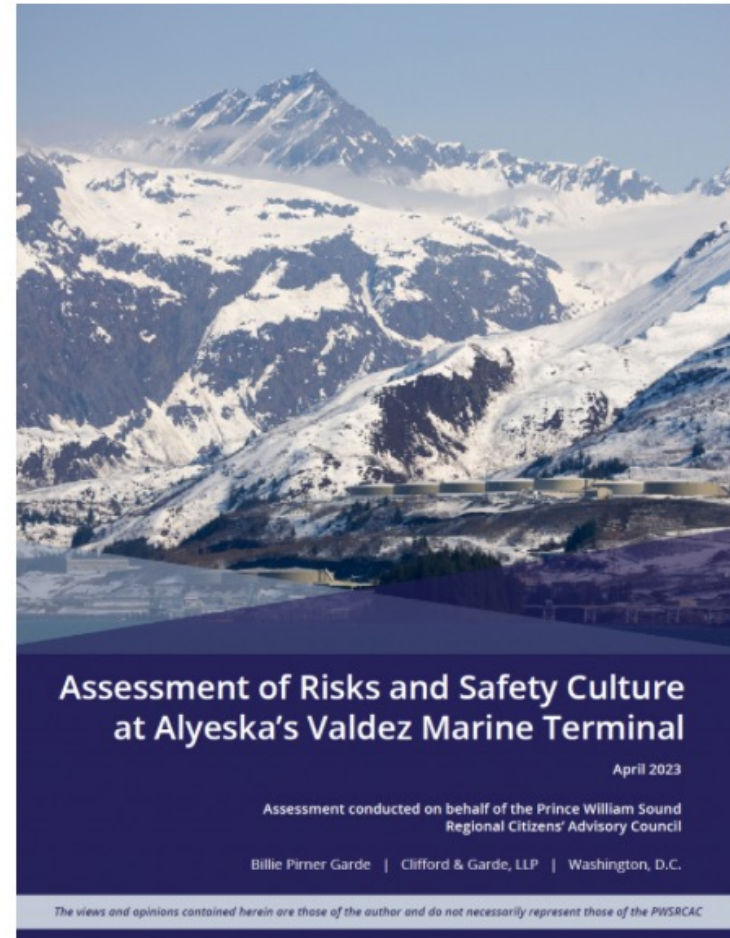


Risk & Safety Culture Assessment

Management Action Plan Closeout Report

October 2024



Assessment

- Followed 2022 snow incident at the VMT
- Raised concerns about safety culture and management system, deferred maintenance, process safety, audit and more
- Recapped the history of oversight, safety concerns and the creation of the Open Work Environment on TAPS

Alyeska Response Approach

- Be accountable: Focus on review and improvement
- Look at VMT and TAPS for improvements
- Address the Report's three recommendations to Alyeska, and look for learning opportunities
- Use the MAP process to understand issues, recommend changes, and take action

Management Action Plan primary areas and actions

Alyeska Safety Management System (AMS) – ✓ review past assessments; ✓ simplify AMS documentation; ✓ develop company-wide metrics and assessment process; ✓ revamp SMS understanding and training; ✓ determine timing for future API assessment; ✓ assess opportunities for human factors integration.

Process Safety Management – ✓ clarify and clearly define program; ✓ review and revamp PSM training (SMEs and workers); ✓ review past audits for systemic issues; ✓ assess and trend past performance.

Maintenance Backlog and Engineering Query – ✓ define and assess current TAPS-wide backlog; ✓ assess priority for safety critical systems; ✓ review past maintenance audits for systemic issues; ✓ develop metrics and method to share status TAPS-wide.

Open Work Environment/Employee Concerns Program – ✓ assess manager/supervisor training; ✓ assess ECP reporting structure; ✓ assess Alyeska compliance with 1993 TAPS Improvement Plan.

Audits – ✓ maintenance audit; ✓ Process Safety Management (PSM) audit; ✓ internal safety programs audit; ✓ review past audits for completion/corrective actions.

