

A photograph of four men seated at a long table on a stage, engaged in a panel discussion. They are facing an audience whose backs are visible in the foreground. The stage is lit with blue and green light. A large screen in the background displays text about Vicaulic being a 2015 America's Safest Company winner. A podium on the right features the conference logo. The text 'EHS Today' is overlaid in the top left, and 'Safety Leadership CONFERENCE' is overlaid in large white letters across the center.

EHS Today Safety Leadership CONFERENCE

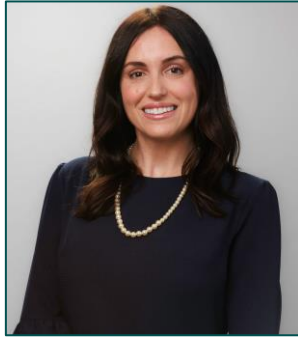
September 18-20, 2023

Orlando World Center Marriott | Orlando, FL

safetyleadershipconference.com

Enhancing a Safety Culture through Business Transformation and Risk Management

CHESAPEAKE UTILITIES CORPORATION



Andrena Burd, Assistant Vice President Risk Management

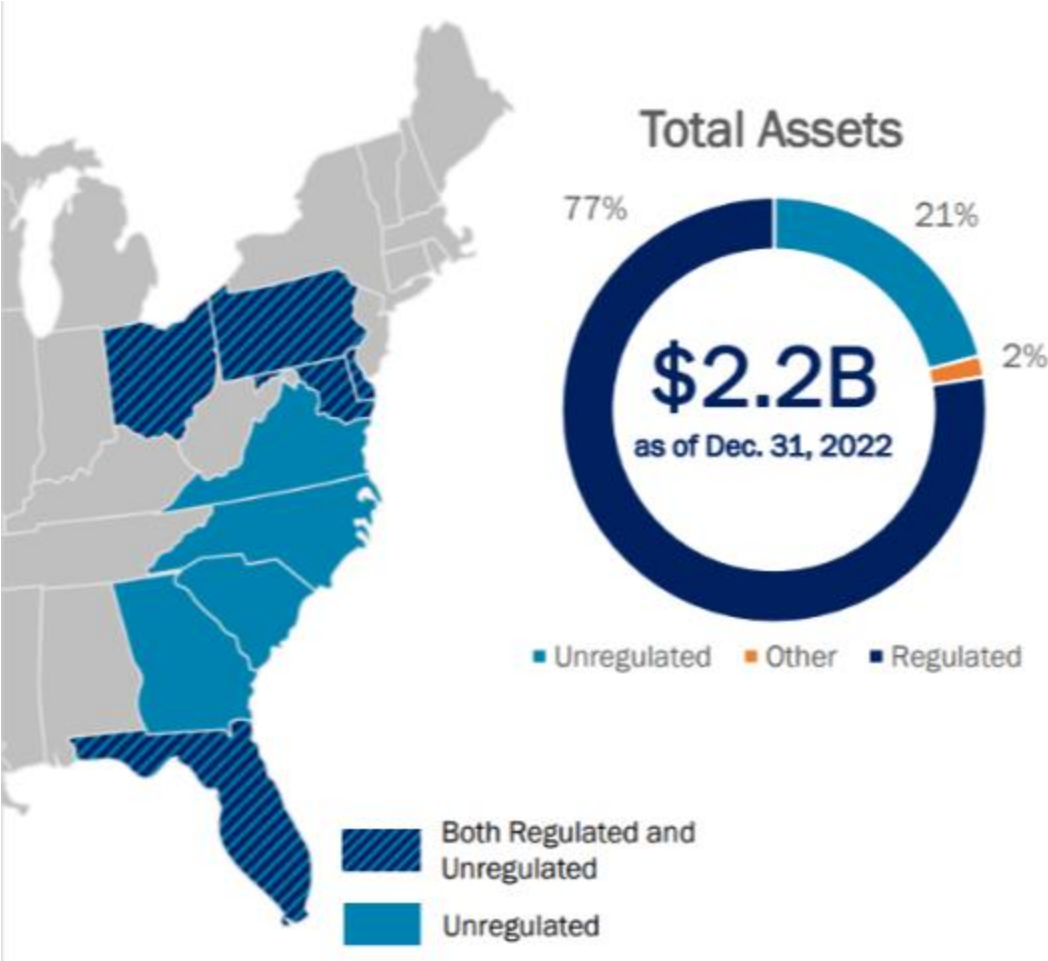


Kyle Moore, Director Operations Safety and Damage Prevention



Darius White, Business Transformation Manager

Chesapeake Utilities Corporation – A Diversified Portfolio of Energy Delivery Services



