



PSEG Environment, Health and Safety Program Guide

PSEG Practice

575-1

September 24, 2020

Purpose

This Environment, Health and Safety (EHS) Program Guide describes the Core Elements of management systems required to implement the [PSEG EHS Policy](#), provides references to other relevant PSEG Policies and Practices, and offers Guidance for developing and maintaining EHS management systems that implement the PSEG EHS Policy.

Applicability

Line of Business	Applicable?
PSEG Power	Yes
PSEG Services	Yes
PSE&G	Yes
PSEG Long Island	Yes

Scope

This Practice applies to all PSEG operations and activities where the Business has a controlling interest (i.e., where the Business is in a position to dictate Compliance with the PSEG EHS Policy and Program Guide).

Definitions

- **Basic Requirements:** The mandatory requirements of a Core Element.
- **Business:** PSEG, any Wholly Owned Subsidiary or any controlled Enterprise.
- **Business Leader:** The President of a Business.
- **Business Operated Site:** A work site or any portion of a work site, over which a Business exercises operational control.
- **Business Partners:** The investors in a jointly owned or managed venture that are not Contractors or Suppliers.
- **Checklists:** Any form of documentation that contains specific criteria against which a Business process, facility or activity can be evaluated.
- **Compliance:** Meeting the requirements of applicable laws and regulations and Internal Policies, Practices, Procedures and Protocols.
- **Contractor:** Third parties working for any Business at Business-operated sites, working for

any Business at customer sites, or handling materials generated by any Business for transport, disposal, or recycling. Contractors include construction contractors and engineering, procurement and construction (EPC) contractors.

- **Controlled Enterprise:** Any commercial enterprise, other than a Wholly Owned Subsidiary, with respect to which any Business may dictate compliance with the PSEG EHS Policy and Program Guide.
- **Core Element:** Any commercial enterprise, other than a Wholly Owned Subsidiary, with respect to which any Business may dictate compliance with the PSEG EHS Policy and Program Guide.
- **Corporate:** Any entity designed by PSEG to act on behalf of PSEG.
- **Corporate EH&S:** The environment and health and safety organizations in the PSEG Services Corporation that serve PSEG and its Businesses.
- **EHS:** Environment, health and safety.
- **Guide:** As used in this document, *Guide* means the set of PSEG Practices that establish uniform standards for implementation of the PSEG EHS Policy.
- **Guidance:** Recommendations and information sources to assist Businesses in designing and maintaining management systems to implement the PSEG EHS Policy.
- **Inspections:** Inspections conducted by designated Business personnel of Business facilities or processes.
- **Internal:** Within, produced by or conducted by any Business.
- **Internal Policies, Practices, Procedures and Protocols:** The hierarchy of documents required by any Business, including any standards or protocols created by third parties to which any Business has voluntarily subscribed.
- **Line Management:** Management personnel within any Business with direct, day-to-day responsibility for the Business' operating activities.
- **PSEG:** Public Service Enterprise Group Incorporated.
- **PSEG Management:** Heads of the PSEG Businesses and PSEG Services Corporation practice areas.
- **Practice:** A Business document establishing uniform standards. A sequence of required activities, and related responsibilities and accountabilities to carry out objectives.
- **Repeat Audit Findings:** A finding that occurred in a prior audit at the same facility.
- **Self-Assessment:** Annual self-evaluations of Compliance with applicable EHS requirements.
- **Shared Unit:** Any commercial enterprise, other than a Business, in which a Business holds a beneficial interest. For example, a joint enterprise involving a Business and a non-PSEG company with respect to which the Business cannot dictate Compliance with the PSEG EHS Policy and Program Guide.
- **Significant Audit Finding:** A finding, which if left uncorrected, could endanger the public or employee health or safety or adversely affect the environment, or could result in risk to the Company and its reputation, or in criminal enforcement or administrative and/or civil penalties, and is more than an isolated situation
- **Specific Requirements:** Sub-component of the mandatory Basic Requirement.
- **Suppliers:** Third parties providing goods or services to any Business or Business Operated Site.
- **Wholly Owned Subsidiary:** any commercial enterprise wholly owned directly or indirectly by PSEG.

EHS Program Guide Organization

This EHS Program Guide is comprised of this introduction followed by a detailed description of each of the 14 Core Elements of the required EHS management systems.

This introduction includes the following sections:

- Overview of the required EHS management systems
- Abbreviations, acronyms and terms utilized in this PSEG EHS Program Guide
- Applicability of this EHS Program Guide and other relevant PSEG Policies and Practices to PSEG operations and activities

The detailed description of the 14 Core Elements of the required EHS management systems includes:

- A description of the Basic Requirements that must be satisfied by the Businesses' EHS management systems.
- Guidance that identifies additional information for the Businesses to consider in the development and implementation of the required EHS management system. This includes references to other relevant PSEG Practices.

PSEG Governance Structure and Overview of the Required EHS Management Systems

One objective of PSEG's Policy for Business Conduct and Integrity is to achieve the highest level of corporate integrity and comply with applicable legal requirements. The Policy for Business Conduct and Integrity is implemented by establishing and maintaining: 1) a Business Conduct Compliance Program (BCCP) to establish a corporate-wide organizational structure to provide reasonable assurance that PSEG conducts business in accordance with the highest ethical standards and in compliance with the law, 2) a Compliance Committee, comprised of high-level personnel of PSEG, that has overall responsibility for the design, implementation, and effectiveness of the BCCP, and 3) a code of business conduct, known as the Standards of Conduct, which outlines the expectations that PSEG has of all directors, officers, and employees with regard to appropriate ethical and legal behavior.

EHS governance at PSEG, conducted in accord with the above-noted governance structure, follows the PSEG EHS Policy which principally states that PSEG will responsibly conduct its businesses in a manner that protects the environment, and the health and safety of employees, contractors, customers, and the public. Each member of the Executive Officer Group of PSEG is responsible for implementing the PSEG EHS Policy for their respective facilities, operations and activities. Line Management is responsible for establishing and maintaining management systems to implement the PSEG EHS Policy to ensure compliance with all applicable EHS laws and regulations and relevant Internal Policies, Practices, Procedures and Protocols. The management systems must incorporate the 14 Core Elements described below. These elements are derived from the specifications developed by the International Organization for Standardization for Environmental Management Systems (ISO 14001) and Occupational Health and Safety Management Systems (ISO45001). Collectively, these standards provide a framework for an effective EHS management system that enables the organization to manage EHS by:

- setting EHS policy;
- planning to ensure success of the management system;
- implementing practices, programs, and procedures related to EHS issues;
- monitoring and measuring to evaluate EHS performance;
- checking for and correcting identified problems; and
- periodically reviewing the entire system at a senior management level.

