

**ATTACHMENT A**

**SOUTHERN CALIFORNIA GAS COMPANY  
SAFETY CULTURE IMPROVEMENT PLAN**



# Safety Culture Improvement Plan

*Advancing Our Safety Culture, Together*

July 29, 2022

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## I. Vision and Objectives

Southern California Gas Company's (SoCalGas) Safety Culture Improvement Plan (Plan) is a comprehensive effort to strengthen SoCalGas's safety culture<sup>1</sup> and build upon our learning and continuous improvement values. Our Plan details fifteen initiatives, structured to advance and accomplish five interconnected growth and improvement opportunities and workstreams. The development and implementation of this Plan embraces the importance of a holistic view of safety and is intended to advance more systematic efforts to understand and improve safety culture.<sup>2</sup> To frame and promote these efforts, SoCalGas articulates the following vision for its safety culture:

**"A CULTURE THAT EMBRACES LEARNING, CONTINUOUS IMPROVEMENT, AND RISK MITIGATION AS CORE ASPECTS OF OUR SHARED DUTY TO PROTECT THE PUBLIC, THE ENVIRONMENT, OUR SYSTEM, AND EACH OTHER."**

Evolving our culture will build upon existing strengths, identify opportunities to improve, and require shifts in thinking at every level in the organization. The Plan is guided by several safety concepts: Human and Organizational Performance,<sup>3</sup> High Reliability Organizations,<sup>4</sup> and Learning Organizations.<sup>5</sup> Consistent with these concepts, we will need to collectively view safety as more than just the absence of incidents, but as the increased capacity to do work safely. We will also need to increase the focus of our event learning efforts on "what" went wrong versus who made a mistake. We need to recognize that rules alone cannot entirely mitigate risk; accordingly, we need to empower and enable our employees to more actively manage risks to promote safety.<sup>6</sup> Through this evolution, we can strengthen systems and processes such that, when there is an error, there is the capability to fail safely.

For our Safety Culture Improvement Plan to effectively integrate within our company culture, it must not only enhance our culture, but also reinforce and advance our mission, overarching enterprise values, and our Safety Management System (SMS) Safety Values. SoCalGas's mission is:

**"TO BUILD THE CLEANEST, SAFEST, MOST INNOVATIVE ENERGY COMPANY IN AMERICA"**

To accomplish this mission, SoCalGas is guided by three overarching enterprise values:

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<sup>1</sup> In the 2EC Assessment, 2EC used the following definition of "safety culture": "the shared values, attitudes, beliefs, perceptions, and behavioral norms related to risk and safety." SoCalGas believes this is an appropriate and helpful definition and uses this definition to guide our Plan. SoCalGas understands that the California Public Utilities Commission may develop a new definition in Rulemaking. 21-10-001.

<sup>2</sup> To adopt a systematic approach, SoCalGas's Plan details our proposal and plan to create a shared vision for culture, specify responsibilities, create plans and actions, assess culture on an ongoing basis, evaluate processes and progress, and engage in sustainment and improvement actions.

<sup>3</sup> Human and Organizational Performance is a risk-based operating philosophy which recognizes that error is part of the human condition and that an organization's processes and systems greatly influence employee actions and choices, and consequently, their likelihood of success

<sup>4</sup> High Reliability Organizations is an approach detailing how organizations can develop more predictable and repeatable systems that support consistent operations while catching and correcting potential errors.

<sup>5</sup> Learning Organizations is a learning philosophy focused on how systems and processes can create, acquire, and transfer knowledge, and how they can effectively modify behavior to reflect new knowledge and insights.

<sup>6</sup> The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation, and supports the achievement of objectives. Risk management helps us anticipate both positive opportunities and negative consequences associated with risk and allows for more informed and effective decision making.

### Do the right thing

- We are guided by our ethics, our focus on safety and our willingness to stand for what is right.

### Champion people

- We invest in people and value diversity and inclusion because it elevates performance and helps us partner responsibly.

### Shape the future

- We are forward thinkers who innovate and collaborate with stakeholders to make a positive difference

In support of these overarching enterprise values, SoCalGas has deployed a Safety Management System that is built on a foundation of seven Safety Values. Our Safety Values influence every aspect of our business and guide our safety efforts.

<b>Leadership Commitment</b>	SoCalGas is fully committed to safety as a core value. SoCalGas’s leadership is responsible for overseeing reported safety concerns and promoting a strong, positive safety culture and an environment of trust that includes empowering employees to identify risks and to “Stop the Job.”
<b>Risk Management</b>	SoCalGas manages risk through a structured, data driven approach that identifies threats and hazards, assesses, and prioritizes risks, implements mitigation efforts and engages in assessments and reviews.
<b>Employee and Stakeholder Engagement</b>	SoCalGas encourages and expects employees to take ownership and actively engage in safety practices, and openly share and receive information with one another, contractors and external stakeholders to continuously enhance safety practices.
<b>Competence, Awareness, and Training</b>	SoCalGas is committed to providing employees with the proper tools, resources, training and oversight to promote safe operations. This includes training tailored to specific roles and educating employees on why training, policies and procedures are important to safety.
<b>Emergency Preparedness and Response</b>	SoCalGas maintains readiness to promptly respond to emergency incidents and events through an Incident Command System that incorporates response planning, training and equipping of personnel and coordination with first responders and external stakeholders.
<b>Safety and Compliance Assurance</b>	SoCalGas maintains operational policies and procedures that document safety practices, standards and compliance with applicable regulations and follows a “management of change” process to structure change when new policies and procedures are implemented.
<b>Continuous Improvement</b>	SoCalGas strives to continuously improve and strengthen its safety performance and culture by setting clear and measurable goals, assessing safety performance through audits and self-assessments, inviting employee feedback and applying lessons learned from incidents and near miss events. SoCalGas also shares safety best practices with peer gas utilities and best in class companies in other industries.

Consistent with the above mission and values, SoCalGas has strengths we will leverage to drive improvement, including: our strong cultural focus on personnel safety; our understanding of the importance of following rules, policies, and external regulations; and our desire and willingness to learn and improve. We seek to leverage our strengths to encourage learning, continuous improvement, and a holistic view of safety; further embed these qualities into our culture, systems, and processes; and embrace a more dynamic understanding of safety and risk, consistent with the changing environment of our work. Our Plan is not only designed to build on strengths, but also seeks to grow and improve based on the four themes that emerged from the “Independent Safety Culture Assessment of SoCalGas and Sempra Energy,” a Report by Evolving Energy Consortium (2EC) (2EC Assessment), and includes an additional fifth theme focused on maturing as a Learning Organization.<sup>7</sup> Based on these aspirations, SoCalGas has identified the following Plan objectives:

<b>Drive a holistic view of safety</b>	Build and operationalize a comprehensive understanding of safety across the organization
<b>Enhance dynamic risk assessment capability</b>	Develop a more dynamic approach to risk assessment and enhance systems and processes
<b>Optimize safety operating model</b>	Enhance SoCalGas’s resource allocation approach and safety operating model in alignment with safety management goals
<b>Enhance SMS integration</b>	Expand data gathering and enhance integration across key safety information processes and systems
<b>Mature as a learning organization</b>	Enable and influence a shift in safety culture by fostering a more collaborative learning environment

SoCalGas developed the Plan to be both comprehensive and flexible, with extensive leadership involvement and engagement, and with all Company organizations supporting Plan development and implementation. The Plan will be a cross-organizational advancement of culture that impacts every level of the company and follows the “Plan-Do-Check-Adjust” model to allow for learning and continuous improvement.