Business Line	States Served
Regulated Energy Segment	
Natural Gas Transmission	DE, FL, MD, PA, OH
Natural Gas Distribution	DE, MD, FL
Electric Distribution	FL
Unregulated Energy Segment	
Propane Distribution	PA, DE, MD, VA, NC, SC, FL
Natural Gas Pipeline System	OH
CNG Services	Multiple – Including New CNG Fueling Station in GA
CHP Generation	FL
RNG Opportunities	Multiple – Including projects and acquisitions in OH, MD, FL

Our Business Transformation Plan

Multi-year Business Transformation initiative began in 2019 focusing on standardization, collaboration, automation and simplification



Standardization • Collaboration • Automation • Simplification

Business Transformation efforts focused on continued growth and increased operational efficiency by enhancing our capabilities through people, processes and technology.

The organization prioritized our **safety capabilities** as a 2022 Business Transformation Priority. We ensured that safety was a urgent initiative by setting up structure for project leadership, change management and business process management.

WHAT WE CARE ABOUT

SAFETY	<i>We are an industry leader in protecting life and property.</i>
TEAM	<i>We are recognized as a great place to work.</i>
SERVICE	<i>We are valued in the communities we serve.</i>
IMPROVE	<i>We continuously find better ways to operate our business.</i>
GROW	<i>We deliver on our financial promises.</i>

Recommended Practice (RP) 1173 - Gap Assessment

What is Recommended Practice (RP) 1173?

“[RP 1173] establishes a pipeline safety management systems (PSMS) framework for organizations that operate hazardous liquids and gas pipelines jurisdictional to the US Department of Transportation. [The] RP provides pipeline operators with safety management system requirements that when applied provide a **framework to reveal and manage risk**, promote a learning environment, and continuously improve pipeline safety and integrity.

[...] This RP presents the holistic approach of “**Plan-Do-Check-Act**” and is the American National Standard for pipeline safety management systems¹.”

1. ANSI/API Recommended Practice 1173 Pipeline Safety Management Systems, American Petroleum Institute, July 2015

RP 1173 Voluntary Adoption – A Catalyst for Change

- PHMSA Voluntary adoption and comment period
- Chesapeake Utilities conducted a gap assessment of existing safety management systems against RP 1173
- Assessed 14 areas in each business unit and the enterprise as a whole
- Results provided a list of areas of opportunity to implement the Plan-Do-Check-Act

Maturity Level	Areas Assessed
Learning	2
Developing	8
Implementing	4
Managing	0
Leading	0
Total	14

Qualitative Ranking Descriptions	
Maturity Level	Description
Learning	No written process/element exists. OR Process/element is mentioned in documentation or interviews, but no specific requirements were found.
Developing	Some informal practices are in place, but there are no written standards, requirements and/or procedures. OR A written process/element is in place for another program, business or location, but it is, not applicable to a Safety Management System as a whole. OR A written process/element is in place but is not well-known and/or consistently used among personnel.
Implementing	A written process/element is in place and well-documented, but it is still in the process of being implemented.
Managing	The process/element is common throughout the organization, has a documented process for effective follow-up, and encourages closing the loop.
Leading	Performance is measured and action is taken using the information/data that is measured. Process/Element is one of the best in the US Pipeline and/or Utilities Industry.

Implementing Plan-Do-Check-Act – Continuous Improvement

- What is Plan-Do-Check-Act (PDCA)?
 - “Plan-do-check-act (PDCA) cycle: A four-step process for quality improvement. In the first step (plan), a way to effect improvement is developed. In the second step (do), the plan is carried out. In the third step (check), a study takes place between what was predicted and what was observed in the previous step. In the last step (act), action should be taken to correct or improve the process¹.”
- PDCA is continuous improvement – there is no done/complete/finished
 - Teams may go through numerous PDCA iterations on the same problem
 - Helps teams prevent perfection from getting in the way of progress
- Chesapeake implemented PDCA to close specific gaps from the assessment – the team applied PDCA numerous times to the same areas:
 - Organizational Structure
 - Enterprise Safety Handbook
 - Safety meeting suture and content
 - Internal safety reporting
 - External safety reporting



1. American Society of Quality, Glossary, PCDA Cycle, retrieved from <https://asq.org/quality-resources/quality-glossary/p>, August 2023.

