

### 3 . THE FRAMEWORK

11

#### ELEMENTS

Each element contains an underlying principle and a set of specific and clearly defined expectations that our operations must fulfill.

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#### EXPECTATIONS

What we need to achieve.

193

#### GUIDELINES

How we achieve our goals.

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#### SYSTEMS

Have been developed to deliver the **expectations** of SHEMS, each one describing its **scope and objectives**, the **processes and procedures** required to achieve the objectives, the **responsible resources** and how to **verify and measure performance**.

### THE ELEVEN ELEMENTS OF SHEMS

#### DRIVER

**1 . Management, leadership, commitment and accountability.** Employees at all levels are held accountable for safety, health and environmental performance.

#### OPERATIONS

**2 . Risk assessment and management.** Systematic surveys evaluate risks in order to prevent accidents.

**3 . Facilities design and construction.** All construction projects are evaluated early in their design stage for safety, health and environmental impact.

**4 . Information and documentation.** SHEMS requires that our facilities maintain accurate and current information on their configuration and capabilities, as well as properties of products and materials handled, potential hazards, and regulatory requirements.

**5 . Personnel and training.** Not only are workers trained to identify hazards and assess risks, but we carefully screen their qualifications to make sure their abilities and skills match their job requirements.

**6 . Operations and maintenance.** Operations and maintenance procedures are frequently assessed and modified to improve safety and environmental performance.

**7 . Change management.** Any change in procedure is systematically tested for safety, health and environmental impact.

**8 . Third-party services.** Adriatic LNG invests significant time and effort to ensure contractors understand expectations and are appropriately trained to carry out their responsibilities.

**9 . Incident investigation and analysis.** Any incident, including a "near miss", is investigated and documented, and steps are taken to help ensure such an incident does not happen again.

**10 . Community awareness and emergency preparedness.** The System requires a specific set of actions to ensure that, in case of emergency, all appropriate steps are taken to protect the community, the surrounding environment, Company personnel and assets.

#### EVALUATION

**11 . Operations integrity assessment and improvement.** A process that measures performance relative to the high expectations of Adriatic LNG is essential for improving operations integrity.

### 1 . OUR VISION

We are the Operator of the world's first offshore LNG regasifier, a strategic component of the Italian gas system. We deliver a reliable flow of new energy into the Country, and are committed to be highly regarded for excellence in safety, operations integrity and business conduct.

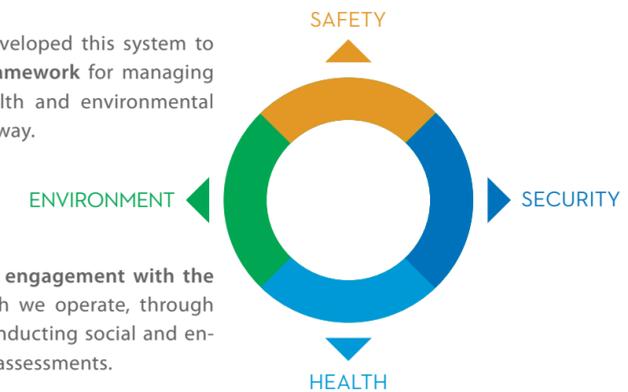
- Adriatic LNG is committed to conducting its business in a manner that:
- **protects the safety, security and health** of employees and others involved in its operations, customers and neighbors
  - **is compatible with the balanced environmental and economic needs** of the community in which we operate.

These commitments are documented in our Safety, Security, Health and Environmental Policies, which are put into practice through a disciplined management framework called the **Safety, Security, Health and Environment Management System (SHEMS)**.

### 2 . WHAT IS SHEMS

SHEMS is implemented at Adriatic LNG to ensure that individual and operational risks related to safety, health and security are well managed so that employees, contractors, suppliers, customers, neighbors and assets are protected, and the environment is appropriately safeguarded.

Adriatic LNG has developed this system to provide a **robust framework** for managing safety, security, health and environmental risks in a systematic way.



SHEMS also ensures **engagement with the community** in which we operate, through activities such as conducting social and environmental impact assessments.