This Safety Culture Improvement Plan outlines the key actions and efforts to evolve and enhance our culture. The Plan is organized around the following sections:

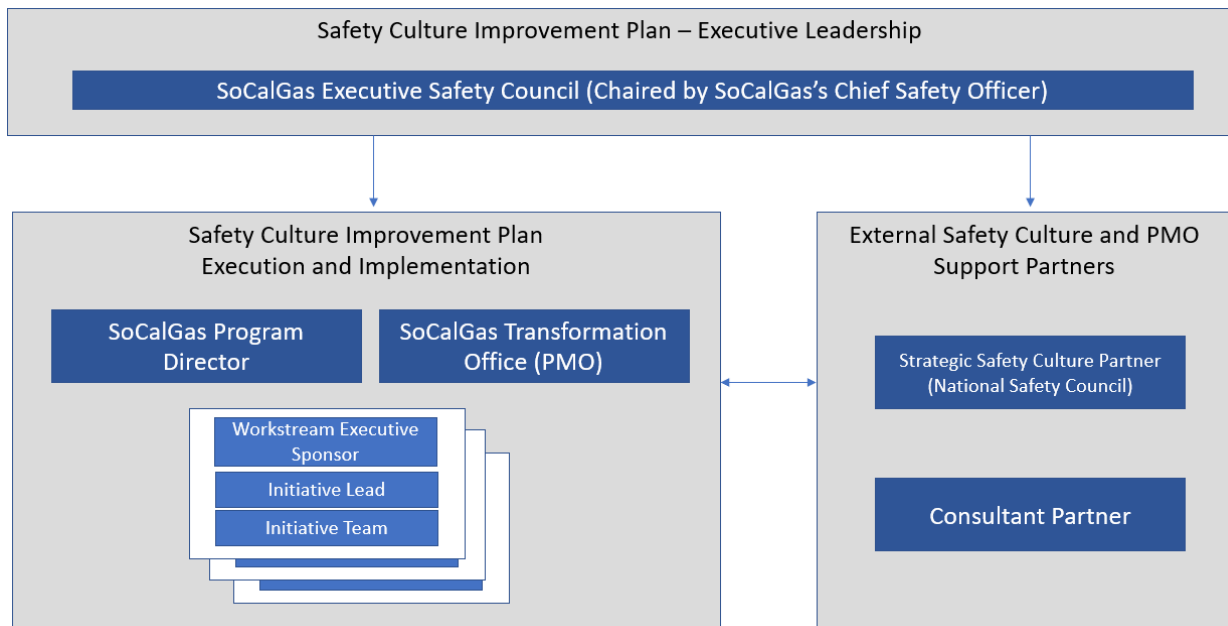
<sup>7</sup> In addition to the observations from the 2EC Assessment, our Plan incorporates feedback from other observations (for example National Safety Council Barometer Survey and American Petroleum Institute Pipeline SMS assessment), pre-existing internal initiatives, and SoCalGas-specific recommendations from a world-class safety culture expert.

<b>Vision and Objectives</b>	SoCalGas developed a comprehensive effort to strengthen SoCalGas’s safety culture, which is framed around an identified vision and intended to realize specific objectives.
<b>Roles and Responsibilities</b>	SoCalGas will facilitate engagement, accountability, and implementation by creating a program delivery structure, with specific roles and responsibilities to support implementation.
<b>Change Management, Communications, and Engagement</b>	SoCalGas designed robust change management processes to track and validate effective adoption, communication, and engagement strategies.
<b>Workstreams and Initiatives</b>	SoCalGas developed five workstreams and underlying initiatives to support targeted improvement actions and the overall culture change and advancement effort.
<b>Accountability Model</b>	SoCalGas developed processes to track implementation and measure outcomes to inform continuous improvement, and provide transparency to its regulators and stakeholders.

SoCalGas’s Safety Culture Improvement Plan is intended to be a living, learning, and evolving plan. The Plan activities, workstreams, and initiatives are intentionally interconnected and intended to proceed in a measured and strategic way so that the overall change effort can leverage new insights and information and continue to become more refined and effective. It will also become more detailed and refined in terms of methodologies, impacts, dependencies, and timelines as we move forward. For example, as discussed in Section II, Workstream Executive Sponsors, Initiative Leads, and Initiative Teams are responsible for workstream and initiative implementation. They are empowered to develop more detailed actions to enable effective implementation, consistent with Plan objectives and structure. Through these steps, and as we progress on this journey, initiatives may be modified to reflect learnings and continuous improvement. This Plan is not intended to map completion of our safety journey; rather, it frames what we plan to accomplish over the next 18 to 24 months as we complete this Plan execution phase and move to ongoing learning, continuous improvement, and sustainment.

## II. Roles and Responsibilities

We designed our program delivery structure to facilitate engagement, accountability, and a systematic approach to the Plan. It contains specific roles and responsibilities identified to support Plan implementation. These key roles are described and discussed further below.



**Program Sr. Executive Sponsor**

The SoCalGas Chief Safety Officer (CSO) provides senior executive oversight of the Safety Culture Improvement Plan and chairs the Executive Safety Council. The CSO is responsible for setting the vision, program agenda, and processes to manage and monitor progress. The CSO is the sponsor for the overall program, construct, and process, and is the voice of change for the organization – modeling behavior, leading communication and engagement activities, and collaborating with the teams and departments to resolve high-level strategy and operating model questions.

**Executive Leadership Steering Committee (Executive Safety Council)**

SoCalGas’s executive leadership provides oversight and guidance to the Safety Culture Improvement Plan through the Executive Safety Council. The Executive Safety Council is composed of SoCalGas executive leaders, including vice presidents and above, and provides feedback on the Plan, reviews alignment of vision and values, and enables the cultural evolution as it positions resources and talent to effectuate the Plan and advance its goals.

**Program Director**

The Program Director and his department provide strategic leadership and focus on Plan development and implementation. The Program Director is accountable for developing strategy, identifying process interdependencies, risks, and opportunities, and facilitating the effective development and implementation of the Plan.

**Transformation Office (Project Management Office)**

To support and facilitate the effective implementation of the Safety Culture Improvement Plan, SoCalGas is leveraging its existing enterprise Project Management Office (PMO) capabilities to create Safety Culture Improvement Plan PMO capabilities – the Transformation Office. The Transformation Office is designed to integrate, engage, and coordinate people and processes. The Transformation Office is focused on overall communication, engagement, and change management activities. Through



these efforts, the Transformation Office provides support to the Plan as a whole and to workstreams and initiatives to enable the capture and realization of cultural improvement value, which includes defining metrics, establishing baselines, and tracking progress.

#### **Workstream Executive Sponsor**

For each workstream identified in the Safety Culture Improvement Plan, a SoCalGas executive is identified to sponsor and lead the transformation. Through this approach, assigned executives will foster and drive comprehensive and cross-departmental engagement, support, and responsibility. The Workstream Executive Sponsors will be responsible for guiding and overseeing the activities of the Initiative Leads and Initiative Teams, participating in strategy development, and attending and participating in Plan meetings.

#### **Initiative Lead and Initiative Team**

Each workstream is composed of multiple initiatives. For each initiative, an Initiative Lead will be identified from across the enterprise to lead and manage the initiative through an Initiative Team. The Initiative Lead is responsible for building an execution plan, consistent with the approved Safety Culture Improvement Plan, and managing day-to-day execution of the initiative with the Initiative Team. The Initiative Lead and Team are responsible for delivering the initiative and addressing risks and resistance, with support from the Workstream Executive Sponsor. As the initiative is implemented, the Initiative Lead and Team will present findings to the Workstream Executive Sponsor through an update cadence established by the Transformation Office. This enables Workstream Executive Sponsor oversight and promotes effective implementation. To effectuate cross-initiative visibility and a programmatic view of these efforts, the Initiative Lead and Team will collaborate with the Transformation Office and Program Director to coordinate on progress, risks, and interdependencies.

#### **Strategic Safety Culture Partner**

SoCalGas engaged the National Safety Council (NSC) to provide expert advice and guidance on safety culture, and support SoCalGas's development and implementation of a prioritized strategic plan to improve and advance its safety culture.

#### **Consultant Partner**

In recognition of the magnitude of the project development and implementation activities, and the necessity to effectively identify and manage significant interdependencies and multiple initiatives, SoCalGas engaged a nationally recognized consulting firm.

### **III. Change Management, Communications, and Engagement**

Successful implementation of SoCalGas's Safety Culture Improvement Plan will be achieved through an overarching, comprehensive, and systematic framework to drive, attain, sustain, and continue to improve safety culture over time. The deployment of a robust and thoughtful change management strategy (along with the required communications and stakeholder engagement) is a critical success factor for the Plan.

## Change Management<sup>8</sup> Strategy

SoCalGas's Safety Culture Improvement Plan requires the engagement of thousands of employees and contractors. These individuals will need to adopt changes including new procedures, improvements to systems, and their mindset. SoCalGas recognizes the importance of effective change management when implementing any change, particularly changes on a large scale like the Safety Culture Improvement Plan. Implementing complex changes impacting the entire SoCalGas enterprise necessitates a focused and effective change management approach to realize lasting success.

Change management facilitates an organization's adoption of a change by supporting employees through the transition. Leadership, communication, and anticipating barriers are critical aspects of change management and are key components of this Plan.

## Change Management Resources

To address the challenge, SoCalGas will dedicate internal and external resources focused on change management. These will include partnering with the SoCalGas Enterprise Change Management team,<sup>9</sup> identifying employees that are certified change practitioners throughout the Company to support the Plan,<sup>10</sup> onboarding additional consultant resources,<sup>11</sup> and leveraging change networks across the Company, including SoCalGas's Safety Champions.<sup>12</sup>

Change practitioners will consider not only the impact of a desired change, but the capacity of individuals in the organization to undertake that change. SoCalGas recognizes that the important changes being developed for our safety culture may be in competition with other changes the Company is undergoing simultaneously. The 2EC Assessment identifies instances of employees reporting poor change management experiences in the past (*e.g.*, "change management by e-mail without any explanations"). These experiences can diminish an individual's acceptance of new change. Aware of these constraints, SoCalGas will be mindful in sequencing, pacing, and timing of the most impactful changes to key work groups and will look for opportunities to incorporate safety culture objectives and messaging into a wide range of existing frameworks and processes. Such integration is an important element for managing change fatigue, and for adopting a systemic approach to safety in which our safety perspective pervades a multitude of activities and communications, not just those that have a distinct safety focus.