Where Did We Start?

1

Leadership and Management Commitment

Enterprise Safety Structure

The CUC Safety structure has three critical components, each with interdependent responsibilities.

Local Safety Committees (LSC)

- BU owns and is supported by the OST
- Geographic centers
- Team member voice
- Assist with implementing corrective actions for assigned safety concerns
- Identify safety concerns and develop recommendations

Business Unit Safety Team (BST)

- Provide oversight for health and safety programs
- Review all safety metrics and evaluate scope of safety concerns
- Review and approve corrective action plans
- Safety recognition

Executive Safety Team (EST)

- Provides strategic direction for enterprise safety program
- Establish broad safety goals for the enterprise
- Evaluate progress towards meeting enterprise safety goals



Enterprise Health and Safety Team:

- Develops, reviews, approves or recommends policies, processes, procedures and practices relating to safety and reliability to the CUC EST, to ensure that the Company meets the objectives set by the President and CEO and Board of Directors.
- Drives enterprise wide consistency, collaboration, alignment and direction on safety and reliability matters, including best practices (policies, standards, guidelines, processes and procedures), risk mitigation and associated activity prioritization and sponsoring corrective actions as required.
- Reviews incidents and provides oversight for reporting.
- Executes on the enterprise direction set by the EST, including collaborating across business units on matters of safety and reliability.
- Creates standards and assessment processes to achieve industry leading performance.
- Develops measurable key performance indicators to monitor progress, sustainment, and supports enterprise safety goals.
- Responsible for external reporting of safety incident information to OSHA.

Operations Safety Team:

- Collaborates and assists the EHS team with safety initiatives.
- Responsible for developing Business Unit (BU) safety goals and policies.
- Provides data for internal and external reporting.
- Conducts BU risk assessments and develops action plans for risk reduction.
- Develop and deliver safety meetings, training, and communications topics.
- Evaluates safety impacts on other BU policies.
- Conducts incident investigations and root cause analysis (RCA) for all major incidents.

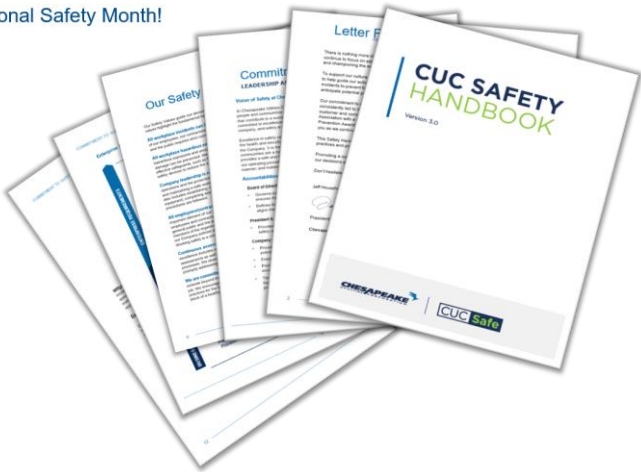
Where Are We Now?

2

Stakeholder Engagement



Show Us Your Why for National Safety Month!



4

Operating (Controls) and Procedures

5

Incident Investigation, Evaluation and Lessons Learned

Near-Miss Reporting / Safety Observation

Incident Reporting Process

Safety-Handbook_FINAL-7.12.23

Safety Meeting Attendance

Safety Incentive Program

EHS Document Library

Safety Moments Library



Where Are We Now?

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Safety Assurance



10

Documentation and Record Keeping



9

Competence, Awareness and Training



August Safety Meeting

Learn about cybersecurity, 811 and damage prevention in this month's safety training.

[LEARN MORE](#)



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Risk Management

60 2023 Health and Safety Scorecard

Health and Safety (TopDown): Our ability to meet expectations around protecting the health, safety, and physical security of employees, customers, suppliers and the communities in which we operate may be insufficient to ensure material performance to operate or encourage people to work for us or do business with us.

