



Policy Name: Health, Safety, Environment & Social Responsibility
Policy Number: A136
Policy Owner: VP of Health, Safety, Environment & Social Responsibility
Policy Approver: Chief Executive Officer
Approval Date: November 15, 2014

Policy Statement

We at Nexen recognize that responsible management of health, safety, environment & social responsibility (HSE&SR), following CNOOC Limited's Health, Safety and Environment Philosophy, is vital to our growth and prosperity. This HSE&SR Policy set outs Nexen's HSE&SR commitments and principles intended to guide actions and decision-making.

1. Definitions

Contractor – Company or individual engaged by Nexen to provide services under a consulting or other contractual arrangement; includes a subcontractor.

HSE&SR - Health, safety, environment and social responsibility.

Nexen (or the Company) – Nexen Energy ULC and its majority-owned subsidiaries and affiliates for which it has managerial responsibility.

Process Safety Management – The prevention of, preparedness for, mitigation of, response to, and recovery from a process safety event.

Social Responsibility - Anticipating and managing the social risks and impacts of our business activities by engaging, with integrity, transparency and respect, to build trust with stakeholders, and by providing timely transparent and accurate reporting of our non-financial performance through sustainability reporting.

Sustainability - Integrating health, safety, environmental, social and broader economic considerations into decisions and actions to meet current needs and those of future generations.

2. Objectives

The objective of this HSE&SR Policy is to achieve best-in-class performance in health, safety, environment and social responsibility with an ultimate goal of zero harm to people and the environment.

3. Persons Affected

This HSE&SR Policy applies to all employees and Contractors of Nexen.

4. Policy

As an upstream oil and gas company that discovers and develops energy resources in some of the world's most significant basins, we commit to:

- conduct our business with respect and care for people and the environment, following the principles of risk management and Sustainability,
- comply with or exceed the regulatory requirements of the jurisdictions in which we operate,
- support the advancement of technologies and industry best practices and apply them where they will improve our operations,
- steward and continually improve our performance through the application and operational execution of our HSE&SR Management System,
- respond promptly, decisively and responsibly to incidents and other departures from planned arrangements and investigate them to prevent recurrence,
- set objectives and report our performance in a transparent and timely manner,
- provide a safe and attractive work environment characterized by respect, trust and cooperation, and
- maintain a Company-wide culture that supports HSE&SR.

We adhere to the following principles:

Leadership

Nexen's leaders, by their example and the application of Nexen's leadership tools, will embed the commitments and principles of this Policy in the way we operate and conduct business.

Process Safety

In order to protect the public, our workers and the environment, process safety hazards will be controlled and minimized through the diligent application of systematic Process Safety Management practices and procedures.

Occupational Health and Safety; Industrial Hygiene

With a target of zero harm to our employees, Contractors and the communities where we work, we will identify, assess, evaluate and control hazards associated with our facilities, offices, operations and practices and rigorously apply Nexen's 'Life Saving Rules'.

Environment

We will continually evaluate and apply ways to reduce the impact of our operations on air, water, land and biodiversity. We will minimize waste and steward our products to protect people and the environment.

Social Responsibility

We will engage openly and honestly with people affected by and with an interest in our activities, and develop collaborative and mutually beneficial relationships with our stakeholders. We will work with host communities so that they may participate in the benefits from Nexen’s energy development. We will respect universal human rights in accordance with Nexen’s Human Rights Policy.

5. Roles and Responsibilities

Nexen’s Chief Executive Officer will establish key results objectives aligned with this Policy and enable Nexen to achieve the objectives and the commitments of this Policy.

The Nexen Global HSE Committee will assist Nexen’s Board of Directors in overseeing the development, implementation and monitoring of policies and programs that manage HSE&SR issues to ensure that Nexen continues to institute best-in-class practices appropriate for a company of Nexen’s size and complexity. The Nexen Global HSE Committee will also provide governance and oversight of this Policy to ensure that Nexen achieves key results objectives and the commitments of this Policy.

The Vice President, Health, Safety, Environment & Social Responsibility will maintain this Policy and put this Policy into action by establishing, implementing and maintaining the Corporate HSE&SR Management System.

Nexen supervisors and leaders will require adherence to the principles of this Policy and related standards, procedures and rules by our employees, Contractors, suppliers, partners and agents; and will share with them information and experiences that will improve performance.

Nexen employees and contractors will follow this Policy and HSE&SR standards, procedures and rules.

6. Revision History

DATE	REVISION #	DESCRIPTION OF CHANGE
November 15, 2014	5 th Revision	- Major revision of policy in order to align with CNOOC HSE Philosophy and update content to reflect current practices
July 22, 2010	4 th Revision	- Section 5: revised mandates of Executive Committee and HSE&SR Board Committee
January 25, 2010	3 rd Revision	- Section 4.1 and 5: Changed wording from ‘ensure’ to ‘takes all reasonable steps’
May 1, 2009	2 nd Revision	- Full content revision based on benchmarking review - Format change
May 10, 2007	1 st Revision	- Further information provided regarding section 3



		- Definition of 'Sustainability' changed to reflect current reporting standards
November 1991	Policy creation	