

January 29, 2014

Ms. Claudine Bradley
National Energy Board
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Calgary, AB T2P 0X8
Email: safetyculture@neb-one.gc.ca

Dear Ms. Bradley

Re: Draft Safety Culture Framework

Enform respectfully submits this letter of comment regarding the National Energy Board's (NEB) Draft Safety Culture Framework (the Framework). Enform is the safety association for Canada's upstream oil and gas industry. Established by industry for industry, Enform helps companies achieve their safety goals by promoting shared safety practices and providing effective training, expert safety audit services and professional advice. Our vision is no work-related incidents or injuries in the Canadian upstream oil and gas industry. Enform's "By Industry, For Industry" Partners are:

- Canadian Association of Geophysical Contractors (CAGC)
- Canadian Association of Oilwell Drilling Contractors (CAODC)
- Canadian Association of Petroleum Producers (CAPP)
- Canadian Energy Pipeline Association (CEPA)
- Explorers and Producers Association of Canada (EPAC)
- Petroleum Services Association of Canada (PSAC)

The upstream oil and gas industry welcomes the opportunity to engage with the NEB on how to improve safety culture in our industry. We would like to collaborate with our regulators in the development of an effective safety culture framework. We believe we can support this work by providing the leadership and technical resources necessary, and we recognize that while a considerable amount of effort and progress has been made to date, more remains to be done.

Over the past several years, lost time and overall claim rates in the upstream oil and gas industry in western Canada have been declining. We want to see this trend continue and believe a concentrated focus in the area of safety culture will contribute to a continued reduction of injury and illness in the Canadian upstream oil and gas industry. In 2013, the Enform Board of Directors, representing all six trade associations, identified safety culture, process safety and performance management/metrics as strategic priorities for 2014 and beyond.

Safety culture is usually described in terms of concepts such as 'trust', 'values' and 'attitudes'. An organization's safety culture is strongest when safety becomes integrated with operations and drives

employer behaviour at all levels. Safety culture begins with senior leadership; however, it is equally critical to engage middle management, front line supervisors and employees at all levels for impact throughout the organization.

Enform recognizes that the Framework is intended to promote discussion and a common understanding of safety culture. We believe the industry can best advance safety culture through its collective efforts to develop an operational definition of safety culture, and define it in practical terms that are easy to describe and that enable measurement towards the end goal of zero incidents or injuries.

Safety Culture is the integration throughout an organization of leadership-driven values, practices, behaviours, training and performance measurement which leads to the continuous reduction of illness and injury. Markers of safety culture in practice could be expressed when:

- Safety is one of the company's top priorities and is included in performance plans.
- Executive and management regularly visit the worksite and discuss safety with employees.
- Supervisors observe behaviours, speak to employees and take appropriate action to address behaviours.
- Employees can and do stop a job if they don't feel safe.
- The company regularly provides clear communication on health and safety matters.
- Safety management systems and continuous improvement are evidently important.
- Employees take part in creating safe work procedures and follow them.
- The company investigates all incidents, follows up and provides feedback to the employees.
- Appropriate training and safety equipment is provided to all employees.
- Everyone feels responsible for safety and is asked for input.
- It is unacceptable for anyone to take shortcuts or unnecessary risks.
- The reporting of incidents is mandated; the company does not seek to assign blame.

The Canadian upstream oil and gas industry has long recognized the key role played by a positive safety culture as a component part in delivering personal safety, and in the prevention of major incidents. Over many years, oil and gas operators and their contracting companies have worked together to build and improve safety culture across the industry. These efforts, which extend from employee performance assessments to contractor selection and from site safety orientations to supervisor leadership and competency, have played a significant role in the management of safe operations for decades. We would contend that safety culture should be viewed not as the "emerging discipline" as has been suggested, but rather as part of a long journey which the industry has been on to improve safety performance. The industry, through Enform, currently promotes and advocates safety culture in the following ways:

- Enform serves as a certifying partner for the Certificate of Recognition (COR) program for the upstream industry. On an annual basis, nearly 3,000 employers audit their health and safety management systems through Enform. The majority of the cultural defense descriptors identified in the NEB Framework are, in fact, items that are measured in Enform's COR audit.
- Enform supports senior management safety engagement through the Executive Summit on Safety. In 2013, the Executive Summit was held in Calgary and more than 90 senior executives attended the session, which featured Dr. Todd Conklin of the Los Alamos National Laboratory addressing Human Factors in Process Safety. In 2014, Enform is bringing Andrew Hopkins and his message on High Reliability Organizations to the Executive Summit.