This model provides a system that is adaptable to changing circumstances, manages business risks, and provides feedback mechanisms to assure sustained results. Although this EHS Program Guide derives from ISO 14001 and 45001 standards, compliance with this Guide does not confer formal ISO certification or accreditation for any Business. If a Business chooses to seek formal ISO certification or accreditation, it shall consult and follow all standards and rules associated therewith.

The 14 Core Elements of the required management systems are summarized below:

- **Element 1: Top Management Commitment** - Business Leaders are accountable for EHS results. Business Leaders shall visibly demonstrate support of the PSEG EHS Policy and supporting management systems, programs and initiatives to their staff, the employee population at large and the public. Business Leaders shall allocate the resources necessary to implement the PSEG EHS Policy and EHS Program Guide.
- **Element 2: Identify and Assess EHS Aspects, Hazards and Issues** - EHS aspects, hazards and issues shall be identified, characterized and prioritized within the business context of each Business. The results of this assessment drive the setting of objectives and targets and establishment of operational controls.
- **Element 3: Identify Applicable Legal and Other Requirements** - A process shall be maintained by Businesses to ensure that employees have an up-to-date knowledge of applicable laws and regulations and how they apply to their activities.
- **Element 4: Define Performance Indicators, Objectives and Targets** - EHS performance indicators, objectives and targets shall be developed to achieve continuous EHS performance improvement.
- **Element 5: Define Structure and Roles** - Roles and responsibilities for managing implementation of the PSEG EHS Policy shall be defined, documented and communicated by the Business. Line Management in the Businesses shall have primary responsibility and accountability for ensuring that operations are conducted in compliance with applicable EHS laws and regulations, as well as applicable Internal Policies, Practices, Procedures and Protocols.
- **Element 6: Develop Control Programs** - Operational control programs and procedures shall be developed and maintained to manage regulatory compliance requirements and significant EHS aspects, including emergency preparedness and response procedures.
- **Element 7: Establish Incentives and Disciplinary Programs** - Employees shall be encouraged and motivated to comply with the PSEG EHS Policy and applicable EHS requirements and to otherwise foster protection of the environment and human health. Systems shall be in place to provide a reasonable level of assurance that appropriate disciplinary measures are applied in response to significant violations of EHS requirements by employees, where appropriate.
- **Element 8: Integrate EHS Considerations into Business Plans and Decisions** - EHS liabilities and requirements will be considered in strategic and business planning decisions,

including routine operations, capital projects, business mergers, acquisitions and divestitures and real property acquisitions and divestitures, consistent with the requirements of PSEG's EHS Policy and implementing Practices.

- **Element 9: Conduct Training, Maintain Awareness and Assure Competence** - Systems shall be in place to ensure that employees are aware of the EHS aspects of their jobs and that they have the skills and training needed to perform their job responsibilities in compliance with regulatory requirements and Internal Policies, Practices, Procedures and Protocols.
- **Element 10: Maintain EHS Management Documentation and Records** - Documentation relating to EHS management shall be maintained according to a well-defined system that is compatible with, and appropriately aligned with, related PSEG-wide systems.
- **Element 11: Manage Contractor, Supplier and Business Partner Relationships** - Systems shall be in place to provide a reasonable level of assurance that Contractors, Suppliers and Business Partners comply with applicable EHS requirements and do not present undue risks to the Business.
- **Element 12: Communicate with Internal and External Stakeholders** - Systems shall be in place to ensure that relevant EHS information is communicated to personnel within and across all functions and levels within the Business. A system shall be in place to manage regulatory inspections, as well as to receive, document, and respond to inquiries or concerns from internal or external parties. EHS information shall be shared with external parties, consistent with the Business' overall stakeholder engagement strategy.
- **Element 13: Monitor, Measure and Verify Performance** - Processes shall be in place to monitor key operational parameters to anticipate and reduce the likelihood of EHS incidents, to track and report on progress against the objectives and targets, and to assess and verify compliance with legal and other requirements, including Internal Policies, Practices, Procedures and Protocols.
- **Element 14: Implement Corrective and Preventive Action to Continuously Improve Performance** - Corrective and preventive actions shall be taken to address the underlying causes of accidents and incidents, findings from Inspections, Self-Assessments, independent audits, failure to meet performance objectives and targets, and external complaints, in order to continuously improve EHS management systems and performance.

Applicability of this EHS Program Guide and Other Relevant PSEG Policies and Practices to PSEG Operations and Activities

EHS Program Guide

Like the PSEG EHS Policy, this Guide applies to all PSEG operations and activities where the Business has a controlling interest (i.e., where the Business is in a position to dictate Compliance with the PSEG EHS Policy and Program Guide). Where this is the case, Businesses are required to develop and maintain EHS management systems to implement the PSEG EHS Policy. The following sections of this Guide identify requirements and provide Guidance regarding specific features and provisions of EHS management systems that are required to implement the PSEG EHS Policy. Where the Business does not have a controlling interest, reasonable best efforts shall be taken to influence the other Business Partners to manage assets with a level of care consistent with PSEG's EHS Policy and this Guide. Example

approaches to exercising reasonable best efforts to influence Business Partners include sharing the PSEG EHS Policy and Guide or conducting joint audits.

Notwithstanding the foregoing, PSEG shall be deemed not to have a controlling interest in a venture in which PSEG holds legal or beneficial title where such title represents the lessor interest in sale/leaseback, lease/leaseback or other bond lease transactions in which operating control has been vested in a third party and PSEG is indemnified in connection therewith. Rather commercially reasonable efforts shall be taken to require the operator/lessee to covenant to manage the assets with a level of care consistent with PSEG's EHS Policy and Guide (but without reference to such Policy and Guide in the covenant).