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<sup>8</sup> Management of Change (MOC) and Change Management are different but complementary to each other. MOC focuses on identifying, mitigating, and controlling the potential risks associated with a change. MOC is focused on identifying what can be done to mitigate risks before a change is approved for implementation. Change Management is focused on facilitating an organization's adoption and use of the change, including how to communicate, effectuate, and sustain the change. SoCalGas recognizes that MOC steps will be necessary and appropriate for certain workstreams and initiatives.

<sup>9</sup> The Change Management Team works to build change management as an organizational competency, create an agile workforce that can anticipate, embrace, and overcome change impacts, and provide change management support for major projects and programs.

<sup>10</sup> SoCalGas has over 150 certified change practitioners across the company.

<sup>11</sup> SoCalGas has a long-standing relationship with Prosci, a global leader in change management solutions.

<sup>12</sup> SoCalGas's Safety Champions are dedicated employee representatives from operating areas who engage in ongoing two-way communication and provide feedback loops regarding safety topics.

## **Leadership Commitment and Sponsorship of Change**

Active and visible leadership commitment and sponsorship are critical to any change effort. An emphasis of SoCalGas's approach is that leadership continues to demonstrate commitment and belief in the change in a visible way. This approach is evident in (1) the role of the Executive Safety Council in providing oversight and guidance; (2) the Plan structure, which has assigned executive leaders sponsoring and accountable for workstreams and initiatives; and (3) the below communications plan, which calls for leaders to demonstrate strong and visible engagement and leadership, emphasizing their commitment to the change to employees at all levels.

## **Barrier Identification and Mitigation**

Identifying and removing the barriers preventing team members from accepting change is key to effective change management. SoCalGas plans to foster sustained two-way communication, not only to bring forth critical intelligence from the front line and build collaboration, but also to diagnose and understand potential barriers. SoCalGas also plans to leverage intentional and consistent messaging from the leadership level, flowing throughout the organization, to provide all employees encouragement to lean into the changes.

One potential barrier is basic awareness of the need to change. SoCalGas began communicating and building awareness of the 2EC Assessment following its issuance to support understanding of this important change activity. SoCalGas will continue to build awareness of the culture change effort as a company-wide branded communications campaign – “Safety Forward.” Consistent messaging through a variety of communication and stakeholder outreach channels under the “Safety Forward” brand will help to build awareness of the effort, its impact and benefits to all team members, and the organizational commitment behind it.

It is important to build not only awareness but also to inspire and gain support from all levels to implement and sustain the change. The Plan provides for working with team members to build trust and understanding of the changes and promote adoption of new practices and processes. Critical to change management effectiveness is to proactively identify the source and nature of resistance, understand the concerns, and to communicate the benefits to the team members involved. SoCalGas will leverage its existing change networks to communicate through the entire organization and to serve as channels for two-way communications. Cascading communications that activate the direct supervisor, who is best positioned to understand and provide appropriate individual context and attention, will play a critical role in addressing resistance and building support.

## **Continual Assessment, Learning, and Improvement**

The Plan includes new processes and approaches. Many of these activities will require new skills and knowledge that will be developed through training. Many initiatives will include specific training elements, and these are important in building the knowledge base needed to implement the Plan. While training is an important tool, SoCalGas will continue to assess opportunities to further support change adoption.

Formal training is well suited to building detailed knowledge of procedures and requirements; but the Plan goes beyond that, contemplating changes to day-to-day activities and attitudes that are not merely a matter of knowledge, but rather which come through practice, repetition, incremental process improvements, and effective coaching. Continually assessing and addressing barriers in team members' capabilities is an area where direct supervisors will play a key role in the Plan's success, and the direct supervisors must be supported in that role.

Culture change is particularly challenging from a change management perspective because it involves changes to existing beliefs and standards. Special emphasis must be placed on the benefits and reinforcement of this kind of change. Reinforcement will come through updates and enhancements to training and messaging to align with changed procedures and cultural aspirations, continued messaging and role modeling from leadership, and incorporation into performance goals.

### **Communication and Stakeholder Engagement Strategy**

SoCalGas has communicated to stakeholders about the 2EC Assessment and the early developmental efforts of the Safety Culture Improvement Plan through a variety of means, including in-person and virtual dialogues, meetings, Town Halls, e-mails, and intranet articles. The Safety Culture Improvement Plan builds upon communications of this kind by focusing the message on our safety culture, efforts to evolve and improve our culture, the work involved, and the impact and benefits to our stakeholders. These communications are designed to serve the change management goals described above, building awareness and support for the program, highlighting the commitment of the Company's leaders, and providing structure and support to the managers and supervisors who are integral to effective communications and dialogue.

The Safety Culture Improvement Plan communications strategy is oriented to address the unique challenge of changing and improving SoCalGas's culture. The challenge includes reaching employees and contractors with consistent messages, engaging them in two-way communications, and incorporating feedback into our approach as we move forward. As with other aspects of the Plan, the communications strategy will be executed with a continuous improvement approach and an acknowledgement that building participation and engagement is foundational to success. As such, communications tactics described below provide a starting framework that is expected to be modified and improved, while continuing to rely on two-way communication opportunities to the extent possible. This framework is designed with change management principles in mind, to deliver key messages from the most effective messengers to key internal and external constituencies. Communications and stakeholder engagement will promote transparency around our Plan process, timing, expectations, and leadership commitment.

The SoCalGas internal communications team has identified personnel to support this effort and drive cross-functional systematic and consistent messaging on this topic. The internal communications team will look to incorporate safety culture into messaging and communications on other topics. This approach to communications will also help to position safety as a systemic consideration throughout the entirety of SoCalGas's business activities.

Mass audience content will emphasize the commitment of leadership, reinforcing our objectives and vision, and highlighting the efforts and perspectives of front-line team members. More specific content, utilizing targeted communications channels and training, will be provided at a technical level appropriate to the audience and will address scenarios and observations most relevant to the targeted group. These efforts will utilize templates for discussions around safety, with focus on describing and illustrating how the efforts of various employees impact all aspects of safety, including thinking beyond compliance and personnel safety.

SoCalGas has identified several forms of communication to reach, reinforce, and sustain awareness, engagement, and support for the Plan. Two-way communication channels (emanating both from top leadership down throughout the entire Company, and from the frontlines on up throughout the enterprise) will be critical to our success. These channels apply to frontline field personnel, field

supervisors, managers, and leaders, as well as contractor personnel, who will be included as important contributing members and beneficiaries of SoCalGas's culture.

- *Virtual and in-person dialogues and base visits.* Ongoing leadership visibility, engagement, and dialogues on the Safety Culture Improvement Plan will help identify opportunities to improve the Plan through discussions on Plan effectiveness, and also demonstrate continued leadership commitment to this effort. During dialogues and base visits, leadership will provide updates on progress, field questions, and look for opportunities to leverage the energy and expertise of our engaged and informed employees. Following the dialogues and visits, SoCalGas plans to create a structure to provide a feedback loop on actions taken in response to conversations.
- *Planned communication opportunities.* At regular intervals SoCalGas plans to provide updates on the Safety Culture Improvement Plan, its progress, and its impacts and benefits. Some of these opportunities are designed to provide information and facilitate two-way dialogues around the Plan and related efforts – for example, Safety Town Halls and Safety Congresses. Other opportunities are intended to provide information to employees – for example, articles, interviews with internal stakeholders, and ongoing Chief Safety Officer messages. Emphasis will be placed on memorializing, considering, responding to, and/or acknowledging questions and suggestions.
- *Planned dialogue sessions, interviews, focus groups, and change networks.* Two-way communications provide an opportunity for additional learning and self-reflection on SoCalGas's safety culture, and are also an opportunity to activate and tap into the knowledge and creativity of team members with perspective on all aspects of SoCalGas's operations, at all levels. Two-way communications are central to the execution of Workstream 1 (Drive a Holistic View of Safety) and will be used in other contexts as well. In some cases, where the gathering of more structured data is needed, these may be performed by a consistently trained team and consist of facilitated conversations with set questions.
- *"Grassroot" forums, channels, and change champions.* SoCalGas will explore how it can facilitate and enable more grassroots dialogues and discussions throughout the organization. This could involve SoCalGas Safety Champions creating and leading discussions at the operating areas; local Safety Committees devoting time to discuss safety culture and the Safety Culture Improvement Plan to identify improvement opportunities; or creating other internal employee committees and forums to facilitate regular and cross-functional dialogue opportunities, consistent with some of the successful dialogue tools used in advancing Diversity, Equity, and Inclusion efforts. Finally, SoCalGas plans to include contractors in these dialogues to enable contractor engagement and discussions on safety culture.
- *Cascade communications originating at the senior leadership level that flow throughout the organization.* Cascade communications promote messages reaching employees of all levels, with appropriate context from the direct supervisor to promote buy-in and engagement at each location and level of the organization.
- *Regular agenda items on standing internal and external meetings and activities.* The Safety Culture Improvement Plan will be a regular agenda item on several ongoing, cross-departmental meetings. This will include senior leadership and leadership meetings, and operations-oriented meetings. It will include contractors, unions, boards and committees (see Sempra's Safety Culture Oversight and Initiatives), and external advisory committees. These agenda items are

intended to enable SoCalGas to share information with internal and external stakeholders and engage in dialogues around progress, lessons learned, and opportunities for improvement.

