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Safety Governance Recommendations

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EXECUTIVE SUMMARY/RECOMMENDATIONS

1. **Make Changes to Organizational Structure:**
   - Transition regional safety team reporting structure into global safety operations, with a dotted line into the RGM
   - Expand regional ops safety responsibility to include Eats
   - Couple these changes with top down KPIs for all business owners
2. **Refine Safety KPI Measurement:**
   - Incorporate safety as a primary KPI for which all business leaders (GMs, RGMS, and central ops leaders) across LOBs are accountable
   - Develop input based metrics, focused on the foundations, for regional ops teams
   - Improve ops access to relevant safety data
3. **Implement Key Elements of a Safety Management System:**
   - Covering Eats andRides through the following tools:
     - Safety Principles/Tenets Defined
     - Define Minimum Global Safety Policies and Standards
     - Ongoing Risk Identification Process
     - Critical Safety Processes Monitored
4. **Create Governance Forums:**
   - Build safety into existing regional and global MBRs for all business lines
   - New quarterly safety reviews for all regions and business lines
   - Monthly mega-regional safety reviews focused on risk identification and assessment
   - SfS Executive Committee enhancements, including global representation and new Standards Committee to sign off on safety policies and standards
   - Accountability - RGM compensation/perf includes review of safety performance
5. **Improve Safety Culture:**

- Periodic safety trainings
- Anonymous/confidential safety reporting
- Investing in safety as a company value

6. **Industry Collaboration:**
    - Create a strategy to work with competitors and analogous industries to crowd-source best practices in safety management and push the industry forward

1. ORGANIZATIONAL STRUCTURE

Recommendation:

- Transition regional safety teams reporting structure into global safety operations, with a dotted line into the RGM
    - Any individual currently in a regional rides or Eats safety role should report up to a regional safety operations lead
    - Regional safety operations lead should be an L6+ role
- Expanding and standardizing regional ops safety responsibilities to include background checks and Eats
- Resourcing these teams (hiring, job profiles) out of global safety operations

*Such a structure would enable regional safety teams to be "Independent but Embedded" and align with external safety management best practice**

Rationale: Uber's regional safety operations teams have made great strides in the last several years shoring up foundations, developing safety partnerships, assisting in safety product launches, and advocating for safety within regions. Structurally, however, regional safety ops teams face challenges in fully executing their mission. Regional safety teams are ultimately accountable to the RGM and central operations, whose primary KPIs are GB and CM. While RSMs are generally held accountable for safety KPIs, there is unavoidable tension in trying to achieve both business and safety goals and a lack of leadership direction on how those tradeoffs should be treated. Ultimately the safety / growth tradeoff must be resolved at a senior leadership level, but the primary goal of a regional safety manager is to offer independent, safety focused advice, not to resolve this tension. Defined decision making authorities and accountabilities for GMs / RGMs with regard to safety will bring clarity for both the RGM and RSM /regional safety team.

"Resourcing safety in regions has been challenging" was a sentiment we heard from senior leaders within the business. We've observed that resourcing across regions is inconsistent and at the discretion of the GM and RGM. Additionally, new business lines find themselves reinventing existing safety processes or duplicating efforts with regional rides safety ops. Centralizing these functions ensures a) safety is consistently resourced and applied across regions and lines of business, supporting the power of the platform goal and reducing glaring safety gaps that are managed in one region / LOB but not another, b) reduces duplication of effort, leading to more efficient operations and better safety outcomes, and c) encourages subject matter expertise and safety career paths, improving ability to attract qualified external talent and retain internal talent/institutional knowledge within safety.

