ATTACHMENT 1

SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)
REVISED SAFETY CULTURE IMPROVEMENT PLAN

SOUTHERN CALIFORNIA GAS COMPANY SAFETY CULTURE IMPROVEMENT PLAN

Executive Summary

Southern California Gas Company (SoCalGas) submitted its initial Safety Culture Improvement Plan in July 2022. The California Public Utilities Commission (Commission) reviewed that plan and, in December 2023, issued a decision that, with a few exceptions, directed SoCalGas to "go back to the drawing board." That was a tough message to hear. SoCalGas conceived its initial plan as an earnest response to the Evolving Energy Consortium (2EC) safety culture assessment (2EC Report or 2EC's report), but it obviously missed the mark. So, we dusted ourselves off, and, with humility, set about the hard work of improving. Today, SoCalGas is better for it.

To improve our understanding of 2EC's report, our understanding of our existing safety culture and its drivers, and of the need and opportunity to improve, we enlisted the support of renowned external experts to engage with us on more than 90 employee and contractor dialogues and facilitated co-creation sessions. This work resulted in a deeper and richer understanding of 2EC's report, identified the basic assumptions driving our safety culture, and informed how we can effect positive change.

This refreshed Safety Culture Improvement Plan describes our work, our learnings, and the actions SoCalGas will take to become *Safer Together*.

Safer Together is SoCalGas's "North Star"—the fixed point on our horizon that will keep us reliably oriented and on course as we navigate to our safety culture aspirations. The words Safer Together express the concepts of shared interests, broad and inclusive perspectives, stakeholder collaboration, and continuous improvement.

A plan designed and executed with faithful reference to this North Star will lead us away from a narrow view of safety and toward a more comprehensive view, away from parochial rule-following and toward capacity building, away from organizational mismatches between expectation and resource allocation and toward optimization, and away from isolated silos and toward an integrated safety management system.

Safer Together is a powerful North Star because it is simple yet sufficient, lends itself to a common understanding, is easy to remember and repeat, and is applicably true in virtually any scenario.

2EC's report highlighted four themes, and beneath each theme SoCalGas identified underlying cultural assumptions. Bringing to light these assumptions pointed to how we can overcome the challenges identified in 2EC's report. By changing these basic assumptions, SoCalGas can implement meaningful, lasting change.
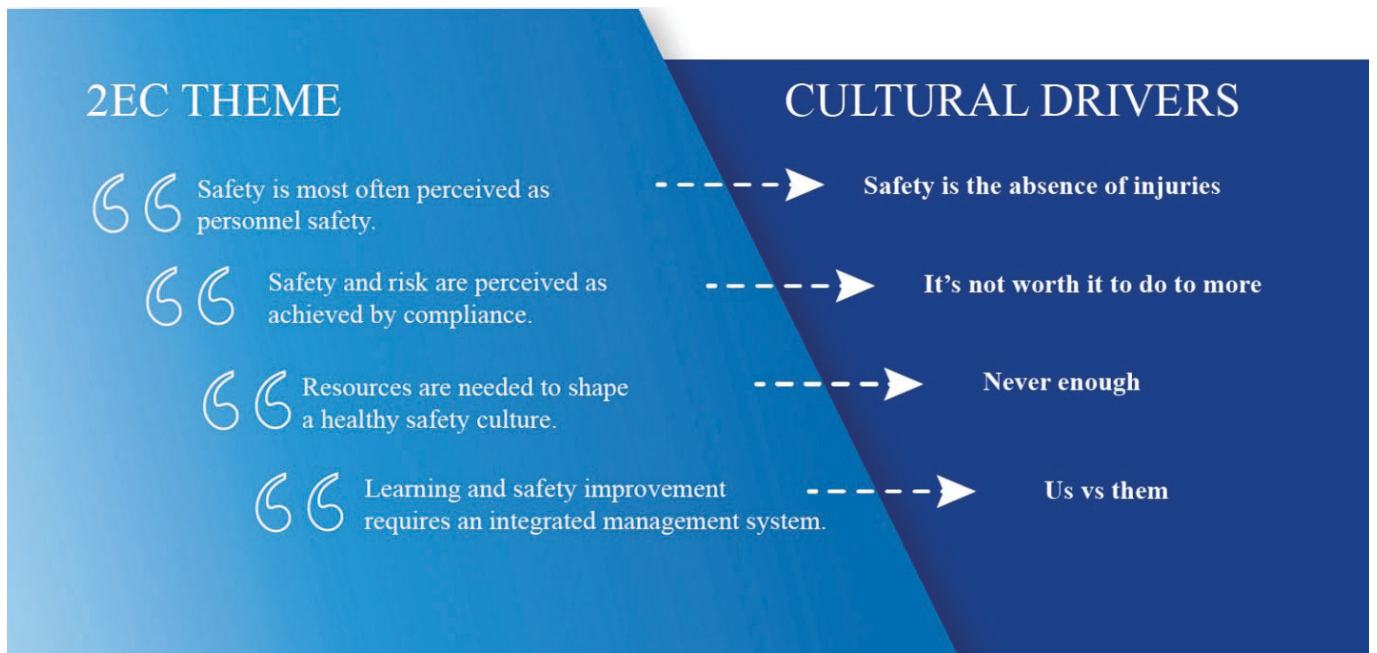
To change these cultural assumptions and improve our safety culture, we identified four plan elements, detailed below. Like the themes highlighted in 2EC's report, discussed in our dialogues, and embedded in the underlying cultural drivers, the plan elements are highly interwoven.

COMMUNICATE AND IMPLEMENT A COMPREHENSIVE APPROACH TO SAFETY

o Transform leadership norms by incorporating new safety and safety culture principles into development activities

o Change how safety is communicated by updating reporting, recognition, and performance management tools

1

SAFER TOGETHER

2

FOSTER AND CELEBRATE CURIOSITY AND EMPOWER EMPLOYEES AND CONTRACTORS TO SPEAK UP, QUESTION, AND SHARE THEIR IDEAS

o Enhance practices to empower employees to question, challenge, and identify potential improvements

o Create improved processes for receiving, tracking, and responding to employee challenges, suggestions, and ideas

3

COMMITMENT TO ENGAGE IN COLLECTIVE EFFORTS TO UNDERSTAND ORGANIZATIONAL CHALLENGES AND BETTER PRIORITIZE RESOURCES

o Leverage learning teams to collaboratively explore resource issues identified in dialogues

o Implement improvements to resource allocation and goal setting process

4

ADVANCE COLLABORATION AND AN INTEGRATED MANAGEMENT SYSTEM THROUGH ENHANCEMENTS TO OUR SAFETY MANAGEMENT SYSTEM

o Engage leaders to establish organizational alignment on Safety management roles, responsibilities, shared goals, and governance

o Develop new SMS policies to provide a clearer safety management framework

Throughout the process of developing this Plan, we sought feedback, shared progress, and affirmed learnings and the path forward through engagements with employees, contractors, Commission staff, parties to this proceeding, and community advisors.

Culture change is never easy. In many ways, the journey to our new plan has been as important as the plan itself. The plan reflects an authentic approach to evolving our culture, one that we hope can be an example for our industry. To this end, SoCalGas proposes two additional actions to promote transparency and continuous improvement:

- Continued periodic progress reports to the CPUC.

- Continuing stakeholder dialogues.

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1. **SoCalGas's Evolution in Understanding**

The safety culture improvement plan SoCalGas filed in June of 2022 was developed with the understanding of our culture that we had at that time. That plan lacked the depth of cultural understanding SoCalGas has gained over the last two years.

Moreover, the prior plan was organized around a top-down approach to deliver progress and results. Consequently, our early activities focused on process tasks, such as assessing the problem, finding solutions, and then implementing, communicating, and training on the solution.

Importantly, SoCalGas learned that our previous approach towards action and deliverables was premature, as we had not yet gained the necessary level of understanding, trust, and partnership.

Since the previous filing, SoCalGas has conducted over 90 structured safety culture dialogues with over 600 employees throughout the organization. Frontline employees, leadership, and middle management participated in these dialogues to achieve deep cross-functional input to shape this revised Plan. Input from a wide range of external stakeholders, including safety representatives of our contractor partners, representatives from the communities we serve, Commission staff, and parties to this proceeding was also vital to the evolution of our safety understanding and this new plan.

Our approach has evolved from thinking of this effort as a program to be managed to now seeing it as a continuous improvement effort founded upon ongoing understanding and lessons learned from employees and other stakeholders. Shifting to a more people-centric approach and building the Plan through dialogues and collaboration will be more impactful and sustainable, and it will result in more effective implementation of the plan elements to address the themes of 2EC's report.

2. **Building Our Internal Safety Culture Capacity[1]**

This proceeding catalyzed SoCalGas's efforts to build and advance our safety culture capacity, create meaningful growth and change, and promote continuous learning and improvement in the future. To do this, we leveraged expertise from National Safety Council (NSC),[2] 2EC,[3] Propulo Consulting,[4] and our Advisory Safety Council[5] to improve our understanding, education, engagement, and dialogues, and adopt new culture change concepts and tools.

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[1] "Capacity" relates to a systemic ability or potential to do something.

[2] The National Safety Council is America's leading nonprofit safety advocate.

[3] 2EC is a team of international safety culture experts who performed the comprehensive safety culture assessment of SoCalGas.

