

QHSE

Management system

This document contains the QHSE manual of Vydraulics management system on quality, safety, health and environment. The management system applies to Vydraulics and its Business Units (BU's). This document is available internally and externally at all times. The QHSE Manager operate as representatives of the management

The QHSE manual describes the structure and provides an overview of the processes within Vydraulics. Specific details on procedures, policies, work and production instructions are described in the applicable documents.

Any reference to specific standards refers to the latest version of those standards, unless a specific version is mentioned. In case of doubt, please contact the Quality, Health, Safety and Environment (QHSE) department.

This manual has been reviewed by:



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And approved by:



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About Vydraulics

Vydraulics offers **innovative** and **cost effective** solutions for **systems**, **components** and **services** in the area of **motion**, **control** and **process** systems.

With our passion, **experience** and **transparent** way of working we strive to be **the best** autonomous and **independent turnkey** provider.

We **design**, **manufacture**, **assemble**, **commission** and **maintain** motion & control solutions and products that meet and exceed the specific requirements of our **global** clients in a wide **variety of industries**.



Management system

The management system covers management policies and associated procedures required for effective operation and control. Procedures specifically describe what should happen, why, and who is responsible and always includes a description of the objectives, the performance indicators, a flowchart, a process description, the responsibilities, and the expected input and output. The input and output are often presented in the form of documents, forms, and records.

The management system is subject to continuous improvement, based on processed information related to its scope and in accordance with applicable laws and international standards. This covers:

- Identification of processes needed for the management system and their application throughout the organisation including sequence and interaction
- Identification of criteria and methods required to ensure effective operation and control of processes;
- Availability of resources and information necessary to support the operation and monitoring of processes;
- Measurement, monitoring and analysis of the processes;
- Implementation of actions necessary to achieve desired results and continuous improvement of the processes.

STANDARDS

Within the different BU's of Vydraulics the next standards are applicable:

- ISO9001
- ISO14001
- ISO3834
- SCC

SCOPE

The scope of our products and services is the engineering, manufacturing, installation, servicing and maintenance of hydraulic, pneumatic and sampling systems and components.

STAKEHOLDERS AND SURROUNDINGS

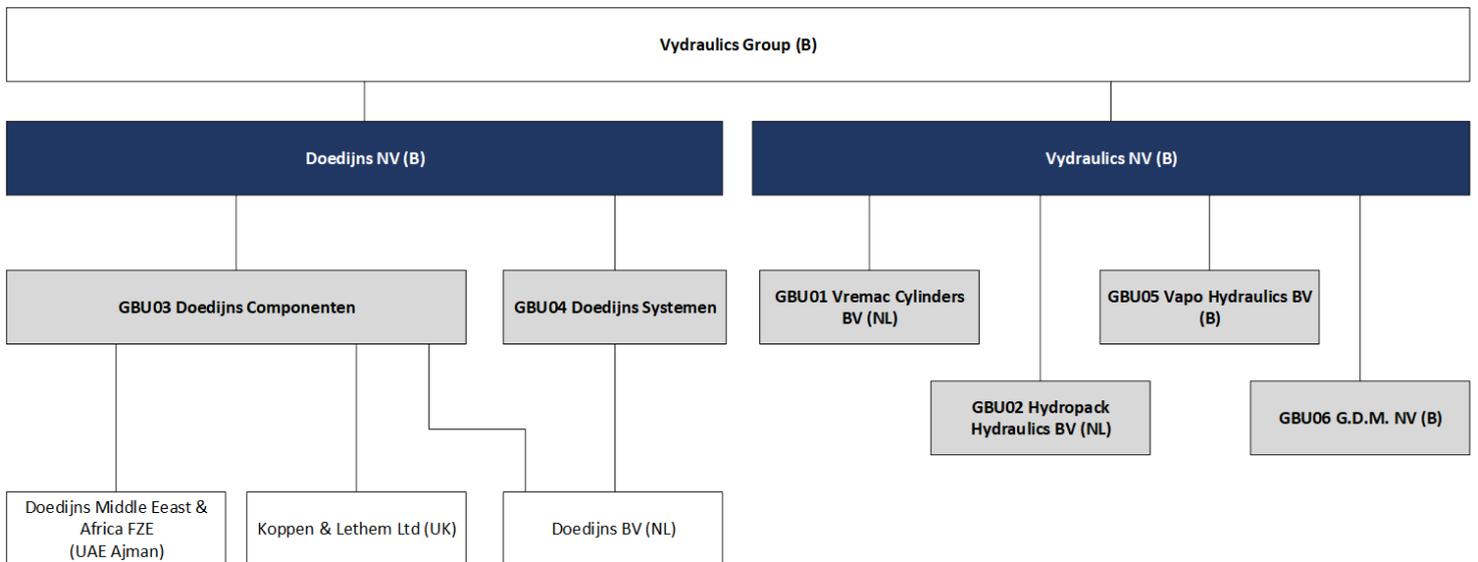
This management system is applicable to the stakeholders and surroundings of Vydraulics. It has been developed to analyse and optimise the existing processes and to map and minimise the risks with regard to time, budget, product quality, continuity, safety, health, environment, operational reliability, and expertise.