Challenges + Planned Mitigation:

- Safety as "out of sight, out of mind" or "someone else's problem."
  - Business owners given safety KPIs (see Recommendation #2), ensuring continued focus and prioritization at the leadership level
  - Safety's role is to support the business in achieving this goal (as legal, policy, comms, etc all ultimately have domain expertise that supports business goals)
  - Regional safety teams remain embedded in day to day operations, with dotted line into business, and support achieving these safety goals
- Variation in talent and influence at RSM level
  - RSM role is L6+, increasing likelihood it will be effective and viewed as key partner to business
  - Upleveling of role allows us to attract strong external talent with true safety expertise
- Variation in RSM focus areas globally
  - Some of this makes sense given regional variation in safety risk
  - Beyond that, Global Safety Ops should define the roles and responsibilities for RSMs in a clear and consistent manner across regions
- Loss of safety innovation
  - Regional safety teams remain located within region and embedded in the business, working closely with local/ national ops teams

2. MEASUREMENT

Recommendation:

1. **Incorporate safety as a primary KPI for which all business leaders are accountable**
   - Applies to GMs, RGMs, and central ops leaders and across LOBs
   - These KPIs should mirror the global safety KPIs (incident / crash reduction and perception), and also be broken down into more specific input-based metrics that teams can show progress on independently of global KPIs (see below)
   - Incorporated into performance reviews and bonus payout
2. **Develop input based metrics, focused on the foundations, for regional ops teams**
   - Metrics will take time to finalize, but will be based on the following principles
     - Should clearly ladder up to global KPIs (i.e, must clearly demonstrate a link between the input metric and the global metric)
     - Ops must be able to directly influence
     - Measurable at an aggregate level
   - Leading hypotheses for metrics:
     - Trips at risk: how many trips are taken without the proper foundational checks (e.g., BGC, valid documents)

- Incident preventability or blended risk- leveraging our vast network of data, create an index that scores each incident by how preventable it was. This could use things like: weather, mode of transportation, whether or not the person was exposed to education, previous incident reports (similar to what we do with SRAD)

3. **Increase ops access to relevant safety data** (ongoing workstream led by Katy McDonald and Frank Chang)
    - Previous two are dependent on this. We must have a consistent framework for data access so leaders don't feel like they are in the dark

Context:
Uber is an organization built on data and for ops teams in particular access to up-to-date, actionable data provides a sense of ownership, enables timely responses to arising challenges, and creates leadership accountability. Some of the most common themes we heard throughout internal interviews:

1. Leaders are not held accountable for safety metrics (with some regional exceptions)
2. Safety metrics not discussed in global MBRs
3. No regular regional reviews of safety data
4. Senior leaders don't have access to the right data
5. Ops teams unclear on how to move safety metrics - don't feel like they have direct control
6. Uber does not focus enough on the foundations, which can lead to safety incidents

Without addressing these challenges in a systematic and uniform way, we will struggle to embed safety deep into our culture and way of operating. Providing access to relevant safety incident data to business leaders enables them identify and spot hazards or emerging trends early and address in a timely manner. It also reduces the risk of leadership being caught off guard before it is too late. Building safety outcomes into performance reviews and bonus outcomes ensures leaders prioritize safety appropriately. Dara's performance is tied to safety outcomes by the board, a process that should cascade down to business owners. Additionally, ops teams need metrics they can readily track and directly influence. It is difficult for a regional ops team to fundamentally alter fatalities on the platform, for example, as the event is rare and also subject to many factors outside of our direct control (e.g., third party actions). Providing a clear set of input metrics that directly link to safety outcomes will help ensure we prioritize the foundations and give ops meaningful tools for reducing safety incidents. Finally, for many of our more sophisticated regulators, including TfL and US states, the safety foundations are of primary concern. Ensuring every driver has an up to date background check and valid documents are basic elements of our regulatory obligations in many markets, and currently these core KPIs are not consistently owned and tracked across ops teams.

Challenges:

- **Designing input metrics that we can directly tie to incident rates:** For this process to work regional ops teams and business leaders must believe that the metrics they are tracking directly tie to incident rates. While this is common across Uber (e.g., RGMs don't have supply hours as an explicit metric, but regional driver teams track it to ensure

a healthy marketplace, which in turn drives more trips), developing and integrating into regional KPIs will take time
- **Resourcing/Tracking input metrics:** As these are not uniformly tracked now, developing and tracking new input metrics will require tech / ops / DS resources to build the tooling to track and display in a way that is actionable
- **Consistent senior leadership attention:** It won't be enough to have a KPI as part of a balanced scorecard or performance review. It has to be regularly emphasized and prioritized from senior leaders. This becomes increasingly important in times of crisis, competitive launch, or slowing growth, as these are times when not financial metrics tend to slip in importance.

