

Centrica

Our Policy and Standard on Health, Safety & Environment

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Group Chief Executive Officer
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This document has content of the following Level(s). See [Management Systems](#) intranet page for details on this.

L1 Policy

L2 Standard

L3 Requirements

L4 Guidance

Version History

Date	Version	Author	Revision History
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1. Centrica’s HSE Management System

‘How Centrica Works’

- 1.1 Centrica has six management systems as part of How Centrica Works (Figure 1). HSE is one of these six management systems defining our expectations for keeping our customers, our people, Centrica and the environment healthy safe and secure.
- 1.2 Our HSE management system provides the foundation for an integrated, coherent policy, standards, procedures and guidance for managing HSE risk.



Figure 1: Centrica’s Management System

HSE Management System

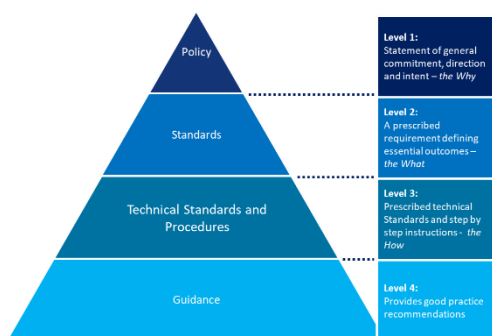


Figure 2: Centrica’s HSE Management System

- 1.3 The HSE management system is developed and maintained by both the Centrica HSE Function, and the embedded business HSE teams. Centrica and business documentation together define the whole of the Centrica HSE management system. This management system is designed to address our Enterprise Risk Framework specifically our “Risks Requiring Standards”.
- 1.4 Our HSE management system is a hierarchical structure with four levels (see figure 2), with some elements applying across Centrica (levels 1 & 2 and some level 3), and others applying only to specific businesses (levels 3 & 4).
- 1.5 Our management system defined in this document (levels one and two) is applicable across Centrica without modification, supporting Our Code and Our Values. The document is written and designed so our people know what is expected of them. They are the minimum mandatory expectations of how we work and are consistent with the ‘Plan, Do, Check, Act’ philosophy defined in many management system standards, including: ISO 14001, ISO 45001 and HS(G)65.
- 1.6 Our Standard (section 5) is described in fifteen “Elements” that include a total of fifty-four individual “Expectations”. Our Standard is effective on publication with implementation monitored by the Centrica Leadership Team (CLT) and business Managing Directors.
- 1.7 Business level Technical Standards and Procedures (level three) address business, regional, location, and/or site-specific risks, and are additional to Centrica Technical Standards. The Heads of HSE retain oversight of Centrica Technical Standards (Risk Management, Performance Reporting, Investigation and Assurance) to ensure that common standards are maintained for consistency across Centrica.
- 1.8 This Policy and Standard document is used in conjunction with appropriate Centrica business unit standards and Centrica Life Saving Rules.

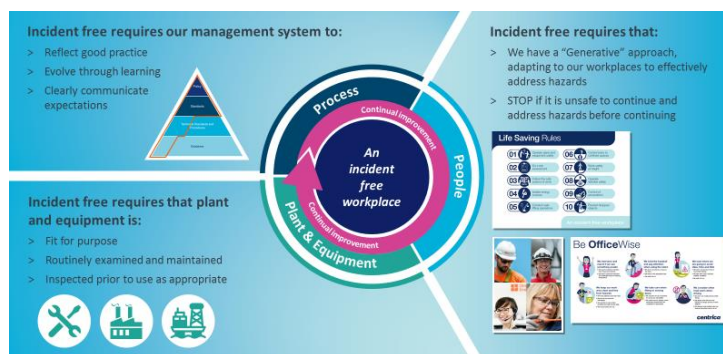
2. Purpose

- 2.1 The purpose of our HSE management systems is to support the environment where our vision of An Incident Free Workplace and Low Carbon Future is possible. This document defines the

expectations required of all our people (people employed or working for Centrica) to achieve and maintain our vision and support the implementation of Our Code.