External communications to customers and to the public will be provided through direct channels as well as through Community Advisory Committees. At these venues SoCalGas will convey its holistic view of safety and will highlight actions SoCalGas is taking to protect public,<sup>13</sup> system,<sup>14</sup> and personnel safety. These channels will also provide information about the public's role in safety, including guidance on raising safety concerns to SoCalGas's attention. As noted above, communications to contractors will largely mirror internal communications in terms of content.

#### IV. Workstreams and Initiatives<sup>15 16</sup>

As highlighted above, the Safety Culture Improvement Plan will be implemented through five workstreams: (1) Drive a Holistic View of Safety; (2) Enhance Dynamic Risk Assessment Capability; (3) Optimize Safety Operating Model; (4) Enhance SMS Integration; and (5) Mature as a Learning Organization. SoCalGas has developed fifteen initiatives to support successful implementation of the five workstreams. Additional workstreams and initiatives may be developed based on ongoing learning, stakeholder and consultant input, alignment with in-flight initiatives, and overall program objectives.

The workstreams are directly aligned with the objectives of this Plan and are informed by the overarching themes outlined in the 2EC Assessment. Although SoCalGas has identified separate workstreams and initiatives to help facilitate orderly, structured, and effective implementation, the workstreams and initiatives are interconnected and focused on achieving our vision and objectives. The Plan envisions a comprehensive and enterprise-wide change; accordingly, the workstreams and initiatives are intended to work in tandem to realize lasting and meaningful change. For example, some

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<sup>13</sup> SoCalGas defines "system safety" as safety systems and processes associated with the design, construction, operation, inspection, and maintenance of SoCalGas's infrastructure.

<sup>14</sup> SoCalGas defines "public safety" as safety systems and processes focused on protection of our customers and the general public (i.e., emergency management, environmental safety, customer data privacy, security, and accessibility) and protection of the general public from harm caused by our operation of our assets.

<sup>15</sup> For each initiative, SoCalGas has analyzed the complexity of the expected activities, forecasted expected initiative duration, and used internal and external input to identify potential internal resource demands as well as potential external costs. To identify preliminary internal costs, SoCalGas used average hourly base rates multiplied by expected demands and duration. Additionally, because many of the Initiatives are enterprise-wide, in some instances, SoCalGas has included identifiable and estimable time demands on the SoCalGas workforce (e.g., all employees participating in training or dialogues), which have been included to provide a more complete perspective. In creating these estimates, SoCalGas has not included indirect costs. SoCalGas has also sought input on potential external costs to support the initiatives. This includes, for example, third party consultant support for facilitated dialogues, technical support in creating new training and learning modules, or third-party assessments of existing processes and practices. Finally, SoCalGas has identified certain Plan-level support costs including change managers, communications personnel, and ongoing consultant expertise to provide insight and support to the change management function, communications and engagement activities, and accountability model. SoCalGas estimates these Plan-wide costs to range between \$1.7M and \$1.75M. SoCalGas expects that cost estimates will become more refined as the Plan is implemented.

<sup>16</sup> The workstream and initiative schedule and cost estimates are approximately "Class 4" accuracy per the American Association of Cost Engineers. Class 4 estimates are generally prepared based on limited information, and subsequently have wide accuracy ranges. They are typically used for alternatives or concept screening, determination of feasibility, concept evaluation, and preliminary budget approval.

early initiatives inform or influence later initiatives, and some initiatives are intended to communicate similar and related concepts and changes but targeted to different audiences. In other words, the Plan consists of strategically linked and interdependent actions to realize change.

### **Workstream 1 – Drive a Holistic View of Safety**

Workstream 1 is intended to build and operationalize a comprehensive understanding of safety across the organization.

An important aspect of our safety culture improvement effort is aligning on a comprehensive understanding of safety that can inform, influence, and support other safety culture improvement workstreams and initiatives. Accordingly, in Workstream 1, SoCalGas will engage in dialogues to better understand current views and norms, understand opportunities to improve, and ultimately drive a more holistic view of safety. This will include conversations targeted to leadership, conversations and communications at all levels of the Company, and subsequent action to incorporate the resulting comprehensive understanding of safety into work processes, practices, and other Safety Culture Improvement Plan workstreams and initiatives.

Workstream 1 offers several important benefits: laying an early foundation for the Plan through dialogues, building trust, excitement, engagement, and informing and influencing later workstreams. Within Workstream 1, the first initiative involves leadership dialogues. These leadership dialogues will then inform broader enterprise-wide conversations about safety. The resulting shared, comprehensive understanding of safety will then influence Plan refinement, later workstreams, and be incorporated into Company documents, processes, and communications.

Workstream 1 initiatives include:

- *Initiative 1A:* Leadership dialogues to define and implement a more comprehensive concept of safety with guidance from an external expert
- *Initiative 1B:* Create a shared understanding of safety through an enterprise-wide communication plan, with focus on two-way engagement with stakeholders
- *Initiative 1C:* Review and update documents, processes, and communications to incorporate the comprehensive view of safety

## Initiative 1A - Leadership dialogues to define and implement a more comprehensive concept of safety with guidance from an external expert

NON-EXHAUSTIVE

### Initiative Actions

- Engage external expert to facilitate leadership dialogues and identify targeted learning and benchmarking opportunities
- Align leadership on a comprehensive concept of safety for SoCalGas – discussions of this comprehensive concept of safety should include consideration of public safety, system safety, employee safety, contractor safety, environmental safety, and the safety of vulnerable populations
- Enhance understanding of foundational concepts like safety, risk, and compliance, and their application in day-to-day work
- Refine the comprehensive concept of safety with feedback from the broader organizational dialogues (Initiative 1B)
- Evaluate whether the Plan should be refined based on Initiative 1A and Initiative 1B

### Key Benefits

- Comprehensive and consistent understanding of safety
- Common understanding of terms and definitions to facilitate dialogues and learning
- Visible leadership commitment to Safety Culture Improvement Plan
- Develop more cohesive organization mindset focused on safety and risk reduction
- Broader safety focus and awareness

### Completion Milestones

- Defined comprehensive concept of safety informed by safety culture experts

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Short (up to 6 months)

### Estimated Costs

- \$70,000 - \$80,000

### Potential Next Steps

- Use this initial broader conceptualization of safety to guide further dialogues and discussion (Initiative 1B)
- Once the broader concept of safety has been developed as part of Initiative 1B:
  - Communicate this broader concept of safety throughout the enterprise and to stakeholders
  - Use change management tools and practices to incorporate the broader concept of safety in actions, efforts, and documentation throughout the enterprise (Initiative 1C)
  - Use broader concept of safety to inform revisions and changes to Plan and other Workstreams





## Initiative 1B - Create a shared understanding of safety through an enterprise-wide communication plan, with focus on two-way engagement with stakeholders

NON-EXHAUSTIVE

### Initiative Actions

- Engage in dialogues and solicit feedback on safety and safety culture - discussions of this comprehensive concept of safety should include consideration of public safety, system safety, employee safety, contractor safety, environmental safety, and the safety of vulnerable populations
- Analyze feedback and identify potential action items
- Develop a comprehensive message and communication plan around safety culture, including engagement with internal and external stakeholders
- Share a comprehensive understanding of safety with the organization and how it impacts each organizational unit
- Share the concept of learning teams and mechanisms to communicate safety concerns upwards through the organization
- Evaluate whether Plan should be refined based on Initiative 1A and Initiative 1B dialogues

### Key Benefits

- More open and trusting employee environment
- Increased employee engagement
- Enhanced understanding of safety
- Common understanding of terms and definitions to facilitate dialogues and learning
- Increase a cohesive organization mindset focused on safety and risk reduction
- Broader safety focus and awareness

### Completion Milestones

- Prepared summary of outcomes and actions from dialogue sessions with stakeholders
- Defined comprehensive concept of safety informed by safety culture experts and aligned on at the leadership level

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$1,440,000 - \$2,360,000

### Potential Next Steps

- Communicate this broader concept of safety throughout the enterprise and to stakeholders
- Use change management tools and practices to incorporate the broader concept of safety in actions, efforts, and documentation throughout the enterprise (Initiative 1C)
- Use broader concept of safety to inform revisions and changes to Plan and other Workstreams

 SoCalGas.