[4] Propulo Consulting is a leading Safety and Safety Culture Strategic Advisory and Training Firm who was engaged by Sempra to support its safety culture efforts, and also worked with SoCalGas to support safety culture learning and improvement.

[5] In 2020, SoCalGas established an independent Advisory Safety Council to engage the perspectives of external experts as part of our safety journey.

a. Senior Leadership Education Sessions

SoCalGas began working with NSC to educate SoCalGas senior management about concepts key to advancing our safety culture. We started with senior leadership because of leadership's crucial role in initiating and sustaining culture change. Senior leaders needed to understand and embrace the new safety paradigms to be best equipped to guide the organization through the transition.

Topics covered at these sessions included:

- Human and Organizational Performance (HOP)[6]

- Safety at high reliability organizations and related principles

- What it means to be a learning organization

- The importance of psychological safety and how to foster it

- "Just culture" concepts and how they support safety and learning

- The multi-faceted value of "learning teams"

- What can be learned from the aviation industry on safety culture

- "Systems thinking" concepts

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[6] Human and Organizational Performance is an operating philosophy or movement towards using the social sciences to better understand and design resilient systems.

These topics created a foundational understanding of safety and culture concepts, increased senior leadership's understanding of the need for change and the breadth of change necessary, and enabled cascading modeling, influence, and change.

b. Expanded Advisory Safety Council Safety and Culture Expertise

In 2020, SoCalGas established an independent Advisory Safety Council to engage the perspective of external experts. Since then, and as part of our recent safety learning process, we have brought in new and varied perspectives and expertise to focus on public safety, safety culture, and potential high consequence events. Current Advisory Safety Council members include leading thinkers in hazard identification, public safety, and resiliency, as well as former executives from industries with safety and culture expertise.[7] At quarterly meetings, SoCalGas shares information on programs and strategies to seek input, and advisors engage with employees in focus groups and at job observations. Our safety culture learning and improvement efforts have been a standing topic over the last several years, and the advisors have provided input on our approach to and the content of this Plan. For example, the advisors have stressed the importance of building trust and partnership through organizational transparency and follow-up on employee concerns. More specifically, that the organization needs to acknowledge issues, promote reporting and questioning, and follow-up in a timely and intentional way to explain how issues have been addressed. These important concepts and processes are embedded in the improvement actions detailed below.

c. Enhanced Employee Engagement

In 2022 and 2023, SoCalGas began engaging stakeholders in conversations about 2EC's report and our safety culture. For example, members of SoCalGas's safety organization visited SoCalGas local safety committees, conducted outreach to SoCalGas operating bases and various support departments, and held multiple safety and culture town halls. These efforts helped SoCalGas develop a structured and intentional approach to transitioning from a top-down model to a more collaborative and "whole company" framework for engagement, communication, and change. A "whole company" approach engages employees at all levels of the company, across departments. Throughout these engagements, there was growing intentionality around the cross-functional planning, relationship-building, and efforts to continuously learn and enhance our understanding of our challenges, culture, and opportunities to improve.[8] Appendix A – Enhanced

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[7] Current members include: Dr. Lucy Jones, the chief scientist of the Dr. Lucy Jones Center for Science and Society, and a Research Associate at the Seismological Laboratory of Caltech; Grant Yoshihara, a retired energy and utility executive with prior experience leading utility operations and serving as board and committee chair for the American Gas Association, Western Energy Institute, and the Gas Technology Institute; Dave Eherts, a former safety executive in pharmaceutical and aviation industry with experience and expertise in human and organizational performance, management systems, and safety culture; and Dr. Matt Hallowell, President's Teaching Scholar and Endowed Professor of Construction Engineering at University of Colorado Boulder (specialization in safety research and science – hazard recognition, leading indicators, risk assessment, and predictive analytics).

[8] SoCalGas leaders across the company have been working together to influence culture and embed and integrate safety and culture concepts into training, messaging, and activities. These engagements have informed the actions proposed in Element 1, below.

Employee Engagement details these engagements along with a narrative of the engagement, information learned, and how learnings have connected to and informed this Plan.

d. Learning Team Model

SoCalGas began adopting HOP principles into its operating philosophy in 2022. As part of this change, the Learning Team concept was identified as a method for improving our safety culture. A Learning Team is a cross-functional team of employees and/or contractors who explore events and identify opportunities for improvement. The process allows an organization to delve deeply into an event to uncover causes (often stemming from the prevailing safety culture) to reduce the likelihood of future issues. A Learning Team is not an investigation; rather, it is an opportunity to gather knowledge from the people closest to the work. Learning Teams do not look for a single root cause, but instead explore possible system deficiencies and/or latent conditions. SoCalGas has seen success with Learning Teams[9] as tools for learning (proactive and reactive), engagement, and collaboration, and, as detailed below, we plan to leverage this capability as an important tool for effectuating this Plan and improving more generally.

e. Dialogue Facilitation and Analysis

As SoCalGas came to understand the importance of dialogues as a tool for engagement and a way to gather rich data to shape improvements, we recognized the need to build our dialogue capabilities. To accomplish this, SoCalGas worked with 2EC to train SoCalGas employees as dialogue facilitators. Thirty-one employees completed dialogue-facilitation training, including an 8-hour training conducted by 2EC. Developing this capacity allowed SoCalGas to facilitate several rounds of dialogues and will allow SoCalGas to continue engaging in employee and other stakeholder dialogues going forward.

To expand our capacity to learn from dialogues, SoCalGas's Human Resources Research and Analysis team[10] also completed the dialogue facilitation training and used it to analyze dialogue notes and learning. Developing the ability to analyze dialogue notes from a cultural perspective to identify connections, themes, and learnings supports the basis for this Plan and will be valuable for our future growth. Appendix B – Dialogue Training Curriculum details the curriculum for these training efforts.

f. Co-Creation

Co-creation is facilitated discussion among people to collaborate, brainstorm, and share ideas on a topic. To leverage best practices, SoCalGas engaged members of 2EC to educate SoCalGas on how to facilitate co-creation sessions. The sessions brought together SoCalGas employees from

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[9] Since adopting the Learning Team model in 2023, SoCalGas has deployed over 20 Learning Teams, advancing exploration and learning on a wide range of topics, including: lessons learned from Hurricane Hilary, improvements to our engineering review process, evacuation policies and practices, unidentifiable subsurface utilities at mobile home parks, and mental health challenges for our contact center personnel.

[10] The Human Resources Research & Analysis team is an in-house group that is part of the Organizational Effectiveness Department. This team provides services aimed at improving the effectiveness of groups and organizations, with a focus on data-driven decision making.

various departments and levels across the company to align on a safety North Star to chart our course forward, promote greater understanding of our culture, and develop the improvement elements of this Plan. An overview of the process and each of the sessions is detailed in Section 6. SoCalGas has also included the agendas for these sessions in Appendix C – Co-creation Agendas.

3.   **Expanded Safety Culture Dialogues Inform SoCalGas's Plan**[11]

To deepen understanding of our culture and shape this Plan, SoCalGas partnered with safety culture experts – NSC, Propulo Consulting, and 2EC – to engage in structured safety culture dialogues across the organization. Informed by earlier dialogues and based on feedback from the Commission's Safety Policy Division (SPD), SPD's expert consultant (Dr. Mark Fleming), and Sempra's expert consultant (Propulo), these dialogues evolved significantly between 2023 and the filing of this Plan. Learnings from these dialogues allowed SoCalGas to reflect on the cultural basis for the challenges identified in 2EC's report and shaped the actions detailed further below.

Dialogue Participants	2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Executive and Director	██	██					
Management		██	██	██			
Executive and Director					██	██	
Represented					██	██	██
Contractor						██	██

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[11] Consistent with the directives in Ordering Paragraphs (OP) 6 and 7 of D.23-12-034, SoCalGas undertook Initiatives 1A and 1B as modified by OP 3 of the Decision as the starting point for the Revised Plan. SoCalGas measured these dialogues consistent with the framework and process approved in Advice Letter 6267-G-A.

a. Initial Executive and Director Dialogues

Following the filing of the initial safety culture improvement plan, SoCalGas partnered with NSC to conduct 11 expert-facilitated dialogue sessions with 71 directors and executives. Each in-person dialogue session lasted 2 hours and included 6-7 directors and executives. Dialogues were structured around questions to engage participants in deeper discussions on safety and culture. SoCalGas issued pre- and post-session surveys to further gather data. Safety culture experts representing the Commission (Dr. Mark Fleming) and Sempra (Propulo) observed multiple dialogue sessions virtually to provide feedback to identify improvement opportunities. More details are included in Appendix D – Executive and Director Dialogues 2023 Narrative Summary.

These dialogues helped us better understand the findings in 2EC's report, our culture, and opportunities to improve our dialogue facilitation and learning processes. Feedback on the director and executive dialogues indicated they were too structured; accordingly, for future dialogues, we took steps to promote more open exploration, reflection, and discussion. Specifically, we engaged members of the 2EC team to provide dialogue facilitation training to empower SoCalGas facilitators to guide exploration of safety and culture topics as part of our represented and management employee dialogues, as detailed below.

b. Management Dialogues

In Q3 and Q4 of 2023, SoCalGas conducted 35 dialogues with 185 management employees.[12] Dialogue sessions were 90 minutes long, included 6-10 participants per session, and were conducted in person with 1 facilitator and 1 notetaker.[13] To promote richer conversations and broaden participants' understanding of how different teams support safety, every dialogue session included employees from mixed departments. 2EC observed several dialogue sessions and provided feedback to improve skills for conducting culture-focused dialogues.