Variances or waivers from the Basic Requirement listed for each element in this Guide are allowed only after the Business proposes alternative measures to achieve the same result and gains the written approvals of the General Environmental Counsel and Managing Director, Environment (for the environmental component of this Guide) and the Director – Medical and Safety (for the health and safety component of this Guide). Guidance is provided to help facilitate compliance with the Basic Requirement for each element.

Health & Safety Commitment

Our Commitment to Health & Safety applies to all PSEG Businesses.

Health & Safety System

The Health & Safety System is to be used by all Businesses. Variances or waivers from use of the Health & Safety System may be allowed under certain circumstances only after the Business proposes: 1) valid reasons for not using the Health & Safety System, 2) alternative management system(s) which are in conformance with the EHS Program Guide and achieve the same result, and 3) gains the approval of the Director – Medical and Safety.

The Health & Safety System is made up of the following 12 components:

- Administration and Measurement
- Commitment, Participation, and Assurance
- Communication
- Contractor Health and Safety
- Data Analysis
- Hazard Assessment and Control
- Incident Analysis
- Issue Resolution
- Job Safety Observations
- Knowledge
- Motor Vehicle Safety
- Personal Health and Wellness

PSEG Corporate Safety Protocols

The Corporate Safety Protocols apply to PSEG Businesses according to location. The applicability of each Corporate Safety Protocol to the PSEG Businesses is defined in each Protocol as listed in the Safety First Center under [Corporate Protocols and Forms](#).

The Corporate Safety Protocols include:

- Occupational Safety and Health Act (OSHA) Protocol

- Recording and Reporting Occupational Fatalities, Injuries and Illnesses Protocol
- Safety Tagging Rules and Committee Charter
- Personal Protective Equipment Program
- Asbestos Compliance Protocol
- Bloodborne Pathogens Protocol
- Noise and Hearing Conservation Program
- Radio Frequency Safety Protocol
- Respiratory Protection Program
- Life Safety Evacuation Protocol
- Motor Vehicle Safety Protocol
- Contractor Safety Plan
- Fire Protection Plan

Element 1 – Top Management Commitment

Basic Requirement

Business Leaders are accountable for EHS results. Business Leaders shall visibly demonstrate support of the PSEG EHS Policy and supporting management systems, programs and initiatives to their staff, the employee population at large and the public. Business Leaders shall allocate the resources necessary to implement the PSEG EHS Policy and EHS Program Guide.

Specific Requirements

The Audit Committee of the PSEG Board of Directors and the PSEG Compliance Committee (as established through PSEG's BCCP) shall include EHS matters within their purview.

Guidance

A Business Leader's demonstration of support of the PSEG EHS Policy and supporting management systems, programs and initiatives may be expressed through a variety of means, which may include, but not be limited to, one or more of the following:

- A Business-specific EHS Policy
- Statements in speeches, meetings, or written communications
- Participation in inspections, incident investigations or other elements of the EHS management systems
- Reviewing EHS performance and directing corrective action as needed
- Recognition and implementation of "Our Commitment to Health and Safety", PSEG's mission statement for health and safety.

References

PSEG Audit Committee Charter

[PSEG Practice, 615-3, Business Conduct Compliance Program](#)

Element 2 – Identify and Assess EHS Aspects, Hazards and Issues

Basic Requirement

EHS aspects, hazards and issues shall be identified, characterized, prioritized and documented within the business context of each Business. The results of this assessment drive the setting of objectives and targets and establishment of operational controls.

Guidance

Businesses should identify all EHS aspects across the full range of the Business' operations (i.e. all of the Business' activities, products and services). Where relevant, the following activities should be considered: emissions to air, releases to water, waste management, contamination of land, use of energy, raw materials and natural resources, occupational safety and health, and other local environmental and community issues. Businesses should prioritize EHS aspects based on a documented set of criteria which focuses on their impact and the necessity to comply with all laws and regulations and permit conditions. Prevention through design concepts should be used to provide guidance for a life-cycle assessment and design model that balances environmental and occupational safety and health goals with the mitigation of hazards and risks over the life span of a facility, process, or product.

For Businesses with operating environmental management systems that were based on the results of a previous assessment of this type, subsequent assessments may be limited to the environmental aspects associated with new or changed operations or activities.

In identifying health and safety aspects, Businesses should include the risks identified through the Hazard Assessment and Control Component and the Job Safety Observations (JSO) Component of the Health and Safety System.

Businesses should track emerging issues and assess their potential significance to the Business, in order to anticipate and manage associated risks and pursue potential opportunities. Businesses should consider information and analyses from Corporate EH&S, trade associations, regulatory publications, local sources and other networks to identify and assess emerging issues.

References

ANSI/ASSP Z10.0, Occupational Health and Safety Management Systems

ANSI/ASSE Z590.3-2011, Prevention through Design Guidelines for Addressing Occupational Hazards and Risks in Design and Redesign Processes

Element 3 – Identify Applicable Legal and Other Requirements

Basic Requirement

A process shall be maintained by Businesses to ensure that employees have an up-to-date knowledge of applicable EHS laws and regulations and how they apply to their activities.

Specific Requirements

Current versions of applicable EHS laws and regulations and applicable Internal Policies, Practices, Procedures and Protocols, and interpretations shall be readily accessible to those responsible for implementing EHS Compliance so that they may develop appropriate controls to manage EHS Compliance requirements.

The Business' Internal Policies, Practices, Procedures and Protocols and systems shall be modified or supplemented as appropriate to incorporate requirements due to changes in or supplements to laws or regulations in a reasonable amount of time.

Guidance

The roles of the Corporate EH&S organizations in working with the Businesses to identify and address applicable legal and other requirements are identified in Element 5.

Changes in or supplements to applicable laws and regulations at the international, national, regional, and local levels should be tracked and analyzed to determine their applicability to the Business' facilities and operations. Available compliance options should be identified and disseminated, as appropriate.

Implementation of this element should include information developed in the Communication Component and the Commitment, Participation and Assurance Component of the Health and Safety System.

Element 4 – Define Performance Indicators, Objectives and Targets

Basic Requirement

EHS performance indicators, objectives and targets shall be developed to achieve continuous EHS performance improvement.