3. SAFETY MANAGEMENT FRAMEWORK / RISK MANAGEMENT

Recommendation: Implement a comprehensive, externally defensible Safety Management Framework covering Eats and Rides through the following SMS tools:
- Safety Principles/Tenets Defined
- Minimum Global Safety Policies and Standards
- Ongoing Risk Identification
- Critical Safety Processes Monitored
- Compliance Audits

Context:
One of our strengths at Uber is finding discrete problems and fixing them by assigning resources to the challenge. We are less proficient in systematically identifying issues and having the supporting framework through which to escalate and manage those issues to an acceptable level. Across LOBs and regions, there are varying degrees of understanding of safety risk- ranging from complete lack of awareness to advanced risk management systems in place.

A common theme from our interviews was the sentiment that we **say** safety is a priority but we don't really mean it or we don't understand what "Stand for Safety" means in practice and how to make decisions in the best interest of the company. We heard that there is inconsistent messaging across regions about the importance of safety and it is difficult to compare safety performance across regions today with no standard framework. We have been very reactive when it comes to safety management and need to proactively identify the risks we face as we continue to grow. As has also become apparent during the ongoing COVID19 crisis, there may be many risks we had not conceived of or prepared for. Through our recommendations here, we would aim to proactively uncover unknown risks to the business by conducting regular reviews.

After reviewing external literature and thought leadership on safety management in other industries, we recommend implementing a version of a safety management system, fit for Uber's purpose.

A safety management system (SMS) is a set of tools an organization uses to control safety risk. ***It is a continuous, ongoing effort to identify and mitigate safety hazards to the tolerable level, commensurate with our strategic objectives.*** A typical SMS consists of safety policies, risk management, monitoring controls, and promoting safety throughout the workplace.

The following components are the tools of a safety management system that we would like to focus on and further develop in Uber.

"Tools" in the SMS "Toolbox":

- Safety Principles/Tenets
  - Our non-negotiable directional safety principles and guidance on our risk tolerance and how to think about growth vs. safety trade-offs
  - Not just a wall-hanging. Should be used every day when discussing new projects, hiring, and making trade-offs
- Safety Policies and Standards
  - Global Safety Ops to accelerate drafting and cascading of minimum standards and "firm red line" stances across Ops and all LOBs
  - Will be set by the global team and the regional team will own implementation
  - More tactical and specific than a tenet or principle
  - Must be approved by senior management
- Ongoing risk identification framework
  - Each region or country will identify the hazards across all LOBs through the lens of the interaction points and components in the system. This should be done in a systematic, well-documented and templated way across all regions and every risk will have an accountable executive and owner for controls
- Critical Safety Processes Identified and Tracked
  - Going through the exercise of documenting all critical safety processes and identifying where we need to automate tracking (e.g. de-dup, DHL, BGC)
  - Creating a tool or automated dashboard to track
- Compliance Audits
  - from Global HQ does systematic review of safety management activities across regions to ensure compliance and someone is responsible for tracking critical safety metrics ongoing

Principles:

- SMS must start with senior management. Management of safety, like any other function, requires resources. If senior management is not aware of the purpose or objectives of the organization's SMS, it will not appropriately understand the extent of the threat that safety risks represent. Without this appreciation, resourcing and safety management will fall short.
- Safety management activities must be documented, visible and ongoing.