Pre- and post-dialogue surveys measured participants' assessments of the quality of the dialogues, their understanding of comprehensive safety, how to promote comprehensive safety at SoCalGas, and how to improve future dialogues. Data (dialogue notes and survey responses) were analyzed in partnership with SoCalGas's Research and Analysis team. Appendix E - Management Dialogues Narrative Summary describes the dialogue process, details cultural insights gained, and evaluates the success of the dialogues for achieving the desired impact on safety culture.

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[12] SoCalGas defines "management" as employees who are not union-represented and are not part of the executive and director dialogues.

[13] To facilitate dialogues, SoCalGas engaged members of the 2EC team to provide dialogue facilitation training to SoCalGas safety leaders and SoCalGas Safety Champions, who represent various operational and functional departments to lead the adoption of enterprise-wide culture-building objectives and key safety strategies.

c. Represented Dialogues

In Q1 and Q2 of 2024, SoCalGas conducted 47 dialogue sessions with 339 union-represented employees. Dialogue sessions with represented employees were 90 minutes long, included 6-10 participants per session, and were conducted in person with 1 facilitator and 1 notetaker.[14] Every dialogue session included employees from a cross-section of departments to promote richer conversations and broaden participants' understanding of how different teams support safety. SPD's consultant, Dr. Mark Fleming, observed several dialogue sessions virtually.

Surveys measured the quality of the dialogues and participants' understanding of comprehensive safety, and also sought ideas for how to promote it. Data (dialogues notes and survey responses) were analyzed in partnership with SoCalGas' Research and Analysis team. SoCalGas prepared a narrative summary of these activities, which is included as Appendix F – Represented Dialogues Narrative Summary.

d. Second Executive and Director Dialogues

In 2024, SoCalGas held two additional, longer-format dialogue sessions with SoCalGas's executives and directors as well as Sempra leadership. These half-day workshops aimed to explore our individual and collective relationships with safety, enable a leap in safety culture and performance, and commit to a joint and aligned safety vision or North Star.

Propulo facilitated these sessions.[15] SoCalGas and Sempra participants discussed 2EC's report and a more comprehensive understanding of safety, exploring what is working and what is missing in our current culture with the goal of identifying the steps needed to achieve change.[16]

The sessions involved large group discussions and small-group dialogues in breakout rooms facilitated by SoCalGas executives who have taken on executive sponsorship roles for our safety culture change effort. SPD and its consultant observed both dialogue sessions. The first session was held on March 26, 2024, and 88 executives and directors participated. The second session was on May 30, 2024, and 75 executives and directors participated. Information on the agendas,

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[14] Members of 2ECprovided training and co-facilitated some of the earlier sessions with SoCalGas to promote effective sessions. This approach promoted impactful discussions and allowed SoCalGas to learn by observing expert facilitation in action.

[15] SoCalGas worked with Propulo to leverage their significant safety expertise and collaborate with Sempra in this journey. Including Sempra leaders in the dialogues allowed for sharing of new information and a greater appreciation of Sempra's role in understanding and influencing SoCalGas's culture. Working with Sempra and its consultant to shape the agendas and topics promoted greater alignment and leveraged the progress Sempra and Propulo had made in coaching on safety and culture concepts, developing training materials, and engaging in culture-focused leader site visits.

[16] Both sessions included multiple notetakers who completed 2EC's dialogue-facilitation training. The data was analyzed in partnership with our safety culture consultant and our internal Research & Analysis team. Throughout the workshop process, leaders completed surveys to gauge engagement, openness, and learning.

themes, survey results, and a report from Propulo are included in Appendix G – Executive and Director Dialogues – 2024.
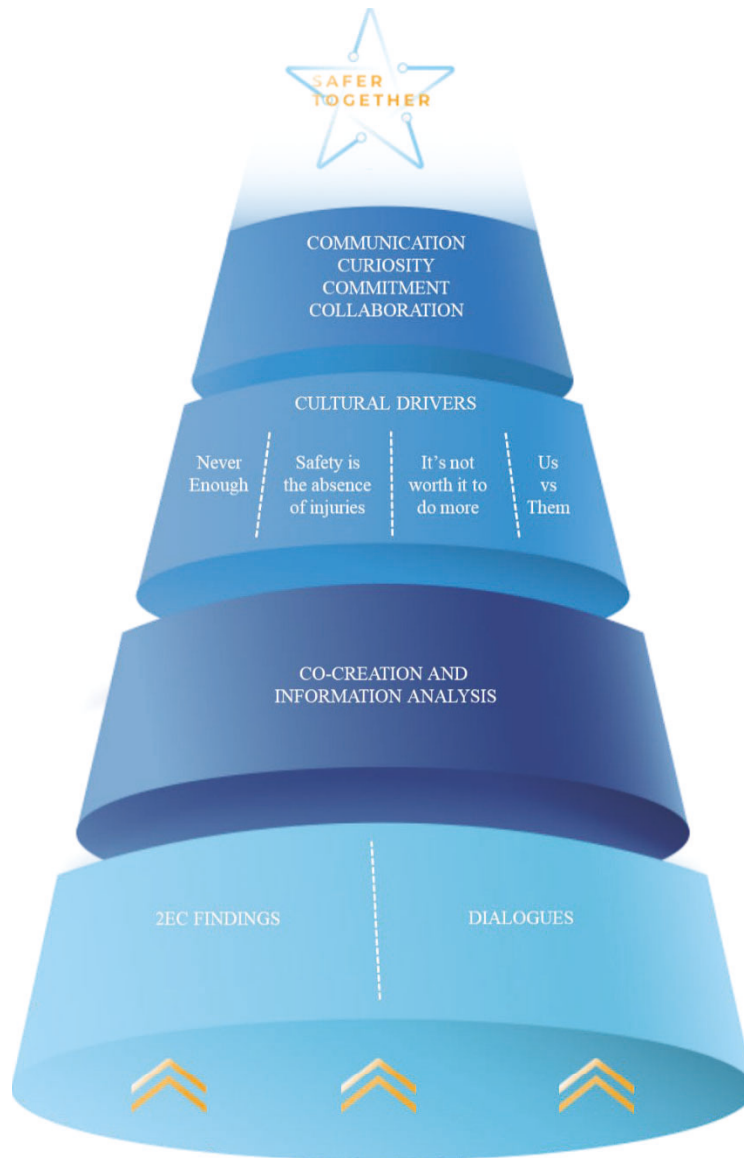
e. Contractor Dialogues

In Q2 and Q3 2024, SoCalGas and SoCalGas conducted 2 dialogue sessions with safety and operations representatives from 24 pipeline and underground storage contractors utilized by SoCalGas. SoCalGas engaged in dialogues with safety representatives from 13 approved pipeline contractors in the first dialogue session, facilitated by SoCalGas safety and construction teams. Additional dialogues were held later with safety and operational representatives from 11 of SoCalGas's primary underground storage contractors. These sessions were facilitated by the SoCalGas safety team and members of the underground storage team. Like the management and represented employee dialogues, SoCalGas developed prompts to explore safety topics and documented what was discussed in the session. SoCalGas integrated the pipeline contractors' dialogue themes into its co-creation process (see Section 5).

4. Company-Wide Communications and Strategy

Concurrent with the above dialogues, SoCalGas deployed a company-wide communication and engagement strategy to promote a shared understanding of 2EC's report and what comprehensive safety means for each business unit. The information-sharing and local conversations on safety and culture were designed to lay the foundation for why culture change was an imperative.

SoCalGas sent multiple company-wide communications, including a short video. For local conversations, the intent was to encourage open conversations, engage directly with teams on safety and culture change, and help teams navigate and understand the findings of 2EC's report. To gauge the impact of local conversations, SoCalGas issued surveys to gather data on employee understanding of safety culture. The results showed an increased understanding of safety culture and also illuminated opportunities for further education, including on what it means to adopt a more comprehensive approach to safety. More detailed information is available in Appendix H – Communication and Engagement Summary.

5. SoCalGas Co-Creation Sessions[17]

SAFER
TOGETHER

COMMUNICATION
CURIOSITY
COMMITMENT
COLLABORATION

CULTURAL DRIVERS

| Never Enough | Safety is the absence of injuries | It's not worth it to do more | Us vs Them |

CO-CREATION AND
INFORMATION ANALYSIS

2EC FINDINGS   DIALOGUES

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[17] Participants at these co-creation sessions included senior executives, managers, individual contributors, and other safety leaders from departments and teams across the organization, including Operations, Engineering, Customer Service, Enterprise Risk, Human Resources, Construction, Safety, Communications, among others.

a. Co-Creating SoCalGas's Safety Culture North Star

To set this Plan's improvements to SoCalGas's safety culture on secure footing, we needed to align on an aspirational path forward. Accordingly, we set about co-creating a "North Star" to orient our improvement efforts in one clear direction. Our goal was to develop a North Star to keep us reliably on course as we navigate to our safety culture aspirations.