Training – ✓ needs assessment of leadership training, including executives, directors, managers and front-line supervision; ✓ companywide training.

Stakeholder Engagement – ✓ internal and external communication plans.

Alyeska Safety Management System (AMS)

Report recommendation #1: *Independent safety management system assessment per API RP 1173*

What we found

- Updates to program were needed.
- Metrics discussions identified as a missing program component.
- Assessment methods need refresh.
- Additional training and communications are needed.
- Some implementing documents had redundancies, unclear hierarchies and opportunities for simplification.

What we've done

- Initiated monthly metrics review meetings.
- Developed management system implementing document review process.
- Initiated AMS training for all employees.
- Conducted review of human factors.
- Reviewed all past assessments for relevant actions.

What continues

- Ongoing metrics refinement and technology updates to include data structure framework, dashboard, and reporting tool.
- Continue to build on assessment, training, communications, and implementing document refinement work.
- Document review and simplification effort resourced and targets were included in companywide Performance Contract.
- API 1173 assessment is planned and budgeted for 2025.
- Developing human factors program for TAPS; phased implementation will begin in 2025 or 2026.

Process Safety Management

What we found

- Updates to program were needed.
- Metrics discussions identified as a missing program component.
- Assessment methods need refreshed.
- Assessment of training and communication warranted

What we've done

- Reviewed APSC documentation and OSHA PSM requirements.
- Conducted 3rd party audit of PSM program with ABS.
- Corrective actions from the PSM audit were completed in a timely manner, none outstanding as of October 2024.
- Conducted 3rd party assessment of VMT Vapor Recovery System.
- Adjusted boundaries of PSM program to include East Tank Farm and Ballast Water Tank headspace and Power Vapor boilers as recommended by ABS.
- Developed integrated PSM program that describes system boundaries and methods of compliance.
- Compiled list of tag numbers associated with IPLs.
- Developed database queries that returned IPL tag numbers and associated PMs.

What continues

- Complete alignment of APSC documentation regarding PSM, including a PSM Compliance Manual, by December 2024.
- Confirm equipment associated with safety critical IPLs has appropriate PM, target completion by December 2024.
- VMT Operations and Maintenance teams will complete training on PSM program by December 2024.

Maintenance Backlog & Engineering Query

What we found

- Legacy engineering work orders did not have a priority score.
- Maintenance backlog did not have common definition or established targets.
- Safety critical equipment not identified in work management system.
- No critical equipment maintenance (which are included in the MMS system's PR category) was found in the maintenance backlog.

What we've done

- Evaluated and prioritized all unscored engineering work orders.
- Closed engineering work orders that did not have sufficient basis or were already completed.
- Maintenance backlog definition and targets were established for each area.
- Maintenance backlog metrics developed and TAPS-wide target of 8-week average backlog included in 2024 Performance Contract.
- Assigned resources for PMCR backlog reduction resulting in reduction of overall open PMCRs and time to approval.
- Identified safety critical equipment in work management system.
- MOC procedures were updated to address gaps, streamline the process and provide additional training.

What continues

- Develop plan to action high priority engineering work orders.
- Improvements underway to better manage engineering work order prioritization and disposition.
- Identify and evaluate opportunities within the PMCR process to efficiently identify and manage PM changes.
- Continue backlog metric refinement.

Open Work Environment/Employee Concerns Program

What we found

- Employees understand and support OWE; strong compliance of initial and recurring annual training for management (>99%).
- More support in creating safe speak up culture needed.
- ECP reporting structure best practice at executive level.
- Alyeska met commitments to 1994, 1997 TAPS Improvement Plan.

What we've done

- Update of OWE training ongoing.
- ECP to continue direct report to GC, dotted line report to Alyeska President.
- Reviewed and verified Alyeska meets commitments to 1994, 1997 TAPS Improvement Plan.
- Conducted OWE survey in 3Q, topline results to workforce later this year.
- Added clarity around mission, vision, goals, charter; addressing culture through leadership work sessions, open forums and discussions with the workforce.