- SMS is focused on **process** rather than outcomes. Though outcomes are measured and used as inputs for improvements, the point of the SMS is to identify hazards before they result in the undesired outcome
- SMS will be centrally managed by the Global Safety team who will provide templates and resources but will be executed and owned by Regional Safety Managers and the people they assign to complete the work.
- Regions and business lines should think about safety risk assessment in a consistent way, informed by external best practices

Challenges + Planned Mitigation:

- Reluctance to schedule additional meetings and carve out time
  - This starts with senior management and must be a directive from ELT
  - Global Safety Ops should create streamlined templates for risk tracking and policy/standards roll-out that can be adopted throughout Ops
  - For risk meetings, RSM should take the lead in owning meeting invite, agenda, and management of follow-ups
- Variation across regions in how process is run
  - Global team guides through principles, tenets and templates and regional teams implement for their region and report back
  - RSM should become experts in risk register framework so they can handle escalations and questions on what to do, how to arrange information, how to size and assess risk, etc. - all aligned to global guidance
- Aligning on the critical key / most material safety risks we will focus on - getting clear accountabilities / ownership and robust controls and monitoring for this
  - Requires cross-functional session and crowd-sourcing of risks and sign-off from leadership
  - Business leaders own their risk metrics in executive forums

4. FORUMS, ACCOUNTABILITY & OVERSIGHT

Recommendation:

- Build safety into existing regional and global MBRs for all business lines
  - Given the breadth of topics, this can be a single slide, using a template developed by Global Safety Ops
  - Template should incorporate relevant KPIs developed at global level (described above)
  - RGM owns content
- New quarterly safety reviews for all regions and business lines
  - Includes senior leaders from across functions (legal, policy, etc) and RGM
  - RGM owns meeting, RSM owns content (template owned by Global Safety Ops)
  - Required attendees to be established, but include RGM (without them meeting cannot proceed)

    - Meeting minutes and AIs maintained and circulated after
- Monthly mega-regional safety reviews
    - Grounded in standardized risk register (described above - template owned by Global Safety Ops)
    - RSM owns content and meeting
    - Required attendees to be established, but include RGM and Central Ops (without them meeting cannot proceed)
    - Meeting minutes and AIs maintained and circulated after
- SfS Executive Committee
    - Add major risk review and top-level KPI progress as <u>the first</u> standing item to agenda; to be presented in simplified format (e.g., scorecard); Global Safety Ops to own content
    - Major problems surfacing in the regional forums should be added as deeper discussion items; Global Safety Ops to own content
    - Role of Committee clarified to emphasize oversight in addition to critical decisions
    - Leaders from mega-regions and non-Rides business lines added to Committee to broaden representation and perspective
- New Standards Committee (subset of SfS Exec Committee)
    - Meets regularly to sign off on global safety policies and standards
    - Required sign-offs will be defined, but at minimum should include Global Rides, Global Eats, Safety & Insurance, Safety Legal, Safety Policy, Safety Comms, and Compliance
- Safety Accountability
    - All RGMs should have safety goals that they are held accountable for in performance and compensation reviews

<u>Context:</u>
Uber needs to create more effective forums and communication pathways to give company leadership and business owners across lines of business and regions a deeper understanding of the problems and risk areas that could contribute to safety incidents on the platform, and that promote a common language, sense of focus and priority, and ultimately accountability on safety impact. During the interviews, we heard several common themes that would be addressed through these recommendations, including:

- Leaders are generally not held accountable for safety metrics/improvement (with some regional exceptions)
    - Safety is not discussed / reviewed in the global MBRs; if CP or GB slips there's immediate follow-up and accountability, but not consistently for safety issues
    - There are no regular regional reviews of safety data
    - Senior leaders don't have access to the right data on safety performance
    - Ops teams are unclear on how to move safety metrics, don't feel like they have direct control or guidance on what to prioritize
    - Varying levels of knowledge and buy in to global safety standards

Challenges:
We expect several challenges implementing the proposed recommendations and have identified concrete actions to mitigate them.