Our North Star co-creation session consisted of activities to support reflection and spark creativity. Participants discussed dialogue activities and then formed groups to create and present what a "dream culture" or "aspirational future state" would look like for SoCalGas. Participants then engaged in an unlearning activity to identify cultural traits hampering the evolution of our safety culture. In the final activity, participants consolidated the day's outputs into this North Star statement:

> "Safer Together. Advancing a culture that empowers communication, curiosity, commitment, and collaboration."

b. Co-Creating the Cultural Basis for SoCalGas's Safety Culture Improvement Plan

The cultural challenges and experiences identified in 2EC's report required us to question, listen, and change. Because "acquiring a safety culture is a process of collective learning,"[18] an essential first step is to understand the context within which our employees "survived and thrived" in the past.[19]

To analyze 2EC's recommendations, CPUC requirements, dialogue outputs, and existing and proposed SoCalGas safety goals and programs, SoCalGas engaged in several cross-functional co-creation sessions. Sessions began with activities to promote shared space.[20] We then analyzed and integrated findings from 2EC's report and dialogues, combining the learnings and themes into sub-categories and next consolidating the sub-categories into major interconnected concepts. These are:

- Capacity

- Trust

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[18] Managing The Risks of Organizational Accidents, James Reason, 1997.

[19] "Culture is what a group has learned in its history that has enabled it to survive and thrive (…) whatever values and norms enabled that group to survive and manage its internal affairs, they are its culture." Edgar Schein.

[20] "Shared Space" is what happens in between people and teams and is characterized by working relationships that support trust, decreased power dynamics, mutual respect, free flow in the sharing of thoughts and ideas, willingness to share inner thoughts and feelings about a particular issue without fear of recrimination or exclusion, more in-depth conversations, dialogue instead of discussion/debate, and curiosity of different perspectives.

- Thinking Broadly

- Shared Goals

Having identified these themes, we explored their cultural bases and related challenges.

To do this, SoCalGas employed the tool of Edgar Schein's Iceberg Model.[21] As shown below, the iceberg model represents observable expressions of culture as "above the surface," or visible, while values, beliefs, and assumptions impacting our behaviors and performance lay "below the surface." These basic assumptions at the iceberg's bottom influence the visible (surface) manifestations of culture. Because organizations set the context creating these assumptions, SoCalGas's objective through this process was to gain a deeper understanding of how we created the context leading to these basic assumptions.

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[21] The Iceberg Model, developed by Edgar Schein, dynamically and visually explores culture. The Iceberg Model breaks down cultural aspects into three categories – observable expressions of culture, values and beliefs, and basic assumptions (the assumptions or beliefs that impact actions and performance) – each one existing deeper down into the cultural "iceberg." A combination of these three types of characteristics makes up culture.

Through the analysis, SoCalGas identified four basic assumptions – using the iceberg model, these would be the shared assumptions at the iceberg's base that impact performance and behaviors. These assumptions help us understand our culture and point to how we can address the challenges identified in 2EC's report. By understanding and changing these basic assumptions, SoCalGas can implement meaningful, lasting change.

For the challenges identified in 2EC's report, the following are the basic cultural assumptions:

- **"Safety is the absence of injuries"** - 2EC's report found that at SoCalGas, "safety is most often perceived as personnel safety." Probing employee comments around this topic revealed the basic assumption that "safety is the absence of injuries."

  This assumption reflects statements made at dialogues with management and represented employees during which safety themes focused on "getting home safe" and "not getting hurt." For office employees, uncertainty existed around safety roles and responsibilities. At executive and director dialogues there was recognition that in the past, events where an employee injury did not occur were not considered safety events.

  Generally, at all levels there was consensus that lagging personnel safety metrics were the measure of safety success. The assumption that safety is the *absence* of something bad happening (especially to people) prevailed. Therefore, if nothing bad happened (i.e., no injuries), then we must be safe.

  This basic assumption is multi-faceted, conveying both a limited and narrow understanding of safety as well as a sense of overconfidence and complacency.

- **"It's not worth it to do to more"** - 2EC's report found that at SoCalGas, "safety and risk are perceived as achieved by compliance." Through analysis as part of the co-creation process, we identified the basic assumption among employees that "It's not worth it to do to more."

  Dialogues revealed that "compliance" could broadly be described as rule-following or not challenging the status quo. The assumption that "it's not worth it do more" was identified to reflect that (1) organizational systems and practices do not reward questioning, and (2) employees feel it is not expected or appropriate to challenge the status quo.

  Dialogues also revealed limited confidence among employees that changes or improvements would happen if suggestions or challenges were raised, and that raising issues or challenging prevailing practices could create personal or professional risk (e.g., result in being viewed as "not a team player"). In other words, it is not "worth it" to do more, because doing more is unlikely to result in meaningful change, and it could create other challenges.

- **"Never enough"** - 2EC's report found that at SoCalGas, "Resources are needed to shape a healthy safety culture." Through analysis as part of the co-creation process, we identified the basic assumption of "Never enough."

  To better understand this theme, resource challenges should be viewed through two lenses. First, there is a perception among employees that there are not enough resources available to support safety. Second, there is a perception among employees that new goals, tasks, and

responsibilities will continually be added without end. In other words, there are "never enough" resources to get the work done and no matter how much work is done, it will "never be enough."

This theme can be described as an organizational mismatch of expectations and resources. This mismatch results in feelings among employees that expectations are unrealistic, that competing priorities exist, and that there is a lack of shared accountability and ownership because plans, policies, targets, goals, and resource allocation are being decided by people lacking the proper knowledge and experience.

- **"Us vs them"** - 2EC's report found that at SoCalGas, "learning and safety improvement requires an integrated management system." Through analysis as part of the co-creation process, we identified the basic assumption of "Us vs them."

  Through dialogues, employees identified the perception of silos across organizations and limits to communication, learning, and continuous improvement. They elucidated a tendency to focus on "staying in one's lane" and limited understanding of the roles of other employees and the needs or objectives of external stakeholders, creating an "us vs them" feeling. Fueling this "us vs them" construct are perceptions of competition, scarcity, and lack of alignment across stakeholder groups to achieve shared goals (e.g., one team acting to benefit itself, to the detriment of other functions). This feeling was compounded by limited formal organizational mechanisms to promote transparency, partnership, and goal alignment.

c. Co-Creating SoCalGas's Revised Safety Culture Improvement Plan

In the next 2EC-facilitated co-creation workshop, SoCalGas endeavored to leverage our collective experiences and understandings to identify ways to influence positive change. This co-creation session was intended to create and align on SoCalGas's revised safety culture improvement plan elements.

Participants discussed the outcome of earlier sessions and their understanding of the iceberg model, our analysis, and the related four basic assumptions. They then focused on interactive activities to promote ideation. Participants noticed overlapping ideas from each other and from the four icebergs. The co-creation process and exploration of "why we are the way we are" helped SoCalGas explore which activities could address the themes in 2EC's report by effectively changing those underlying basic assumptions.

Participants reflected on how each basic assumption related to the Safer Together North Star to identify improvement activities. We then identified important cultural elements/behaviors for reaching the North Star and brainstormed on important improvements. Following that, we consolidated ongoing and proposed activities to co-create new cultural activities and modify on-going activities to incorporate cultural elements. Through this process, we identified the following improvement elements to frame this Plan:

- Enhance leadership culture for safety
- Change recognition practices to advance comprehensive safety
- Advance mindful communication practices
- Focus on proactive hazard identification
- Engage employees to better prioritize resources and bandwidth
- Advance integration through our SMS

These change and improvement concepts formed important initial steps toward this Plan and have been bolstered and expanded through subsequent sharing, input, dialogue, and co-creation. See Appendix C – Co-Creation Agendas for more details.

d. Subsequent Dialogues, Co-Creation, Sharing, and Affirmation

Following the 2EC-facilitated session, SoCalGas engaged stakeholders to explore the results of our co-creation efforts and brainstorm on changes and improvements. While each session was slightly different, the universal intent was to share the process, share the basic assumptions for feedback and affirmation,[22] and seek feedback and insights on potential improvements. Suggestions for improvement are incorporated into the actions detailed in Section 6, and SoCalGas will continue collaborating and iterating in ongoing dialogues and learning teams.

As part of this step, SoCalGas engaged the SoCalGas Safety Champions, all levels of employees at our Safety Congresses, safety representatives from our major contractor partners, parties to this proceeding, and external stakeholders through our Community Advisory Councils.[23] The Safety Champions formed working groups to explore the four basic assumptions, seek feedback and challenges, and brainstorm on potential changes and improvements. At the Safety Congress, teams of about 20-30 employees (primarily frontline employees and first-line supervisors, with representation from all levels and cross-functional departments) engaged in workshops to explore the four basic assumptions, seek feedback and challenge, and brainstorm changes and improvements.

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[22] Through this process we refined and improved the basic assumptions and developed improvement actions.

[23] Community Advisory Councils exist as a format to engage the public across SoCalGas's service territory, including the Aliso Canyon, Goleta, and Honor Rancho storage facilities, from the Westside of Los Angeles, and from downtown Los Angeles.

For both the Safety Congresses and Safety Champions dialogues, we intentionally refrained from suggesting improvement elements to encourage creativity and exploration of possibilities among participants. Through these engagements, employees shared reactions and feedback (which resulted in changes to the basic assumptions), and shared their ideas for change and improvement, several of which have been integrated into this Plan. For example, employee suggestions included:

- Creating more opportunities for senior leaders to understand employee experiences ("walk a mile in their shoes") and better understand the downstream impacts of their decisions.

- Formalizing and standardizing safety practices, strategies, and goals, with intentionality around explaining "why" these things matter to enable and empower questioning and suggesting improvements.

- Having more timely and more detailed follow-up to "close the loop" on issues and suggestions to create engagement and shared ownership.

- Changing our metrics and performance management processes because they affect behavior.