Specific Requirements

The EHS performance indicators and targets shall be selected by the Businesses by taking the following into account: metrics and targets from the “People” and “Green” quadrants of the PSEG-level balanced scorecard, PSEG EHS Policy objectives, strategic objectives, applicable Compliance obligations, and environmental aspects and health and safety hazards as described in Element 2.

Guidance

An appropriate number of standard EHS performance indicators (which should include audit results) should be defined by the Business. These measures must be suitable for periodic summarization and reporting to senior management. Businesses should use this data to, among other things, ensure that it is directing its continuous performance improvement efforts in the most effective and efficient manner.

Measures and targets developed in the Administration and Measurement Component of the Health and Safety System should be considered in developing indicators, objectives and targets.

Element 5 – Define Structure and Roles

Basic Requirement

Roles and responsibilities for managing implementation of the PSEG EHS Policy shall be defined, documented and communicated by the Business. Line Management in the Businesses shall have primary responsibility and accountability for ensuring that operations are conducted in compliance with applicable EHS laws and regulations, as well as applicable Internal Policies, Practices, Procedures and Protocols.

Specific Requirements

The organization structure to facilitate and oversee implementation of the PSEG EHS Policy includes, but is not limited to, the Company's Health and Safety Councils, PSEG Compliance Committee, PSEG EH&S Compliance Team, and programs administered by the Medical and Employee Relations groups within the Human Resources Department.

In formulating roles and responsibilities at the Business level, Businesses must be aware of the roles and responsibilities at the Corporate level. Corporate EH&S organizations are responsible for the functions noted below:

Function	Corporate H&S (HR)	General Environmental Counsel and Managing Director, Environment (Law)	EH&S Compliance (Internal Audit Services)
Establishing, maintaining and updating PSEG's EHS policies and management systems	Safety	NA	Environment
Identifying emerging issues and Business needs and shaping the development of sound public EHS policy, focusing on regulatory activities and supporting legislative activities, in areas of strategic relevance to the Business	Safety	Environment	NA
Developing relationships with regulators and non-governmental organizations (NGOs) to promote the PSEG EHS image and create a credible foundation for ongoing dialogue to address Business issues	Safety	Environment	NA
Facilitating information exchange across Businesses, including corporate-wide benchmarking, best practices and lessons learned	Safety	Environment	Environment

Promoting PSEG-wide recognition of outstanding EHS performance and initiatives by employees, facilities and Businesses	Safety	Environment	NA
Monitoring PSEG-wide performance by establishing corporate performance indicators and goals and analyzing performance metrics and data	Safety	NA	Environment
Assuring compliance with EHS Internal Policies, Practices, Procedures and Protocols through periodic independent audits and assessments	NA	NA	Environment and Safety
Reporting on PSEG-wide performance and issues to key internal and external stakeholders	Safety	Environment	NA
Briefing PSEG Management and the PSEG Board of Directors on EHS performance and issues of strategic relevance to the Business	Safety	Environment	Environment and Safety Performance
Providing support utilizing centralized subject matter experts to address Business requests	Safety	Environment	NA

The General Environmental Counsel and Managing Director, Environment (as it relates to environmental matters) and the Managing Counsel - Labor and Employment (as it relates to safety matters) are responsible for providing legal advice and counsel to the Businesses regarding matters related to implementing the PSEG EHS Policy, including:

- Legal advice on interpretation of EHS regulations
- Counsel on all EHS agency actions
- Counsel on all claims alleging EHS liability
- Counsel for all permitting actions before local, county, regional, state and federal agencies

Guidance

The Administration and Measurement Component and the Commitment, Participation and Assurance Component of the Health and Safety System provide additional detail regarding structure and roles for Health and Safety System implementation.

Element 6 – Develop Control Programs

Basic Requirement

Operational control programs and procedures shall be developed and maintained to manage regulatory compliance requirements and EHS aspects, including emergency preparedness and response procedures.

Specific Requirements

Businesses shall identify those operations and activities that are associated with the identified EHS aspects (see Element 2). Operational controls, including engineering and administrative procedures, shall be maintained to define how to effectively manage identified operations and activities and those subject to regulatory requirements. Planning for operational controls must include what will be done, who will be responsible, resources required, and how the results will be evaluated.

In order to address potential emergency situations, the Businesses shall follow procedures developed to prevent or mitigate adverse impacts from emergency situations. Employees are to be trained to respond in accord with the procedures and response plans are to be periodically tested. Among the procedures to address potential emergency situations are the following:

- **Corporate Safety Protocol - Life Safety Evacuation Protocol**– Provides the framework for employees to safely evacuate their workplace and protects employees by providing a structured methodology to emergency action plans.
- **PSE&G Storm Restoration Manual** – Details organization and procedures (including EHS functions) to restore service to customers following interruptions caused by severe storms.
- **PSE&G Environmental Affairs Guidance Document: Environmental Incident Command Structure for Spill Response** – Describes incident command structure for environmental response to major spill events.
- **PSEG LI Emergency Restoration Plan** – Details organization and procedures (including EHS functions) to restore service to customers following interruptions caused by severe storms.
- **PSEG LI EP-05 (Release Response) and EG-505 (Release Notification)** – Describes the required actions of individuals to ensure proper response to a sudden release of oils and hazardous or non- hazardous materials to the environment and the required notifications in the event of a spill.
- **Nuclear Procedures EP-AA-1, EP-AA-10, and EP-AA-11** – Describes the Nuclear Emergency Response Program.
- **Nuclear Procedure NC.FP-EO.ZZ-0002 (Q)** – Describes Nuclear’s response to hazardous material events.
- **Nuclear Procedure EN-AA-410-0004** – Describes Nuclear’s Discharge Cleanup and Response (DCR) Plan for response to the discharge of hazardous substances.
- **Nuclear Procedure OP-AA-106-101** – Describes Nuclear’s procedure for reporting occurrences of significant events.
- **Nuclear Procedure OP-AA-106-101-1001** – Provides guidance on an event response process that mobilizes recovery, repair, and investigation personnel who respond to significant plant issues and events.
- **PSEG Fossil Emergency Response Guides (ERGs)** – Describes Fossil's response to emergency situations

Guidance

For Businesses with operating environmental management systems, these operations and

activities may already be identified and only new or changed EHS aspects would need to be considered.

