

Health and Safety Standard: General process of Health and Safety Management of partner companies

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The following text is a translation of the original document, NT.00059.GN-SP.ESS, Version 1, for the purpose of facilitating comprehension of the content by all Gas Natural Fenosa employees. In the event of any differences of interpretation arising from the translation, the content of the original Spanish version in force will prevail for all purposes.

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Health and Safety Standard: General process of Health and Safety Management of partner companies

1. Purpose

This standard establishes an overview of the process of Health and Safety management of partner companies (hereinafter, "EECCs") that perform work of any kind for Gas Natural Fenosa (hereinafter, the "company").

2. Scope

It is applicable to all enterprises in which the company holds a majority shareholding and those in which it has operational and/or management control.

3. Reference Documents

NG.00002.GN, "Manual of the comprehensive quality, environment, health and safety management system"

NG.00004.GN, "General Regulation on Outsourcing"

NG.00008.GN, "General Regulation on Supplier Quality"

PG.00013.GN, "Purchasing".

PG.00039.GN, "Management of Supplier Quality".

PG.00043.GN, "Management of Health and Safety Standards"

NT.00034.GN-SP.ESS, "Prior Control, documented inspections and coordination meetings with EECCs"

NT.00045.GN-SP.ESS, "Penalty scheme applicable to partner companies"

NT.00047.GN-SP.ESS, "Health and safety performance evaluation of partner companies"

NT.00051.GN-SP.ESS, "Guidance and information for partner companies"

NT.00057.GN-SP.ESS, "Classification of the health and safety risk of partner companies".

NT.00058.GN-SP.ESS, "Requirements for the qualification, selection and evaluation of bids in processes of awarding contracts to partner companies"

4. Definitions

In addition to those included in the Health and Safety Standards cited in section 3.

Partner Company: A company that performs work of any kind within the offices of the company or that performs work that is typical of the company's business activities and is performed in public spaces or on the property of third parties, therefore carrying out their activity according to the criteria, technical indications and specifications that may be applicable according to the condition of a partner.

4.1. Abbreviations and acronyms

CSSC, Health and Safety Coordinator on Contracts.

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EC, partner company.

EECCs, partner companies.

5. Responsibilities

All Management Divisions of the company must ensure that the general principles of this standard are applied, and it is their obligation to verify implementation of the same.

The duties and responsibilities derived from this standard are detailed throughout the document or, in default thereof, in each of the health and safety standards listed in section 3.

6. Development

6.1. Health and Safety Management of EECCs

The Health and Safety Management of EECCs is based on a process whose objective is to ensure that the company selects the most appropriate EECCs regarding Health and Safety for those activities that the company would like to outsource, such that the risks associated with the contracted activities are minimised.

To comply with the established objective, the company's units must follow the process below, which is established in six (6) steps, transcribed in the respective Health and Safety Standards:

- Selection of an EC.
- Preparation of a contract.
- Award of a contract to an EC.
- Guidance and information for an EC.
- Management of the work performed by an EC.
- Health and Safety performance evaluation of an EC.

In order to achieve an effective process of Health and Safety Management of EECCs, business units must:

- Define performance goals, objectives and expectations of EECCs.
- Designate the managers in charge of assessing the performance of EECCs.
- Demonstrate leadership and the commitment to excellence regarding Health and Safety at EECCs.
- Designate the CSSC(s).
- Have qualified and sufficient resources available for implementing the six (6) steps for the Health and Safety management of EECCs defined in this standard and for auditing compliance by EECCs with all the requirements defined in a contract.
- Have a structured system implemented to comply with the six (6) steps for the

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Health and Safety management of EECCs defined in this standard.

- Periodically evaluate the overall Health and Safety management process of EECCs to establish the necessary improvements in the company's processes.
- Define the risk level of the particular business activities and establish the technical criteria regarding Health and Safety.