Safety representatives from our contractor partners met with us at a workshop to discuss the conclusions and themes identified in 2EC's report, how the dialogues help all parties understand 2EC's report, the basic assumptions underlying safety culture, and ideas for change. In this forum, safety representatives from our contractor partners offered insights, feedback, and ideas from their perspective outside the company. Similar to engagements with contractor partners, the Community Advisory Councils engaged with us in longer-format dialogues to discuss challenges, changes, and improvements.

Finally, we engaged parties to this proceeding ahead of this filing to share our thinking and learnings and seek their input and ideas for improvement. SoCalGas appreciates the ongoing engagement from parties and their diverse perspectives that led to improvements to this Plan and

our approach to safety and culture. For example, based on a suggestion by California Public Advocates Office, SoCalGas expanded our Plan activities to be more inclusive of our contractor partners.[24] In response to input from the Center for Accessible Technology, we expanded our definition of public safety. Finally, feedback from the labor unions led to us adding formalized policies for documenting expectations (*e.g.*, a standalone stop-the-job policy).

6. Improvement Plan Elements

The Plan is organized around four primary elements: communication, curiosity, commitment, and collaboration. These elements are detailed below, and like the themes from 2EC's report, our dialogues, and the underlying cultural drivers, they are interconnected.

- Element 1: Communicate and implement a comprehensive approach to safety.

- Element 2: Foster and celebrate curiosity and empower employees and contractors to speak up, question, and share their ideas.

- Element 3: Commitment to engage in collective efforts to understand organizational challenges and better prioritize resources.

- Element 4: Advance collaboration and an integrated management system through enhancements to our Safety Management System.[25]

In developing these elements, SoCalGas considered the ways senior leaders, middle managers, and the front line all shape culture throughout the organization. The proposed elements include actions to change how leaders in the organization set safety and culture context,[26] as well as ways to empower whole-company actions to explore, collaborate, and co-create changes and improvements.

Culture creation and change requires context setting. SoCalGas (and all organizations) are "context creating entities" – "The organization creates context" and "context drives…behavior."[27] All four elements are interconnected efforts to change the context created at SoCalGas and advance our safety culture in alignment with our North Star.

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[24] As detailed below, we propose to leverage our learning and change efforts to promote shared growth with our contractors: developing updated onboarding materials for our contractors to promote an aligned and collective understanding of safety success; updating the contractor safety manual to align with the newly updated and developed employee safety manual; and embedding explicit focus on contractor management in our SMS.

[25] In 2015, the American Petroleum Institute introduced API RP 1173 as a gas industry standard for Pipeline Safety Management Systems (PSMS), based on ten tenets. SoCalGas has implemented an SMS for all areas of safety based on the ten tenets of API RP 1173.

[26] Dr. Mark Fleming SHEET 2: Leadership and safety culture. Provided to SoCalGas by Dr. Fleming and available upon request.

[27] The 5 Principles of Human Performance, Todd Conklin. Page 86.

Consistent with the Plan, Do, Check, Act model, the Plan calls for measuring cultural change to inform iteration and improvements. Measures include ongoing dialogues as tools for assessment, iteration, and continued reporting, and the proposal that SoCalGas use a portfolio of measures to assess progress and identify improvement opportunities.[28] SoCalGas proposes several measures to track key activities to provide transparency on major Plan elements, as well as outcome measures, intended to measure changes in culture.

In proposing measures, SoCalGas has included metrics[29] and indicators.[30] SoCalGas proposes progress metrics for each action and outcome indicators to measure safety culture and to "detect weak signals of a change in culture."[31] In keeping with the iceberg model detailed above, progress metrics provide transparency into our actions to change visual and tangible representations of culture, while outcome indicators measure change in what is below the surface (values, beliefs, assumptions). Appendix I - Proposed Measures Table[32] details how the measures are planned to be used and interpreted.[33]

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[28] Fleming, M., Cairns, R. (2024). Safety Culture Indicators - For Improvement Not Assessment. In: Gesa Praetorius, Charlott Sellberg and Riccardo Patriarca (eds) Advances in Human Factors of Transportation. AHFE (2024) International Conference. AHFE Open Access, vol 148. AHFE International, USA. http://doi.org/10.54941/ahfe1005241 ("safety culture indicators should be used to identify improvement opportunities rather than as an assessment tool. The narrow focus of indicators means that they are not well suited to determining the health of an organization's safety culture. However, they can identify opportunities for improvement or track the progress of improvement initiatives.")

[29] The term "metric" is used when the result is a number. Id. At 501.

[30] The term "indicator" is used for measures that are qualitative in nature. Id.

[31] Id. At 503. ("the limitation of using safety culture metrics….In general, metrics provide limited insight into an organization's safety culture. Metrics are quantitative in nature, and often less directly related to safety culture.")

[32] In keeping with the format approved in Advice Letter 6267-G-A, SoCalGas provides a table of our proposed measures as Appendix I– Proposed Measures Table.

[33] Id. At 503-504.

Element 1 - Communicate and implement a comprehensive approach to safety

Cultural Basis

Element 1 reshapes how safety is communicated and understood at SoCalGas.

Based on learnings from 2EC's report and dialogues, SoCalGas understands we have communicated an understanding of safety success that is narrow and inconsistent with our Safer Together North Star. Company communications have reinforced lagging personnel safety metrics as the focus of safety, creating a narrow, personnel-focused conception of safety. Historically, employees do not feel they were rewarded for thinking broadly about a task or activity, for raising concerns or issues, or for suggesting opportunities to improve; rather, they were rewarded for getting work done and not getting hurt.

Objectives

Our new understanding of safety success integrates a more comprehensive approach to safety into our goals, communications, and performance management practices. SoCalGas intends to change what is rewarded, or what "good looks like," to recognize broader thinking, advance psychological safety and collaboration, and promote a more comprehensive view of safety (*e.g.*, impacts to the public and our infrastructure).

SoCalGas is updating leadership training and development, rewards and recognition, and company communications to change the way safety and safety success is understood.

Two Proposed Actions

Engaging employees and other stakeholders in this process led to several recommendations for influencing change and adopting a more comprehensive approach to safety. These include changing reward and recognition practices, changing training and onboarding, removing organizational signals that reinforce a focus on personnel safety, and changing metrics.

In keeping with these suggestions, the actions detailed below would reshape behavior, training, development, and performance management efforts to clarify and update safety goals, roles, and objectives. SoCalGas forecasts the actions will take approximately 12 months to 18 months to complete and we plan to implement changes starting in 2024. Additional suggestions were made regarding changes to enterprise and frontline communications and initiatives to communicate through video and other mediums the company's more comprehensive approach to safety.

Action 1: Transform Leadership Norms by Incorporating New Safety and Safety Culture Principles into Development Activities

SoCalGas is updating our development and training to advance our Safer Together culture. We are rethinking our systems to identify what needs to be changed, removed, added, learned, and unlearned. To this end:

- The executive team will engage in coaching and education sessions on safety and culture change. Concurrent with this coaching, SoCalGas will change executive engagement to model a listening and learning approach.

  o We are reframing existing engagements, specifically WE Lead, as a listening tour to model curiosity and demonstrate a commitment to learning. Since the first WE Lead, subsequent tours have involved more dialogue and listening and going forward the WE Lead tours are listening events designed around leaders listening and learning to empower collaborative change.[34]

  o We are formalizing leadership presence, learning, and engagement across the company.[35] These efforts are different from a base visit, department all hands meetings, or the WE Lead tours as noted above. Rather, they will be structured as leadership site visits (e.g., field and desk rides) to engage, listen, and learn. The goal is to explore from a position of humility, respect, and curiosity to better understand how decisions impact safety culture and outcomes.

  o SoCalGas plans to prepare short training opportunities for leaders to promote meaningful engagements focusing on listening to and learning from employees. These sessions will highlight the importance of seeking input from different levels within the organization. They will focus on building relationships, demonstrating active caring, asking open-ended questions, and showing acknowledgment and recognition. Following the visits, SoCalGas will track the visits and document learnings and reflections from the visit.

- For directors, managers, supervisors, professionals, and represented employees. SoCalGas is reviewing and updating development activities (including the Leadership Excellence & Accelerated Development (LEAD) programs) to embed the INPO ten traits and related concepts into SoCalGas training and development. This will create a foundational understanding of central concepts (e.g., culture, system thinking, mindful communication), promote consistency, and enable role modeling by educating on the same concepts throughout the organization.

  o As a first step, SoCalGas launched Leadership Catalyst, a full-day leadership development course on safety, performance, and culture. Based on feedback from dialogues, Leadership Catalyst is provided to people leaders who work with teams of represented employees.

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[34] Notably, in recognition of the importance of following-up and transparency, SoCalGas proposes to track what is heard and learned through these engagements as part of the continuous improvement tracking process outlined in Element 2.

[35] SoCalGas plans to leverage the work Propulo and Sempra have engaged in to create process, training, and direction as part of the Sempra Site Visits. Sempra, in collaboration with Propulo, has already undertaken site visits by its leadership to Sempra operating company facilities. These engagements include pre-visit education and post-visit debrief to discuss learnings. This model provides a framework to be leveraged and integrated into SoCalGas' practices.

All people leaders in the company hierarchy (up through senior executives) go through the process within the same period. This sparks conversations about their experiences, supports post-class integration and sustainment activities, and creates an environment that drives enterprise-wide and local culture change. SoCalGas's Human Resources leadership, Safety leadership, internal subject matter experts, people leaders, and members of the 2EC team created the course content, having reviewed 2EC's findings and recommendations and employee dialogues, and after researching industry best practices around safety, culture, and performance management.