Health and safety controls should include those established in the Issue Resolution Component, Commitment Participation and Assurance Component, Hazard Assessment and Control Component, and Communication Component of the Health and Safety System.

Health and safety controls should include those established in the Corporate Safety Protocols.

References

Corporate Safety Protocol - Life Safety Evacuation Protocol

Element 7 – Establish Incentive and Disciplinary Programs

Basic Requirement

Employees shall be encouraged and motivated to comply with the PSEG EHS Policy and applicable EHS requirements and to otherwise foster protection of the environment and human health. Systems shall be in place to provide a reasonable level of assurance that appropriate disciplinary measures are applied in response to significant violations of EHS requirements by employees, where appropriate.

Specific Requirements

Clear Performance Expectations: Expectations, including annual performance goals, for the individual's performance related to Compliance shall be clearly communicated by each supervisor to Business employees. It is the individual responsibility of each Business employee to meet those expectations.

Performance Reviews: Annual reviews shall address the Business employee's individual performance against EHS goals and/or contribution to maintaining Compliance, unless the particular employee has no significant Compliance-related responsibility. If the employee performs especially well in this area, it should be specifically acknowledged in the review.

Recognition: Recognition programs shall be implemented to promote EHS performance improvement. Ongoing recognition should be documented.

Disciplinary Action: Disciplinary action shall be considered, and, where appropriate, imposed for violation of significant EHS requirements. Line Management is responsible for deciding when an employee's action or inaction warrants disciplinary action. To ensure fair and consistent review of disciplinary actions across PSEG, the specific disciplinary action will be determined after consultation by and among the supervisor, Line Management, Human Resources, and, as necessary, other appropriate personnel pursuant to Human Resources processes.

Tracking Disciplinary Actions: A system shall be maintained to document and track all significant EHS disciplinary actions taken.

Retaliation: PSEG will not tolerate any form of retaliation against any employee who raises a good-faith question or concern regarding a suspected violation of the PSEG Standards of Conduct or the law or any employee who participates truthfully and candidly in any investigation. PSEG will take disciplinary action, up to and including discharge, against any employee who engages in retaliation, as well as take other necessary action to remedy the wrongdoing.

Guidance

Incentives and recognition developed through the Communication Component and the Commitment, Participation and Assurance Component of the Health and Safety System should be considered.

Element 8 – Integrate EHS in Business Plans and Decisions

Basic Requirement

EHS liabilities and requirements will be considered in strategic and business planning decisions, including routine operations, capital projects, business mergers, acquisitions and divestitures and real property acquisitions and divestitures, consistent with the requirements of PSEG's EHS Policy and implementing Practices.

Guidance

EHS considerations, including pollution prevention, resource conservation, Compliance and public and worker safety, should be factored into the design and review and approval processes for capital projects.

EHS considerations should be factored into business development activities where appropriate, relative to: 1) siting of facilities, 2) facility design, permitting, construction, staffing, start-up and operating procedures, and 3) retaining Contractors and other entities involved in the business activity.

Potential EHS liabilities and Compliance obligations must be assessed and understood in connection with proposed acquisitions and divestitures of business organizations and land so that those potential liabilities and Compliance obligations may be valued, as appropriate, and expressly allocated between buyer and seller. Business leaders are responsible for ensuring that appropriate inquiries are made, which may include, depending upon the nature of the transaction, a full quantification of EHS risks, liabilities and requirements utilizing Internal and external resources and it is their responsibility to ensure that these considerations are appropriately factored into their decision-making. Review of potential EHS liabilities and Compliance obligations before the transaction by the EHS staff of the responsible Business, the General Environmental Counsel and Managing Director, Environment and/or the Managing Counsel - Labor and Employment is expected where the nature or allocation of potential EHS liabilities and Compliance obligations could have a material impact on the Business. Additional requirements for transactions are included in PSEG Practice for Transaction Review (930-1).

Business plans and operating and capital budgets should consider the actions that need to be taken and resources required to implement the PSEG EHS Policy and achieve the Business' EHS objectives and targets. In addition to identifying what will be done and the resources required, plans and budgets should identify who will be responsible and how the results will be evaluated.

The Hazard Assessment and Control Component as well as the Contractor Health and Safety Component of the Health and Safety System provide further Guidance.

Reference

[PSEG Practices, 930-1, Practice for Transaction Review](#)

Element 9 – Conduct Training, Maintain Awareness and Assure Competence

Basic Requirement

Systems shall be in place to ensure that employees are aware of the EHS aspects of their jobs and that they have the skills and training needed to perform their job responsibilities in compliance with regulatory requirements and Internal Policies, Practices, Procedures and Protocols.

Specific Requirements

Substantial Authority Personnel: “Substantial authority personnel” include high-level personnel and those who exercise substantial supervisory authority (e.g., a plant manager) and any other individuals who, although not part of management, exercise substantial discretion when acting within the scope of his or her authority. The focus is on an individual’s responsibility and discretion, not his or her title or job description. Whether an individual fits this definition is determined on a case-by-case basis. The Corporation shall use reasonable efforts not to include within the substantial authority personnel of the Corporation any individual whom the Corporation knows, or should know through the exercise of due diligence, has engaged in illegal activities or other serious conduct inconsistent with law, the BCCP, or the Standards of Conduct.

Environmental, Health and Safety Awareness: Awareness of the necessity for Compliance with applicable EHS requirements and working in a healthy and safe manner shall be maintained among employees.

New Employee Orientation: New employees shall receive information regarding the importance of EHS Compliance and working in a healthy and safe manner as part of their orientation.

Identification and Satisfaction of Training Needs: An inventory of EHS training needs and requirements shall be maintained and, as appropriate, periodically updated. EHS training plans will be developed for each employee or Job Classification, where and as appropriate. Systems shall also be maintained to ensure that employees receive appropriate training.

Training Documentation and Tracking: Systems shall be maintained to document the EHS training received by each employee and to track the training against prescribed requirements. Procedures shall also be maintained to ensure that prescribed training requirements have been satisfied.

Measurement of Training Effectiveness: The effectiveness of EHS training received by the employees shall be monitored and evaluated.

