



Phoenix Energy Holdings Gas Ltd
Health & Safety Policy

July 2017

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1.0 INTRODUCTION

The Company takes the health, safety and welfare of its employees and others who are affected by its activities extremely seriously. It is our policy to ensure the safety and integrity of our gas distribution network and that a safe working environment is provided to all employees. This will be implemented by ensuring compliance with all legal obligations and where possible striving for “best practice across” the group.

2.0 PURPOSE

To outline PEH’s overall statement with regard to the management of Health and Safety, to define both management and employee’s responsibilities and the arrangements in place to successfully manage Health and Safety.

3.0 SCOPE

This policy applies to all employees of Phoenix Energy Holdings Group and its subsidiaries (“The Group”).

4.0 REFERENCES

- Health and Safety at Work Order (Northern Ireland) 1978

5.0 DEFINITIONS

Companies within Phoenix Energy Holdings:

- Phoenix Natural Gas Ltd is responsible for the construction and safe operation of the Natural Gas Distribution network within the Greater Belfast licence area.
- Phoenix Energy Services Ltd provide servicing and maintenance services to the home heating market within Northern Ireland. They also provide emergency response and asset maintenance services to Phoenix Natural Gas.

6.0 POLICY

HEALTH & SAFETY STATEMENT

Phoenix Energy Holdings Group

Chief Executive Officers Statement

In support of the fundamental business goal of running a successful Natural Gas business, Phoenix Energy Holdings Group and its subsidiaries (“The Group”) are fully committed to achieving high standards of performance in safeguarding the health and safety of employees and minimising the risk to the public of our activities.

Safety is integral in everything we do whether it’s the safety of our employees, contractors, customers or the general public.

We are committed in ensuring the safe construction, operation and integrity of our natural gas distribution network.

An excellent health and safety record is a positive business investment for us. This policy outlines the main responsibilities and organisational arrangements within the Group to achieve this.

Michael McKinstry
GROUP CHIEF EXECUTIVE OFFICER

6.1 Policy

The Group will have in place and maintain systems to achieve the following principles:

- Compliance with all relevant legislation, appropriate codes of practice and any other safety related requirement applicable to our business.
- Provide and maintain a working environment for employees that is safe and without risk of injury and ill health and will provide adequate facilities and arrangements for employees at work.
- Require employees to meet legal statutory requirements and to work to company standards, to work safely and with due consideration for the health and safety of themselves and others.
- Assess the Health and Safety risks of our activities, policies, programmes, and plans and ensure the implementation of effective controls where appropriate.
- Ensure that appropriate instruction, training and supervision, is available to meet individual responsibilities and needs.

- Provide adequate resources to fully implement and develop effective health and safety management systems throughout the Group.
- To ensure all contractors working on behalf of the group are appropriately selected, managed and monitored in relation to the health and safety management of all works undertaken.
- Establish effective lines of communication with internal and external bodies regarding all areas of health and safety.
- Foster an understanding of health and safety issues relating to its business activities among employees, suppliers, customers, stakeholders and communities local to its operations and seek to understand and take account of their concerns.
- The Group is committed to continual improvement and will set itself health and safety related targets and objectives covering all aspects of its operations. These will be monitored, reviewed and amended when necessary to ensure an effective process of continual improvement.
- The Group will implement, maintain and review this policy and ensure that it is communicated to all employees and contractors. The policy will also be made available to any other interested parties.

6.2 Duties & Responsibilities

6.2.1 Chief Executive Officer and Non-Executive board.

The Chief Executive Officer is responsible, through his management team, for ensuring that adequate organisation and arrangements exist for the effective implementation of the policy and for compliance with statutory requirements and best practice. The CEO is responsible for giving clear visibility of Health and Safety Leadership. The Non-Executive Board members shall act as scrutineers, ensuring the processes to support Health and Safety risks are robust.