The course is experiential, introspective, and collaborative. It offers participants the autonomy to create culture-focused plans to meet the needs of their unique teams. SoCalGas will assess learnings and impact after this first effort to determine expansion and/or how best to integrate and embed these important concepts into the broader development curriculum. For more details on the Leadership Catalyst course, please see Appendix J – Leadership Catalyst Presentation.

As SoCalGas changes its educational and developmental practices, the company will also update onboarding materials for contractors to promote an aligned understanding of safety success.

Action 2: Change How Safety is Communicated by Updating Reporting, Recognition, and Performance Management Tools

SoCalGas will change organizational and individual performance management tools and communications to shift to a more comprehensive understanding of safety and safety success.

SoCalGas recognizes there are direct and indirect ways to communicate safety success – through communications (emails, signs, town halls) and via what is rewarded or not rewarded. SoCalGas is revising our communications to reinforce a comprehensive approach to safety and change assumptions about what is rewarded, what is celebrated, and what is successful.

Specifically, SoCalGas proposes these changes to our communications and performance management tools:

- Update SoCalGas safety metrics, communication medium, and reports to elevate leading indicators and measures of comprehensive safety. This effort would identify important measures that communicate a comprehensive approach to safety. It would also declutter dashboards and streamline reporting to promote clarity of information and direction.

- Update SoCalGas safety recognition policies to communicate that safety success is comprehensive. This would include efforts to advance employee, public, infrastructure, and contractor safety, and consider ways our actions impact and influence safety and culture.

- Change performance management processes (e.g., performance touchpoints and appraisals). Performance touchpoints are administered at least annually with management employees and provide an opportunity for dialogue around capabilities, contributions, connections, career goals, and culture (explicitly including safety culture).

- With represented employees, performance appraisals occur annually as a touchpoint opportunity and include conversations about job responsibilities, knowledge, work habits, relationships, and qualities like leadership, initiative, innovativeness, and problem solving. SoCalGas will embed comprehensive safety concepts and North Star principles (curiosity, communication, commitment, and collaboration) into these touchpoints, appraisals, and other coaching opportunities to influence conversations on safety and culture.

- Update SoCalGas discipline practices and related training to focus more on learning from incidents (aligning with HOP and just culture concepts) and implement systemic improvements to our discipline practices to enhance transparency and consistency.

Measuring Element 1

To measure Element 1's implementation progress and whether Element 1 was successful in communicating a new (and more comprehensive) understanding of safety, SoCalGas proposes to measure the following:

- Progress Measures
  - Action 1:
    - % of executive leaders engaged in safety and culture coaching
    - % of LEAD programs reviewed and updated (out of 3 LEAD programs identified)
  - Action 2:
    - % of SoCalGas locations with visible measures of leading indicators and comprehensive safety
- Outcome Measures
  - Qualitative assessment of leadership presence at the site visits
  - Qualitative assessment of weekly leadership safety messages
  - Qualitative assessment of individual and team safety awards

Appendix I includes details on each proposed measure – including descriptions, data collection processes, and purposes and objectives.

Element 2 - Foster and celebrate curiosity and empower employees and contractors to speak up, question, and share their ideas

Cultural Basis

Element 2 aims to empower and promote curiosity.

The core obstacles to promoting curiosity are a lack of organizational transparency, follow-up, and recognition for individuals who question and challenge the status quo. Because of these obstacles, employees assume going beyond what is prescribed, speaking up, challenging, or questioning will not be rewarded (or will not result in change and improvement) and can create personal and professional risk. In other words, employees don't question, challenge, or suggest improvements because the organization does not reward doing so or act upon suggestions.

Objectives

SoCalGas intends to promote a questioning and learning environment. The actions detailed below aim to foster a deeper understanding by employees of the "why" of what we do, enhance systems for tracking and responding to employee suggestions, ideas, and concerns, and to engage employees to formalize new risk and safety concepts in policy. The intent is to formalize the importance of questioning and speaking up and build trust in SoCalGas systems for actioning improvements.

Two Proposed Actions

Element 2 promotes transparency through enterprise tracking and communications systems and by formalizing comprehensive safety practices into an employee safety manual to document organizational strategies and goals related to hazard identification, questioning, and identifying improvements.

The actions below reflect feedback from employees asking for (1) follow up and transparency to build trust and combat assumptions that the company "doesn't want to know" about challenges and that it's better to not "rock the boat;" and (2) changes to our practices to formalize the importance of questioning, challenging, and identifying suggestions for improvements.

To address these suggestions, SoCalGas is developing a tool to track issues and suggestions. This tool will formalize follow-up and communication and consolidate practices into an employee safety manual. SoCalGas forecasts the above actions will take approximately 18 months to 24 months to complete and we plan to implement changes starting in 2024.

In considering alternative actions, employees suggested developing formal practices for more team and 1x1 engagements to build trust and transparency. Rather than a standalone action around improved engagements, SoCalGas has worked to embed engagements and relationship building efforts into Element 1 (as part of development and performance management) and has designed Element 2 to adjust organizational systems to promote transparency and consistency.

Action 1: Enhance Practices to Empower Employees to Question, Challenge, and Identify Potential Improvements

To reinforce trust, curiosity, and promote identification of hazards and potential improvements, it is necessary to formalize and articulate the "why" of what we do. By clearly identifying the safety impacts of our work and our related goals and strategies, we empower all employees to question policies, procedures, and rules to identify what we can do better, how we can add resiliency, and what we can do to advance comprehensive safety. SoCalGas employees are thoughtful and adaptive problem solvers, and our organization needs to do more to supply them with information on the "why" of their work and empower them to question the way we do things. A formalized strategy around hazard identification and improvement can accomplish this. SoCalGas will therefore formalize and reinforce through policy that the practices being communicated and trained on in Element 1 are also concepts formally put into writing as indications of responsibilities, practices, and expectations. Importantly, SoCalGas will develop and update these safety policies collaboratively *with* employees, so that employees are participating in setting the safety standards and developing the related policies and procedures that inform the work they do every day.

SoCalGas will improve our employee safety manual by updating and consolidating aspects of our Injury and Illness Prevention Program. We will integrate new safety and culture concepts to promote alignment and clarity. Specifically, SoCalGas plans to outline HOP concepts, revise references to Behavioral Based Safety concepts that could create practices and perceptions leading to an employee becoming the focus of blame, and improve tailgates, job hazard analysis tools, job safety observations, and meeting practices.

- SoCalGas will formalize and standardize tailgate practices across the company to empower conversations about what could go wrong (the "what if" scenarios) and reinforce the importance of considering potential impacts to the public, our infrastructure, our contractors, and each other. To further focus on high consequence events, SoCalGas proposes to integrate the Energy Wheel[36] as a tool to focus more on high energy hazards. Through these changes, SoCalGas intends to promote greater shared understanding of the *Why*, *When*, and *How* of performing an effective tailgate.

- SoCalGas will develop a Job Hazard Analysis[37] (JHA) library with JHAs prepopulated by a team of employees familiar with potential hazards. In doing so, SoCalGas can leverage collective knowledge to advance our ability to identify factors that could influence safe performance of work. JHAs will be dynamic (e.g., reviewed and updated at the worksite and updated as conditions change) and designed to influence more informed exploration of potential hazards and challenges ("what-if" type scenarios).

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[36] The Energy Wheel highlights common sources of energy. Understanding the sources of hazardous energy is beneficial and goes a long way toward promoting safety, with focus on high consequence sources of energy.

[37] Job Hazard Analysis forms analyze the safety of our work processes and activities.

- SoCalGas will document the importance of dynamic risk assessment as a continuous safety practice to quickly identify hazards and analyze risks "on the spot," remove or mitigate them, and if possible, proceed with work safely.

- SoCalGas will develop hazard focused Job Safety Observations and training to shift from observing/controlling employee behaviors[38], to partnering with our employees to identify potential hazards to the public, our infrastructure, our contractors, and each other.

- SoCalGas's employee safety manual applies to all employees (field and office). While many practices above detail field work activities, we plan to introduce how safety and culture considerations should be embedded in office activities – e.g., identification of "Devil's Advocates" to challenge thinking, the importance of safety moments to connect topics to safety or suggesting a "plus / delta" at the end of meetings to discuss what could be improved. These changes are intended to broaden questions and challenges by employees regarding how we think about safety.

Throughout this process, SoCalGas plans to highlight learning teams for improvements, encourage reporting through good catch, near miss, and stop the job reporting (including a standalone stop the job policy), and improve our contractor safety efforts by updating our contractor safety manual to align with the employee safety manual.

Action 2: Create Improved Processes for Receiving, Tracking, and Responding to Employee Challenges, Suggestions, and Ideas

SoCalGas is developing additional processes to promote transparency and prioritize responsive actions and communications. Our goal is to encourage employees to share ideas by showing them their input is valued with responsive actions and communications.

SoCalGas will deploy a comprehensive safety corrective action resolution program as an improved process for receiving, tracking, and responding to ideas presented by employees. This system is designed to expand and consolidate existing processes and provide clarity, recognition, and transparency on how the company follows-up on suggestions, issues, and opportunities to improve.