- 2.2 Success in achieving our vision is directly linked to our values, which are supported by this Policy and Standard document. The following provides examples of what this means in HSE:
- 2.2.1 **Care** – ‘we care deeply about our impact’... “the safety of our team and others around us is paramount”
 - 2.2.2 **Delivery** – ‘we do things right and deliver’... “we are rigorous, do things the right way, and follow best practice”; we adhere to requirements and learn from incidents.
 - 2.2.3 **Collaborate** – ‘together we win’... “we believe relationships and partnerships are fundamental”; we work together to solve HSE challenges.
 - 2.2.4 **Agility** – ‘we are nimble, curious and innovative’... “we seek out the new to make a difference”; we benchmark our performance and try new ways of working.
 - 2.2.5 **Courage** – ‘we step up and take responsibility’... “we will challenge where we believe the path is wrong”; we STOP work if it’s not safe.
- 2.3 Our HSE management system is designed to keep everyone safe, minimise environmental impact and achieve our vision. There are three interconnected essentials to realising our vision (see Figure 3 below):
- 2.3.1 **People** ultimately define our success in achieving our vision. Leaders facilitate the development of our culture, encouraging behaviours that our people replicate freely. All our people are accountable for their behaviours, working in accordance with defined requirements, raising concerns and stopping work where they have concerns for their safety or that of their colleagues or the environment.
 - 2.3.2 **Plant and equipment** used in our activities is suitable for the task, the needs of our people, routinely examined and maintained, preventing failure and possible harm.
 - 2.3.3 **Processes** clearly define our expectations, safe working practices, and reflect good practice.

Figure 3:
The relationship
between people, plant
and equipment, and
process



3. Scope

- 3.1 Our Policy Statement is effective on publication in all Centrica owned and/or operated businesses.
- 3.2 This Policy and Standard is applicable to all our people, all Centrica owned and/or operated businesses (including majority owned joint ventures, as defined in the JV agreement) and group functions.
- 3.3 The Standard is effective on publication; however, implementation is dependent on individual business implementation plans. All businesses are expected to be fully compliant by 31 December 2021.

4. Our Policy

Health, Safety and Environment Policy

- 4.1 At Centrica our priority is to create an environment where an incident free workplace is possible, ensuring the wellbeing of our employees, the safety of our customers and the protection of the environment. All employees and business partners are required to comply with this policy. We are committed to:
- 4.1.1 Helping our customers to move towards a low carbon future through our products and services
 - 4.1.2 Assessing, understanding and managing our HSE risks and impacts
 - 4.1.3 Enabling the creation of a positive culture holding each other accountable, helping us to: achieve our HSE goals; support business growth; and realise our vision of an incident free workplace and a low carbon future
 - 4.1.4 Proactively supporting colleague's health and safety, seeking ways to protect the environment, including the prevention of pollution, efficient use of resources and the reduction of waste and carbon emissions
 - 4.1.5 Empowering and encouraging personnel to work in a safe way, through effective consultation, to prevent injuries and ill-health
 - 4.1.6 Intervening if we believe that the work environment or task is unsafe or may cause environmental damage, or we see an unsafe act
 - 4.1.7 Learning from our successes and incidents, and freely sharing lessons with business partners
 - 4.1.8 Working with stakeholders, suppliers and business partners in the pursuit of good practice in HSE
 - 4.1.9 Continually improving and setting measurable objectives and targets in business plans to enhance HSE performance
 - 4.1.10 Developing and testing prioritised incident response and recovery plans to protect our people, the environment and to minimize business impact
 - 4.1.11 Ethically conducting our business and complying with regulatory and other applicable requirements
- 4.2 Our HSE management system enables the delivery of these policy commitments, is structured in line with recognised good practice, and is routinely assured.
- 4.3 Our performance is reviewed regularly, and relevant results published.

Corporate Major Accident Prevention Policy (CMAPP)

- 4.4 At Centrica, we place special emphasis on preventing safety and environmental events caused by major accident hazards (MAH) at our high hazard operating locations. Our policy related to MAH is set out in a separate CMAPP, which forms an integral part of our approach to HSE management and expectations and is part of our overall HSE management framework.