Responsibilities of Executive Team

- Executive team set targets and objectives as appropriate and ensure adequate resources are available to meet health and safety objectives and the implementation of this policy.
- Executive team actively promote health and safety issues and ensure that performance is measured and reviewed at board and senior management meetings.
- Executive team ensure details of any accident, incident or near miss are reported at the earliest opportunity.
- Executive team ensure all incidents are fully investigated and any lessons learned are identified, communicated and recommendations implemented through the senior management team.
- Executive team ensure that employees or their representatives are involved in decisions that affect their health and safety.

Chief Operating Officer

Whilst all the Executive team within the group have clear Health and Safety responsibilities, PNG Chief Operating Officer is the responsible for Health and Safety.

In addition to the above responsibilities of all directors, the Chief Operating Officer will also be responsible for;

- Ensuring Health and Safety appears on every board meeting agenda and report to the board on all Health and Safety Matters.
- Act as a champion for Health and Safety at board level.
- Ensuring Health and Safety management systems and performance are reviewed on a regular basis.
- Ensuring the health and safety policy is developed, implemented and monitored.
- Ensuring all key HSE Forums and meetings take place.
- Ensuring adequate resources are made available to allow the effective management of Health and Safety.

Network Performance Manager

The Network Performance Manager reports directly to the Commercial Operations Director and has the following Health and Safety responsibilities;

- Ensuring the implementation and management of an effective health, safety and environmental management system.
- Responsible for the safe operation and maintenance of the Natural Gas Distribution Network.
- Ensuring that PEHL complies with all relevant Health, Safety and Environmental legislation.
- Ensuring that the risk assessment process is implemented throughout the company and a full risk assessment register is documented and communicated to all line management. This includes ensuring that risks are analysed and controls identified to minimise risks to personnel, third parties and the environment.
- To ensure that the alliance partner's health, safety, environment systems are satisfactory and monitor their performance against these.

6.2.2 Responsibilities of Managers and Supervisors

Management of Health and Safety is a prime responsibility of all levels of management and shall be an integral part of all business processes. As managers and supervisors you must;

- Understand and comply with the requirements of the Group's health and safety related policies and the Group ASHES management system.
- Implement the policy within your area of responsibility.
- Ensure you are familiar with the issues and the legal requirements relevant to your area of work and understand the risks of the operations and activities for which you are responsible.
- Minimise risks, by risk assessing the work activities you control and take measures commensurate with the level that the risk demands.
- Ensure that all work is properly planned and resourced, that appropriate controls are implemented and that the personnel involved are adequately instructed, trained and competent.
- Ensure that in-house health and safety inspections, audits or reviews, where relevant, are carried out and that any corrective actions are taken.
- Ensure all accidents and incidents, including "near misses", are reported promptly, investigated, lessons learnt identified, communicated and recommendations implemented.

6.2.3 Responsibilities of all Employees

Whatever job you do, you have a duty to co-operate in ensuring that your workplace is safe for everyone who might be affected by your actions, and to take reasonable care not to do anything which might endanger either yourself or others.

- Be familiar with the workplace health and safety arrangements and safe systems of work that apply to your work and work according to the groups safe systems of work and operational controls at all times.
- Report any accidents and "near misses" you may have when working as soon as possible to your manager or supervisor, including any situations which are potentially unsafe.
- You must not knowingly act in a way in which may cause either you or the Company to be in breach of the law. You must take into account the potential hazards and risks in everything you do.

6.2.4 Health, Safety and Environmental Manager

HSE Manager's responsibilities are as follows;

- Advise the Network Performance Manager, Group Management Team, the Executive Team and the CEO on policy formation and strategy programme for health and Safety management.
- Advise the Network Performance Manager, Group Management Team and the executive Team of proposed changes to statutory health and safety legislation and the implications of same.
- Maintain an up-to-date portfolio of specialist advice and information on techniques to assist the business processes and achieve compliance with legislation and the Group health and safety policy.
- Shall ensure all key HSE meetings are conducted.
- Ensure a suitable HSE Management system is implemented, maintained and reviewed.
- Advise and support Group managers in fulfilling their Health and Safety Responsibilities.
- Maintain contacts with Regulators, Legislators, other companies and organisations to influence developments in safety legislation and monitor comparative performance.
- Communicate effectively health, safety issues and information throughout Group and to external bodies as appropriate.
- Investigate all incidents, accidents and near misses in conjunction with relevant senior managers.
- Report to the management team on HSE performance.