- Requires significant investment of senior leadership time, buy-in might vary
  - This is part of a holistic safety governance framework that should be blessed by company leadership; mandate should come down from ELT
- Requires building processes and capabilities from scratch within each region
  - Global Safety Ops should create streamlined templates that can be adopted throughout Ops (MBR insert for example can be one slide); Global Safety Ops also to take the lead in regularly training RSM orgs on how to use the templates and tools effectively
- Data access - business owners will resist being held accountable for numbers they have little control over or cannot see
  - Output metrics and data should also be more broadly available (*having regional safety teams sit within Global Safety makes them better positioned to become the experts in understanding the data and its nuances, and supporting business owners to understand how they are trending - see Org Structure section above*)
- Audience may lack familiarity with issues and context; could get too far in the weeds and derail discussions
  - Focus will be on the most important issues and risks; deeper inquiry should not be discouraged
  - May need to revisit length and frequency of SfS Executive Committee meeting
- Lack of direct pathway to CEO
  - Escalation path from SfS executive committee to CEO should be defined

Principles:
- All regions and business lines should be accountable for safety
- Accountable business owners should have visibility into major safety risks and overall performance
- Regional and safety teams should be in the habit of evaluating and surfacing relevant safety information consistently across business lines and regions
- Putting things in writing creates a record of governance and effective oversight, and memorializes Important decisions
- Global oversight committees should have global representation

5. SAFETY CULTURE

Recommendation: Take additional concrete steps to better embed safety into the company's culture by increasing the frequency with which employees consider safety through initiatives like mandatory training and safety reporting.

Context: In our interviews, we consistently heard that Uber gives lip service to safety's primacy while making business decisions that show otherwise. Safety is a nice-to-have value that is handled by the safety team or regional safety manager, but it is not a vital consideration in the average employee's daily duties. In other words, safety is a worthwhile theoretical concept that often gets pushed aside by other business concerns. For example, when a leader has to weigh competing safety and growth considerations, growth often wins, and Uber's current growth culture rewards that leader by tethering growth metrics to that leader's KPIs (as discussed above).

Culture takes time and resources to develop and must be continually reinforced to grow and thrive. Safety should become an expected component of working at Uber, from safety-related questions during candidate interviews, to seeing it on office signage and external marketing materials, to congratulating colleagues for safety-related rewards and recognition. Employees should receive regular safety training, starting with safety onboarding for all new hires and then reinforced through periodic mandatory training sessions, newsletters, and access to an expanding library of safety resources. Employees should also have the option to report safety concerns or observations confidentially or anonymously, thus promoting the tenet that safety is everyone's responsibility.

Challenges: It will be a challenge to create a safety culture, because culture is more like an investment than a purchase -- it takes time for the benefit to materialize. To extend the metaphor, the long-term benefit of making an investment in safety may have to be weighed against short-term business priorities (e.g., safety v. growth). But by embedding routine, recurring reinforcement of safety's priority into everything from metrics to meetings, we can instill a safety culture that can create long-term, sustained value for our company.

6. INDUSTRY COLLABORATION

Recommendation: Design a strategy to proactively collaborate with competitors or other relevant industries on common safety issues, whether directly or through participation in a trade association that Uber would help create.

Context: As one of many players in the regulated ridesharing industry, we are susceptible to safety incidents on other platforms impacting our brand sentiment and regulator response to us. There isn't necessarily a distinction between Uber's safety progress and others in the mind of the public.

Through our interviews and research, we learned about the origins of industry-level safety management and certification as a means of making all companies safer in sectors like aviation. For example, IATA began auditing and ensuring standards across all airlines and service providers to save cost with the advent of global airline alliances.

Safety should not be proprietary and we can gain a lot from a partnership with our competitors or companies that face similar safety risks to Uber. Various interviewees suggested Uber host an industry forum for discussion of topics like risk management, interpersonal safety, and incident response.

Some safety standards that could be considered for industry metrics are: deactivation data, background check standards, minimum vehicle quality standards, safety report data, and/or disaster response.

Challenges:

REDACTED - PRIVILEGED

- Staffing / resourcing: this would require significant resources, especially to ensure Uber's point of view adequately represented
- Unlikely we would see cooperation from DiDi, Ola early on, but Lyft already in discussions regarding deactivation sharing
- Enforcement of standards in competitors unlikely