships or taking ships in on bareboat charter.

302 To ensure that the standards of the ship(s) to be acquired are in accordance with the Company's safety and environmental protection requirements, each ship is to be inspected prior to acquisition by competent personnel. Appropriate management personnel shall review and analyse the findings of these inspections to make recommendations regarding the acquisition decision. Records of such inspection(s) and management reviews shall be maintained.

M. Personal Communication

M 100 General

101 The Company shall ensure effective communication within the organisation. In particular, the communication to and among ship's personnel in the execution of their duties shall be ensured.

102 The Company shall ensure that all personnel receive relevant information on the management system in a working language that is understood.

M 200 Change of command/crew and fitness for duty

201 The Company shall establish instructions for change of command, change of watch and change of crew. Information

critical to change of command, change of watch and change of crew shall be documented.

Guidance note:

This may include hand-over notes, logs, meetings, etc. between Masters and other relevant officers and new crew members.

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202 The responsibility to evaluate fitness for duty shall be described.

M 300 Task introduction

301 The Company shall establish a system to ensure that new personnel and personnel transferred to new assignments, receive proper familiarisation and introduction to the tasks that they are to perform. The system shall ensure that they have acceptable understanding, knowledge and skill related to the specific duties before they are assigned to them.

302 Instructions, which are essential to be provided prior to sailing, are to be identified, documented and given.

303 Task introduction is to be documented and records maintained.

N. Safety Meetings

N 100 Shipboard safety meetings

101 The company shall ensure that safety meetings are arranged and conducted regularly on board. These meetings shall be formalised with an agenda, minutes of meeting and action plans. Records of such meetings shall be maintained.

102 The results of the safety meetings should be communicated to those personnel unavailable for the conducted meeting.

Guidance note:

Safety meetings are intended to promote and improve awareness of general safety and environmental protection issues. They can be arranged on any suitable basis, such as departmental or for all available personnel.

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O. Personnel Recruitment and Orientation

O 100 Selection, recruitment and training of shore-based personnel

101 The Company shall establish a system for selection and recruitment of all shore-based personnel. These personnel shall be qualified on the basis of appropriate education, training and/or experience, as required, particularly for personnel with:

- responsibility for system development and maintenance
- verification responsibilities
- responsibilities pertaining to safety, environment protection and quality-related activities
- particular contingency/emergency preparedness responsibilities.

O 200 Selection, recruitment and training of shipboard personnel

201 The Company shall appoint Masters who have the required level of training and are competent to command the type of vessels to which they are to be assigned.

202 The Company shall ensure that each ship is manned with qualified, certified and medically fit officers and seafarers in accordance with national and international requirements. Qualified includes the ability of the seafarer to communicate effectively in the working language of the ship.

O 300 Safety familiarisation

301 The Company shall ensure that officers and crew, when joining the ship, receive a proper introduction to the ship's operation, safety rules and emergency plans and equipment (safety tour).

O 400 Verification of personnel qualifications

401 The Company shall establish an on board verification process to ensure that personnel are qualified, certified and medically fit for the performance of their tasks, in accordance with national and international requirements.

O 500 Subcontracted employment of ship personnel

501 If the Company subcontracts the employment of ship's personnel, the Company shall have a system for verifying that the employing agency (manning agent) has implemented and maintains a recruitment standard which is in compliance with the Company's SEP Management Standard. Verification records shall be kept.

P. Purchasing and Sub-Contractor Management

P 100 Specifications

101 The Company shall establish and maintain purchasing and subcontracting systems which define SEP-related specifications for all purchased products, equipment, materials and services which could result in critical safety or environmental losses.

102 The Company shall have a system to ensure that suppliers (or subcontractors) of critical products, equipment, materials or services are approved based on their ability to meet identified specifications.

103 A list of approved suppliers and sub-contractors shall be maintained.

P 200 Purchasing

201 The purchasing document shall contain all data necessary to clearly describe the products, materials, equipment or services requested. In addition, the purchasing document shall specify required documentation (such as certificates, data sheets, specifications, instructions, etc.) to be provided with the purchased product, materials, equipment or service.

202 The purchasing system shall include a system to verify that purchased products and services conform with specified requirements.

P 300 Spare parts and consumable items

301 The Company shall ensure that the ship is provided with pre-defined stocks of critical spare parts and consumable items.

302 The Company shall ensure that adequate storage facilities are provided for spare parts and consumable items.

303 The Company shall ensure that hazardous goods are stored according to relevant industry codes and criteria. The system should also ensure that adequate controls are in place for use of hazardous material before it is released from storage.

P 400 Sub-contractor management

401 Where subcontractor personnel perform work onboard, the Company shall establish a system of contractor controls which covers work planning, contractor employee controls and controlling the contracted work process. The level of control applied should be based on the potential for loss associated with the work to be done.