6.2.5 Organisation

The Group Chief Executive Officer has overall responsibility for health and safety management.

The responsibility for health and safety is clearly allocated to senior management, line management and supervisors who are fully committed to achieving continuous improvement and to leading by example.

PEHL Structure

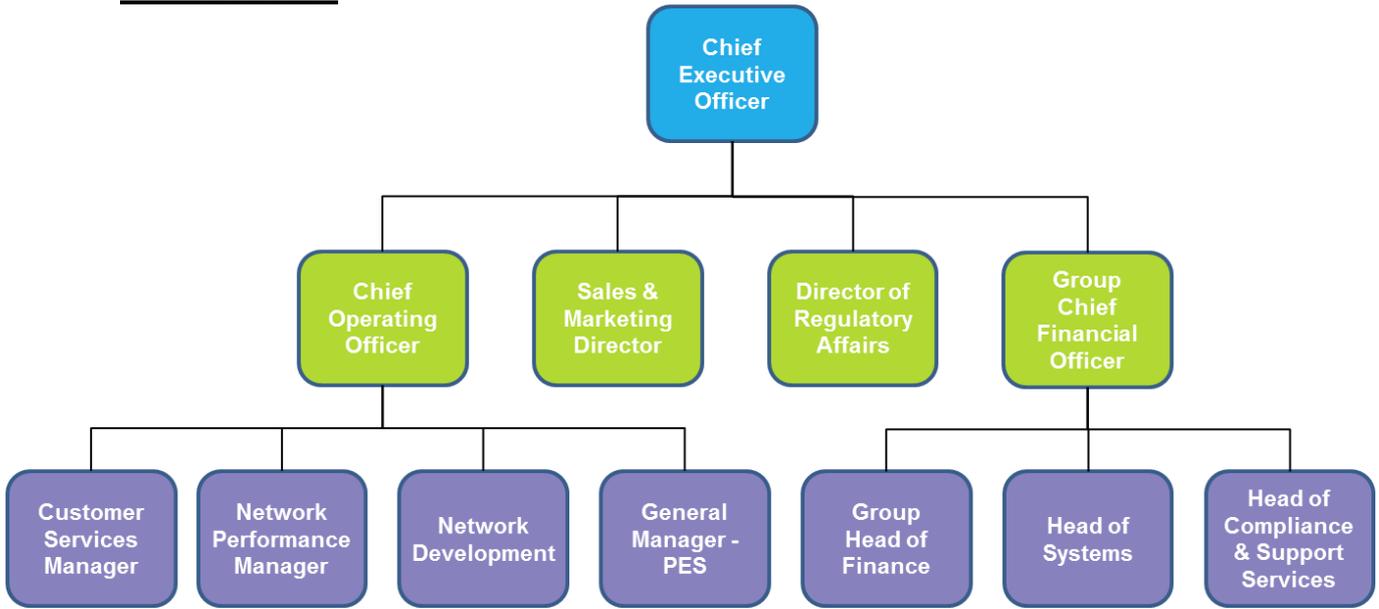


Fig. 1 PEHL Structure and line of responsibility.