No.	Risk Category	Risk Description	Risk Response	Current Vulnerabilities / Proposed Actions	Risk Rating/Score
1	Standard	Health and Safety	<ul style="list-style-type: none">Public Awareness Program includes customer, community, and employee.Damage Prevention (Line and participant, customer, community).Employee Awareness Program.	<ul style="list-style-type: none">YTD update to employees and customers.YTD update to employees and customers.YTD update to employees and customers.YTD update to employees and customers.	High

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No.	Risk Category	Risk Description	Risk Response	Current Vulnerabilities / Proposed Actions	Risk Rating/Score
2	Standard	Health and Safety	<ul style="list-style-type: none">Public Awareness Program includes customer, community, and employee.Damage Prevention (Line and participant, customer, community).Employee Awareness Program.	<ul style="list-style-type: none">YTD update to employees and customers.YTD update to employees and customers.YTD update to employees and customers.YTD update to employees and customers.	High

Risk Rating	Average Risk Score (Probability, Impact, Speed, and Reputation)	Heat Index
Very High	100 - 90	Red
High	89 - 80	Orange
Medium	79 - 70	Yellow
Low	69 - 60	Green
Very Low	59 - 50	Light Green
N/A	Risk descriptor significantly modified from previous quarter	

Where Are We Going?

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Management Review and Continuous Improvement

cority

NewSaveSafety Incident / Safety Incident 03HA 301

Environment, Safety, Escalations - Main - Welcome page content

Draft

Investigation

Approval

Closed

Incident

Injuries/Illnesses

Why Tree

Findings & Actions

Documents

New

Save

Delete

Cancel

Mark Investigation Complete

Approve

Reject

Actions

Incident Details

Incident #225

Primary Incident TypeInjury/Illness (01)

Incident Date *02/10/2022

Reported Date *02/10/2022

Incident Time *10:37 AM

Reported Time *10:37 AM

Did an Injury or Illness occur? *Yes (01)

Did this include Motor Vehicle Accident? *No (02)

Does this Incident Involve Property Damage? *No (02)

Related Asset

Location Comments

Long Description (What Happened) *IP slipped and on a puddle of water and fell. This resulted in a back injury.

OUR SAFETY PERFORMANCE

AGA

American Gas Association

Our priority is to keep people safe. We are proud of our long record of safe operations and have consistently earned national safety awards honoring our commitment to the safety of our customers, communities and employees. The American Gas Association recognized our Aspire Energy and Eastern Shore Natural Gas Company subsidiaries as top safety performers in 2021, and recognized Florida Public Utilities and Eastern Shore Natural Gas Company for top-tier safety performance in employee safety in 2022.

Strive to be among the top quartile safety ranking compared to industry peer group

Achieve Total Recordable Injury Rate (TCIR) of less than

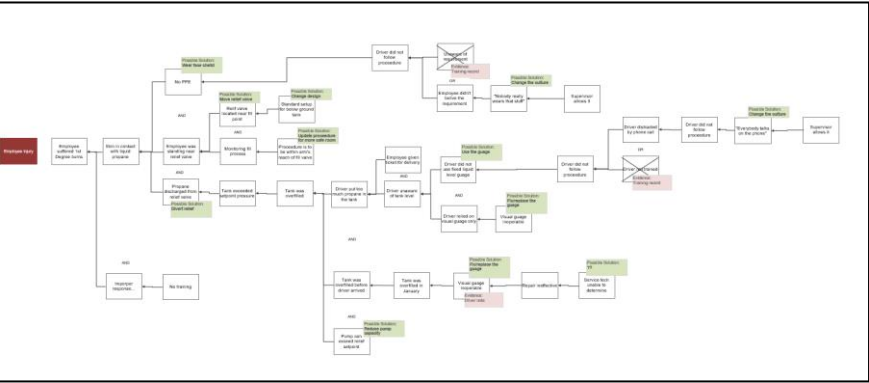
2.5

Achieve Preventable Motor Vehicle Incident Rate (PMVIR) of less than

2.1

Achieve Damage Prevention Rate (hits/thousand locates) of less than

2.5



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UTILITIES
CORPORATION**

Open Discussion/ Questions