Through this effort SoCalGas can track continuous improvements, improve communications, develop a more centralized database, and generate reports and visuals. Information systems will collect and analyze data from a range of internal sources, allowing issues to be tracked, resolved in a timely manner, and communicated across the organization.

SoCalGas plans to consolidate the following learning and continuous improvement processes for more connected tracking, analysis, and follow-up:

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[38] SoCalGas's current Job Safety Observations are behavior-based safety focused, which can result in observations and practices where an employee's behavior is the focus.

- Event Learning Process[39]
- Learning Teams
- Executive Safety Council Follow Ups[40]
- Emergency Management After Action Reports[41]
- Safety Enforcement Division Audits
- Quality Management Corrective Actions
- WE Lead Tour follow-ups

Currently these activities are tracked and actioned separately, limiting our ability to identify connections. By consolidating these processes SoCalGas can better identify issues, promote transparency, and complete follow-up. To further build trust and transparency, SoCalGas plans to develop company-wide communications on larger issues, changes, and improvements to highlight stories of successes, challenges, and promote transparency.

Measuring Element 2

To measure Element 2's implementation progress and whether Element 2 was successful in building trust in organizational processes and advancing a questioning and learning environment, SoCalGas proposes to measure the following:

- Progress Metrics
  - Action 1:
    - Report on completion of updated employee safety manual
  - Action 2:
    - # of learning and continuous improvement processes consolidated
- Outcome Indicators
  - Employee Survey
  - Qualitatively assess a random sample of tailgates
  - Qualitatively assess a random sample of meetings

Appendix I includes detail on each proposed measure – including descriptions, data collection processes, and purposes and objectives.

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[39] The Event Learning Process (ELP) is designed to identify enterprise-wide and/or systematic enhancements as the result of an incident or similar trends of reoccurrences.

[40] SoCalGas' Executive Safety Council (ESC) provides safety oversight and executive interactions with employees over safety matters. The ESC meets at various operating locations to engage with represented employees, supervisors, and managers associated with an operating district or a region. Employee dialogue sessions are held to provide a forum for employees to share feedback and executives to listen and learn. Issues brought up are discussed and resolved during the dialogue session or carried forward as action items for later resolution, with follow up to the employees who made the suggestion.

[41] An After-Action Report (AAR) is a retrospective analysis of the immediate response to, and recovery operations of certain emergency incidents at SoCalGas.

Element 3 - Commitment to engage in collective efforts to understand organizational challenges and better prioritize resources

Cultural Basis

Element 3 addresses disconnects between expectations and resources (capacity).

Based on learnings from 2EC's report and related dialogues, SoCalGas understands resources are a challenge because of mismatches between available resources (capacity) and workforce expectations. Employees experience a lack of resources because they receive growing demands without commensurately growing capacity (be that people, time, tools, training, etc.). Employees raised issues around unrealistic organizational and leadership expectations and being asked to achieve more than the resources allocated to them allow, resulting in some employees believing safety was not a true priority.

Objectives

SoCalGas proposes to explore resource issues and promote greater organizational understanding of disconnects between expectations and resources to avoid challenges and issues in the future. SoCalGas recognizes this is an organizational issue, not an individual or employee issue. Accordingly, these efforts are intended to improve communication, promote organizational understanding of challenges, and signal commitment to safety and collaboratively aligning resources and expectations. Importantly, this process is a collective effort, engaging employees to collaboratively change practices, identify challenges, and allocate resources to better manage and align expectations, goals, and resources together.

Two Proposed Actions

Element 3 promotes collaborative alignment and improvement to SoCalGas resource allocation and goal-setting processes.

SoCalGas's changes reflect employees' request for clearer communication of expectations and goals, as well as communication and transparency regarding resources. Consistently, employees suggested greater engagement and transparency in the resource allocation process. SoCalGas forecasts the above actions will take approximately 18 months to complete and we plan to implement changes starting in 2025.

As an alternative, we considered creating a team to assess practices and benchmark against other companies. While there is a degree of this suggestion in the second action, we believe an important first step is a more collective focus and engagement to better evaluate, assess, and understand meaningful changes.

Action 1: Leverage Learning Teams to Collaboratively Explore Resource Issues Identified in Dialogues

To empower shared efforts in aligning goals, expectations, and resources, SoCalGas proposes to leverage learning teams to collaboratively explore and improve current practices. Learning

teams are a recently developed capability at SoCalGas with which we have seen success in promoting engagement, learning, and improvement.

A learning team is facilitated by a facilitator trained to promote psychological safety and explore conditions and events. The learning team is a two-day activity, with the first day focused on issues (aligning on a "problem statement") and the second day focused on changes and improvements. The goal is to advance learning so employees (and contractors) are adaptive problem solvers who promote understanding, change, and improvement. For more information about our learning team program, please see Appendix K – Learning Team Overview.

Dialogues and 2EC's report identified the following topics for learning teams:

- Constraints and challenges related to safety[42]
- Change management / change overload
- Opportunities to optimize and declutter
- Opportunities to improve and expand expertise, training, and knowledge transfer

For each learning team, SoCalGas will create a report of learnings, recommendations, and actions taken.[43] This tracking will align with the corrective action process detailed in Element 2.

Action 2: Implement Improvements to Resource Allocation and Goal-Setting Processes

Alongside learning teams, SoCalGas will create a cross-functional team to address issues and recommendations identified in the learning teams to implement systemic changes to promote alignment and consistency.

In addition to achieving more consistent action on recommendations, the team will address improvement opportunities identified through dialogue and co-creation efforts. Specifically, the team will develop more robust processes for promoting transparency and understanding of resourcing and goal-setting practices, reporting back to employees on takeaways from the above learning teams and this review process.

The team will leverage existing accountability and transparency processes such as the Commission's accountability reporting process. To address concerns around expectations, the team will review goal-setting practices to promote consistency around what steps are taken to understand if goals and expectations are aligned with resourcing practices.

The team will also benchmark with other companies to test and compare SoCalGas practices with others to seek improvement opportunities. Consistent with Element 2, learning teams results will be tracked in the tracking tool to promote transparency.

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[42] For example, "staffing levels", process for creating and maintaining "complete, accurate and up-to-date documentation", and equipment in "old and [] poor condition".

[43] If no action is taken, SoCalGas will explain why.

Measuring Element 3

To measure whether Element 3 was successful in promoting collaborative alignment and improvement to SoCalGas resource allocation and goal setting processes, SoCalGas proposes to measure the following:

- Progress Metrics
    - Action 1:
        - # of learning teams completed
    - Action 2:
        - # of improvements implemented from the learning teams
- Outcome Indicators
    - Share each learning team's results as part of future reporting.
    - Issue a survey to learning team participants to gather perceptions on collaboration and expected impact from the identified recommendations.

Appendix I includes details on each proposed measure – including descriptions, data collection processes, and purposes and objectives.

Element 4 - Advance collaboration and an integrated management system through enhancements to our Safety Management System

Cultural Basis

Element 4 addresses issues around silos, alignment, and integration.

Based on learnings from 2EC's report and SoCalGas dialogues, SoCalGas understands that issues around silos, alignment, and integration are due to challenges across hierarchical relationships, goal conflicts, lack of communication, and the size and scale of SoCalGas as a large and complex organization. These barriers to collaboration result in an overly decentralized model of operations, coordination, and action, limiting cross-functional collaboration and alignment.

Objectives

Through the actions detailed below, SoCalGas intends to promote formal and relational integration, alignment, and collaboration through people and process enhancements to its Safety Management System (SMS).[44] While doing this, SoCalGas is identifying opportunities to integrate a more comprehensive approach to safety and further embed strong cultural focus and contractor management as explicit and important aspects of SoCalGas's SMS.

Two Proposed Actions

Element 4 promotes enhanced management of safety through our SMS, with focus on alignment, collaboration, and shared goals and direction.

To accomplish this SoCalGas developed two SMS improvement actions that focus on people and governance and on formalizing policy to promote integration and sustainment. The actions reflect challenges raised in dialogues around lack of communication, potentially competing goals and priorities, and too many systems, projects, and programs across regions and departments.

To address these challenges, employees suggested more centralized safety governance with clear expectations, goals, and direction. SoCalGas forecasts the actions below will take approximately 12 months to complete and we plan to implement changes starting in 2024.

For alternatives, we considered movement toward a more centralized approach to safety, with organizational changes to reflect centralized safety activity. However, rather than change organizational structure, we are focusing on actions intended to influence culture and address the underlying cultural driver.[45]

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[44] In 2020, SoCalGas began first began developing its Safety Management System inspired by API RP 1173. By this proposal, SoCalGas looks to enhance the maturity of its SMS based on recent safety and cultural learnings.

[45] SoCalGas believes there should be a balance between centralization and decentralization. It is important that there is commonly understood context and objectives without stifling local ownership and innovation.

Action 1: Engage Leaders to Establish Organizational Alignment on Safety Management Roles, Responsibilities, Shared Goals, and Governance

SoCalGas's SMS is mapped to over 150 policies and programs and over 20 SoCalGas departments. To better connect these policies, programs, and departments, and to create greater governance and alignment, SoCalGas will develop a new governance structure for managing key components of SMS, with an accountable executive and cross-functional team for each functional area of SoCalGas's SMS. These teams will consist of leaders from departments leading and supporting our safety management as part of the SMS. This way safety efforts will have cross-functional and company-wide alignment, governance, and accountability.