PHL Commercial Operations Structure

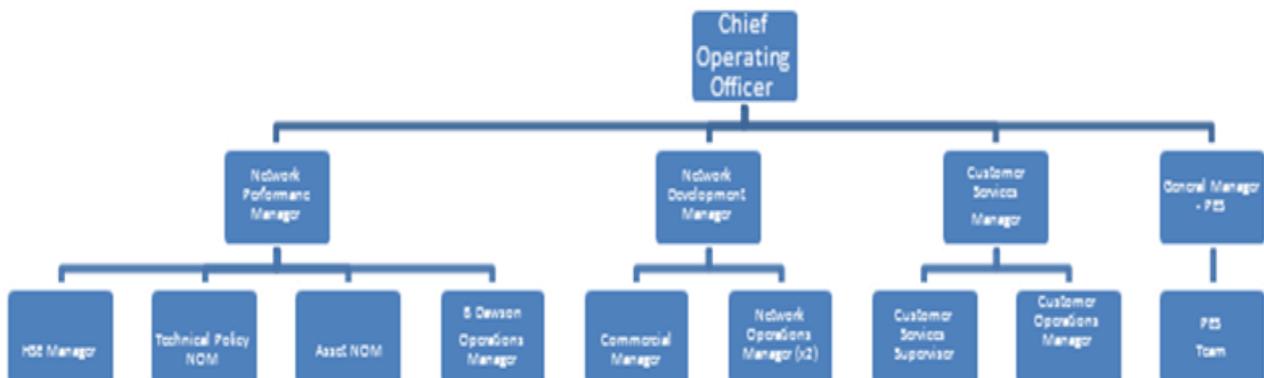


Fig. 2 Commercial Operations Structure and line of responsibility.

PNG have defined, documented and communicated roles and responsibilities in order to facilitate an effective HSE management system. The need for sufficient and adequate

resources is reviewed at management meetings and addressed where necessary. The HSE manager is the management representative for Health, Safety and the Environment and reports directly to the Network Performance Manager. The Network Performance Manager reports to the Chief Operations Officer.

6.3 Arrangements

The Group will develop, maintain and improve a positive health and safety culture through senior management by: -

Ensuring the effective operation of the Health, Safety and Environment Management System. The Awareness of Health, Safety and Environmental Systems (ASHES) Manual shall contain all Health, Safety and Environmental operating procedures. These procedures shall be communicated to relevant managers and employees, audited at scheduled intervals and revised where appropriate.

- Ensuring, where necessary, risk assessments have been completed assessing the risks arising from activities, adequate control measures implemented and risk assessments reviewed on a regular basis.
- Ensuring that employees are competent and adequately trained to carry out the duties assigned to them.
- Implementing measures, reviewing and auditing systems to monitor the achievement of performance standards against compliance with legislation, company policy, best practice and Key Performance Indicators.
- Ensuring systems are in place for the reporting and investigation of accidents, incidents and “near misses”.
- Having arrangements in place to assess the performance of contractors carrying out work on the Group’s behalf.

Further detail below will show procedures which have been implemented, as part of the ASHES HSE Management system to address specific Health and Safety areas and topics. Such topics include emergency response, first aid, occupation Health, electrical safety, asbestos, Display Screen Equipment and confined Spaces.

Phoenix Energy Holdings has established the following HSE Management Systems in line with the requirements of both ISO 14001 and OHSAS 18001.

OHSAS 18801/ ISO 14001	Clause	Policy	Manual	System	ASHES HSE Procedure	Distribution Contract
General & Scope	4.1					
Policy	4.2	ASHES Policy				
Planning (4.3)	4.3.1				001 - Risk Assessment 013 - Identification and Assessment of Environmental aspects	
	4.3.2				023 Compliance with Health, Safety and Environmental Legislation, including other Requirements	
	4.3.3				015 - Setting, reviewing and Management of Targets and Objectives	
Implementation and Operation (4.4)	4.4.1		✓			
	4.4.2				022 – Competence, Training and Awareness	
	4.4.3				021 - Communication, Consultation and Participation 030 - HSE Reporting	
	4.4.4			✓	PEHL021 – Document Management	
	4.4.5			✓	PEHL021 – Document Management	
	4.4.6			✓ ✓	005 – First Aid Management 006 – Occupational Health and Medical Surveillance 007 – Handling, Storage and Transportation of Hazardous Substances PEHL14 – Procurement 009 - Permit to Work 011 – Electrical Safety 012 – Waste Minimisation, Recycling and Management 019 – Monitoring & Measurement 024 – Asbestos PNG15 – Management of Principal Contractor 026 – Meter Depot SOP 027 – Confined Spaces 028 – PPE procedure 029 – Manual Handling 031- DSE – see policy 036 Compliance with Construction Design Management Regulations 038 Work Equipment	✓
	4.4.7				004 – Emergency Management and Response	
Checking (4.5)	4.5.1				019 – Monitoring	
	4.5.2				023 – Legal Compliance	
	4.5.3				002 – Reporting and the Investigation of	