6.1.1. Qualification of EECCs

Prior to any tendering process by the company, EECCs must first undergo a qualification process. To do so, the provisions set forth in the section, Health and Safety requirements in the qualification of EECCs, will be followed. Such provisions are established in Health and Safety Standard **NT.00057.GN-SP.ESS** according to the level of risk in accordance with the provisions set forth in section 6.1 of this standard.

6.1.2. Selection of an EC

The business unit, together with the purchasing unit, will select the most appropriate EECCs for participating in calls for tenders to contract the activities deemed necessary by the company, according to the provisions set forth in NT.00058.GN-SP.ESS.

Said Health and Safety Standard defines the selection process of EECCs according to the level of risk in accordance with the provisions set forth in section 6.3 of this standard.

6.1.3. Preparation of a contract

Among the health and safety documentation to be included in contracts with EECCs, a distinction is made between generally applicable documentation and specifically applicable documentation.

Generally applicable documentation will affect all EECCs that are awarded contracts for goods and services. This documentation will be identified and will form a part of the Special Specifications of each contract and, specifically, of the "Health and Safety Commitment" appendix thereof, which will be available on the company's supplier web portal.

In turn, the specifically applicable documentation will affect those partner companies that are awarded with contracts for goods and services and whose risk profile, in terms of health and safety, require it based on the type of activity they carry out. This documentation will be identified and will form a part of the Technical Specifications to be provided by the contract coordinator of the business (or, in default thereof, by the responsible unit of the business) in each contract.

The details of the responsibilities and processes when preparing contracts are included in **NT.00057.GN-SP.ESS**.

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6.1.4. Award of a contract to an EC

Prior to awarding contracts, it must be verified that the EECCs proposed as the winning bidders meet all the health and safety requirements established in the contracts. To do so, specific sections will be included in the technical specifications, which must form a part of the technical bids of the EECCs. These bids will be evaluated by the CSSC and will be weighted in the final assessment process of the bids.

Health and Safety Standard **NT.00058.GN-SP.ESS** defines the criteria to be followed for weighting the bids submitted by EECCS.

6.1.5. Guidance and information for an EC

Health and Safety is a strategic objective for the company. It is therefore essential that EECCs have detailed knowledge of the tools that the company has designed and implemented to strengthen its five basic principles on this subject, which are the following:

- 1º Nothing is more important than health and safety
- 2º All accidents can be avoided
- 3º Safety is a management responsibility
- 4º Safety is an individual responsibility
- 5º All jobs must be planned and executed with safety in mind

Health and Safety Standard **NT.00051.GN-SP.ESS** defines the specific actions, "Leadership Workshop" and "Awareness Workshop", which will be applied to EECCs according to the level of risk in accordance with the provisions set forth in sections 6.3 and 6.4 of this standard.

6.1.6. Management of the work performed by an EC

The purpose of this step is to establish adequate processes to ensure that the work executed by EECCs meets Health and Safety requirements, both legal and those that are additionally imposed by the company. Three types of actions have therefore been developed:

- Control prior to beginning work.
- Documented Inspections.
- Coordination meetings.

The specific regulation to apply at this point is **NT.00034.GN-SP.ESS**, and it will apply to EECCs according to the level of risk in accordance with what is defined in sections 6.3 and 6.4 of this standard.

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This phase is also used to develop the entire process of the penalty scheme applicable to EECCs due to deviations from the Health and Safety requirements and conditions established in the contractual relations between the company and the EECCs. This is all set forth in **NT.00045.SN-SP.ESS**.

6.1.7. Health and Safety performance evaluation of an EC

The CSSCs of the business units, in coordination with Supplier Quality, must periodically evaluate the Health and Safety performance of their EECCs according to the metrics established in **NT.00047.GN-SP.ESS**.

6.2. Health and Safety Coordinator on Contracts

The Health and Safety Coordinator on Contracts (CSSC) is the person or persons, unit or units, within each business that are responsible for coordinating, together with Purchasing, Prevention and the Operational Units, all matters related to the Health and Safety life cycle of the contracts of said business, thereby ensuring that all the responsibilities attributed to the business in the company's Health and Safety regulations are complied with.