Within the different BU's, the stakeholders and surroundings are validated and reviewed each year.



Organisation

Vydraulics is the corporate headquarters of the group, comprising of the Management Board. Each business unit has its own management and staff functions such as Administration, Finance and Human Resources. This structure is shown in the following high-level organizational chart.





Documentation

Within Vydraulics documentation is structured into the following levels: a QHSE manual (at top level), procedures manual (generic) and work instructions or operations instructions (BU or process level).

The QHSE manual, procedures manual and work instructions, together with the additional supporting documents and records, form an integral part of the Vydraulics management system. The relations between the standards and legal requirements, procedures, work instructions, and operation instructions are stated in cross references. There shall be no conflict or disparity between work instructions and procedures.

The management system is meant to be a formalised mechanism for carrying out the activities that are currently performed. Objective evidence of compliance with the Vydraulics management system is documented on forms or in records generated by the relevant procedures. Records may comprise information generated and are stored in hardcopy or in electronic form.

LEVEL 1 QHSE MANUAL

- Mission / Vision
- Strategy
- Policy

LEVEL 2 PROCEDURES MANUAL

- Resources
- Responsibilities
- Realisation
- Documentation
- Measurement
- HSE

LEVEL 3 WORK INSTRUCTIONS

- BU or department specific

CONTROL OF DOCUMENTS AND FORMS

Controlled documents are reviewed, approved and updated by authorised personnel prior to release. Changes or amendments to documents are implemented in a controlled manner within the organisation.

CONTROL OF QUALITY RECORDS (REGISTRATIONS)



Records required by the Management System are controlled and maintained in accordance with documented procedures. The procedure includes the identification, storage, retention, access to or retrieval and disposition of records. Quality records are maintained for a specific period of time to demonstrate the achievement and the effective operation of the management system, and stored in facilities that prevent damage, deterioration and loss.

ICT

The ICT function within Doedijns provides the technical infrastructure for the organisation, and the operation and management of special applications, to safeguard the reliability and continuous availability of automatic data processing.

INTERACTION OF PROCESSES

The following process flow shows the relation between the main processes.





Responsibility

The management board has framed a Quality, Health, Safety, and Environment policy that meets governmental and customer requirements to ensure customer satisfaction within the limits of the law.

CORPORATE OBJECTIVES

The management board establishes a strategic plan that sets out a multiyear strategy, based on the mission and vision. Based on this model, the strategies and operational objectives are established and announced to the organisation. The managing directors prepare a business plan based on the strategic plan. The Profit & Loss forecast will be based on the information available in the business plans. The BU plans from the guidelines for all the activities that are carried out within the BU. Based on the objectives in the strategic plan, the managing director prepares and implements action and improvement plans.

At least once a year, the management review undertakes an extensive evaluation of the achieved results. The outcome of this assessment forms the basis for action and improvement plans.

QUALITY, HEALTH AND ENVIRONMENT POLICY

The policy defines the commitment to Quality, Health, Safety and Environment. It directs conformance to the management system. The management ensures that the policy statement is appropriate to the purpose of the company, includes a commitment to comply with requirements, and continuously improves the effectiveness of the management system. The policy statement provides a framework for establishing and reviewing objectives.

The policy statement is communicated and understood at appropriate levels within the organisation. This may be established through regular staff meetings, induction and ongoing training, and written communication (such as the public display of the policy statement at various locations in the organisation). The policy statement, where published, is controlled in accordance with document control policies. The management regularly reviews the policy statement for continuing suitability. Any changes in the policy statement are subject to the document control policies above and will be effectively communicated.

