



NISOURCE 2021 SAFETY REPORT



NISource®

A MESSAGE FROM OUR
CHIEF EXECUTIVE OFFICER

Lloyd Yates

Safety is, and will continue to be, our foundational commitment to our customers, communities and all employees and contractors across NiSource. As we've highlighted in this inaugural annual Safety Report, I am proud of the direction we're headed and for the continued progress we're making regarding that critical responsibility. Meanwhile, we vow never to ease up or become complacent about safety, nor will we ever allow ourselves to lose our desire to learn and grow more in this area.

Each new year brings a fresh opportunity to reenergize and sharpen that focus. Our commitment to safety goes further than following the Core 4 responsibilities of our Safety Management System (SMS). Safety must be ingrained in everything we do, in every action we take and in every decision we make. We continually reinforce this message with our employees.

Our commitment to safety and the work we do can be summarized in two words: **WE CARE**. It is what unites us under a common purpose.

We care about you, your safety, the safety of your families and the safety of the communities we serve.

By enabling a workplace and atmosphere of respect, dignity and compassion, and where talented people have an equal opportunity to contribute to our strength and growth, we can uphold that mission.

As CEO, my priority will be to foster a safe, caring culture as we continue to be relentless champions of safety, service and comfort for our customers.



Lloyd Yates
NiSource Chief Executive Officer

**“WE CARE
ABOUT YOU,
YOUR SAFETY,
THE SAFETY OF
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AND THE
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A MESSAGE FROM OUR CHIEF SAFETY OFFICER

Chuck Shafer

This inaugural annual Safety Report represents our collective efforts to create a safer and stronger learning organization. We have focused intensely on our Safety Management System (SMS), safety processes and safety culture. We are learning from our past experiences, enhanced risk models and teams on the front lines, how we can continually improve the way we work in order to keep one another and our communities safer each day.

Our SMS journey represents one of the most significant commitments in our company's history, and one that aligns so well with our core values. Through the implementation of SMS, we have identified opportunities to improve our ways of working. We've also made tremendous strides to strengthen our systems by modernizing infrastructure, incorporating the latest technology and focusing on protecting the assets that reliably serve millions of homes and businesses across six states.

As Chief Safety Officer, I am committed to listening to our experts working on the front lines, and providing the best tools and training possible to keep our employees and contractors anchored to our Core 4 responsibilities:

1. Follow our processes and procedures
2. Identify and report risks
3. Continually improve processes and procedures to protect one another, our customers and our communities
4. Identify and proactively take action to prevent things that can go wrong

By sharing this information with our stakeholders, we hold ourselves accountable for our safety commitments.

We thank our employees and contractors for embracing our shared commitments to safety and the tremendous responsibility we share.

HOLDING OURSELVES ACCOUNTABLE FOR SAFETY



Chuck Shafer
NiSource Chief Safety Officer



**NISOURCE'S CORE 4
RESPONSIBILITIES FOR
ALL EMPLOYEES AND
CONTRACTORS**



OUR *Commitment* TO SAFETY AND TRANSPARENCY

As an organization, NiSource is focused on reducing risks and evolving our SMS vision to lead and exceed the industry in safety. Our vision centers on continuously learning and improving our asset management, process safety and our culture.

In our culture, everyone is empowered to identify and report risks. This is the foundation for enhancing process safety with layers of protection, building accountability for safety and risk reduction.

We strive to live our Core 4 Responsibilities. It is ingrained in how we operate, caring for our employees, contractors and the communities we serve. The scope of our SMS includes all gas and electric assets, operational processes, and all aspects of safety, including occupational and environmental safety.

This report contains a transparent communication of our key safety performance indicators. We feel it is our responsibility to our stakeholders to share where we are performing well and where we have room to improve. Our entire organization is committed to continuous improvement, continual learning, and implementing industry best practices in asset and pipeline safety management such as the American Petroleum Institute (API) Recommended Practice (RP) API RP 1173.



THE NATURAL GAS SAFETY MANAGEMENT SYSTEM COLLABORATIVE

In 2021, NiSource and several other U.S. energy providers created the Natural Gas Safety Management System (SMS) Collaborative, the first of its kind in the industry. The Natural Gas SMS Collaborative is an industry-driven, nonprofit corporation designed to improve safety for natural gas customers, communities, employees and businesses. The goal of the Collaborative is to drive progress and maturity in the implementation of members' pipeline safety management systems, American Petroleum Institute (API) Recommended Practice (RP) API RP 1173 – Pipeline Safety Management Systems.

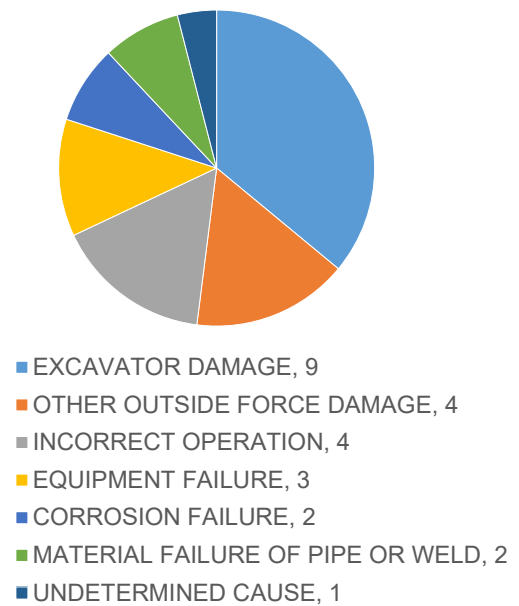
API RP 1173 is a recommended practice released by the API establishing a pipeline safety management system framework for organizations that operate hazardous liquids and gas pipelines jurisdictional to the U.S. Department of Transportation. The Natural Gas SMS Collaborative was formed to enable a committed group of companies to lead the industry in SMS implementation, following the American Gas Association (AGA) resolution recommending that all association members implement API RP 1173.

