

Environmental Management System Aspects Risk Assessment Methodology

PHX075

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Purpose Of This Policy

To define a process and methodology for identifying aspects, assessing risks and impacts and subsequent mitigations.

Aspect And Impact Management

Aspect and Impact Management is critical to the functioning of the Environmental Management System.

Phoenix use an aspect-based risk assessment. These will take place on an annual basis or when significant changes are proposed or occur.

The following stages are required to perform the risk assessment:

Identify the Aspects and Impact Values

The first stage of the risk assessment is to identify aspects as detailed in the Environmental Management System Manual 6.1.

Each aspect must be recorded in the Environmental Aspects Register. Each aspect identified should have the following:

Category

High level category association to identify the aspect category.

Impact

An understanding of the potential impact of the environmental aspect must be identified for appropriate mitigation action to be identified.

The assessment must identify what the environmental impact may affect including Air; Water; Land; Noise; Flora & Fauna; and Community. The impact would then need to be taken into consideration for mitigation actions and identification of a "Significant Impact".

A "Significant Impact" is any aspect considered High Risk upon assessment. Significant impacts must have every effort made to reduce the risk. The risk cannot be accepted without approval from the Managing Director.

Regulation and Governance Control

If applicable, the associated legislation or regulation control must be identified to identify any statutory requirements of identified aspects.

Impact Value

Impact Values are critical in the risk assessment as it is one of the required fields for calculating the risk scores.

The significance criteria is as follow:

Significance Criteria	Rating Scheme
Legal liabilities: is the aspect regulated?	Low (0) – no legal regulations High (10) – legal regulations
Public/image concerns	None (0) – No press exposure. Limited, if any, impact on customers. Low (1) – Localised negative impact on reputation (such as a single large customer) but recoverable. Less than optimal acceptance by customers. Medium (2) – Negative media coverage in a specific region. Ineffective products or services provided to customers or delay in customer delivery. High (3) – National or international media coverage (not front page). Failure of ability to meet customer needs, e.g., significant quality issues, customer delays or inability to deliver products to customer. Very High (4) – Sustained national negative media coverage (front page). Significant loss or harm of customer relationship(s) including customer shut downs.
Difficulty or cost of changing the impact	None (0) – Zero financial or resource cost to implement mitigations. Low (1) – One week or less worth of resource or less than £1000 in cost to implement mitigations. Medium (2) – One month or less worth of resource or less than £4000 in cost to implement mitigations. High (3) – Six months or less worth of resource or less than £12000 in cost to implement mitigations. Very High (4) Six months or more worth of resource or more than £30000 in cost to implement mitigations.
Frequency: what is the frequency of occurrence of this environmental aspect?	Low (1) – Once in 10 years or more Medium (2) – More than annually, less than once in five years. High (3) – Annually Very High (4) – Occurs monthly or more frequently
Severity: what is the overall severity (scale, harm to environments, duration)?	Low (1) – Could result in one or more of the following: injury or occupational illness not resulting in a lost work day, minimal environmental impact, or monetary loss less than £100K. Medium (2) – Could result in one or more of the following: injury or occupational illness resulting in one or more lost work day(s), reversible moderate environmental impact, or monetary loss equal to or exceeding £100K but less than £1M. High (3) – Could result in one or more of the following: permanent partial disability, injuries or occupational illness that may result in hospitalisation or at least three personnel, reversible significant environmental impact, or monetary loss equal to or exceeding £1M but less than £10M. Catastrophic (4) – could result in one or more of the following: death, permanent total disability, irreversible significant environmental impact, or monetary loss equal to or exceeding £10M.

Degree of controls already in place	Slight degree of control (4) – An awareness amongst the Environmental Management Committee Moderate degree of control (3) – Firm understanding of the requirements needed. Medium degree of control (2) – Controls audited by internal auditor. High degree of control (1) – Controls audited by external auditor.
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The scores of each criterion are then added to provide an overall risk score.

Risk Treatment

The inherent risk score is used when determining what risks/aspects need to be treated, the order in which risks should be treated and when the risk should be reviewed.

Inherent Risk Total Value	Risk Rating	Mitigations Required
1-5	Low	Not required, risk can be accepted without further mitigations. Reviewed every two years.
6-18	Medium	Every effort should be made to reduce the risk, can be approved by the risk owner. Priority agreed with Risk Owner. Reviewed annually.
19-30	High	Every effort should be made to reduce the risk, cannot be accepted without approval from the MD. Highest Priority assigned. Reviewed annually.

Mitigations

Based on the inherent risk score mitigations, controls must be identified that will reduce the probability and/or the risk impact.

Examples:

- transfer the risk to a third party – e.g. to an insurance company by buying an insurance policy
- avoid the risk by stopping an activity that is too risky, or by changing the procedure
- implement additional monitoring – e.g. if energy usage is checked monthly the probability of it exceeding 45,000kWh is reduced.
- do nothing – if, for instance, the cost for mitigating that risk would be higher than the damage itself

Multiple mitigations can be used for each risk.

Risk Status

Risk Status should be updated in the risk register based on status of the Risk treatment actions:

Risk Status	
Open	Risk identified but mitigations currently not in identified or not approved
In Progress	Mitigations identified and approved, tracked on the Risk Treatment Plan
Accepted	Risk Accepted, the cost of mitigating the risk further would be higher than the damage caused

Reviews Of Risk

Risks should be reviewed in accordance with the Inherent Risk Values to ensure the mitigations/controls in place are still effective.

Intended Audience

This policy applies to all members of staff and third parties that may impact the Environmental Management System by Phoenix.

Version Control

<u>Author</u>	<u>Version</u>	<u>Date</u>	<u>Description</u>
EMC	1.0	24/12/2019	Original Document
EMC	1.1	28/02/2020	Definitions of ratings scheme built out
EMC	1.1	05/01/2021	Annual review – no changes
EMC	1.1	07/01/2022	Annual review – no changes
EMC	1.1	13/02/2023	Annual review – no changes

Document Approval

<u>Name</u>	<u>Version</u>	<u>Date</u>	<u>Position</u>
Sam Mudd	1.0	24/12/2019	Managing Director
Clare Metcalfe	1.1	28/02/2020	Operations Director
Amy Trimble	1.1	05/01/2021	Governance Manager
Amy Trimble	1.1	07/01/2022	Governance Manager
Clare Metcalfe	1.1	13/02/2023	Operations Director

Signed: *Clare Metcalfe* Clare Metcalfe, Operations Director

Dated: 13/02/2023