Ongoing Review of Training Needs: Procedures shall be in place to periodically review EHS training requirements. The review will address, at a minimum, any needed changes in training created by:

- New or revised regulations or other legal requirements or industry consensus standards and practices;
- Changes in Internal Policies, Practices, Procedures and Protocols;
- Pervasive evidence of non-compliance identified by location self-inspections and self-assessments or independent Compliance audits; and
- Any major changes in facility-level technology, operations or materials used.

Results of this review shall be used to modify and update EHS training requirements.

Guidance

Implementation of this element should consider information developed through the Knowledge Component of the Health and Safety System.

Element 10 – Maintain EHS Management Documentation and Records

Basic Requirement

Documentation relating to EHS management shall be maintained according to a well-defined system that is compatible with, and appropriately aligned with, related PSEG-wide systems.

Specific Requirements

Identification of Documentation Requirements: Guidelines for the creation, maintenance and retention of Compliance-related documents and records shall be established. These guidelines shall reflect any applicable regulatory requirements. Particular documents and records necessary to demonstrate Compliance with specific EHS laws and regulations shall be identified at operating locations.

Recordkeeping Procedures: Responsibilities shall be defined for collecting and storing Compliance records. EHS Compliance records shall be maintained in accord with PSEG Practice 105-1, Records Management, to ensure their continued good condition while being easily accessible by those who need or have a right to access them, subject to confidentiality safeguards.

Record Retention: EHS Compliance records shall be maintained for the time specified in the applicable regulations or Internal Policies, Practices, Procedures and Protocols whichever is longer (see Enterprise Record Retention Schedule for retention periods associated with selected records). Destruction of records shall be conducted upon expiration of the specified retention period except when subject to a PSEG litigation hold or sale of an asset. Records shall be destroyed upon release of the PSEG litigation hold and after a period of six years following the sale of an asset. Questions relating to record retention will be resolved in consultation with the General Environmental Counsel and Managing Director, Environment and/or the Managing Counsel - Labor and Employment.

Guidance

PSEG recordkeeping requirements are listed in PSEG Practice, 105-1, Records Management. Retention periods are included in the Enterprise Record Retention Schedule.

References

[PSEG Practice, 105-1, Records Management](#)

Enterprise Record Retention Schedule

Element 11 – Manage Contractor, Supplier and Business Partner Relationships

Basic Requirement

Systems shall be in place to provide a reasonable level of assurance that Contractors, Suppliers and Business Partners comply with applicable EHS requirements and do not present undue risks to the Business.

Specific Requirements

Evaluation and Selection of Contractors, Suppliers and Business Partners: The Business' selection process for Contractors, Suppliers, and Business Partners shall include consideration of their ability to satisfy applicable EHS requirements where a failure to satisfy these requirements could impose risks or liabilities to the Business.

Contractual EHS Requirements: The Business shall inform Contractors and Suppliers of the pertinent PSEG or Business EHS Policies, Practices, and Procedures that could reasonably be expected to affect their work, including those for emergency response. Contractors and Suppliers must agree in writing (e.g., through contracts and purchase orders) to comply with applicable EHS requirements.

Monitoring Performance: Contractors' EHS performance shall be monitored by the responsible Business to verify that management systems are in place to ensure Compliance with applicable EHS requirements associated with work conducted for the Business. The performance of Contractors working on Business- operated sites with respect to Compliance with applicable EHS requirements shall be monitored by the Business. Contractors working for the Business at places other than Business-operated sites (e.g., customer sites) shall be subject to periodic reviews of their EHS performance. A Contractor's or Supplier's EHS performance shall be considered by the Business when evaluating them for future work.

Guidance

Implementation of this element should consider information developed through the Contractor Health and Safety Component and the Hazard Assessment and Control Component of the Health and Safety System, Corporate Safety Protocol - Contractor Safety Plan, other applicable guiding documents for each Business' site specific safety requirements, and any and all other terms and conditions of contracts and/or purchase orders.

Reference

Corporate Safety Protocol - Contractor Safety Plan

Element 12 – Communicate with Internal and External Stakeholders

Basic Requirement

Systems shall be in place to ensure that relevant EHS information is communicated to personnel within and across all functions and levels within the Business. A system shall be in place to manage regulatory inspections, as well as to receive, document, and respond to inquiries or concerns from Internal or external parties. EHS information shall be shared with external parties, consistent with the Business' overall stakeholder engagement strategy.

Specific Requirements

Agency Inspections:

Inspection Coordination - When an agency inspector arrives, the location management shall designate the appropriately trained representative to meet with and accompany the inspector during the visit.

Touring the Site - The inspector shall be allowed access to the job site (i.e., plant, facility, construction site, remediation site, road crews, work location) and non-privileged records. The inspector shall be required to adhere to location workplace rules, requirements and procedures. Photos or videos shall be permitted (as long as they do not create unsafe conditions nor conflict with restrictions on photography at the location), and requests for copies of non-privileged documents shall be satisfied.

Business Confidential Information - The General Environmental Counsel and Managing Director, Environment and/or the Managing Counsel - Labor and Employment shall be contacted if there are any questions regarding access to information that is believed to be privileged or proprietary.

Correcting Issues Identified - Identified and readily remediable deficiencies shall be corrected immediately, and where practicable, while the inspector is still on site. All other deficiencies will be corrected as soon as practicable. All corrective actions shall be documented. The course and status of corrective actions will be communicated in an open manner to appropriate regulatory agencies.

Sampling - Inspectors have a right to conduct sampling as part of the inspection, such as bulk sampling, personal exposure sampling and wastewater sampling. If the regulators take a sample, the representative shall request a split sample or take a duplicate sample if a split sample is not available and have it analyzed for the same parameters as the regulator.

Documenting the Inspection - The inspection shall be documented. Documentation shall include the date and time of inspection, name and affiliation of inspector, general summary of the inspection, and itemization of reports and/or records provided and/or requested. The documentation shall be submitted to appropriate Company personnel, as soon as practicable after the inspection.

Cooperation and Disclosure:

Incident Reporting to Management - Systems shall be in place to ensure that incidents such as occupational injuries and illnesses as well as environmental incidents and events are reported to Line Management in a timely manner. These may include fatalities, OSHA recordable and first aid injuries, spills outside secondary containments, releases of hazardous substances, fires and explosions, regulatory Notices of Violation (NOVs), Administrative Orders and Notices of Civil Administrative Penalty Assessments (AONOCAPAs), citations, fines or

penalties, third-party EHS claims, negative media attention with EHS themes, and others as appropriate.