Achieving and maintaining certification in API RP 1173 is a three-step process. In 2021, NiSource advanced through the first two assessment stages with plans to advance further in 2022.

HISTORIC PHMSA REPORTABLE INCIDENT OVERVIEW

At NiSource, the leading cause of reportable incidents is facility damage. Most of these incidents are caused by third-party excavation. This is true across the industry. For this reason, many of our safety efforts are focused on our damage prevention programs, including our Call 811 Before you Dig, Public Awareness and technology advancements in GPS/GIS mapping. We track these incidents by cause to provide data for improving safety and deploying resources where they will have the greatest impact.

The following chart illustrates data collected for the past five years.



PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA) DEFINITION OF A REPORTABLE INCIDENT

1. An event that involves a release of gas from a pipeline, storage or supplemental gas facility that results in one or more of the following consequences:
 - i. A death, or personal injury necessitating in-patient hospitalization.
 - ii. Estimated property damage of \$122,000 or more, including loss to the operator and others or both, but excluding the cost of gas lost.
 - iii. Unintentional estimated gas loss of three million cubic feet or more.
2. An event that results in an emergency shutdown of storage or supplemental gas facility.
3. An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraph (1) or (2) of this definition.

NTSB RECOMMENDATIONS

The events of September 13, 2018, in the Merrimack Valley of Massachusetts, were a powerful reminder that we're never done when it comes to safety. Our team worked tirelessly to implement the National Transportation Safety Board's (NTSB) safety recommendations stemming from the incident, and we accelerated the implementation of our Safety Management System (SMS). We continue to learn and build upon these recommendations for the benefit of our employees, contractors and communities.

BOARD GOVERNANCE AND OVERSIGHT

The Environmental Safety and Sustainability Committee of our NiSource Board of Directors is responsible for overseeing the programs and performance and risks relative to safety matters, as well as environmental and sustainability matters. The Committee consists exclusively of independent directors and meets several times a year. In 2020, our Board of Directors amended the Charter of the Committee to further detail the Committee's oversight of employee, contractor and public safety. The Committee is responsible for reviewing the adequacy and direction of the company's corporate safety functions, including the role of the Chief Safety Officer (CSO), who has dual reporting responsibility to the Chief Executive Officer and the Committee. The Committee reviews the responsibilities, budget and staffing of the company's safety function with the CSO.

The CSO provides reports to the Committee on specific safety matters under the Committee's Charter, including:

- Regular reports regarding the status of the company's policies, practices, standards, goals, issues, risks and compliance relating to employee, contractor and public safety.
- Regular reports regarding activities relating to the creation and instillation of the company's safety culture.
- Regular reports relating to the establishment of and performance on safety metrics, including reports regarding key performance metrics relating to employee, contractor and public safety.
- Annual reports regarding the overall safety plan; the processes, procedures and budgets for achieving desired employee, contractor and public safety metrics; and a plan for monitoring performance and enabling interim actions to modify the plan to improve safety performance as appropriate.
- Reports on other such topics as may be requested by the Committee.





INDUSTRY *Leadership*

QUALITY REVIEW BOARD

NiSource assembled a panel of five independent safety experts we call our Quality Review Board (QRB). To evaluate and provide recommendations for the development, implementation and overall management of our SMS, NiSource leverages their experiences and lessons learned across diverse backgrounds spanning the nuclear, aviation and energy industries. They meet regularly to validate our SMS work's rigor, quality, thoroughness and completeness.

The QRB is chaired by former Pipeline and Hazardous Materials Safety Administration (PHMSA) Administrator Cynthia Quarterman.

QUALITY REVIEW *Board*

Cynthia Quarterman (Chair)

Former Administrator, Pipeline and Hazardous Materials Safety Administration

John Durham

Retired Director, ENERCON Services

Dr. A. Blanton Godfrey

Professor, Wilson College of Textiles, North Carolina State University

John Cox

President & CEO, Safety Operating Systems

Jeff Wiese

Vice President, Former SVP, TRC Companies Inc. and former Associate Administrator for Pipeline Safety, US DOT



Executive

SAFETY COMMITTEE

The pursuit of safety excellence and industry leadership requires active learning and external benchmarking to determine what programs and actions are effective in driving current and future performance.

NiSource has leveraged our management's Executive Safety Committee to establish NiSource as an industry leader in safety through continued learning, support, strategy development, program performance reviews, predictive data analysis, reinforcement of leadership safety actions and demonstrated safety engagement.

Led by our Chief Safety Officer and comprising executive and senior leaders, the Executive Safety Committee's goals are to:

1. Build a cohesive executive leadership approach to and focus on safety that is based on continual learning
2. Reinforce safe behaviors, actions and decisions that reduce the chance of loss events
3. Prevent harm to people
4. Reduce, limit and manage exposure to risk
5. Demonstrate industry leadership in all aspects of safety

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (ERM) provides a comprehensive framework for the assessment and mitigation of risk across the enterprise. ERM regularly reports to executive leadership on changes in the risk landscape and the potential for short- and long-term impacts to our business. The framework reinforces accountability for monitoring threats and mitigating risk. ERM partners with leadership to inform resource allocation and prioritize activities that add essential layers of protection and enhance the overall risk posture of NiSource.

Public safety is paramount within the scope of ERM. NiSource's ERM and SMS programs are closely aligned and increasingly integrated.