## Initiative 1C - Review and update documents, processes, and communications to incorporate the comprehensive view of safety

NON-EXHAUSTIVE

### Initiative Actions

- As part of existing, ongoing review efforts, develop process to review and update documents (e.g., policies, procedures, practices) to (1) incorporate a more comprehensive view of safety; and (2) determine whether new concepts inform opportunities to streamline policies and procedures
- Enhance routine templates (tailgates, hazard assessments) and safety conversations to include a more comprehensive view of safety
- Incorporate more comprehensive concept of safety into SMS program and communications

### Key Benefits

- Enhanced understanding of safety
- Common understanding of terms and definitions to facilitate dialogues and learning
- Increase organizational competence and awareness of safety management best practices
- Increase cohesive organization mindset focused on safety and risk reduction
- Broader safety focus and awareness

### Completion Milestones

- Comprehensive concept of safety incorporated into SMS program documents, routine templates, and companywide communications
- Process created that identifies cadence and process to update policies and procedures as part of regular review sentence

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Long (longer than 12 months)

### Estimated Costs

- \$260,000

### Potential Next Steps

- Ongoing updates on completed documentation/ process changes

 SoCalGas.

## **Workstream 2 – Enhance Dynamic Risk Assessment Capability**

Workstream 2 is intended to develop a more dynamic approach to risk assessment and enhance systems and processes.

Our work is dynamic and complex. Accordingly, this workstream is intended to enhance and evolve our risk assessment approach and capabilities with an emphasis on expanding how we learn, improve, and manage risk. Both initiatives in this workstream will involve changing how we conduct work going forward by introducing new risk assessment activities and processes to improve decision-making. The initiatives are intended to recognize that the individuals doing work in the field are the best source of knowledge for how the work is done. Accordingly, the intent is to introduce opportunities to enhance how we manage and learn from risk in our day-to-day work and activities, use these opportunities to improve our systems and processes, and identify and mitigate risks by identifying and implementing additional protections.

The Workstream 2 initiatives are interrelated, will grow and improve based on an expanded understanding of safety (Workstream 1), and will create new and expanded opportunities to learn and improve by creating more and better data (Workstream 4). Within Workstream 2, the first initiative is intended to review and enhance risk assessment practices at both the front line and enterprise level. The second initiative is specifically focused on enhancing front line practices to improve risk assessment and mitigation in complex situations.

Workstream 2 initiatives include:

- *Initiative 2A:* Improve systems and processes through dynamic risk assessment practices
- *Initiative 2B:* Introduce and integrate the concept of “Dynamic Risk Assessment” into training and hazard assessments

## Initiative 2A - Improve systems and processes through dynamic risk assessment practices

NON-EXHAUSTIVE

### Initiative Actions

- Create processes to evaluate and enhance how SoCalGas communicates about incidents, risks, learnings, and improvements
- Establish common understanding of dynamic risk assessments and how they can be used throughout the organization to improve employee and system safety
- Identify opportunities to improve and standardize approaches to risk management
- Create awareness about Human and Organization Performance tools to better inform decision making

### Key Benefits

- Improved understanding of safety and risk
- Promote environment of learning
- Increase cohesive organization mindset focused on safety and risk reduction
- Additional focus on systems and processes to prevent and/or mitigate incidents or high-risk scenarios

### Completion Milestones

- Processes created to communicate incidents, risks, learnings, and improvements across the enterprise

### Workstream

Drive holistic view of safety

**Enhance dynamic risk assessment capability**

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Long (longer than 12 months)

### Estimated Costs

- \$370,000

### Potential Next Steps

- Expand dynamic risk assessment activities and associated communications

## Initiative 2B - Introduce and integrate the concept of “Dynamic Risk Assessment” into training and hazard assessments

NON-EXHAUSTIVE

### Initiative Actions

- Incorporate Energy Based Hazard Recognition (i.e., energy wheel) into dynamic risk assessment activities to guide how to assess and mitigate potential hazards
- Refine employee and contractor training and work practices to incorporate “what if” scenarios that empower individuals to identify risks and “Stop the Job”
- Launch new incident evaluation matrix to provide guidance to the level of evaluation to be undertaken by type of incident (personnel, pipeline, equipment, and potential serious injuries and fatalities), including close call, near miss, and “Stop the Job”

### Key Benefits

- Improved understanding of safety and risk
- Common understanding of terms and definitions to facilitate dialogues and learning
- Increase organizational competence and awareness of safety management best practices
- Develop more cohesive organization mindset focused on safety and risk reduction
- Support environment of learning

### Completion Milestones

- Energy wheel Incorporated into dynamic risk assessment activities
- New incident evaluation matrix implemented
- Training materials developed on dynamic risk assessments

### Workstream

Drive holistic view of safety

**Enhance dynamic risk assessment capability**

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$200,000

### Potential Next Steps

- Incorporate dynamic risk assessment concept into applicable process / procedure documentation

 SoCalGas.

### **Workstream 3 – Optimize Safety Operating Model**

Workstream 3 is an overarching effort to assess and enhance SoCalGas processes, resources, capabilities, and safety operating model. Workstream 3 will be influenced by the more comprehensive concept of safety (Workstream 1) and Workstream 3's enhancements will support Plan effectiveness and ongoing sustainment, learning, and improvement.

Learning and improvement are fundamental to our Safety Culture Improvement Plan and extend to learning about and improving our resource allocation and safety operating model. The initiatives identified in this workstream are designed to introduce additional checks on our systems and processes – engaging additional expertise related to systemic safety and safety culture, evaluating resource allocations, and evaluating safety capabilities, organizational structure, and governance. Through these efforts, opportunities to learn and improve will be identified and implemented to integrate safety processes, centralize safety activities as appropriate, inform SoCalGas's systems and processes, and create additional capacity to be safe.

Workstream 3 initiatives include:

- *Initiative 3A:* Evaluate resource allocation to validate technology, staffing, and equipment are aligned with safety and risk management goals
- *Initiative 3B:* Evaluate and enhance safety capabilities and organizational structure to promote safety management objectivity and controls
- *Initiative 3C:* Obtain advice for implementing systematic approach to safety and safety culture through the SoCalGas Advisory Safety Council

## Initiative 3A - Evaluate resource allocation to validate technology, staffing, and equipment are aligned with safety and risk management goals

NON-EXHAUSTIVE

### Initiative Actions

- Assess resource allocation and processes across business segments with respect to safety and risk management goals
- Identify opportunities to optimize resources and improve the resource planning process to support safety and risk management goals
- Assess workforce planning and hiring processes to understand workforce capacity (e.g., number of employees, staffing levels and processes, bandwidth, etc.) and identify potential opportunities to improve
- Assess opportunities to improve communications and training around resource allocations processes

### Key Benefits

- Improve overall risk reduction and safety management
- Enhance employee awareness of resource allocation processes

### Completion Milestones

- Assessment completed to determine if assigned resources are adequate in managing programs, achieving safety objectives, and reducing operating risks
- Assessment completed of workforce planning and hiring processes
- Communication and training plan prepared

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

**Optimize safety operating model**

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$410,000 - \$670,000

### Potential Next Steps

- Implement enhancements and determine cadence for ongoing communication and training

 SoCalGas

## Initiative 3B - Evaluate and enhance safety capabilities and organizational structure to promote safety management objectivity and controls

NON-EXHAUSTIVE

### Initiative Actions

- Conduct evaluation of existing safety capabilities and organizational structure including safety management roles, responsibilities, and decision rights
- Assess whether the more comprehensive concept of safety leads to changes to organizational structure and processes
- Assess opportunities to better integrate SMS principles and practices into safety operating model
- Prepare a refined SoCalGas safety operating model based on assessment and evaluation activities

### Key Benefits

- Optimized operating model aligned to comprehensive concept of safety and organizational safety goals and objectives

### Completion Milestones

- Assessment completed of SoCalGas safety operating model and organizational structure

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

**Optimize safety operating model**

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$410,000 - \$660,000

### Potential Next Steps

- Begin implementing changes and enhancement to governance structure and processes consistent with the refined SoCalGas safety operating model





## Initiative 3C - Obtain advice for implementing systematic approach to safety and improving safety culture through the SoCalGas Advisory Safety Council

NON-EXHAUSTIVE

### Initiative Actions

- Expand or modify Advisory Safety Council to enhance expertise on systematic safety and safety culture
- Use enhanced expertise to advise on Safety Culture Improvement Plan approach, Workstreams, and Initiatives
- Evaluate role of the Advisory Safety Council periodically to identify opportunities for continuous improvement

### Key Benefits

- Increases awareness of leading practices to support SoCalGas's safety culture change effort and adoption of systematic safety practices
- Provides external and diverse views on identifying opportunities for continuous improvement

### Completion Milestones

- Enhanced Advisory Safety Council to incorporate safety culture and systematic approach to safety expertise

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

**Optimize safety operating model**

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Short (up to 6 months)

### Estimated Costs

- \$40,000

### Potential Next Steps

- Identify specific questions and issues related to culture and systemic safety for discussion at future Advisory Safety Council meetings.