Disclosing Violations and Significant Incidents - Systems shall be maintained to ensure that work-related fatalities, in-patient hospitalizations, amputations and loss of an eye, catastrophes and EHS violations are promptly and properly disclosed to appropriate regulatory agencies as required by applicable laws and regulations. The systems established shall include procedures that will ensure that the Business' operating facilities and locations consult with EHS professionals and legal counsel regarding the reporting of EHS violations and significant incidents. Standardized forms will be used to document any disclosures made.

The Company has established and will maintain a hotline and website for anonymous reporting of EHS concerns at any time; follow-up will be conducted in accord with the PSEG Practice for Compliance Reporting and Investigation (615-2). In addition, the Company will periodically conduct a Certification of Compliance with the PSEG Standards of Conduct for confidential reporting of EHS violations and other conditions of concern; follow-up will be conducted in accord with the protocol established for the Certification of Compliance with PSEG Standards of Conduct Program.

Corrective Action - Appropriate corrective actions shall be implemented to resolve EHS violations. As appropriate, actions will be taken to work cooperatively with the government in the identification and implementation of appropriate corrective actions. These corrective actions shall be documented and the implementation of these corrective actions will be communicated to the government where and as appropriate.

Cooperation with Investigation - Immediate contact should be made with appropriate EHS professionals and legal counsel upon receipt of notice that the government plans to initiate an investigation with respect to Compliance with EHS requirements. Timely cooperation shall be provided to the government with respect to the investigation of the Compliance with EHS requirements. Such cooperation will include, but not be limited to, providing access to non-confidential documents, personnel and facilities.

Guidance

Internal Communication:

Systems should be in place to provide EHS information to employees and to define and communicate individual and Business performance expectations as follows:

- Generate and distribute EHS performance reports to key Internal management
- Share best practices and lessons learned
- Inform employees of hazards in products they use
- Inform employees of the hazards in the geographic areas in which they operate
- Inform employees of incidents and associated lessons learned
- Provide employees with information on EHS hazards or conditions uncovered in audits, Self-Assessments, Self-Inspections, and workplace hazard assessment surveys

External Inquiries or Complaints:

A system should be in place to ensure all relevant EHS-related external inquiries are documented and appropriately responded to in a timely manner.

Internal Issue Resolution:

Systems should be in place to ensure relevant EHS-related internal issues or concerns are

evaluated and responded to in a timely manner.

Stakeholder Dialogue:

Dialogue with key stakeholders is encouraged to maintain a positive relationship and a positive image for PSEG. Businesses should identify their relevant stakeholders along with the needs and expectations of those stakeholders.

Public Policy:

Corporate EH&S and the Businesses should, as appropriate, develop positions on EHS issues of strategic importance to PSEG, and participate in the development of sound public policy, including legislative and regulatory initiatives, where appropriate.

External Reporting:

Information on PSEG's EHS performance, systems, and issues should be periodically provided to external stakeholders by Corporate EH&S and the Businesses through, among other things, a periodic Corporate sustainability report that will be made available on PSEG's external website. The PSEG EHS Policy should be made available to the public on PSEG's external website.

Implementation of this element should consider Practices, procedures and protocols developed through the Communication Component and Issue Resolution Component of the Health and Safety System. The Communication Component of the Health and Safety System provides detailed guidance on a number of communication processes for various types of health and safety information to internal and external stakeholders.

References

[PSEG Practices, 615-2, Compliance Reporting and Investigation Practice](#)

[PSEG Practices, 615-4, Certification of Compliance with PSEG Standards of Conduct](#)

Corporate Safety Protocol - Recording and Reporting Occupational Fatalities, Injuries and Illnesses Protocol

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Element 13 - Monitor, Measure and Verify Performance

Basic Requirement

Processes shall be in place to monitor key operational parameters to anticipate and reduce the likelihood of EHS incidents, to track and report on progress against the objectives and targets, and to assess and verify compliance with legal and other requirements, including Internal Policies, Practices, Procedures and Protocols.

Specific Requirements

Annual Certification: To ensure compliance with the PSEG EHS Policy and EHS Program Guide, Businesses shall review their policies, programs, procedures and EHS management systems and complete annually the Certification of Implementation of the PSEG EHS Program Guide.

Inspections:

Scope and Frequency of Inspections - The frequency and scope of facility Inspections shall be dictated by the nature of the facility operations and applicable regulatory requirements, if any. Inspections will cover areas of significant potential EHS risk and potential liability.

Inspection Guidelines - Inspections shall be conducted utilizing appropriate guidelines, which may include Checklists. Inspection guidelines shall be reviewed periodically, and whenever relevant changes occur in technology, operations or applicable requirements. The guidelines will, as appropriate, be modified or supplemented in accordance with the results of those reviews.

Responsibilities for Inspections - Specific individuals shall be designated to conduct Inspections. These individuals will be knowledgeable in or receive appropriate training to ensure an understanding of the facility's operations, applicable EHS requirements, sound Inspection techniques, and Inspection guidelines requirements.

Corrective Action and Follow-Up for Inspections - Inspection findings and follow-up or corrective actions shall be documented. Follow-up or corrective actions shall be taken as soon as practicable.

Review of Inspections - Inspection findings will be periodically reviewed to verify that the Inspections are being conducted at the required frequency and that any findings noted are promptly corrected.

Self-Assessments:

Self-Assessments Scope and Frequency - Self-Assessments shall be performed annually at designated operating locations and programs to evaluate Compliance with applicable EHS requirements. Regulatory areas applicable to the location/program shall be covered during the Self-Assessment.

Self-Assessment Checklists - Self-Assessments shall be performed utilizing Checklists, which may be based on protocols provided by Corporate EH&S.

Responsibilities for Self-Assessments - Self-Assessments shall be conducted by personnel with requisite EHS expertise. Whenever practicable, Self-Assessments will be conducted with the assistance of personnel not directly involved with the Compliance activities being reviewed.

Self-Assessment Reporting - Self-Assessment findings shall be documented and maintained for a period of at least one year or as indicated on Company or Business-specific retention schedules. Documented findings will be used to track corrective actions and trends in findings.