NISOURCE *Asset Classes*

 SUPPLEMENTAL GAS	Supplemental Gas including liquefied natural gas (LNG), propane, propane air plants, and underground storage facilities used to provide peaking supplies on the coldest days	 DISTRIBUTION PIPELINE	Pipelines that transport natural gas from transmission pipelines to customer service lines
 MEASUREMENT, REG & CONTROLS	Facilities that measure gas flow, regulate gas pressures and monitor flows and pressures in the distribution system	 SERVICE LINES AND METERS	Pipelines and meters that transport natural gas from the distribution main to the customer meter
 TRANSMISSION PIPELINE	Pipelines that transport natural gas from upstream suppliers to distribution systems	 CUSTOMER OWNED FACILITIES	Facilities downstream of the meter owned and operated by the customer, including piping, valves, appliance regulators and appliances
 ELECTRIC SUBSTATION	Facilities where electricity is transformed and distributed through switches, and circuit breakers	 ELECTRIC LINE	Support structures, conductor, and other devices that provide the pathway for electricity to flow from substations to other substations, businesses, and homes



Risk Modeling Capabilities

FOR GAS AND ELECTRIC ASSETS

NiSource's SMS culture has a dedicated focus on risk management and continuous improvement. In recent years, several investments have been made in risk modeling capabilities for our gas and electric assets to enhance our risk-informed decision making. NiSource has fully implemented transmission and distribution gas pipeline probabilistic risk models that consume a diverse set of data inputs across the company, in addition to external sources (such as flood patterns, seismic activity, soil conductivity, geography, road traffic, etc.) that improve our assessment's accuracy and thoroughness. NiSource is actively developing and implementing a gas measurement & regulation probabilistic risk model within the same software as the transmission and distribution risk models, enabling us to seamlessly communicate and connect risk results across asset classes. These risk metrics not only provide NiSource with insights into system-wide asset health, they highlight risk drivers that allow us to make key business decisions to lower risk for our customers, employees and the public.

NIPSCO Electric also uses a risk-based prioritization approach as a guide in long-term system modernization planning. This approach identifies the highest-risk assets within the NIPSCO electric system and focuses mitigation planning on assets with the highest risk of failure. All major electric transmission and distribution assets, such as substation transformers, substation breakers and circuits, are included in this modeling approach. The scores derived from this risk model provide focus to high-risk assets and assist in prioritizing other areas of the business such as inspections, maintenance, load growth and grid modernization.

TRAINING AND AWARENESS

At NiSource, our safety training program is the backbone of our SMS and the driving force behind our efforts to be a learning organization. Our goal is to have everyone working in their best roles for safe, strategic execution and operational excellence while increasing individual responsibility and creating clear accountability.

To help achieve this goal, Everyday Performance Management (EPM) training was delivered to all people leaders throughout the company in 2021. An everyday performance management approach looks to provide regular feedback that continually drives performance, supports development and more deeply engages individuals. The six-module EPM training series supported our relentless focus on the Core 4 safety management responsibilities through process rigor, alignment and accountability. Additionally, EPM supported the growth of knowledge and skills leaders need to deliver meaningful and actionable performance conversations throughout the year.

We also developed and began executing a multi-year program to include enhanced training for employees with Incident Command System (ICS) leadership roles. The training builds employee familiarity with the plan and its processes and terminology while ensuring employees understand their roles and responsibilities more deeply. It also emphasizes the importance of strong relationships with external stakeholders. Training includes computer-based course work, instructor-led position-specific coaching sessions, command and

general staff self-study workbooks, ICS training scenarios and tabletop exercises.

We also require annual computer-based emergency preparedness and response training for every NiSource employee (approximately 8,000) – whether directly involved in the ICS or not.

NiSource established a "Go Team" of approximately 20 highly skilled and experienced employees to serve, as needed, for the most severe incidents. The team will serve as supplemental resources or backups for all ICS positions. This cross-industry best practice ensures that a core leadership group is ready and trained to engage in a significant incident quickly.

NiSource proudly offers free training and accessible certificate programs to first responders in the communities we serve. We offer programs to fire and police departments across our service territories. This includes live demonstrations of natural gas assets, emergency simulations and information sessions.

KEEPING CUSTOMERS SAFE

We share safety messages with our customers to help them safely enjoy the benefits of the energy we provide. Customers with questions about their service can call our customer care center for safety advice. Employees who visit a home or a job site make sure customers are safe and take all necessary precautions.

Delivered in emails, printed materials and on the web, we remind customers about safety topics such as ice and snow issues, how to report gas odors and emergencies, damage prevention and carbon monoxide awareness through coordinated campaigns. We also send targeted emails to customers to help them prepare for potential events such as winter storms, floods or high winds, along with tips to stay safe and how to report outages.

NiSource is committed to educating the public about the importance of safe digging by promoting local 811 programs – the national, universal phone number and free service to call ahead of any digging project to have underground utilities marked. The number one cause of natural gas pipeline damage is from third parties digging near underground facilities. Across NiSource, we focus on educating the public about the importance of calling 811. Realizing our employees are our best advocates and connection to our customers and the communities we serve, we've added 811 logos to our company uniforms. National Safe Digging Month (April) and National Safe Digging Day (August 11) give our companies opportunities to recognize and celebrate local partners in safe digging.



PUBLIC AWARENESS ENHANCEMENTS

Public Awareness is a public outreach and engagement plan required for all Pipeline Operators under CFR 192.616 and API RP 1162. NiSource utilizes the constructs set forth by these codes to outline our educational communications to improve on emergency response, public safety and continuous improvement.

For NiSource, Public Awareness is a strategic driver not only for damage prevention but also for tailoring specific public safety messaging to stakeholder groups in our communities, including the affected public, emergency officials, public officials and excavators. Our detailed plans allow us to connect with our communities through various channels and tools to convey important safety information, programs and best practices.

Our SMS has enhanced our Public Awareness Programs by connecting the voices of our employees at every level to raise concerns and enhancements about specific safety messaging opportunities and bolsters our focus on continuous improvement around public safety engagement.