5. Our Standard

Our HSE standard consists of 15 elements and 54 expectations, they have been designed to simply reflect our mandatory requirements, and support Our Values, Our Code, and the realisation of our HSE vision.

Element 1: Leadership and Behaviours

- 5.1 Our leaders build and maintain a strong HSE culture by:
- Role modelling exemplary behaviours, and taking accountability for HSE performance
 - Communicating effectively with our people
 - Ensuring adequate resources (people, plant and equipment, and process) are available to maintain compliance with our HSE management system
 - Assigning capable people to roles
 - Recognising people who demonstrate outstanding commitment to our values with respect to HSE.
- 5.2 Our people demonstrate proactive HSE behaviours by:
- Understanding what is expected of them to ensure a healthy, safe and secure workplace is maintained, and that negative environmental impacts are minimised
 - Contributing to the evaluation of risk and the development of effective HSE controls
 - Being open to different ways of working to improve theirs or others health, safety and/or security, and/or protect the environment
 - Believing their inputs to HSE have a positive impact on themselves and others
 - Being alert to changing conditions with regards to health, safety, environmental and/or security, and responding accordingly.

Element 2: Performance Improvement and planning

- 5.3 HSE objectives, measurable targets and programmes are established (at least annually) and documented to realise continual improvement in performance, through routine business activity planning.
- 5.4 HSE performance data (including results from incidents, assurance activities and external benchmarks) is routinely collected, reviewed at all organisational levels and acted on; minimising risk and driving continual improvement.

Element 3: Training and Capability

- 5.5 Competency requirements (including training, qualifications and experience) are determined for each job/activity that can affect HSE performance, delivery of HSE objectives or compliance obligations.
- 5.6 Training needs are identified, reviewed periodically, and training assigned to people as required. People complete all assigned training promptly and prior to expiry of any job required training; the effectiveness of training is evaluated, and training and competency records are maintained.
- 5.7 People undertaking high risk tasks and/or activities subject to authorisation, permits, consents or licenses receive periodic refresher training.

Element 4: Communication

- 5.8 Key external and internal stakeholders and interested party's needs are identified and defined.
- 5.9 We consult and collaborate on matters relating to HSE through organised HSE committees, Union Safety Representatives, and worker's councils.

- 5.10 HSE objectives, targets and performance are communicated in a transparent and open manner; verifiable HSE performance data is published and communicated both internally and externally.
- 5.11 Confidential information in both physical and electronic form is protected at an individual, asset and business level.

Element 5: Risk Management

- 5.12 All HSE hazards, threats and opportunities are identified, and associated risk and impacts assessed for all activities, products and services.
- 5.13 HSE risk and impact assessments are documented, regularly reviewed (at least every 3 years and/or following an incident or other change in circumstance) and approved by authorised people.
- 5.14 All identified risks and impacts are appropriately controlled through the hierarchy of controls, applied proportionately to the identified risk.

Element 6: Management of Change

- 5.15 All changes to personnel, equipment, and/or processes are subject to appropriate HSE risk assessment and planning and are approved prior to implementation (like for like changes are excluded).
- 5.16 During change, implementation plans are monitored for continuing suitability; required modifications assessed and implemented as a matter of urgency.
- 5.17 Following a change activity, the effectiveness of the change is reviewed, and additional adaptations made as appropriate as an outcome of the review.
- 5.18 Appropriate HSE and reputational due diligence is conducted for all mergers, acquisitions, joint venture opportunities and divestments, to identify and quantify, and as necessary mitigate, potential risks.
- 5.19 Integration and divestment plans are prepared, agreed and included in the deal structure prior to final deal approval to mitigate risk identified during due diligence, and delivery of plans is tracked to closure.

Element 7: Process Safety

- 5.20 Assets are designed and constructed for inherent safety and to prevent pollution, taking account of those who may be affected, regulatory requirements, recognised codes of practice and technical standards. Life cycle impacts and innovative designs are considered to maximise operational safety and improve HSE performance.
- 5.21 Critical HSE systems, processes, devices for assets, facilities and equipment (both fixed and temporary) are identified, and their functionality defined and documented. Critical spares required to ensure plant and equipment operates safely, and without causing unplanned emissions, are identified defined and documented.
- 5.22 Inspection and maintenance are conducted in accordance with defined requirements. Identified defects are risk assessed, temporary control measures implemented as necessary, and rectified in a timely manner in accordance with the risk they present.
- 5.23 Process Safety information to support safe operation is defined and documented.