CUSTOMER FOCUS

The management of Vydraulics emphasises on achieving and enhancing customer satisfaction by determining customer needs and expectations (including obligations related to contractual and regulatory requirements), and transforming these into clear and unambiguous requirements

MANAGEMENT COMMITMENT



The management demonstrates commitment to the management system through several means which are described in the QA Policy.

KEY PERFORMANCE INDICATORS AND OBJECTIVES

Vydraulics uses performance indicators to monitor and measure the quality of the operating processes. Each performance indicator is linked to the objective of the relevant operating process. The assessment is being done to assure quality and to improve where possible. Different measuring tools may be used for the performance indicators and objectives.

Each BU develops its own overview of key performance indicators and objectives, in relation to quality, the safety and health of its people, and the environment. Measurable quality objectives, which are consistent with the policy, are established and documented at relevant functions and levels within Vydraulics. The management reviews the achievement of established objectives.

Performance indicators are linked to targets per process. The manager of the process is responsible for the identification of targets and the regular evaluation. Depending on the results of the evaluation the manager can initiate preventive or corrective actions to succeed in the target. A performance indicator is always drawn for the long term, once it is part of a preventive or corrective action it becomes time dependent. The results of the actions are discussed in management reviews.

THE CONSULTATION STRUCTURE

Strategic and operational issues will be discussed in the organisation via a consultation structure established by the management. Department related matters are discussed within the departmental consultation meetings and could be presented to the management if necessary. A separate team may be set up for specific projects or organisational matters.

RESPONSIBILITIES AND AUTHORITIES

For management system related responsibilities and authorities of key personnel are referred to the authorisation table.



The Quality , Health, Safety and Environment (QHSE) department's main responsibilities and authorities are:

- Report to CEO on QHSE matters;
- Maintain the manual of management system Quality, Safety, Health and Environment;
- Organise internal audits and monitor follow up.

ORGANISATION CHART

For each BU, a separate organisation chart is prepared.

INTERNAL COMMUNICATION

Vydraulics maintains an open communication channel between its various functions and levels regarding the processes and their effectiveness through internal staff meetings, telephone calls, training sessions, e-mails, intranet and internal memos.

Communication may be formal (documented/electronic) or informal (verbal meetings) as the situation may warrant. However, for matters of a serious or confidential nature, the management policy requires formal communication, such as the introduction of a new procedure or how a serious problem is being addressed.



Resources

The management of Vydraulics determines and provides, in a timely manner, the resources needed to implement and improve the processes, and to address customer satisfaction. Provision of resources include providing adequate budget for company's activities, allocating human resources, and ensuring adequate infrastructure for the company's activities.

FACILITIES AND WORK ENVIRONMENT

Vydraulics has identified and provided adequate facilities to achieve the conformity of its provision of services, including:

- Computers hardware and software, including drafting software for design work;
- Telecommunication facilities;
- Office space and office equipment for administrative work;
- Workshop for fabrication activities; Machines, equipment and tools for fabrication work;
- Inspection and testing equipment for material and product testing

Where the maintenance of facilities and infrastructure is required, these supporting services may be outsourced through contracts or other purchasing documentation. Vydraulics ensures that the physical and human factors in the work environment are identified and managed to achieve the conformity of products and services, including:

- Consideration for ergonomics;
- Security needs, including protection of its information;
- Workshop safety where required by law;
- Maintaining a favourable environment suitable for staff to work in.

HUMAN RESOURCES

Vydraulics has motivated and technically competent personnel. The competence of its personnel is qualified by virtue of their academic/technical qualifications, training and past working experience in the industry.

It is the company's policy to provide training to all staff to upgrade each individual's working capacity during the course of their job. New staff is usually trained via on-the-job training to ensure they are familiar with the company's management system requirements.



Relevant training is provided to all levels of staff to enable excellent performance. Training can be conducted either internally or externally. The responsible manager evaluates the effectiveness of the training upon completion. Appropriate records of training and results of the evaluation of training effectiveness are maintained, as part of quality records, including those indicating their education, experience, training and/or qualifications.

All personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives. Personnel is assigned to specific tasks based on their skills, education, training and experience. For tasks assigned to external parties, only personnel with required skills, education, training and experience will be hired.