#### **Workstream 4 – Enhance SMS Integration**

Workstream 4 is intended to enhance SMS integration by expanding SMS data gathering and integrating enterprise data into SMS processes and systems.

The initiatives in Workstream 4 are designed to enhance cross-departmental data gathering, create new data through Event Learning teams, and further improve SMS integration efforts to enable greater learning and improvement.

SoCalGas expects that activities discussed in Workstream 4 will be enhanced and refined based on the holistic view of safety (Workstream 1), enhanced dynamic risk assessment approach (Workstream 2), and the introduction of new training and learning concepts (Workstream 5). Further, the efforts to enhance and expand data gathering and integration will improve the value of dynamic risk assessment processes (Workstream 2) and benefit our maturation as a learning organization (Workstream 5).

Workstream 4 initiatives include:

- *Initiative 4A:* Evolve current “Incident Evaluation Teams” model into “Event Learning Teams” incorporating dialogue, feedback, and follow-up
- *Initiative 4B:* Develop a technology roadmap to support an integrated view of comprehensive safety information
- *Initiative 4C:* Expand Safety Incident Management System to include more comprehensive view of potential threats and risks

## Initiative 4A - Evolve current “Incident Evaluation Teams” model into “Event Learning Teams” incorporating dialogue, feedback, and follow-up

NON-EXHAUSTIVE

### Initiative Actions

- Pilot and mature the concept of “Event Learning Teams,” which deploys cross functional and frontline teams to explore incidents and identify learning and improvement opportunities
- Incorporate two-way communication mechanisms that encourage employees and contractors to raise concerns and exhibit a questioning attitude
- Use the concept of “Event Learning Teams” to evaluate internal and external incidents and near misses, projects and procedures that were notable successes, and critical processes/procedures to identify trends and areas of process risk or lack of policy guidance

### Key Benefits

- Improved understanding of safety and risk
- Develop more cohesive organization mindset focused on safety and risk reduction
- More open and trusting employee environment
- Support environment of learning

### Completion Milestones

- Pilot Event Learning process that can be expanded to other parts of the enterprise
- Analyses for selected incidents/misses/processes completed

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$1,090,000

### Potential Next Steps

- Expand pilot activities to include other geographies, teams, and asset groups

 SoCalGas.

## Initiative 4B - Develop a technology roadmap to support a more integrated and comprehensive view of safety information

NON-EXHAUSTIVE

### Initiative Actions

- Evaluate existing processes and reporting systems to identify potential enhancement and integration opportunities
- Identify opportunities to improve enterprise data management and governance at SoCalGas
- Support development of a technology roadmap to integrate safety data and information across the organization
- Pilot future state predictive analytics & reporting capabilities which support identification of safety trends

### Key Benefits

- Improved understanding of safety and risk
- Develop more cohesive organization mindset focused on safety and risk reduction
- Enables proactive risk mitigation strategies by increasing visibility and creating predictive analytics
- Increases the probability of identifying not only the obvious threats to risk but those that might be exacerbated when combined with others
- Enables operational efficiency to best equip SoCalGas for safety and risk management

### Completion Milestones

- Inventory data sources to be integrated in the future state
- Technology roadmap complete
- Completion of proof of concept/pilot for reporting and analytics with future state requirements defined including new leading indicator metrics

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$390,000 - \$640,000

### Potential Next Steps

- Begin implementing changes and enhancements consistent with the roadmap



## Initiative 4C - Expand Safety Incident Management System to include more comprehensive view of potential threats and risks

NON-EXHAUSTIVE

### Initiative Actions

- Evaluate existing corrective action program (CAP) tracking near misses, incidents, and risks across SoCalGas to identify and implement enhancements to processes to incorporate predictive analytics and comprehensive concept of safety
- Enhance CAP and incident reporting governance structure (RACI, assigned ownership, issue tracking, issue resolution, and feedback mechanism)
- Enhance program for employee and contractor incidents to be timely reported, investigated, and documented
- Develop mechanism to share incident investigation findings, recommendations, and lessons learned

### Key Benefits

- Enhanced understanding of safety
- Develop more cohesive organization mindset focused on safety and risk reduction
- Increases visibility and enables predictive analytics into the risks within the organization
- Enables operational efficiency to best equip SoCalGas for safety and risk management

### Completion Milestones

- Future state end-to-end CAP process and governance implemented for SoCalGas employees
- A pilot/trial to enhance employee & contractor near miss & close call reporting and analysis
- Communication mechanism to share findings/recommendations implemented

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$390,000 - \$640,000

### Potential Next Steps

- Implement enhancements to CAP process for contractors
- Implement changes to improve near-miss and close call reporting

 SoCalGas.

## Workstream 5 – Mature as a Learning Organization

Workstream 5 is intended to enable and influence a shift in safety culture by fostering a more collaborative learning environment.

SoCalGas has identified four initiatives as part of Workstream 5 to enhance SoCalGas’s learning activities. These efforts are intended to train employees, leaders, and executives, and to identify opportunities to mature as a learning organization by assessing current learning practices.

Similar to Workstream 1 (Drive a Holistic View of Safety), Workstream 5 provides several important and foundational benefits, laying an early foundation for the Plan by promoting a focus on learning, communicating important terms and concepts throughout the organization, but also customizing training and learning to different levels of the organization. Within Workstream 5, the first initiative will look to enhance leadership training, the second initiative will enhance enterprise-wide learning and training, the third initiative will create targeted, executive training, and the final initiative will evaluate additional opportunities to improve organizational learning.

Workstream 5 will include changes to existing training to incorporate a holistic view of safety (Workstream 1), more clearly focus on dynamic risk assessment and mitigation (Workstream 2), and generally change our trainings’ focus to better address cultural elements. Finally, by maturing as a learning organization, our employees will be more attuned to identifying and understanding where we can continue to learn and improve based on the data and evaluations performed as part of Workstream 3 (Optimize Safety Operating Model) and Workstream 4 (Enhance SMS Integration).

Workstream 5 initiatives include:

- *Initiative 5A:* Refine and implement leadership training to expand management influence on advancing and enhancing safety culture
- *Initiative 5B:* Enhance existing enterprise training to focus on comprehensive safety and promote interdisciplinary transparency and collaboration
- *Initiative 5C:* Develop and implement an Executive Safety Leadership Program (ESLP) to introduce and explore safety culture concepts and potential application to the SoCalGas organization
- *Initiative 5D:* Assess existing internal and external organizational learning practices that advance safety culture and performance, and explore concepts and practical approaches that may be deployed within SoCalGas

## Initiative 5A - Refine and implement leadership training to expand management influence on advancing and enhancing safety culture

NON-EXHAUSTIVE

### Initiative Actions

- Evaluate and enhance leadership training at all leadership levels to incorporate skills required to create a learning environment and influence and reinforce attributes of a positive safety culture
- Review master safety training matrix for opportunities to include cultural improvement topics
- Incorporate real-life scenarios and a comprehensive view of safety into trainings (e.g., public safety, security, personnel safety, employee wellness etc.), building upon existing “Safety Essentials for Supervisors” training
- Encourage SoCalGas Class 1 contractors to adopt similar training and offer to share training philosophies and materials

### Key Benefits

- Increase organizational competence and awareness of safety management best practices
- Develop more cohesive organization mindset focused on safety and risk reduction
- Consistency of messaging through each level of leadership training
- Support environment of learning

### Completion Milestones

- Complete safety training matrix review
- Complete training for majority of people leaders (includes supervisors, managers, and above)

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

**Mature as a Learning Organization**

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$680,000 - \$760,000

### Potential Next Steps

- Determine cadence for ongoing training and additional opportunities to improve training



## Initiative 5B - Enhance existing enterprise training to focus on comprehensive safety and promote interdisciplinary transparency and collaboration

NON-EXHAUSTIVE

### Initiative Actions

- Review existing training at all levels and departments to identify opportunities to update training to incorporate safety culture aspects and reflect comprehensive concept of safety
- Develop cross-functional workshops throughout the enterprise, focused on case studies from successes and failures around safety culture and operational events
- Establish conversation templates to drive consistent a message at all levels
- Encourage SoCalGas Class 1 contractors to adopt similar training and offer to share training philosophies and materials

### Key Benefits

- Increase organizational competence and awareness of safety management best practices
- Develop more cohesive organization mindset focused on safety and risk reduction
- Support environment of learning
- Use cross-functional workshop activities to promote openness and mitigate potential silos

### Completion Milestones

- Complete safety training matrix review
- Complete training sessions reaching majority of employees

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$1,130,000

### Potential Next Steps

- Determine cadence for ongoing training and additional opportunities to improve training

 SoCalGas.