Element 8: Product Stewardship

- 5.24 All new products and/or changing product design/specification are fit for purpose, as demonstrated by completion of a life cycle assessment using the Gateway Design process.

- 5.25 Product technical and regulatory requirements are identified, documented and compliance verified, and the HSE requirements of the product assured; prior to placing the product on the market.
- 5.26 Processes and procedures are used to ensure safety alerts and product recalls may be triggered to protect customers and others who may be affected.

Element 9: Control of Work

- 5.27 All personnel are authorised to STOP work (their own or a colleagues) where they believe there is a risk to health, safety, the environment, security; or a deviation to HSE requirements.
- 5.28 Legal and other requirements are identified and documented; the impact of new or amended legal and other requirements is monitored, addressed and communicated, and compliance with legal and other requirements is evaluated annually, and concerns addressed.
- 5.29 Effective operational controls are developed with assigned personnel to mitigate and or manage HSE risks, impacts, regulatory and other requirements (identified through risk assessment), and implemented through training, knowledge, experience and documentation of work activities, including those subject to permits, consents or licenses.
- 5.30 Operational controls consider routine and non-routine operations (start-up -including first time start-up and following outage; shut-down - including emergency shutdown), operational interfaces, and state clear operating limits as appropriate.
- 5.31 Permits to work are used to control high risk/hazard and non-routine operations, these must as a minimum capture: known hazards, risk and impact, key controls to mitigate or reduce the risk, roles and responsibilities, and performance criteria.
- 5.32 Mandatory use personal protective equipment is documented and communicated to all affected personnel through training, risk assessment, operational controls and work place signage.

Element 10: Health and Industrial Hygiene

- 5.33 Health and wellbeing is proactively supported through campaigns and advice, including the provision of an Employee Assistance Programme and occupational health services to ensure that health and wellbeing is proactively managed.
- 5.34 Workplace and personal monitoring are undertaken to ensure that exposure to potentially harmful substances is effectively controlled, results are used to inform occupational health and wellbeing requirements.
- 5.35 Health surveillance programmes are defined, documented and delivered where required to ensure that our people's health is not adversely affected through their employment activities.

Element 11: Environment

- 5.36 Where appropriate, as determined through a documented assessment of commercial and regulatory benefit, operations are independently certified to ISO 14001.
- 5.37 Whole life cycle impacts are considered for products, services and supplies to prevent pollution, reduce waste and ensure the efficient use of natural resources.
- 5.38 Emphasis is placed on mitigating climate change through minimising our impacts and those of our customers and suppliers through innovation, technology and cultural change.
- 5.39 Resource use and waste are appropriately controlled through implementing the waste hierarchy of prevent, reuse, recycle, recover, dispose.

Element 12: Contractor and Supply Chain Management

- 5.40 Suppliers of materials, products, goods and services are assessed, selected, managed and reviewed on the basis of their ability to meet Centrica HSE requirements.
- 5.41 Product selection includes a formal documented assessment of product manufacturing capability and lifetime reliability.
- 5.42 Contractors are selected on their ability to perform work in accordance with Centrica HSE Standards through a defined risk-based evaluation process; approval of contractors is based on defined criteria.
- 5.43 Contracts include HSE performance and monitoring requirements, and any required mitigation plan identified during evaluation; contractor performance is addressed through a formal review process.
- 5.44 Preparation for work activities is undertaken collaboratively to ensure opportunities and objectives are achieved.

Element 13: Emergency Preparedness

- 5.45 Potential emergency and crisis scenarios are identified, and appropriate mitigation plans documented, communicated, reviewed and tested at least annually. Events are managed in accordance with documented plans.
- 5.46 Business Units, Group Functions and all sites (either individually or part of a wider plan) are required to maintain Business Continuity arrangements.

