

## Note to Readers

We use a tiered system based on API Recommended Practice 754 to analyze and report on our process safety incidents. These incidents include liquids spills and natural gas releases. Using this system, we determine which incidents are reportable and significant for our Board of Directors.

For the purpose of our CSR & Sustainability Report, we define these incidents as follows:

- **Reportable** – Incidents that meet the definitions for Tier 1 or Tier 2 process safety events. Reportable Incidents are events of consequence that we are required to report to our Board of Directors.
- **Significant** - Incidents that meet the definition for Tier 1 process safety events. These incidents have more serious consequences than Tier 2 events.

See below for a detailed description of our incident reporting criteria, including definitions of Tier 1 and Tier 2 events. These reporting criteria take into account the balance of different regulatory requirements in the various jurisdictions in which we operate. They also take into account high potential near-misses.

Our management may decide to upgrade how we classify any event—including those that did not result in any spills, releases or harm, but that were potentially serious—to a higher tier if they deem doing so to be prudent. As such, the incidents that we include in this report have not all resulted in a spill or release.

### *Process Safety Event Definitions*

We define our tiered system of reporting criteria as follows:

***Tier 1 Process Safety Event*** - A Tier 1 process safety event is a loss of primary containment of the greatest consequence. It is an unplanned and/or uncontrolled release of flammable or hazardous<sup>1</sup> material that directly results in: an employee, contractor or subcontractor “days away from work” injury; any injury to a third party that is serious enough to require hospital admission; an officially declared community evacuation or community shelter-in-place<sup>2</sup>; any fire or explosion that is not small enough to be classified as Tier 2. For LP and GPP, motor vehicle fires that were not ignited on the property are classified as Tier 2; an event resulting in major environmental damage, such as a release that covers more than 0.1 hectares (0.25 acres); and product loss of more than the Tier 1 threshold quantity as shown below.

Our management may also classify a Tier 2 process safety event as a Tier 1 process safety event if they deem the event to be significant.<sup>3</sup>

***Tier 2 Process Safety Event*** - A Tier 2 process safety event is a loss of primary containment that results in a lesser consequence. It is an unplanned or uncontrolled release of flammable or hazardous<sup>1</sup> material that directly results in: medical aid for an employee, contractor or subcontractor; immediate moderate risk consequences or moderate off-site consequences<sup>4</sup>; a fire or explosion that can be locally contained and extinguished causing little to no damage; and an event resulting in localized environmental damage, such as a release that covers more than 100 square meters (1,080 square feet).

Our management may also classify a Tier 3 process safety event as a Tier 2 process safety event if they deem the event to be important.

***Tier 3 Process Safety Event*** - A Tier 3 process safety event represents the failure of one or more layers of protection in our safety system where the severity of the incident or the volume of substance lost from primary containment is less than the Tier 2 threshold. Tier 3 events are internally categorized as near misses, close calls or non-hazardous leaks depending on the department or business segment. While Tier 3 events do not involve appreciable damage or harm, we investigate high potential Tier 3 events, as they represent an opportunity for us to learn how to prevent similar, yet potentially more serious, incidents.

<sup>1</sup> For GD, hazardous material includes carbon monoxide (CO) downstream of the meter where the release or consequences are partly or wholly caused by GD or its contractors.

<sup>2</sup> For GD, this threshold is set at 1,000 premises or greater and also includes disruption of service for more than 1,000 customers.

<sup>3</sup> Our management may include damage to reputation when making this assessment.

<sup>4</sup> For GD, this threshold is set at 100 to 1,000 premises or greater, and it also includes disruption of services for 100 to 1,000 customers.