## Initiative 5C - Develop and implement an Executive Safety Leadership Program (ESLP) to introduce and explore safety culture concepts and potential application to the SoCalGas organization

NON-EXHAUSTIVE

### Initiative Actions

- Develop appropriate curriculum for the executive team and SMS Leaders
- Provide opportunities for executives to consider approaches to improve culture, communication, and employee engagement
- Introduce safety concepts to benefit the broader organization
- Provide substantial opportunities for leadership to learn from thought leaders, change agents, and those who have faced similar challenges

### Key Benefits

- Visible leadership commitment to Safety Culture Improvement Plan
- Improved understanding of safety and risk
- Support environment of learning
- Common understanding of terms and definitions to facilitate dialogues and learning
- Increased employee engagement
- Increase organizational competence and awareness of safety management best practices
- Develop more cohesive organization mindset focused on safety and risk reduction
- Consistency of messaging through each level of leadership training

### Completion Milestones

- Program curriculum developed

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

**Mature as a Learning Organization**

### Duration

- Long (longer than 12 months)

### Estimated Costs

- \$270,000 - \$310,000

### Potential Next Steps

- Determine cadence for ongoing training and additional opportunities to improve training

## Initiative 5D - Assess existing internal and external organizational learning practices that advance safety culture and performance, and explore concepts and practical approaches that may be deployed within SoCalGas

NON-EXHAUSTIVE

### Initiative Actions

- Assess SoCalGas current practices for bringing safety, cultural, and learning concepts into the organization, and identify opportunities for improvement
- Develop an action plan to enable SoCalGas's maturation as a learning organization
- Introduce organizational learning practices from a broad industry perspective that can be implemented to advance the safety culture and overall company performance

### Key Benefits

- Support environment of learning
- Increase organizational competence and awareness of safety management best practices
- Develop more cohesive organization mindset focused on safety and risk reduction
- Greater understanding of opportunities to learn from external subject matter experts

### Completion Milestones

- Complete analysis of internal & external learning approaches
- Complete development of action plan and path forward

### Workstream

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

**Mature as a Learning Organization**

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$150,000 - \$160,000

### Potential Next Steps

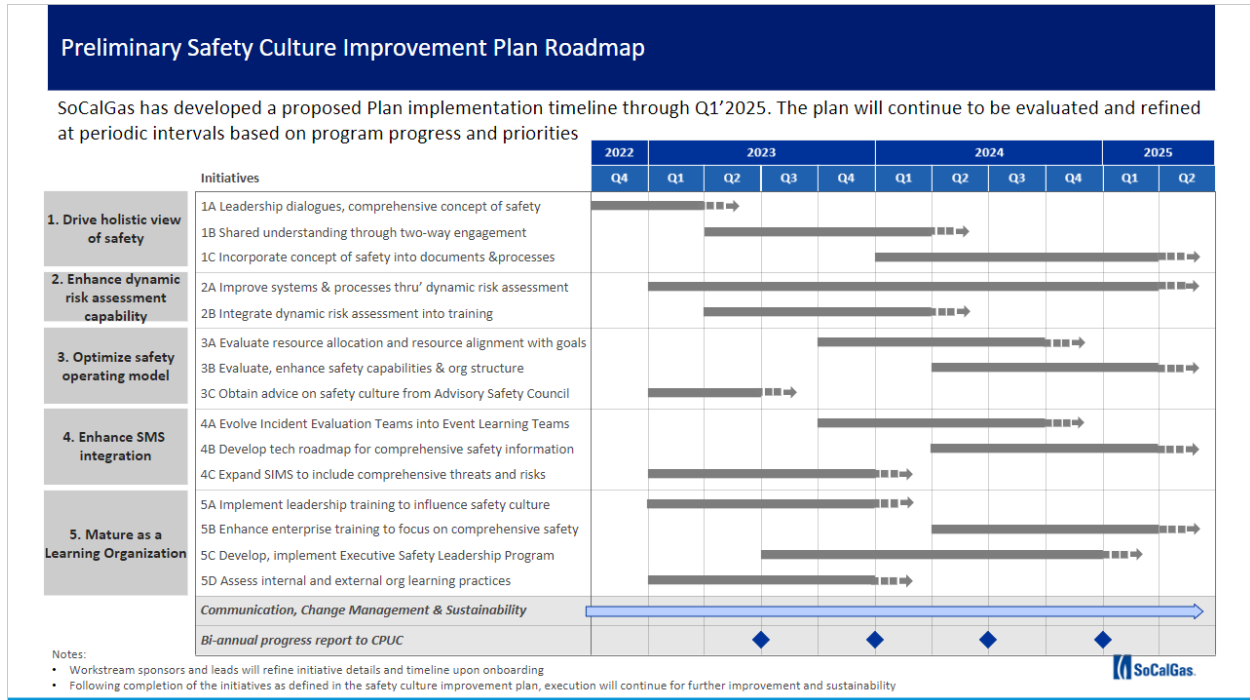
- Begin implementation of identified improvement opportunities



## Workstreams and Initiative Timelines

Each initiative was profiled to outline key outcomes, determine overall complexity, and identify dependencies. Safety culture improvement initiatives and actions were developed with input from subject matter experts within SoCalGas as well as external safety culture experts.

A preliminary roadmap was developed to provide a timeline view of the Safety Culture Improvement Plan execution. Plan execution will be enabled through the roles and responsibilities, change management approach, and accountability model outlined in the Plan.

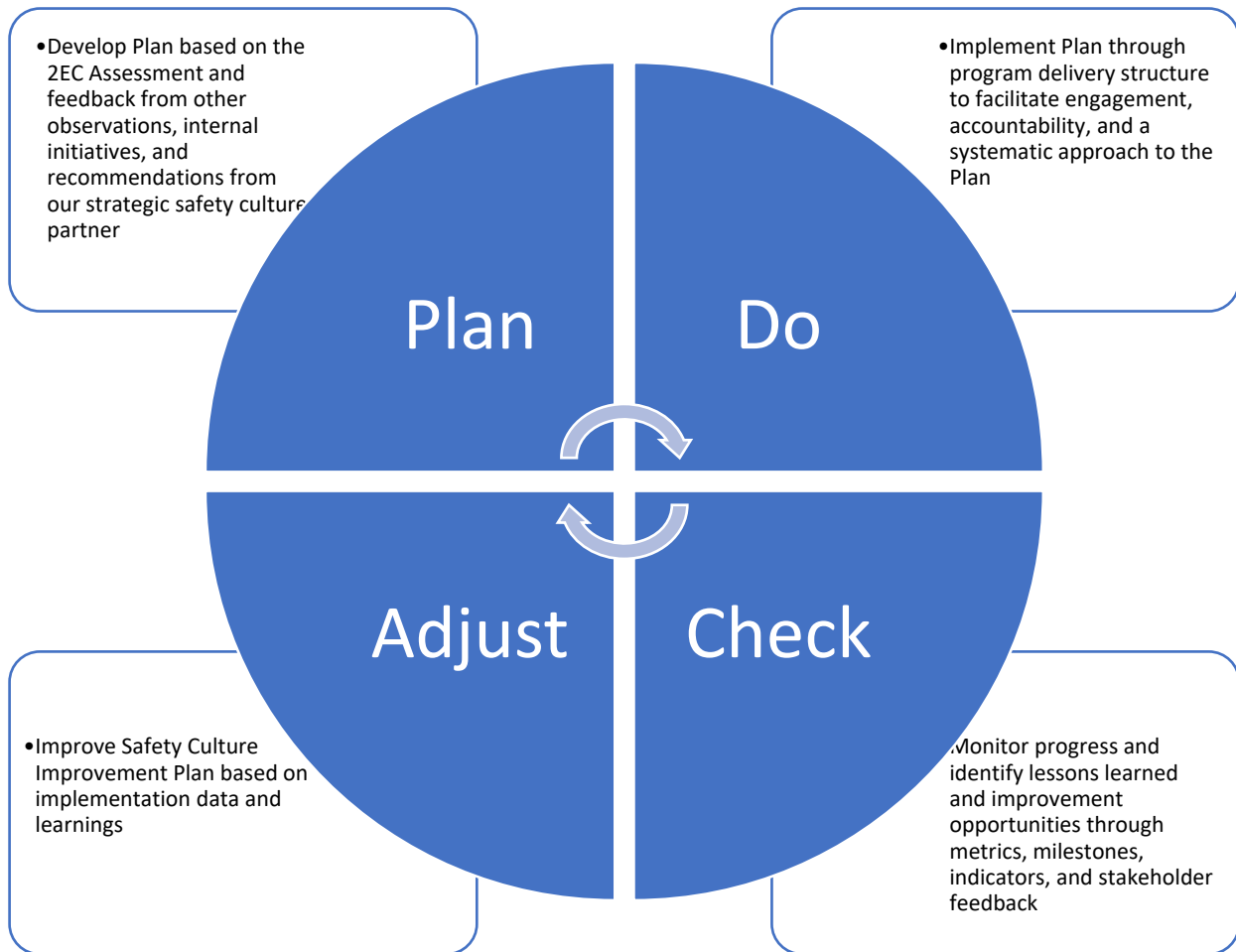


## V. Accountability Model

SoCalGas proposes the following accountability model to enable SoCalGas to measure progress, identify opportunities to refine and improve the Plan, sustain and continue to improve the changes that are implemented, provide visibility to stakeholders, and facilitate California Public Utilities Commission (CPUC) collaboration and oversight.