KNOW YOUR HOME INSIDE AND OUT

Our Know Your Home program is making customers our partners in safety.

Customers can visit our company websites to click through and review safety information for various areas inside and outside their home, educating them on items to watch for that could be possible safety risks and things they should be doing to keep their home safe.

Since Know Your Home was launched in 2019, we have added several topics based on industry best practices and customer needs.



**KNOW
YOUR HOME** SM



PROCESS SAFETY

The primary focus of process safety is to identify risk and implement mitigation measures. The heart of Risk Management at NiSource is the Risk Identification and Assessment Process. NiSource focuses on procedural human factors assessments and technical safety risk studies (assets, technology, etc.). To that end, NiSource has implemented process safety deep dives, third-party process safety assessments and process hazard analysis to analyze risk from multiple perspectives. Process safety deep dives assess the human error impact and the controls necessary to prevent events. The process hazards analysis focuses on the equipment design and operation to identify layers of protection and any gaps that may exist to reduce our risks.

We continually increase our rigor around Process Safety. Process Safety requires a systematic approach to managing hazardous processes and operations that have the potential to release harmful materials leading to unwanted consequences. Controlling these processes requires the commitment and involvement of all NiSource employees and contractors.

At NiSource, we utilize diverse teams of both hourly and salaried employees to participate in these processes. Our shared goal of keeping our employees, contractors, customers and communities safe is at the forefront of our minds when participating in these activities. We have expanded these new techniques to identify risk-taking, potential equipment failures and human errors in the identification process. Major risk and mitigation measures for each asset class identified have program plans that reduce our risks.

OCCUPATIONAL SAFETY

NiSource and its subsidiaries proactively manage opportunities for improved health and safety and the welfare of our people. Our Occupational Safety program focuses on hazard recognition, risk reduction, incident tracking, lessons learned, employee engagement and safety culture. Our continued focus in these areas has resulted in a learning organization where employees have an incident-free mindset while consistently assessing, recognizing and mitigating hazards.



NISOURCE EMPLOYEES AND CONTRACTORS ARE EMPOWERED TO STOP WORK WHENEVER THEY SEE AN EMPLOYEE, BUSINESS PARTNER OR MEMBER(S) OF THE PUBLIC WHO IS AT RISK OF HARM.





INDUSTRY *Best Practices*

CORRECTIVE ACTION PROGRAM

The CAP tool is accessible online, via phone and mobile devices. It is available across all of NiSource. This offers a simple way for employees and contractors to report safety concerns and provides a systematic process to review, prioritize, address and track progress to reduce risk. Since the program's launch in late 2018, NiSource has achieved 5,000 CAP submissions through Q4 2021.

MANAGEMENT OF CHANGE

Planned and unplanned change can be disruptive to normal operations and, if not properly managed, create unintended risk. NiSource employs a Management of Change (MOC) process to help identify and mitigate risks associated with a planned change before it is introduced. Our MOC process helps ensure no worker is put at undue risk while changes are underway. We implemented this program and standard to bring awareness, rigor and documentation to change initiatives that impact our organization. Managing change without forethought to its impact can leave workers unsafe and unprotected. Our MOC ensures that the change is dealt with proactively throughout the process.

RISK IDENTIFICATION AND MITIGATION STARTS WITH OUR FRONTLINE EMPLOYEES

Contractor

SAFETY

NiSource has actively aligned API RP 1173 (pipeline safety management systems) requirements into a contractual process for critical contractor partners, most notably our pipeline construction contractors.

We leverage computer-based training for our contractors and require that SMS concepts be incorporated into their company training materials.

We are working on expanding this program to include engineering and electric contractors. NiSource has worked with those contractors to apply an SMS framework that is inclusive of the utilization of the Corrective Action Program (CAP). CAP offers a simple way to report and document identified risks through multiple channels, and a systematic process to review, prioritize, address and track progress to reduce risks.

Our Contractor Performance Management team regularly engages with contract partners to support the management and maturity of Contractor SMS.

We are now leveraging 20+ contractors' knowledge, experience, CAPs and staffing to reduce risk across our construction footprint.



Quality

MANAGEMENT SYSTEM

As our Safety Management System continually drives risk reduction and process safety improvements, our Quality Management System (QMS) is ensuring repeatable, sustainable processes and procedures across the NiSource footprint. The goal is to continuously improve the organization by focusing on quality, safety, training and relentless customer value. Earning ISO 9001 certification for our gas meter shops and fabrication shop provides a template for future benchmarking efforts. This achievement is a strong first step in a continuing quality effort.

- The Quality Management System provides a systematic way of **establishing safety assurance** through the use of tools and activities such as:
 - Quality control
 - Quality assurance audits
 - Data analysis & performance management
 - Continuous improvement
- **QMS is a component of our SMS**, validating the effectiveness of actions to improve safety and reduce risks
- **Everyone has a role in QMS**, ensuring we perform our processes and deliver services in a safe, reliable, compliant and quality way
- System alignment creates structure to improve our intentionality about operational performance; QMS helps **ensure the rigor SMS drives is effective** and sustainable

QUALITY COUNCIL

The NiSource Quality Council serves as a form of governance for our Quality Management System (QMS). Ultimately, the objective of the NiSource Quality Council is to establish and maintain organizational commitment to the QMS, ensuring quality is at the core of our operations.

The council ensures quality integration with corporate strategy, policies and objectives. Some of the key roles our Quality Council plays include:

- Supporting the prioritization and oversight of QMS process improvement and exception management efforts.
- Advising on quality objectives and plans.
- Monitoring the health and focus of the NiSource QMS.