					Incidents, Accidents and near misses Procedure 016 – Non- Conformance and corrective and preventative action	
	4.5.4			✓		
	4.5.5				003 – Health, Safety and Environmental Auditing	
Management Review (4.6)	4.6				014 – Management Review	

Fig. 3 HSE Management System Structure

Operational Control and managing risk

Phoenix Energy Holdings have developed operational control procedures (as shown in fig.3) however it is recognised that a portion of PNG significant risks and environmental impacts arise during the construction of the natural gas distribution network. As part of the awarded Distribution Contract, the appointed Construction Contractor is therefore required to have adequate operational control procedures in place. PNG ensure the adequacy of such procedures via internal audits, inspections and independent audit. The Construction Design Management Regulations Northern Ireland define how PEHL have managed the Distribution Construction Contract and underpins how we actively manage our appointed contractor.

Alongside HSE management procedures a suite of Engineering and other operational Procedures exist. These are prepared and implemented to ensure the safe design, construction, operation and maintenance of the Natural Gas Distribution Network. These procedures include compliance with Pressure Systems Safety Regulations (NI) 2004 and Dangerous Substances Explosive Atmospheres (Northern Ireland) 2003.

Industry Specific Legislation

Within the Natural Gas Industry, compliance with industry specific Health and Safety legislation is required.

The Gas Safety (Management Regulations) (Northern Ireland) 1997 require Phoenix Natural Gas, a Network Operator, to have prepared and accepted by HSENI a Distribution Safety Case prior to gas flowing within the Network.

The Pipeline Safety Regulations (Northern Ireland) 1997 define how pipelines are designed, constructed and operated safely.

The Gas Safety (Installation and Use) Regulations (Northern Ireland) 2004 defines the responsibilities of individuals carrying out any work on a gas installation from the Emergency Control Valve to the appliance. This will include those individuals who install, service, maintain or repair gas appliances and other gas fittings. Phoenix Natural Gas and Phoenix Energy Services have defined responsibilities within this legislation.