SoCalGas will develop written policies and formalize governance of these initiatives, including how senior leadership provides input on vision and strategy and reviews safety performance. For each safety area SoCalGas will identify:

- An Accountable Executive who will work with peers and provide strategic direction on goals and objectives,

- An accountable director for each area to lead implementation and sustainment, and

- Governance committees to develop performance measures, goals, and objectives and meet at least quarterly to create a platform for idea sharing and cross-functional collaboration (e.g., align on where we are, where we are going, potential challenges, etc.).

SoCalGas will work across these committees to set company-wide goals. This effort will involve the team collaborating with their departments and beyond, so that processes are documented, comprehensive, and integrated across the company, as detailed below. These improvements will create shared accountability and advance SoCalGas's ability to work across systems and processes to understand how collective information can facilitate learning and improvement to align our culture on a one-team approach.

Action 2: Develop New SMS Policies to Provide a Clearer Safety Management Framework

To formalize improvements to our SMS and document the governance structure explained above, SoCalGas proposes to develop and publish policies defining specific connections, relationships, and processes for SoCalGas's SMS. SoCalGas will align existing programs and policies and develop new policies, procedures, and collaboration-oriented practices to advance a shared approach to safety. SoCalGas will explicitly embed safety culture in this effort, expand contractor management considerations in the SMS, and ensure alignment to our safety culture North Star.

SoCalGas plans to cross-functionally develop the following policies to support the SMS framework:

- Overarching SMS Policy
- SMS Leadership & Management Commitment Policy
  - Safety Culture Assessment and Improvement Policy
- Stakeholder Engagement Policy
- Risk Management Policy
- Operational Controls Policy
  - Contractor Management Policy
  - Management of Change Policy
- Incident Investigation, Evaluation and Lessons Learned Policy
- Safety Assurance Policy
- Management Review and Continuous Improvement Policy
- Emergency Preparedness and Response Policy
- Competence, Awareness, and Training Policy
- Documentation and Record Keeping Policy

SoCalGas will look to repurpose existing efforts and meetings, realigning efforts to broader and more collaborative efforts to obviate inconsistency and unnecessary activity.

Measuring Element 4

To measure whether Element 4 was successful in promoting integration, alignment, and collaboration through SMS improvements, SoCalGas proposes to measure the following:

- Progress Metrics
  - Action 1:
    - Report on completion of and produce SMS governance framework
  - Action 2:
    - Report on completion of and produce SMS policies
- Outcome Indicators
  - Qualitative assessment of meeting minutes for the above-identified committee meetings

Additional detail on each proposed measure – including descriptions, data collection processes, and purposes and objectives – is included in Appendix I.

7. <u>Ongoing Plan Evolution and Reporting</u>

The elements and actions detailed above represent SoCalGas's assessment of how to chart an evolution in our safety culture guided by our Safer Together North Star. Because culture is complex and dynamic, and because conditions change and evolve, SoCalGas proposes two additional actions to promote transparency and ongoing plan evolution.

First, SoCalGas proposes to report in an ongoing manner on plan implementation progress. These reports would use the same format adopted by Safety Policy Division that is currently being used to report by SoCalGas. SoCalGas proposes continuing with quarterly reports over the next two years.

Second, SoCalGas proposes to continue a regular cadence of stakeholder dialogues to measure progress and iterate on adjustments to our safety culture improvement efforts. SoCalGas proposes stakeholder dialogue sessions to communicate and demonstrate a comprehensive approach to safety and enable assessment of progress to inform Plan evolution. SoCalGas proposes to complete 30 dialogues a year for the two years of implementation outlined in this Plan.

Following this two-year period, SoCalGas would adjust cadence based on status and learnings. For these dialogues, we plan to explore our journey toward a Safer Together culture.[46] This would involve exploratory prompts related to safety and culture, efforts to understand if the Safer Together North Star is understood and resonates, and prompts related to specific actions being taken as part of how to continue to be guided by the North Star.

The goal for these dialogues is allow for a pulse check on culture and allow SoCalGas to ask for inputs on how to continue to evolve on safety culture in alignment with our North Star guidance.

As an additional measure, following the dialogues, SoCalGas proposes to issue standardized Behavioral Anchored Rating Scales (BARS) as a more quantifiable way to measure change in behaviors. SoCalGas plans to use previously developed BARS that align with the Institute of Nuclear Power Organization's traits for a healthy safety culture to measure change relative to the 2EC Report as a baseline. Please see Appendix I – Proposed Measures Table.

8. <u>Communications and Organizational Change Management (OCM)</u>

To champion SoCalGas's transformation of its safety culture under the Safer Together North Star, we are refining our change management (OCM), learning, and communications strategies. The revised strategies address the challenges of our previous approach by unifying

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[46] SoCalGas plans to leverage the learning and capabilities it developed in facilitating and analyzing dialogues as part of the development of this Plan. Specifically, SoCalGas would use a stratified random sample process to reach a sample of employees. Plus, at least one of the dialogues each quarter would include contractors (safety representatives and frontline) or other external stakeholders. Again, SoCalGas would conduct 90-minute dialogue sessions and include 6-10 stakeholders and have 1 facilitator and 1 notetaker. The resultant data will be analyzed in partnership with SoCalGas' Organizational Effectiveness team.

comprehensive safety-related communications, safety knowledge sharing, and engagement efforts into a cohesive framework. Our change management and communications strategy is designed to create a more integrated, people-centric approach.

Our objective is to establish a holistic approach that fosters clarity and mitigates change saturation, promoting alignment under a singular, powerful Safer Together North Star vision of safety culture transformation.

By adopting a phased OCM and communication implementation plan, consolidating communication efforts, simplifying messaging, and fostering a culture of engagement, empathy, and collaboration, SoCalGas is committed to building a unified and resilient safety culture that supports its Safer Together North Star vision. For a more detailed overview of our Communications and OCM strategy, please see Appendix L – Change Management Strategy.

9. 2EC Report Check and Validation

Through dialogues and co-creation sessions, SoCalGas has explored 2EC's report to analyze and understand the cultural drivers or basic assumptions creating and shaping the more observable manifestations of culture. The Plan details our efforts to understand the cultural basis of our challenges, opportunities for improvement, and proposed change elements.

In co-creating our cultural understanding and proposing our Safety Culture Improvement Plan, we integrated the conclusions and recommendations of 2EC's report into the co-creation analysis and supplemented that process with learnings from dialogues. Accordingly, our Plan's elements are based on our understanding of 2EC's report and are intended to enable a holistic cultural change by influencing and shaping the assumptions that impact actions and performance.

That noted, we validated our change and improvement elements by checking them against the 2EC report's recommendations and areas in need of attention. Through this effort, SoCalGas verified that our change elements and actions align with underlying drivers for areas in need of attention. We recognize the importance of ongoing reporting, measurement, and assessment to verify that our change actions are influencing our culture as intended. For further information about this area, please see Appendix M – 2EC Report Areas in Need of Attention Mapping and Appendix N – 2EC Report Recommendation Mapping.

10. Definitions

Safety: SoCalGas defines safety as the presence of controls for known hazards, actions to anticipate and guard against unknown hazards, and the commitment to continuously improve our ability to recognize and mitigate hazards. Safety requires strong ongoing leadership commitment

and active engagement and ownership from all employees. SoCalGas focuses on safety through the lenses of public safety,[47] infrastructure safety,[48] employee safety,[49] and contractor safety.[50]

Safety Culture: the shared values, attitudes, beliefs, perceptions, and behavioral norms related to risk and safety.

Comprehensive Safety: a comprehensive approach to safety is about understanding how we advance employee, public, infrastructure, and contractor safety.

Co-Creation: process to engage stakeholders on a particular topic or topics to collaboratively create.

Dialogue: two-way conversation that promotes openness and promotes shared space.

Cultural Basis: the exploration of why certain values, attitudes, beliefs, perceptions, and behavioral norms exist in an organization.

Shared Space: Shared Space is what happens in-between people and teams and is characterized by working relationships that support trust; decrease in power dynamics; mutual respect; free flow in the sharing of thoughts and ideas; willingness to share inner thoughts and feelings about a particular issue without fear of recrimination or exclusion; more in-depth conversation; dialogue instead of discussion/debate; and curiosity of different perspectives.

Safety Culture Assessment: a collection of facts that describe shared values, beliefs, perceptions, norms, and assumptions about safety. While primarily qualitative data is collected in a cultural assessment, it is used to identify how these values, beliefs, perceptions and norms support or undermine safety when compared to an established set of traits used to describe a healthy safety culture. Safety audits capture the 'how of safety', while safety culture assessments describe the "why".

Psychological Safety: the belief that your voice, and every person's voice is both welcomed and valued, and that work-related concerns, ideas, or questions can be raised without fear of embarrassment, punishment, or other negative outcomes.

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[47] Safety systems and processes focused on protection of our customers' and the public (i.e., Emergency Management, Environmental Safety, Customer Data Privacy, Accessibility, protection of the public from harm caused by our operations or our assets, and the safety of vulnerable populations).

[48] Safety systems and processes associated with the design, construction, operation, inspection and maintenance of SoCalGas's infrastructure.

[49] Safety systems and processes focused on the health and safety of our employees. This includes safety policies, programs and training.

[50] Safety systems and processes focused on the safety and protection of our contractors and subcontractors who provide services to support SoCalGas assets and operations.

Systemic Approach to Safety: approach to safety that considers the complex interactions of the (utility) system, from a micro through to a macro level, including the human, technical, and organizational factors at play.