STANDARD OPERATING PROCEDURES

Additional Standard Operating Procedures (SOPs) were implemented, incorporating direct employee feedback into the design of our QMS. This provided employees and contractors a simple way to navigate the critical steps of High Consequence Task (HCT) work consistently throughout each of our operating areas. HCT review guides were developed to document critical operations and safety protocols to clarify what processes and standards are associated with these high consequence tasks. We require employees and contractors to evaluate and perform HCTs based on the established SOPs.

The QMS team has built HCT and Standard SOP exception reporting to support this effort. The exception reporting dashboards ensure leaders engage with employees who need to complete any outstanding HCT training modules. SOP usage exception reporting is the first step in helping frontline leaders understand how their employees are using SOPs to reinforce best practices and deliver employee coaching that provides information and insights.

FIELD QUALITY ASSESSMENTS

Field Quality Assessments are a significant focus of our QMS, inspecting what we expect through auditing. In 2021, as a part of our SMS In Action, the QMS team increased field-based quality assessments within Gas and Electric Operations. Expanding and focusing on our quality assessment program was a key component of our QMS for providing safety assurance over our critical processes and improving the overall quality of our work.

FIELD SAFETY OBSERVATIONS

Field safety observations are a foundational safety program at NiSource and play a critical role in helping to identify and control hazards and risk exposures, reinforcing safe behaviors, driving a speak-up culture and ultimately reducing employee injuries. The primary objective of our safety observation program is to increase awareness of hazards and exposures and mitigate the risk of injuries by ensuring appropriate direct controls are in place, reinforcing positive work practices and procedures and proactively addressing at-risk hazards. Our safety observation program allows safety professionals and leaders to interact with employees, reinforce positive safety behaviors, and identify, track and reduce or eliminate risks. The collection and tracking of this information enables NiSource to analyze results to better understand safety-related strengths and gaps and influence future safety performance.

DAMAGE PREVENTION CENTRAL SUPPORT

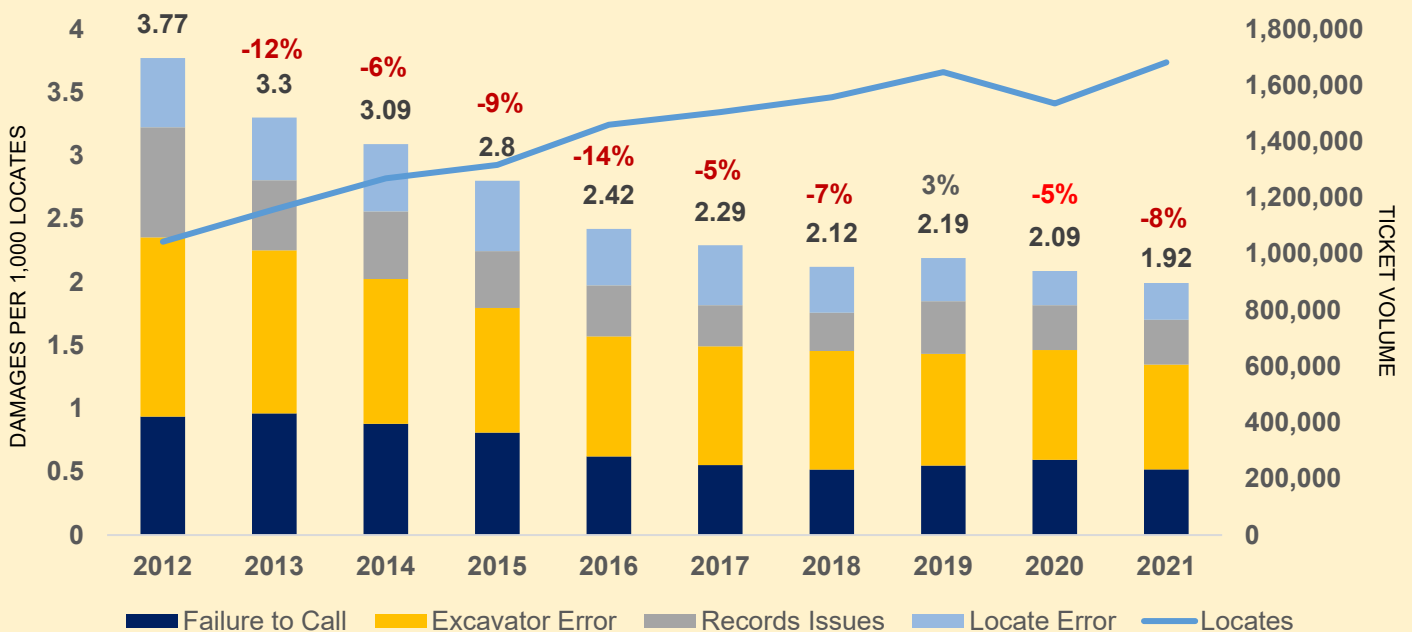
Damage Prevention strategically addresses the leading causes of reportable gas incidents. We created a centralized support function dedicated to developing a common approach for damage prevention strategy and establishing clear accountability across our footprint. NiSource is leveraging Global Positioning System (GPS) technology to improve record accuracy and has implemented the Gold Shovel program to reduce first- and second-party damages.

As part of NiSource's Gold Shovel Standard (GSS) Certification, all contractors performing excavation work for any NiSource company are now required to

be certified with the GSS program. GSS is a certification program focused on reducing risks and damages to our underground assets and requires all excavators to follow industry best practices for performing underground excavations. Current GSS data shows NiSource contractors already GSS Certified have a damage per 1,000 ticket rate of 1.40 versus 2.42 for non-GSS Certified contractors.

NiSource is also leveraging damage risk modeling to increase rigor further and focus on reducing damages to our underground infrastructure. Over the last ten years, we have reduced our damages per 1,000 locates (DP1K) by 50%, from 3.77 in 2012 to 1.92 in 2021. We have established a goal of 1.80 for 2022.