Corrective Action and Follow-Up for Self-Assessments - Follow-up or corrective actions (including analysis to determine causal factors, where appropriate) shall be taken as quickly as practicable. Follow-up or corrective actions will be documented in a manner that can readily be used to demonstrate that reported findings were corrected in a timely fashion. Documentation of corrective actions shall be maintained for a period of at least one year or as indicated on Company or Business-specific retention schedules.

Self-Assessment Program Review - Self-Assessment programs shall be reviewed to verify that they are being conducted as required and that any findings noted are promptly corrected.

Audits:

Audit Scope and Coverage - Independent EHS audits shall be conducted to evaluate Compliance with applicable requirements. EHS audits will also assess the existence and effectiveness of EHS management systems to achieve and maintain Compliance.

Audit Frequency and Scheduling - A documented auditing schedule shall be maintained and will be reassessed annually. This reassessment will be based on the EHS risks and liabilities presented at each location. Changes to the auditing schedule occasioned by the reassessment will be documented.

Audit Team - A staff of qualified auditors shall be maintained at a Corporate level. The composition of an audit team for a particular audit will be determined and may include staff from Corporate EH&S and other qualified internal or outside personnel who do not have operational responsibility for the location being audited. A representative of the audited facility or program shall be invited to serve as a liaison to the audit team.

Documented Audit Protocols - Written EHS audit protocols for each functional area, based on applicable regulatory requirements and internal policies and procedures shall be maintained and periodically updated.

Audit Reporting - Audit findings and recommendations for corrective action shall be documented in a written report. The report will be distributed to the location and the management of the Business that was the subject of the audit. The report will be reviewed by legal counsel prior to distribution to management. Trends and especially significant findings will also be reported to senior management as appropriate.

Corrective Action and Follow-Up of Audits – Significant or Repeat Audit Findings shall be corrected as quickly as practicable, and, except in extraordinary circumstances, not later than three months after the date of the audit report. All other audit findings shall be corrected as quickly as practicable, and, except in extraordinary circumstances, not later than six months after the date of the audit report. The progress of corrective actions will be tracked and closure will be documented.

Periodic Program Review - The EHS audit program shall undergo a periodic independent

review to ensure that the program meets the standards promulgated by the Board of Environmental, Health and Safety Auditor Certifications and to generally improve the operational effectiveness of the program.

Operational Parameters:

Processes shall be in place to identify and monitor the key operational parameters that can be used to anticipate and reduce the likelihood of EHS incidents.

Performance Indicators:

Routine reports shall be developed and issued to Business management on performance results using the defined key performance indicators and other measures as appropriate. The EHS performance indicators and targets shall be selected by the Businesses by taking the following into account: metrics and targets from the “People” and “Green” quadrants of the PSEG-level balanced scorecard, PSEG EHS Policy objectives, strategic objectives, applicable Compliance obligations, and environmental aspects and health and safety hazards as described in Element 2.

Guidance

Implementation of this element should include information developed in the Data Analysis Component, Commitment, Participation and Assurance Component, Hazard Assessment and Control Component, and Incident Analysis Component of the Health and Safety System.

Element 14 - Implement Corrective and Preventive Action to Continuously Improve Performance

Basic Requirement

Corrective and preventive actions shall be taken to address the underlying causes of accidents and incidents, findings from inspections, Self-Assessments, independent audits, failure to meet performance objectives and targets, and external complaints, in order to continuously improve EHS management systems and performance.

Specific Requirements

Tracking Site-Level Compliance Performance: Results of facility Inspections and Self-Assessments shall be assessed to track progress over time and identify opportunities for improvements.

Review of EHS Program Guide: This Guide will be periodically reviewed and revised, as appropriate, in the context of prevailing PSEG and Business structure and governance, and applicable guidance, including ISO 14001, ISO 45001, the United States Sentencing Guidelines for Companies, the United States Department of Justice's Criminal Enforcement Policy and the Office of the Attorney General of the State of New Jersey's Criminal Enforcement Policy. The review shall be conducted at least every three years and will be led by the Director - EH&S Compliance and Planning.

Guidance

Corrective and preventive actions should be developed and implemented in a timely manner in response to accidents and incidents, findings from Internal Inspections, assessments and audits (See Element 13), findings from external inspections (See Element 12), inadequate progress against defined objectives and targets, and complaints from external stakeholders where appropriate. Corrective and preventive actions should be based on assessment of the underlying causes of these findings and issues.

Guidance may also be found in the Administration and Measurement Component and Communication Component of the Health and Safety System.

References

PSEG Environment, Health and Safety Program Guide, Element 12, Communicate with Internal and External Stakeholders, PSEG Environment, Health and Safety Program Guide, Element 13, Monitor, Measure and Verify Performance

Key Roles and Responsibilities

The Director – EH&S Compliance and Planning is the contact for any questions regarding this Practice.

Revision History

Date	Material?	Summary of Changes
9/12/17	No	Updated to include Applicability and Revision History Sections
9/15/20	No	Updated to acknowledge the replacement of the recognized international standard for occupational health and safety management systems (OSHAS 18001 replaced by ISO 45001), organizational changes, changes in referenced PSEG Practices, other edits to improve clarity and to put into format of the Updated Guidance Link 2020.
9/24/2020	No	Updated the phrase "Internal Policies, Practices and Procedures" to "Internal Policies, Practices, Procedures and Protocols" and labeled all the Safety Practices as Protocols to ensure consistency with Policy 2.

References

The other PSEG Policies and Practices listed below apply to all PSEG Businesses unless noted otherwise in the Policy or Practice. This Guide does not take the place of the PSEG Policies and Practices listed below:

[PSEG Policy, 2, Environment, Health and Safety](#)

[PSEG Policy, 8, Business Conduct and Integrity](#)

[PSEG Practice, 610-1, Internal Audit Charter](#)

[PSEG Practice, 615-2, Compliance Reporting and Investigation Practice](#)

[PSEG Practice, 615-3, Business Conduct Compliance Program](#)

[PSEG Practice, 615-4, Certification of Compliance with PSEG Standards of Conduct](#)

[PSEG Practice, 105-1, Records Management](#)