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PUTTING THE  
ADRIATIC LNG SAFETY,  
SECURITY, HEALTH  
AND ENVIRONMENTAL  
MANAGEMENT SYSTEM  
INTO PRACTICE



## 4 . MANAGING RISK TO IMPROVE SAFETY

SHEMS provides a structured approach for managing risk. Our ultimate objective is to have an injury and illness-free work place where “Nobody Gets Hurt!”

A **hazard** can be defined as a condition or situation that exists in the work environment that could result in injury or harm to health.

**Exposure** is a quantitative measurement of the extent to which a given hazard is present. Similarly a **risk** can be defined as the probability of incurring in injury, harm or loss because of the hazard.



Adriatic LNG has adopted a “4 STEPS approach to risk assessment”:

- 1 Identify different hazards
- 2 Categorize hazards
- 3 Assess the risk associated with the hazards
- 4 Eliminate and control hazards

## SAFETY BARRIERS

One of the most important functions of SHEMS is to ensure that any **residual risk remains at an acceptable level**. It establishes preventive barriers that minimize the risks related to certain hazards and, if such an event happens, help to mitigate the consequences.



A barrier could be:

**PEOPLE** A qualified and well trained workforce; definition of clear roles and responsibilities; implementation of appropriate Operations Integrity programs.

**PLANT** Operation of facilities within established parameters and according to regulations; reliable Operations Integrity critical equipment; effective procedures, structured inspection and maintenance programs.

**PROCESSES** Comprehensive risk assessments; changes in operations, procedures, site standards, facilities or organizations must be evaluated and managed.

## 5 . THE CHARACTERISTICS OF SYSTEMS

**SCOPE AND OBJECTIVES:** scope defines the System’s boundaries and identifies interfaces with other Systems, organizations and facilities. Objectives clearly define the System’s purpose and expected results.

**PROCESSES AND PROCEDURES:** processes address the steps that describe what the System does and how it functions. Procedures address the key tasks required by a process.

**RESPONSIBLE AND ACCOUNTABLE RESOURCES:** experience and training requirements that qualify people to carry out their roles and responsibilities are specified for both implementation and execution of the System.

**VERIFICATION AND MEASUREMENT:** a System must be checked to see whether it is functioning as designed and is achieving its stated purpose. There are two components. Verification determines that processes and procedures are functioning and being effectively executed. Measurement confirms the quality of System processes and determines that System objectives and results are achieved.

**FEEDBACK AND IMPROVEMENT MECHANISMS:** these mechanisms help ensure actions are taken to continuously improve the System. They use findings from assessments, and from verification and measurement activities, to enhance System suitability, capability and effectiveness.

## 6 . ASSESSMENT AND IMPROVEMENT

Ongoing evaluation is essential to make sure that the expectations in the framework are being met. SHEMS employs internal and external assessment processes to gauge the degree to which the expectations are being satisfied. Such evaluations provide the information needed to further improve both performance and supportive management systems.

To further drive continuous improvement, SHEMS is periodically updated to reflect learnings and additional action steps.

SHEMS requires continual evaluation and improvement of management systems and standards, as well as employee involvement.

## 7 . KEYS TO SUCCESS

SHEMS allows employees to drive our organization’s success. Our goal is not simply to follow procedures. A culture of compliance alone can lead to complacency. We seek to create a culture in which employees meet and challenge procedures so they can be improved when necessary.

Good safety, security, health and environment levels result from a performance culture based on:

- **LEADERSHIP COMMITMENT & ACCOUNTABILITY.** Adriatic LNG management is responsible and accountable for protecting its employees, the community and the environment. Management will provide effective leadership to ensure risk-management strategies are integrated into our business and work processes.

- **INDIVIDUAL RESPONSIBILITY.** Employees are responsible for keeping their work area safe, tidy and for a correct waste disposal, understanding and complying with site safety standards and procedures. They are required to stop the task if they’re worried about and suggest improvements and actively support others who are trying to do the same. This applies not only to the activities of workers themselves but to their co-workers as well.

Leadership, accountability and workforce commitment are key elements of an effective approach.

## REGULATIONS & STANDARDS

SHEMS conforms with recognized safety, security, health, environmental industry standards and requires us to assess the effectiveness of the system on a regular basis. SHEMS is fully consistent with the standard on environmental management systems of the International Organization for Standardization (ISO 14001:2004) and the Occupational Health and Safety Assessment Series for health and safety management systems (OHSAS 18001:2007).