NISOURCE DAMAGES BY APPARENT CAUSE



EMERGENCY PREPAREDNESS AND RESPONSE

NiSource set a course to ensure it would be better prepared to meet the needs of any future incidents. A new Gas Segment Emergency Management team was formed to build an Emergency Preparedness and Response program from scratch, focusing on the learnings from the tragic 2018 Merrimack Valley incident and research and interactions with private and public stakeholders.

The team created a single EP&R Plan (EPRP) for the NiSource gas segment, with an accompanying Incident Command System (ICS) to ensure a clear command and control structure during incident response. The Company's ICS provides multiple backups for each role, ensures the ability to support lengthy incident responses and enhances our ability to interact with public safety officials and first responders. The EPRP and ICS provide clear communication guidance to ensure the public and relevant stakeholders are promptly informed.

The EP&R team provides awareness and understanding of all roles during an emergency to appropriate employees across the NiSource gas segment and corporate support teams through ongoing training and regular exercises. The goal is to ensure Incident Management Teams can timely and effectively respond to incidents with potentially wide ranges of scale and complexity anywhere in NiSource's service territory.

The NiSource EP&R program has been recognized as an industry best practice by the American Gas Association (AGA). Team members presented during an AGA conference and best practices roundtable in 2020. EP&R team members were also invited to present at the Southern Gas Association's Natural Gas Connect Conference in 2020, but due to the COVID-19 pandemic, the presentation was postponed until a future date.

In building our plan and ICS, NiSource achieved the following objectives:

- Completed best practice visits externally with gas industry peers and internally with the Northern Indiana Public Service Company's (NIPSCO) electric storm team.
- Adopted the ICS as recommended and used by Federal Emergency Management Agency (FEMA) and other companies and agencies, including an established structure with multiple backups for each role. This helps ensure our ability to support sustained incident response and readiness. Having a complete roster with trained backups provides depth if an employee with primary responsibility is unavailable.
- Reviewed and analyzed existing corporate and NiSource operating Company Emergency and Crisis Communications Plans and Business Continuity Plans and ensured their alignment with our Emergency Preparedness and Response Plan.
- Outlined consistent definitions for incident levels from less severe (Level 5) to the most severe (Level 1) to align with the API PR 1173, which is an industry best practice.

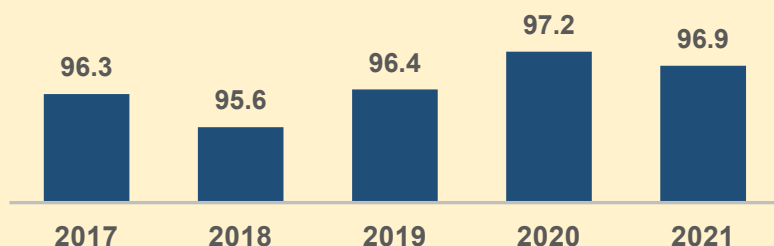
MOBILE COMMAND CENTERS

To strengthen our ability to respond efficiently, effectively and safely to incidents while supporting training exercises across our service territory, we added custom-built Mobile Command Centers to our available resources. Each 38-foot trailer is strategically located to allow for rapid deployment and the least amount of travel time.

Based on lessons learned from previous incidents and best practice visits with industry peers, the EP&R team identified Mobile Command Centers as a tool needed to support a safe, efficient and effective incident response for our customers. The mobile command centers will help our teams by increasing our effectiveness and reach when responding to emergencies in our service territories or providing mutual aid to our partner utilities.



NISOURCE % OF PRIORITIES WITH 45 MINUTES OR LESS RESPONSE TIME



	2020	2021	Goal
MD	99.3%	98.8%	98.8 %
PA	98.1%	97.8%	98.0 %
IN	96.8%	97.3%	97.6 %
VA	96.8%	97.2%	98.0 %
OH	97.3%	96.3%	98.2 %
KY	97.3%	96.8%	98.0 %
NiSource	97.2%	96.9%	97.9 %



SAFETY *Investments* – RESILIENCY PROGRAMS

INFRASTRUCTURE MODERNIZATION

Infrastructure Modernization is a program to replace certain pipe materials that are considered leak-prone and therefore threaten the safety and reliability of distribution assets. Priority Pipe (cast iron, wrought iron and bare steel) is leak-prone material. Priority Pipe replacement is a key component of infrastructure modernization programs and investment planning. Leaks can pose a safety hazard and result in a loss of gas to customers. By replacing Priority Pipe, the number of leaks are reduced and safety is enhanced for the public and our customers.

To support replacing Priority Pipe, we implemented a new Probabilistic Risk Assessment (PRA) tool to support engineers during the project prioritization process for distribution pipeline replacement. This tool also provides an enhanced cross-bore module, which will help better identify likely cross-bores and more effectively dispatch our crews to investigate and

mitigate these threats. To date, we have deployed a risk model for transmission, cross bore and distribution, and by the end of the year, we will deliver a risk model for measurement and regulation.

CROSS BORE PROGRAM

A cross bore is a situation in which other buried utilities are in conflict with our gas lines resulting in an increased risk of a facility damage. These conflicts are a result of legacy installation methods that have since been modified.

The Cross Bore Remediation Program investigates and eliminates all legacy cross bores throughout NiSource systems. Cross bores are one of the top risks associated with our distribution assets. To mitigate the risk, this program proactively investigates systems to discover and remediate legacy cross bores and prevent new cross bores from occurring.

GAS CONTROL MODERNIZATION

NiSource has expanded its Gas Control footprint through a control room expansion. The expansion effort has added roughly 5,000 square feet to the Columbus Gas Control suite. The space encompasses state-of-the-art SCADA consoles, audio-visual equipment and an emergency operations center. This milestone provides Gas Control with a modern, expanded facility to support NiSource's SCADA visibility goals, improve emergency response capabilities and incorporate clearance management within one suite.