Consequently, each business must appoint the CSSC(s) according to the criteria that each one deems appropriate, such as the number of contracts and/or orders, the number of EECCs, the existence or not of contract groups, etc.

The duties and responsibilities of the CSSC during the life cycle of a contract are the following:

Within the framework of **NT.00057.GN-SP.ESS**, Classification of the Health and Safety Risk of EECCs:

- Incorporating into the contract Tender Specifications the Health and Safety documentation that is specifically applicable to each contract of their business based on the type of activity to be carried out.
- Collaborating with the corporate Prevention unit on defining the risk matrix and the classification of the Health and Safety risk level of the EECCs, therefore coordinating the possible comments by the business.
- Resolving, with the corporate Prevention unit, the treatment of exceptions and situations not contemplated in the standard's risk classification.

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Within the framework of **NT.00058.GN-SP.ESS**, Requirements for the qualification, selection and evaluation of bids in processes of awarding contracts to EECCs:

- Contributing, in coordination with the Prevention Unit, the specific Health and Safety criteria of the business in the processes of supplier qualification, approval and selection.
- Ensuring that the specifications of their business define approval requirements and criteria regarding Health and Safety.
- Being the Health and Safety representative of the business on the committee that may be formed for the call for tenders of a contract.
- Determining, in coordination with the Prevention Unit, the Health and Safety aspects to be included in the technical specifications of the outsourcing, therefore defining, in coordination with the corporate Purchasing Unit, the criteria for scoring and weighting the same in the evaluation of the bids.
- Assessing the Health and Safety documentation provided by a supplier in the technical bid of a tender process, based on the criteria defined in the technical specifications.
- Participating on the committees that may be formed for calls for tenders of unique projects.

Within the framework of **NT.00045.GN-SP.ESS**, Penalty scheme applicable to EECCs:

- Ensuring uniform application of the penalty scheme that is applicable to EECCs in the contracts within the CSSC's scope of responsibility.

Within the framework of **NT.00047.GN-SP.ESS**, Evaluation of the Health and Safety performance of EECCs:

- Defining the application perimeter of this standard with respect to EECCs and contracts, within the scope of the CSSC's business, thereby identifying and selecting contracts and suppliers subjected to the Measurement of Performance and, in cooperation with the corporate Supplier Quality unit, preparing an Annual Plan for the Measurement of Health and Safety.
- Obtaining, or coordinating the attainment, of the Health and Safety Metrics defined in this standard, based on the information existing in the systems that may be established for this purpose and on the information reported by the responsible units and, if applicable, by the occupational risk prevention unit of Gas Natural Fenosa.
- Reporting to Supplier Quality the results of the Health and Safety performance of EECCs within the perimeter defined for the CSSC's business, according to the established frequency, in the system that said unit has available for the Measurement of Overall Supplier Performance.
- Approving and following up on the necessary improvement plans at EECCs for which such plans may be defined, in accordance with the provisions set forth in section 6.

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- Coordinating, with the corporate units of Purchasing and Supplier Quality, the application of the results of the Health and Safety performance evaluations of EECCs in the overall evaluation processes of suppliers and in tendering and contract renewal processes.

6.3. Assignment of the risk level associated with the activities performed by EECCs

The Health and Safety risk classification for EECCs is defined in **NT.00057.GN-SP.ESS**, in which the risk level for each sub-family of Purchasing is determined.

6.4. Requirements applicable to EECCs according to the Health and Safety risk level

Within the scope of application of the Health and Safety standards that have been prepared during the development of the tools of the EECCs Network, the risk level is based on the classification of the risk of the activities that are performed and on the provisions set forth in Appendix 02 of **NT.00057.GN-SP.ESS** and the applicable standards that are included in Appendix 03 of the same standard.

7. Data registration

Not applicable.

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