Realisation

Vydraulics controls the customer ordering process by implementing the documented processes and procedures. Vydraulics uses the project and technical documentation to guide the execution of each individual project. The extent of control covers the following activities:

- Customer processes such as the review of customer orders;
- Production planning processes like project team formation and project scheduling;
- Design and development processes: e.g. design activities, verification and validation, and communicating design information to the production;
- Procurement activities: evaluation of suitable suppliers and subcontractors, purchasing material, verification of purchased products and services;
- Production processes: fabrication and assembly of the product;
- Measuring and monitoring processes such as visual inspection and functional tests, Factory Acceptance Test (FAT) to be witnessed by customer or customer's representatives, on-site commissioning of system.

Vydraulics also provides other on-site inspection, testing or commissioning services and consultancy services to its customers through its technical personnel as part of its value-added services. For the details regarding operational processes, please see the procedure manual. The procedures apply to all BU's of Vydraulics. There may be differences between BU terms of work instructions, which are an elaboration of the processes. The procedures are divided into sub processes. E.g. for sales, the sub processes are the quotation process, order processing, and project management. Every procedure regarding the customer ordering process is drafted in flowcharts with text as detailed information.



Measurement

Vydraulics strives for continuous improvement of its management system by employing the continuous improvement cycle to improve its processes and provision of its services. To facilitate continuous improvement of the management system Vydraulics plans and manages its continuous improvement cycle through the review of its established policy and objectives, instances of nonconformities, customer feedback, audit results, suggestions for improvements, data analysis of its monitoring and measurements, corrective and preventive action, and management reviews. Employees are expected to play an active part in assuring and improving the system.

CUSTOMER SATISFACTION

Vydraulics monitors customer satisfaction and complaints through the information gathered by the sales department. The sales department reviews and analyses the direct feedback and results of the customer survey are being used to determine the extent of customer satisfaction.

INTERNAL AUDITS

The processes are measured and monitored through regular internal audits to verify that the management system operates conforming to the applicable standards and to determine the effectiveness of the management system. The audit program takes the status and importance of the processes, the areas to be audited and the results of previous audits into consideration. The audit program also ensures that the auditor is independent of the areas to be audited.

Nonconformities, when found, are rectified in a timely manner. The management of the areas audited ensures that identification of the causes of deficiencies and corrective actions on nonconformities are taken timely, and that verification of the implementation results are carried out and reported.

MANAGEMENT REVIEWS

The management teams regularly conduct a formal review of the management system if it complies to the requirements of the laws, regulations, international standards, and the stated policy and objectives.

The review is directed the relevant parties to take any necessary corrective or preventive action. The review also evaluates the need for changes to the management system, including the policy and the objectives, as well as improvement opportunities in relation to the management system. Records of such management reviews will be maintained as part of the quality records.

NONCONFORMING PRODUCTS

Products that do not comply with customer requirements and specifications are identified and controlled to prevent them from proceeding to the next stage of the production process. Nonconforming products are



reworked or rectified before being allowed to proceed to the next stage of the production process. Products that have been rectified will be reinspected and retested if applicable to ensure that the products comply with the requirements and specifications. Where concession is needed, approval is first obtained from the customer and such approval for concession obtained from the customer is appropriately documented. Evidence of product conformity with acceptance criteria and indication of the authority responsible for the release of the product or service is maintained as part of the quality records.

SUPPLIER MANAGEMENT

Through - so called - 'vendor rating' the performance of (critical) suppliers is measured regularly, based on ISO9001 and/or ISO14001 related criteria. Besides that, supplier audits are carried out to check the ability to deliver goods or services to Vydraulics, and to verify their compliancy to relevant laws and certifications.

ANALYSIS OF DATA

Vydraulics has established a system to collect and analyse appropriate data in order to determine the suitability and effectiveness of the Management System and to evaluate where continuous improvements can be made. These data include those collected from measuring and monitoring activities and other relevant sources.

The data collected is analysed to provide information, where applicable, related to:

- Effectiveness of production (Quality Control)
- Customer satisfaction conformance to customer requirements and specifications, and statutory requirements;
- Characteristics and trends of the products and services provided by Vydraulics including opportunities for preventive action;
- Performance of suppliers and subcontractors of Vydraulics.