Element 14: Monitoring & Assurance

- 5.47 The integrity of critical HSE processes, systems and equipment is assured through routine inspection and/or monitoring, and periodic leadership HSE tours.
- 5.48 The effectiveness of the HSE management system, including compliance obligations, are subject to routine inspection, monitoring and assurance. Requirements are based on risk and results are documented and reviewed.
- 5.49 Corrective and preventive actions identified through monitoring and assurance activities are recorded and tracked in myHSES.
- 5.50 Outcomes from HSE assurance activities are shared to facilitate learning and help prevent reoccurrence.

Element 15: Continual Improvement

- 5.51 HSE incidents (including non-conformances), events (including crises and emergency preparedness exercises), external regulatory inspections, concerns and observations are reported in a blame free environment and recorded in myHSES.
- 5.52 Appropriate investigations are completed for HSE incidents and events; the root causes, corrective and preventive actions, and lessons learned are recorded in myHSES.
- 5.53 Incidents, events, root causes, corrective and preventive actions and lessons learned are shared and discussed at appropriate levels across Centrica to facilitate learning and help prevent reoccurrence.
- 5.54 Good practices are documented and made available across Centrica to facilitate learning and help prevent reoccurrence.

6. Responsibilities

HSE at Centrica

- 6.1 Centrica’s Health, Safety and Environment (HSE) function exists to enable the organisation to deliver its vision of “An incident free workplace and low carbon future”. The function sets direction, policy and standards for HSE and provides assurance on these matters.
- 6.2 The central HSE function defines our environmental strategy, ensures consistency of reporting and independently assures the effective implementation of controls and reporting performance in accordance with common standards.
- 6.3 HSE activity is governed through a series of Centrica Committees, central functions and business activities, with defined responsibilities (table 2) (refer to How Centrica Works for SHESEC terms of reference with more detailed information on membership and purpose).

Level	Owner	Summary Purpose
Board	Safety, Health, Environment, Security and Ethics Committee	Oversee the effectiveness of the HSE strategy in mitigating HSE risk
Centrica Group	Centrica Leadership Team (CLT)	Set the overall HSE strategy, tone and performance expectations
HSE Forum and L2 Assurance	LRECS	Facilitate the HSE Forum ensuring that HSE Policy, Management Standard and L2 Assurance is maintained. HSE Performance Reporting to the CLT/Board.
Environment Strategy	Strategic Planning	Develop and maintain Centrica’s low carbon strategy. Performance reporting to CLT/Board with respect to performance against Centrica’s environment strategy.
Business	Business Leadership Team’s	Execute the HSE strategy, provide assurance to the CLT and Board

Table 2: HSE Governance

Responsibilities of individual roles

- 6.4 The Centrica Chief Executive Officer is responsible for approving all Centrica HSE policies and objectives.
- 6.5 Business Managing Directors and Leadership Teams are responsible for:
 - 6.5.1 Developing the HSE strategy, annual plan and approving HSE standards and other HSE documents/requirements.
 - 6.5.2 Implementation and conformance with policy and standards, and compliance with regulatory requirements
 - 6.5.3 Agreeing the need for/extent of external HSE certifications (ISO 14001, 45001, etc.)
 - 6.5.4 Approving functional assurance plans
 - 6.5.5 Approving business improvement plans and targets
- 6.6 Leaders are responsible for:
 - 6.6.1 Creating a proactive environment for the effective management of HSE
 - 6.6.2 Communicating HSE polices and standards

- 6.6.3 Reviewing and managing HSE risks, monitoring of HSE performance and driving continual improvement
 - 6.6.4 Ensuring people in front line safety critical roles and positions are capable and competent
 - 6.6.5 Reviewing the organization's HSE management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness
- 6.7 All our people are responsible for:
- 6.7.1 Complying with all Centrica requirements
 - 6.7.2 Completing all required training to maintain their capabilities and competencies
 - 6.7.3 Reporting all incidents, near misses and observations
 - 6.7.4 Stopping work where they believe there is a risk to health, safety, the environment, or security
 - 6.7.5 Managing their environmental impacts through conservation of resources, appropriate segregation of waste and preventing spillages and other environmental harm