The space will serve as NiSource's nerve center by providing an Emergency Operations Center during events, situational awareness and conflict analysis for clearance activities. That center will have the capability to connect to all key NiSource systems and provide central support groups with a dedicated space to operate during ICS incidents. These technological investments will allow Gas Control to quickly extract actionable insights, effectively reducing field personnel dispatch time. Our Gas Control suite also serves as our Clearance Control Center.

GAS CLEARANCE CONTROL CENTER

No work is done at our pressure regulator stations until the center verifies that the appropriate safety precautions are in place. System impact, risk mitigation, process safety, scope of work and job site information must be confirmed before work is authorized. The center receives 300-400 calls from employees, contractors and upstream providers on an average day. This is part of a comprehensive framework of protection that tracks and authorizes work, establishes step-by-step checkpoints and details consistent steps. This will feed further safety improvements: Information gathered from these interactions will drive predictive and proactive metrics.

LOW PRESSURE GAS DISTRIBUTION SYSTEM MONITORING AND OVERPRESSURE PROTECTION

The Low Pressure Overpressure Protection (LP OPP) program is centered around installing remotely monitored system pressure devices and installing additional layers of pressure protection (i.e., automatic shut-off valves) at low-pressure natural gas regulator stations. Over 1,800 stations were equipped with over-pressure protection equipment to prevent unsafe conditions that could impact downstream systems and customers across NiSource. Remotely monitoring the system pressure has enhanced NiSource's situational awareness by capturing and observing real-time system pressure conditions, which enables proactive response to potential abnormal operation system conditions in an accelerated manner.

UNDERGROUND GAS STORAGE MODERNIZATION

NiSource's underground storage facilities play an important role in the overall supply portfolio during peak demand periods. Our Underground Storage Modernization program centers on ensuring the integrity, safety and reliability of underground storage assets used to process, store and distribute natural gas from below-ground geological formations. Ensuring these assets' safe and reliable operation is a priority for NiSource. Enhanced risk management activities have led to increased underground storage assessments and equipment replacement prioritization, which supports the ongoing effort to provide a safe, reliable and cost-effective supply of natural gas from underground storage facilities. An example of these efforts is the completion of well logging activities in Pennsylvania and expected completion in Indiana by 2025.

Gas Transmission

IN-LINE INSPECTION PROGRAM

We use targeted risk-based replacement decisions to ensure that NiSource addresses its highest overall pipeline risks programmatically to advance our overall commitment to public safety. To support this effort, we utilize in-line inspections to monitor and track the pipeline's health to remediate anomalous conditions before a leak or failure. In-line inspection is a non-destructive examination device that measures and records the geometry and wall thickness to indicate a change in the condition of a pipeline. Using in-line inspection in a transmission pipeline identifies threat conditions that help enable NiSource to proactively mitigate targeted segments for replacement versus less effective system-wide mitigation activities.



Technology INTEGRATION

DATA GOVERNANCE MODEL

Consistent with NiSource's SMS culture and focus on continuous improvement, NiSource has adopted an industry-leading operating model for data governance. This model identified data owners over critical asset data attributes as well as data stewards and a central data governance support team that has developed and maintains scorecards and dashboards to bring visibility of data quality to the data community. To enable data quality tools needed to support the data community, NiSource has deployed SAP Information Steward and conducted data profiling activities as part of the data migration efforts. Through this profiling effort, we have gained insights from consolidated data, enabling enhancements to be made. We continue expanding the model to cover a larger portion of critical asset data across additional asset classes.

**INVESTMENT IN THE LATEST SAFETY TECHNOLOGIES
IS AN INVESTMENT IN OUR EMPLOYEES, CONTRACTORS,
CUSTOMERS AND COMMUNITIES**

GIS/GPS EXPANSION/RECORD AND MAPPING ENHANCEMENTS

We are enhancing more than 200 gas operating standards to increase safety, add layers of protection and integrate employee feedback on improvement opportunities. NiSource maintains records related to the location of the assets installed to serve our customers. NiSource is continuously looking for opportunities to improve the documentation and records made available to employees to help them do their jobs more efficiently and safely each day.

Over the last two years, NiSource utilized technology and conducted record research to improve the percentage of service lines mapped in our Geographic Information System (GIS) to ~93% and is actively locating facilities in the field to increase this percentage further. NiSource has also adjusted GIS features to align to industry-leading street centerlines, which improves the spatial accuracy for end-users. NiSource also has GPS collection at NIPSCO and has collection related to capital projects in every operating company. Not only will this reduce the risk for both our customers and employees, but it also enables enhanced mobile technology usage for field employees and contractors.

ADVANCED LEAK DETECTION

Through NiSource's SMS efforts, the company has expanded the use of advanced leak detection technology by partnering with Picarro, an industry leader in this space. Through initial pilot efforts in 2021, NiSource has surveyed ~10% of the company's pipeline footage and is using the technology to measure the methane reduction for each leak identified and repaired, which will help the company achieve methane reduction targets. The technology is 1000x more sensitive than traditional leak survey tools. NiSource is developing long-term plans and working with state regulatory bodies to gain approval to transition current leak surveys away from conventional methods to fully utilize advanced leak detection methods in the future.

NiSource has deployed seven Picarro-equipped vehicles in Indiana, Ohio and Pennsylvania to perform pilots of analytics-driven methane detection parallel to our standard leak survey operations. This initiative will inform our long-term roadmap for advanced leak detection technology and advance our goal to reduce methane emissions by 50 percent by 2023.

Picarro

ADVANCED LEAK DETECTION TECHNOLOGY



The Picarro Surveyor vehicle doubles as a cutting-edge lab for the detection of natural gas leaks and much more. Created by Picarro, the world's leading provider of advanced mobile leak detection, the vehicle and Picarro's innovative technology measure ultra-trace methane concentrations in the air and is up to 1000 times more sensitive than traditional methods, and maps them with high resolution GPS, which allows us to gather more information and analyze it so we can quickly assess and proactively respond to a potential leak should we come across one.