What continues

- Leadership continues to actively address workforce morale and the future direction of the company.
- Proactively manage OWE/ECP, promptly complete ECP investigations, and increase proactive intervention process.

Audits

Report recommendation #2: *Independent deferred maintenance audit and process safety (PSM) audit of the VMT*

What we found	
<ul style="list-style-type: none"> • Corrective actions were generally effective and implemented, however, in some instances, sustained and effective closure could not be confirmed. • Corrective actions were not always implemented within the timeframe originally committed. 	<ul style="list-style-type: none"> • No critical equipment maintenance was improperly prioritized and planned. • PSM audit identified that VMT has implemented a PSM program aimed at meeting the requirements of the PSM regulation.
What we've done	
<ul style="list-style-type: none"> • Prioritized outstanding audit corrective actions and actioned to closure. • Increased frequency of review of past due and upcoming commitments. • Broadened the audience reviewing past due commitments. 	<ul style="list-style-type: none"> • Created an escalation process for approval of extension of due dates for audit corrective actions. • Safety program, maintenance and PSM audits completed as part of the 2023 Audit Plan; corrective actions entered into MAC with closure date of no later than 1Q 2025.
What continues	
<ul style="list-style-type: none"> • Monitor status of past due audit related corrective actions monthly through metrics process. 	<ul style="list-style-type: none"> • Extension of original commitment dates for audit-related corrective actions requires at least Vice President and President approval.

Training

Report recommendation #3: *Alyeska to provide mandatory initial and biennial OWE and culture training for management*

What we found

- Current learning system not fully serving needs of organization; underutilized and not integrated.
- Data and records not well organized or easy to access.
- Change management not prioritized for system changes.
- OWE/HIRD training required w/in 90 days of employment (99.9% compliance); employee (98% compliance) & line manager refresher training (96% compliance) in place.

What we've done

- Engaged with vendors to increase training offerings of technical and non-technical classes in 2024.
- Initiated RFP for new HR system including a Learning Management System (LMS). Vendor selected in 2024.
- Training data cleanup project begun and progressing.
- Made revisions to AMS-034 – Employee Issue and Concerns Resolution Process.
- Updated annual HR training (HR196/194).
- Leadership intensive sessions held around TAPS in Q1 2024 for all Alyeska leaders.

What continues

- Progress replacement of HR system, including learning system for late 2025/early 2026 implementation.
- Addressing interim data & training record improvements
- Providing more training opportunities for employees.

Stakeholder Engagement

What we found

- An established “No surprises” communication strategy for internal/external stakeholders.

What we’ve done

- Monthly meetings with RCAC staff to update status/actions from MAP.
- Regular updates/talking points for managers and supervisors.
- Regular updates with elected officials/regulators.
- Presentations at RCAC board meetings from September 2023 – September 2024.
- Engaged with GAO regarding audit

What continues

- Stakeholder updates as needed.

Conclusion

Upon receiving a copy of the Report, Alyeska Leadership initiated a hard look into Alyeska's safety culture, technical capacity, process and policy, and the safety concerns brought forward. Issues were further clarified through communication with employees, PWSRCAC and other stakeholders.

This Management Action Plan accomplished several objectives. The work reviewed and confirmed Alyeska has the policies, procedures, and resources in place to safely operate the Trans Alaska Pipeline System. This work also identified several areas for improvement.

Alyeska leadership leveraged the Report as an opportunity for self-assessment and refocus, listening carefully to the issues raised by employees and stakeholders and then taking appropriate action. This action will continue, along with a commitment to ongoing evaluation and improvement.

Alyeska leadership recognizes that a strong safety culture and Open Work Environment can be eroded if not cared for and takes concentrated focus and support to sustain. Alyeska's executive leadership is steadfast in its commitment to a healthy culture and to operational excellence.