CORRECTIVE AND PREVENTIVE ACTIONS

Vydraulics takes the necessary action to eliminate the causes of nonconformities in order to prevent recurrence. Root cause analysis is performed to identify the real cause, based on the 5 whys method. If requested, the 8D problem solving method will be used. Corrective action is appropriate to the impact of the problem encountered. Vydraulics will take preventive actions to eliminate the causes of potential nonconformities. The taken actions are appropriate to the impact of the potential problems.

Improvements may be proposed by any part of the organisation, but actions are initiated by management and delegated to a person or a department. The relevant manager assigned to the preventive or corrective action, creates a plan of action and the targets following the improvement action form. The relevant manager is responsible for determining the objective and its regular evaluation. Depending on the results of the evaluation, the relevant manager may decide to take corrective measures to correct the process. The



progress of improvement actions and any measures may be announced and discussed by means of the consultation structure. After their implementation, the effectiveness of the corrective measures should be evaluated by the relevant manager.

Improvement actions may lead to adjustments to the Management System. Following the implementation of improvement actions, management may consider it necessary to adjust the existing operating processes or may add new processes to the management system.



Ethics

In a complex, competitive business, the choices someone faces on the job aren't always so clear-cut. Ethical dilemmas are a reality of our world and the Company Group Ethics Policy gives us a framework to identify and address those dilemmas.

We strive to create wellbeing for our employees and those of third parties by safeguarding the health and safety of all employees. Vydraulics also strives to deal properly with the environment in order to avoid pollution as much as possible. In order to achieve this, procedures have been drawn up and Vydraulics operates an active policy in accordance with statutory requirements and the requirements of the quality, safety, health and environment standards.

The policy is focused on optimising safety and the environmental conditions. Vydraulics must ensure that the company policy applies to local legislations. This policy forms an integral part of the total company policy and is being discussed at every management review and adjusted in the event of policy changes. In its implementation of this policy, Vydraulics is supported by a company medical officer and a Health and Safety at Work expert.



Health, Safety and Environment

We strive to create wellbeing for our employees and those of third parties by safeguarding the health and safety of all employees. Vydraulics also strives to deal properly with the environment in order to avoid pollution as much as possible. In order to achieve this, procedures have been drawn up and Vydraulics operates an active policy in accordance with statutory requirements and the requirements of the quality, safety, health and environment standards. The policy is focused on optimising safety and the environmental conditions. Vydraulics must ensure that the company policy applies to local legislations. This policy forms an integral part of the total company policy and is being discussed at every management review and adjusted in the event of policy changes. In its implementation of this policy, Vydraulics is supported by a company medical officer and a Health and Safety at Work expert

MEANS AND FACILITIES

Vydraulics strives to offer sufficient means and facilities to carry out the works safely, to prevent damage to the environment, and strive to ensure they are in good order. The means should also comply with statutory requirements and should be safe to operate.

Means and facilities include:

- Offices, workplaces, warehouses and sites;
- Cars and other means of transport;
- Machines, equipment and tools;
- Personal protective equipment

People have been appointed to coordinate the means and facilities; they are responsible for the requirements indicated in the instructions.

ENVIRONMENT

We are aware of the environmental impact of our activities. The challenge Vydraulics undertakes is to responsibly manage and reduce our impact. We try to limit, control and recycle its waste as much as possible.

Vydraulics tries to raise environmental awareness among its customers and suppliers. We ask them to consciously deal with waste and try to involve them in reducing environmental impact. Via our delivery notes and packaging customers are pointed at the importance of reuse of packaging and recycling of materials at the end of the lifetime of a product.



WORKPLACE INSPECTIONS

Workplace inspections are done to ensure that the management is aware of the working conditions at the production and service employees on location. The findings are reported and analysed and corrective actions are taken when necessary.

REPORTING OF ACCIDENTS

All employees are obliged to report accidents, almost accidents or unsafe situations by using a standard form. Based on the reports this incidents will be analysed and steps can be taken to prevent such situations in the future.

COMMON CAUSES ANALYSIS

Once a year the causes and trends of the deficiencies arising from the workplace inspections are analysed, including the manner in which corrective measures are taken. The findings of the analysis are subject to the management reviews.

RISK ASSESSMENTS

Within Vydraulics we have assessed our production, logistic and service activities and determined the possible risks to implement the right preventive measures like deployment of appropriate personal protection equipment (PPE's).

***Boosting your
motion & control***

Vydraulics

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