NiSource is investing in technology that enhances public safety, enhances our ability to serve our customers and keep our employees safe. Picarro Surveyor gives us information to help us support operations in ways that we have never seen before.

CYBERSECURITY ENHANCEMENTS

The NiSource information systems experience ongoing, often sophisticated, cyber-attacks by a variety of sources, including foreign entities, with the apparent aim to breach our cyber-defenses. We attempt to maintain adequate defenses against these attacks and work through industry groups and trade associations to identify common threats and assess our countermeasures. As cyberattacks are becoming more sophisticated, U.S. government warnings have indicated that critical infrastructure assets, including pipelines and electric infrastructure, may be specifically targeted by certain groups. As a critical pipeline owner, we comply with mandatory reporting measures, designate a cybersecurity coordinator, provide vulnerability assessments and comply with cybersecurity requirements.

SMS SOFTWARE (DEVON WAY)

NiSource utilizes the DevonWay SMS platform. The continued integration of DevonWay into our CAP processes allows every NiSource employee and critical contractors access to tools to report risks they identify and supports corrective actions and asset management work. This system provides the ability to report risks, incidents and near-miss reporting, serving as a key part of the SMS to keep our employees, customers and communities safe. Our SMS software integrations, combined with our Quality Assurance (QA) program with supporting data analytics and trend analysis, enable us to further identify areas of risk and opportunity.

BLACKLINE DEPLOYMENT

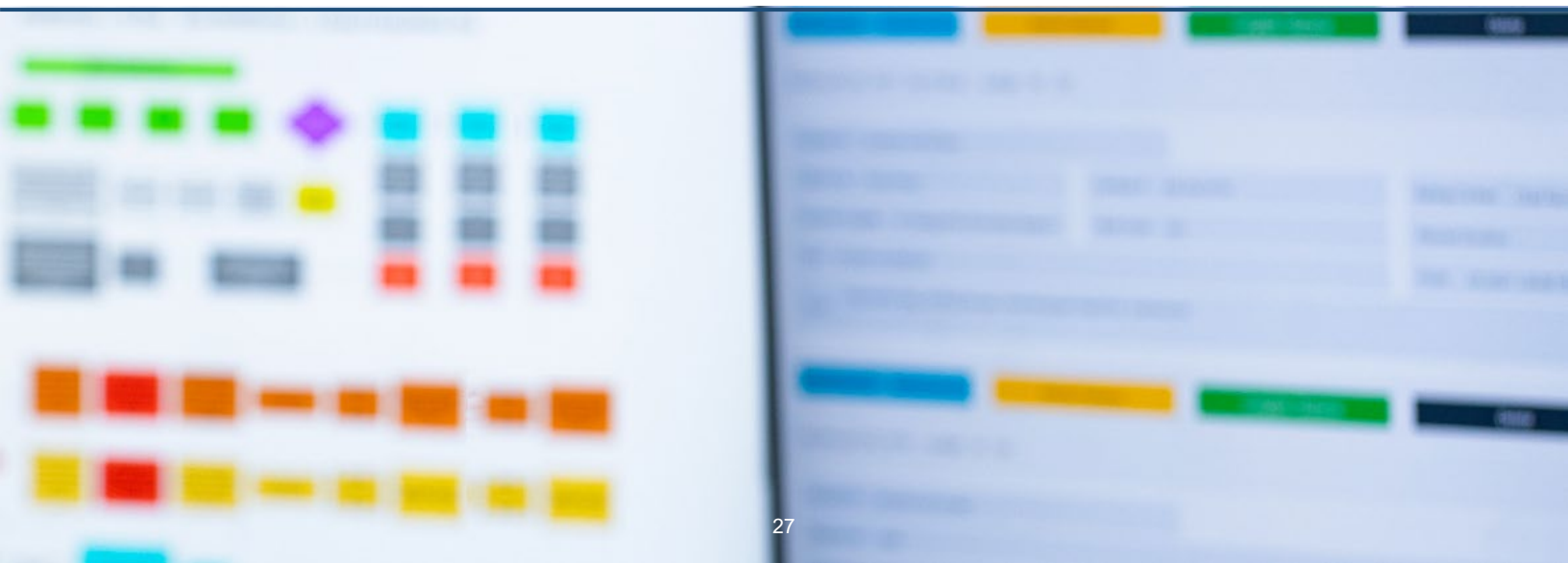
We are deploying Blackline Personal Protection Devices that add layers of protection to our field employees. The devices alert the wearer and our monitoring center if dangerous situations are detected to get them quickly in touch with two-way communication or by dispatching help directly to the employee's location.

Some of the key safety features of these new devices include:

- Constant monitoring and alerting for:
 - Oxygen
 - Carbon Monoxide
 - Lower Explosive Limits
 - Hydrogen Sulfide
- Laser methane detectors
- Fall and no motion detection
- GPS location (to dispatch help during an emergency)
- Two-way voice and text messaging
- SOS alerts
- Push-to-talk communication



Our goal is to provide access to these devices for every field employee by Q3 2022.





SAFETY *Scorecard*

SAFETY INDICATOR	2021 GOAL	2021 ACTUAL
OSHA DART RATE	0.3	0.98
FIELD SAFETY OBSERVATIONS	33,718	34,632
EXECUTIVE SAFETY OBSERVATION	424	618
DAMAGES PER 1,000 LOCATE TICKETS	1.95	1.92
GAS EMERGENCY RESPONSE WITHIN 45 MINUTES	97.90%	96.90%
PRIORITY PIPE RETIRED	311.50 Miles	286.46 Miles