To support continuous improvement, sustainment, and full realization of the benefits, the Plan includes processes to demonstrate and document progress, identify and manage risks, and learn and improve. As detailed below, SoCalGas proposes demonstrating and documenting progress through milestones, metrics, indicators, assessments, and related reporting. SoCalGas has processes to manage risks that are

designed to identify and leverage lessons learned throughout the implementation process. In taking this approach, SoCalGas is guided by the “Plan-Do-Check-Adjust” Cycle:



### Milestones, Metrics, Indicators, and Assessments

SoCalGas intends to track several milestones, metrics, and indicators related to both the Safety Culture Improvement Plan as an enterprise-wide change effort, as well as the specific workstreams and initiatives.<sup>17</sup> Specifically, SoCalGas intends to:

- Track milestones that confirm that initiatives and actions have been taken and implemented.
- Track leading and lagging (quantitative and qualitative) metrics and activities designed to assess Plan implementation and enable Plan adjustments and further improvements.

<sup>17</sup> For the metrics, milestones, and indicators, SoCalGas plans to continue developing and refining metrics, milestones, and indicators. Ongoing development and refinement will leverage efforts to further refine the Plan, workstreams, and initiatives, and the gathering of additional data.

- Develop and track indicators that can help understand Plan effectiveness in realizing cultural change.
- Undertake periodic assessment as “pulse checks” to understand how the Plan, workstreams, and initiatives are being received and internalized as a measure towards safety culture change.
- Undergo an additional comprehensive safety culture assessment no later than five years from approval of the Plan.

First, the Plan and each initiative include specific milestones to track implementation progress. These milestones are intended to track and verify that actions and activities are proceeding at the pace that was forecasted, help identify challenges, and understand if more or different actions are necessary. Milestones are not intended to assess cultural change, but rather to track schedule and actions. Milestones are identified for the initiatives and will be adjusted and augmented as appropriate by the Initiative Leads and Teams as they build out further details of their initiative approach and design.

Second, SoCalGas has identified several metrics that will help evaluate Plan implementation. These will include leading and lagging indicators and qualitative and quantitative metrics. Examples include percentage of employees and leaders completing training, number of dialogue sessions completed, and number of bases and departments engaged as part of dialogue efforts. Metrics will continue to be developed as workstreams and initiatives commence.

Third, SoCalGas plans to develop and track several indicators to measure trends and understand if we are realizing the benefits of the Plan. Generally, these indicators will take time to set up adequate data collection processes and generate historical baselines before they can become effective in measuring progress. Further, given the time it takes to realize cultural change, changes in indicators or trends could be slow and incremental. The intent with these indicators is to include some broader indicators in our Safety Culture Improvement Plan that we could begin developing and tracking in the near term, even if we continue working to develop other, more initiative-specific metrics and indicators as part of implementation. The indicators that SoCalGas plans to develop, track, and trend include:

- Close Call, Near Miss, and Stop the Job data (Data) to establish a baseline state and then measure progress related to risk awareness, more comprehensive concept of safety, and trust.
  - Review historical Data to identify number of Data reported per month and analyze Data to identify whether Data was reported anonymously or not, and whether the Data identifies a personnel, system, or public safety issue.
  - Continue to track Data and continue to analyze Data as indicated above.
  - This indicator should show (1) Number of Data reported per month increasing to indicate greater risk awareness, learning, and questioning attitude; (2) Number of non-anonymous Data reporting increasing to indicate building of trust; and (3) Distribution of Data beginning to show more system and public Data reporting (compared to personnel), demonstrating a more comprehensive concept of safety.

- Communication Effectiveness
  - Establish baseline by looking at number of Town Hall attendees, CSO Message views, and questions asked at Townhalls.
  - Continue to track number of attendees, views, and questions asked.
  - This indicator should show increased attendance, views, and questions to indicate more engagement and awareness.
- Incident Evaluations
  - Establish baseline information by identifying number of incidents evaluated, number of improvements identified and implemented, and develop a framework to assess evaluation and improvement quality.
  - Continue to track number of incidents evaluated and number of improvements identified and implemented. Use framework to assess quality of evaluations. For example, analyzing whether the evaluation considers comprehensive safety or identifies opportunities to improve SoCalGas systems.
  - This indicator should show more incident evaluations, improvements identified and implemented, and higher quality evaluations and improvements, which should indicate greater focus on safety and risk reduction and a learning orientation.

Finally, in addition to tracking milestones, metrics, and indicators, SoCalGas intends to engage in periodic assessments of Plan effectiveness and organizational reception. SoCalGas plans to continue to use the NSC Safety Barometer Survey to gauge progress on its safety culture journey and explore adding specific elements to that survey related to the 2EC Assessment and the objectives of this Plan. In addition, SoCalGas plans to use periodic assessments in the form of pulse check surveys and focus groups to get a sense of how the Plan, workstreams, and initiatives are being internalized and impacting employees, and to understand and identify opportunities to improve. Finally, SoCalGas plans to conduct another comprehensive safety culture assessment between three to five years from approval of the Safety Culture Improvement Plan, depending upon implementation progress, and no later than five years from approval of the Plan.<sup>18</sup>

### **Engagement, Risk Mitigation, and Ongoing Improvement and Refinement**

The intent of the milestones, metrics, indicators, and assessments is threefold:

- Reinforce the importance of this effort by regularly tracking progress and effectiveness so that it can be communicated to stakeholders and promote dialogue on status, progress, and results
- Identify and mitigate risks such as initiatives falling behind schedule or resistance to change
- Facilitate ongoing learning and improvement

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<sup>18</sup> Depending on timing of R. 21-10-001 (Rulemaking), this assessment could be performed consistent with or as part of the framework being developed in the Rulemaking.

As explained above, SoCalGas is planning several processes to track implementation progress and implementation effectiveness. This Safety Culture Improvement Plan presents SoCalGas's roadmap forward for this portion of the journey. SoCalGas recognizes there are risks, challenges, and opportunities to continue to learn and improve. Accordingly, the Plan also envisions opportunities for refinement and enhancement based on stakeholder feedback and implementation progress and data. Feedback and new learnings are a distinct expectation of the Plan that will be incorporated into the work going forward – initiatives may be refined or reprioritized and metrics, milestones, and indicators may be refined and redesigned. To the extent such refinements result in changes, they will be identified in the periodic reports proposed below.

### **Reporting**

To promote transparency and oversight, SoCalGas proposes bi-annual (twice a year) reporting to the CPUC via Advice Letter filings on Safety Culture Improvement Plan implementation and progress. To promote engagement, reinforce commitment, and enhance transparency, the bi-annual reports will be provided to all Company employees and be a topic of future employee engagement activities. Consistent with “Sempra’s Safety Culture Oversight and Initiatives,” SoCalGas will also provide the reports to Sempra to facilitate their support, oversight, and governance. Finally, SoCalGas will post the bi-annual reports online so that external stakeholders can access and review the reports and submit questions or suggestions.

These bi-annual reports will include the above discussed metrics, indicators, and milestones to provide clarity on Plan implementation progress and effectiveness. Not all data will be available in the early reports; in some cases, it will take time to begin capturing new data streams and establish baselines. In addition, the reporting will provide information from the pulse checks and assessments discussed above. Depending on the form of the assessment, this could include survey results or a brief narrative of the focus group topics – summarized and anonymized to maintain participant confidentiality. Additionally, SoCalGas will provide an overall Plan narrative description of activities and progress, provide additional discussion of specific in-flight workstreams and initiatives, include a status update on soon-to-be-initiated workstreams and initiatives, and provide information on tracked costs. Finally, the reporting will detail any changes to the Plan and an explanation for why changes were implemented. This would include detailing additional resources, changes to schedule, added clarity to implementation steps, or refinement of goals and objectives.

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