- Enform addresses emerging technical and safety management issues through a collaborative process that has resulted in a library of close to 30 Industry Recommended Practice and Guidance documents. These practice and guidance documents serve as standards for the Canadian upstream oil and gas industry. For example, Enform's Supervisor Competency Guideline, up for review in 2014, offers a perspective on the competencies required for supervisors to achieve superior site management outcomes in health, safety, environment, social responsibility and activities, knowledge and skills that are expected to enhance a supervisor's performance. This guideline is closely tied to safety culture as front line supervisors, empowered by upper management, play a key role in building and improving overall safety culture.
- Enform issues more than 30 safety alerts annually to share information from industry members on incidents, their causes and prevention.
- Enform's annual Safety Stand Down program has become an industry standard, promoting visits by senior management to front line worksites to reinforce a company's commitment to safety.
- Enform has more than 120 training courses which it delivers to more than 200,000 workers annually.
- Enform provides a cross industry safety focus with the annual Petroleum Safety Conference (PSC). In 2014, one of the themes of the PSC conference will be safety culture.
- Enform has a unique database of safety statistics gathered from the WCBs in western Canada. This data is used to measure industry performance with a view of setting goals for improvement and achieving a zero incident work environment. Performance metrics has been chosen by Enform as a strategic priority and a goal in 2014 is to set performance metrics targets for the upstream oil and gas industry.
- Process safety has been a particular focus for the industry in recent years, which has resulted in numerous initiatives within the industry to improve the management of barriers that prevent the loss of primary containment and the escalation that typically leads to major events. Industry, through Enform, is working on a focused guideline in 2014 that addresses process safety in the upstream oil and gas industry.

Upon reviewing the NEB Framework, we believe there is broad alignment between what is expressed within the Framework and our operational approach. We echo the NEB's sentiments that a shared understanding of "safety culture" and "clarity and consistency of terminology" across the industry and between regulators would be of considerable value. The eight cultural dimensions expressing cultural threats and defenses capture many important themes in the development of mature safety cultures although we do believe there are areas that need further refinement to fully capture the evolving nature of safety culture within the Canadian upstream oil and gas industry.

We believe that a company with a robust safety culture will integrate and view practices now under the category of "safety management" as critical to increasing production efficiency and bottom-line profitability. In a perfect world, every employee, regardless of their position, would be a 'safety' person.

One of the challenges that Enform has encountered in advancing the concept of safety culture is how to effectively measure and evaluate it. For a regulator such as the NEB, this challenge is even more significant as the regulator must consider whether and how these terms and concepts can be translated into directives or regulations.

As an area of primary focus in 2014 and in collaboration with a cross section of industry, Enform will be working to develop guideline documents on safety culture for the Canadian upstream oil and gas industry. This will include best practice documents and safety culture seminars for all levels of leadership. Key to this effort will be the development of practical safety culture self-assessment tools for companies and supervisors. Our goal is to provide concrete evaluation and development tools and the appropriate guidance to provide our upstream companies better insight into their safety culture and drive improvements into their safety culture on that basis. As a part of this initiative, the following areas will be

further explored: identification of leading and lagging indicators to be used by industry to measure safety culture development and improvement, identification of possible enhancements to the COR program with a more focused alignment with the developed safety culture document, the development of a safety culture audit protocol, and a perception survey to establish the current status of safety culture across industry today with a view that the survey will be repeated after some time frame to measure improvement.

Our long-standing expertise in the development of safety programs makes us well-equipped to provide the Canadian upstream oil and gas industry with new tools and resources to measure and continually improve safety culture. As a national organization encompassing all upstream industry sectors, Enform is uniquely positioned to advance a collaborative solution to enhance positive safety culture throughout the industry. Additionally, Enform's members are both provincially and federally regulated and our collaborative efforts include engagement with regulators from multiple jurisdictions. By providing an established, independent and transparent collaborative environment where industry and regulators can meet, Enform's approach is aligned with the NEB's need to ensure the credibility of outputs. As such, we would appreciate the opportunity to further engage with the NEB to explain in greater detail our safety culture initiative, how it aligns with the NEB efforts, and how best to advance a collaborative understanding of safety culture amongst industry and energy and occupational health and safety regulators.

The upstream oil and gas industry is not in support of the NEB proceeding with a regulatory solution to the safety culture issue. We would, however, as an immediate next step, propose a meeting with the NEB and provincial regulators for initial discussion and agreement on the safety culture definition. This would serve as a starting point for all stakeholders to be engaged and ensure that safety culture is defined in a way that meets industry requirements. We would also propose a collaborative approach to the development of a mutually agreed upon safety culture framework specifically for the Canadian upstream oil and gas industry.

Thank you for the opportunity to provide feedback on the Draft Safety Culture Framework. We look forward to collaborating with the NEB and other provincial regulators on this important issue.

Sincerely,



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President & CEO
ENFORM