Hierarchy of safety related documents

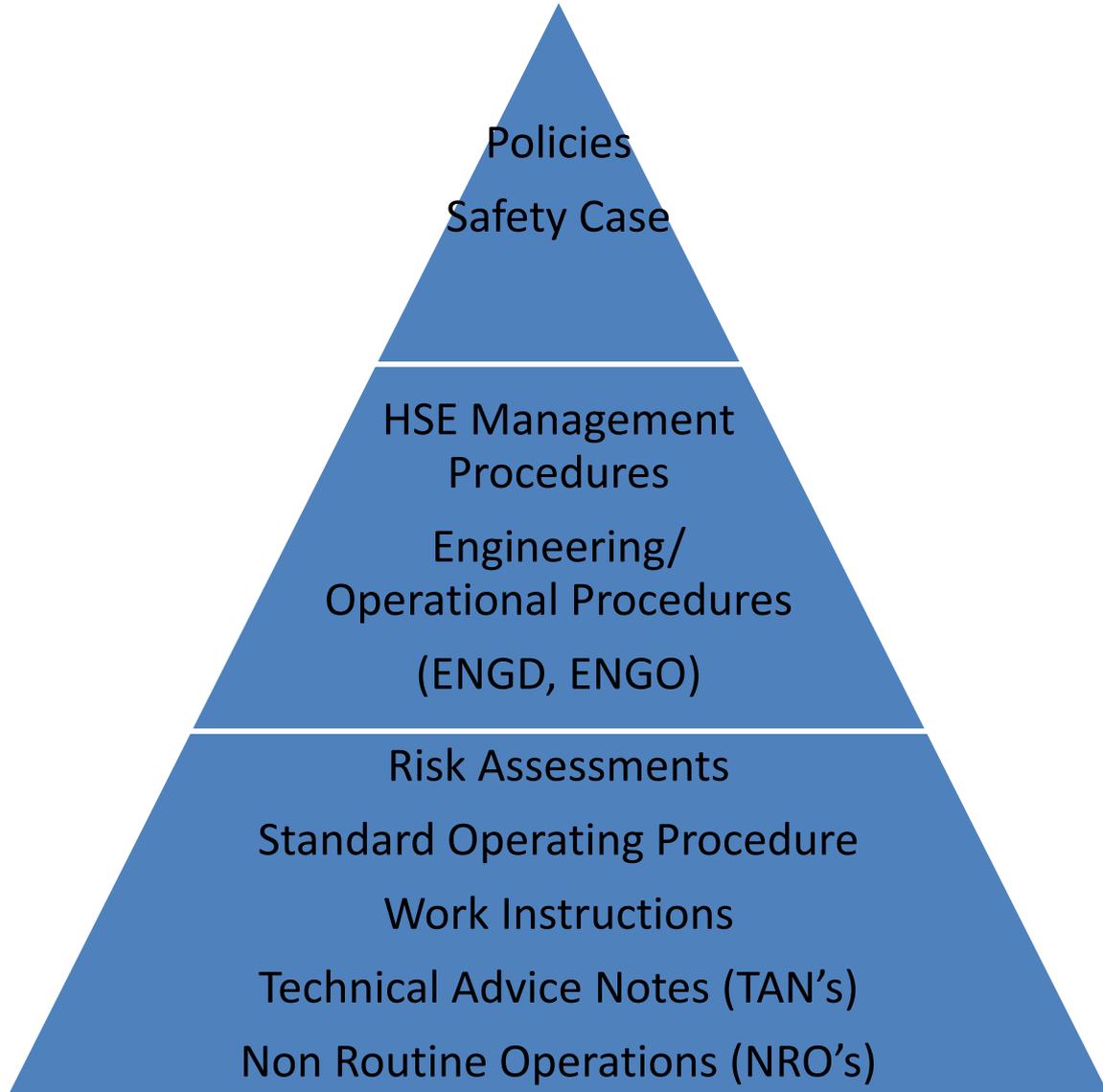


Fig. 4 Hierarchy of safety related documents within the PEHL HSE Management System.

All the above documents will be prepared by a nominated competent person and Authorised by either the Commercial Operations Director and or the Group Chief Executive Officer. All proposed documents shall be subject to a consultation process which may involve either the ASHES Health and Safety committee or a separate working group. All documents shall be subject to regular reviews and audits.

6.4 Consultation & Communication

Employees will be consulted on health and safety matters that may directly or indirectly affect them. This consultation may be formal (via employee / management health and safety meetings) or informal (during the course of day-to-day duties).

The ASHES committee is a forum where health and safety issues from all parts of the Phoenix Group can be raised and addressed and most importantly PNG will consult members on issues and proposed controls ahead of introducing them within the Group. This may include the introduction or review of policies or procedures.

Health and Safety Champions have been appointed to represent the various areas of the business. Details of the ASHES Committee shall be displayed on Company noticeboards along with copies of the most up-to-date minutes.

The Group shall endeavour to keep all staff informed on Health and Safety Issues. Communications shall take place at all levels and involve;

- Circulation of Policies and Procedures
- Issue of Health and Safety Reports.
- Issue of Health and Safety Statistics
- Promotion of Health and Safety Initiatives and campaigns.

As part of the induction process the Company Health and Safety Policy will be issued to new employees.

Senior Managers, Line Managers and Supervisors must ensure that sufficient information about Hazards, Risks and Preventative Measures are provided to those who may be affected.

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