



PETRO-CANADA P O L I C I E S

TOPIC: **TOTAL LOSS MANAGEMENT**

DATE: 02/05

APPROVED: Chief Executive Officer

Petro-Canada provides products and services that satisfy the needs of customers around the world. Our operating activities and our products can impact people, the environment, property and corporate assets. It is a fundamental commitment of the Company to safely manage such impacts.

This commitment will be demonstrated in all material plans, decisions and actions of the company, its employees and its contractors by:

- providing a safe work environment;
- developing the competency of a well-trained workforce;
- protecting the health, security and well-being of employees;
- avoiding, minimizing or safely managing the impacts of our operations on the natural environment and on the communities in which we operate;
- dealing openly with stakeholders who may have an interest in our operations or development projects;
- supporting research on the health and environmental effects of our products, processes and wastes;
- avoiding waste and conserving energy and natural resources;
- setting and reviewing prudent environmental, health and safety targets; and
- establishing appropriate programs aimed at compliance with applicable regulatory standards

To support these goals, Petro-Canada incorporates a Total Loss Management (TLM) system in its business and operations. TLM serves as the company's overarching framework for environment, health and safety performance, providing clear management expectations, detailing employee responsibilities and serving as a mechanism for ongoing stewardship and continuous improvement through a program of regularly scheduled facility audits.

Petro-Canada will make efforts to inform workers, governments, customers and the public about potential hazards inherent in the nature of our work or in the products we handle and sell. The Company recognizes that each has a role with Petro-Canada in protecting themselves, others and the environment from potential hazards.

Our managers, employees and others engaged on our behalf are expected to carry out their duties in a manner designed to protect themselves, their fellow workers, the public, the environment and the physical assets of the Company. Guidance is available to customers in the safe handling of our products during transport, storage, use and ultimate recycle or disposal. We are prepared to respond to unplanned events with suitable emergency plans and management processes.

POLICY: TOTAL LOSS MANAGEMENT

Petro-Canada's vice-presidents/officers are responsible for the implementation of this policy and the TLM system in their specific areas of responsibility and will support Company-wide initiatives. They shall regularly report the TLM performance for their operations to the Environment, Health and Safety Committee of the Board of Directors, measured against recognized standards and benchmarks.

The Executive Leadership Team is responsible for the approval, maintenance, regular review and interpretation of this policy; and for providing the resources required for the continual improvement and implementation of TLM programs.

Petro-Canada is one of Canada's largest oil and gas companies, operating in both the upstream and downstream sectors of the industry. Petro-Canada owns and operates crude oil and natural gas production facilities, gas plants, oil sands production facilities, refineries and a lubricants manufacturing plant. We are also involved with associates and co-owners in several Canadian East Coast offshore crude oil projects, oil sands production, international oil and gas production and in a network of wholesale and retail facilities across Canada.