THIRD PARTY VERIFICATION

PIPELINE SAFETY TRUST
OCTOBER 18, 2018
CORAL LUKANIUK – DIRECTOR, PERFORMANCE PARTNERSHIPS
CEPA MEMBERS
CEPA MEMBER PIPELINE NETWORK

- Gas pipeline
- Oil pipeline
INTEGRITY FIRST

CEPA VISION:
A safe, socially and environmentally sustainable energy pipeline industry for Canadians.

CEPA INTEGRITY FIRST PURPOSE:
To continuously improve safety and overall performance of Canada’s transmission pipeline industry.

PRINCIPLES

SAFETY
ENVIRONMENT
SOCIO-ECONOMIC

1. ADOPTION
2. IMPROVEMENT
3. CREDIBILITY

GOALS
PRINCIPLES AND PRIORITIES

SAFETY
Ensuring safe communities and workplaces

ENVIRONMENT
Minimizing the impact on the environment and biodiversity throughout the lifecycle of a pipeline

SOCIO-ECONOMIC
Developing active relationships and mutual understanding with communities in regions where we operate

PRIORITIES

SAFETY
Control room management
Damage prevention
Emergency management
Pipeline integrity
Safety management
Security

ENVIRONMENT
Environmental stewardship
Water protection

SOCIO-ECONOMIC
Indigenous relations
Land use and access
INTEGRITY FIRST CYCLE: A SYSTEMATIC APPROACH

Each member company is free to develop and apply a management system approach that works best for their organization.
STAGE 4: THIRD PARTY VERIFICATION

- This stage was developed by learning from other industries
- Verification takes place after the 2\textsuperscript{nd} self-assessment and every 4 years thereafter
- Verifier(s) independently:
  - Evaluate a member company’s self-assessment maturity level for a given priority area(s)
  - Assess the broader adoption of the Integrity First program
- Third party verification was introduced in 2016

Verifying Integrity First self-assessments is the act of observing the existence of evidence that establishes a clear link between priority area criteria and a member company’s self-assessed maturity level.
VERIFIER REQUIREMENTS

Independence
- Apply rigorous conflict-of-interest (COI) controls so as to ensure services provided are impartial and free of conflict of interest
- Cannot have worked for a minimum of two years before; one year after
- Does not have legal or beneficial ownership ties to the company
- Cannot consult during the verification

Qualifications
- Demonstrate evidence of competency in the pipeline industry including knowledge of the general business structure, functions, and related terminology
- Have a minimum of five years of verification, relevant management system verification, or certification experience
- Knowledge of Integrity First

Other
- Confidentiality
- Training
- Quality assurance
Purpose

• Provides structure to enable a Verification Service Provider (VSP) to verify member company self-assessments in a consistent manner
• Provides CEPA and member companies with understanding of the verification methodology

Outcomes

• Outlines there are two outcomes – verified / non-verified
• **VSP will conclude a self-assessment ‘verified’ at the self-assessed maturity level so long as all criteria are verified**

Timing

• Takes place immediately after self-assessment
VERIFIED AREAS

- Emergency Management – 2016
- Pipeline Integrity - 2017
- Control Room Management – 2017
- Damage prevention – 2018 (currently underway)
Verifier observations

We’ve seen improvements to management systems made by all member companies over the past three years.

Member companies have increased their understanding of what it takes to sustain an effective management system over time, as evidenced by better documented procedures and tools.

Member companies are implementing learnings from CEPA working groups and knowledge networks, which seems to be accelerating progress in maturity levels.
WHAT OUR MEMBERS ARE SAYING ABOUT INTEGRITY FIRST

Shift in mindset

“enables sharing of lessons learned and pitfalls to avoid”

“has been a strong catalyst to having a strong management system”

“resulting in improvements in priority areas”

“facilitates industry collaboration”

“it is a measure of what you do and where you are in a point in time”

“be humble; be honest...this is about improving”

“provides a consistent approach”

“allows members to focus on meaningful priorities”

“has helped with formality and discipline”