



ConocoPhillips

Owner Involvement in Contractor Safety

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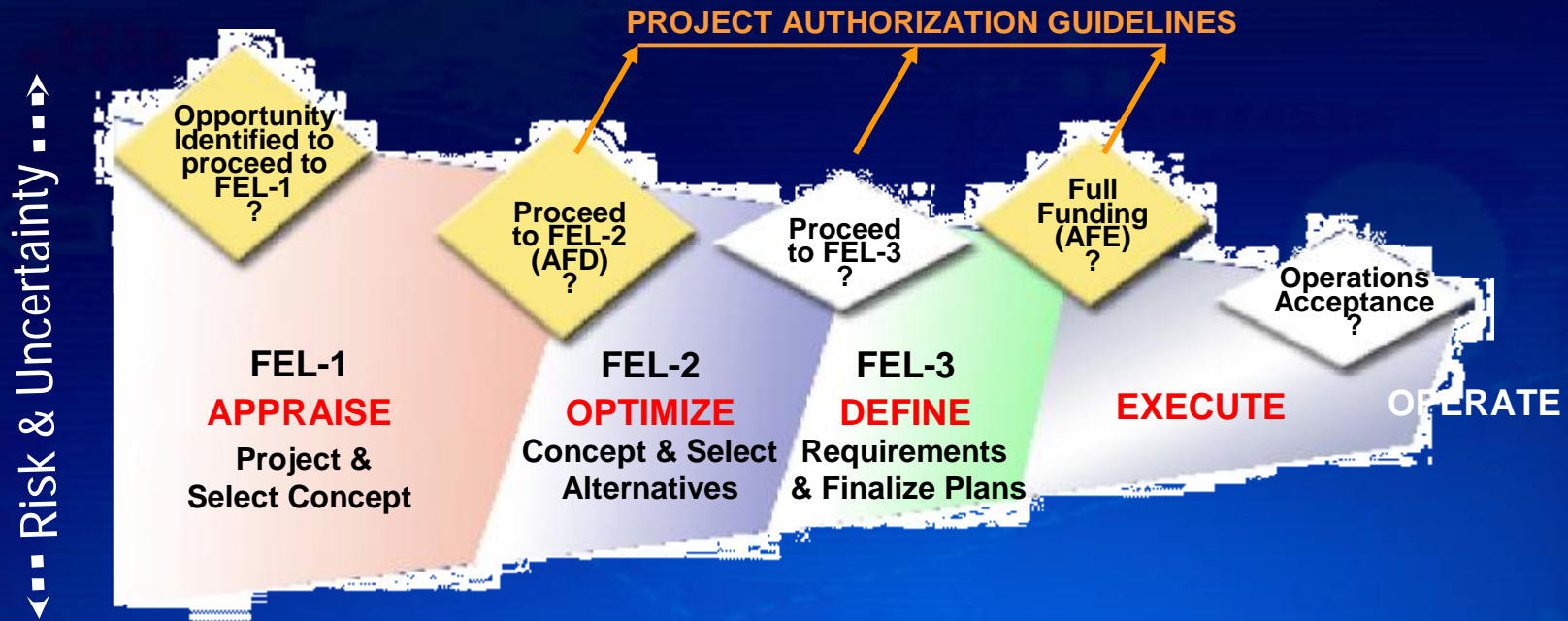
Presentation Outline

- ➔ What is PM HSE and where are the risks?
- ➔ Calibrate with incident/injury probability
- ➔ Contractor & Client Safety Cultures
- ➔ Research on latest HSE cultural alignment efforts
- ➔ Gaps & concerns in the Contractor Industry
- ➔ Continuous Improvement strategies & results YTD
- ➔ Questions

HSE Background

- Phillips HSE upstream (4) assignments, MT, WY, OK, MT/Canada (6-7) years
- Safety Manager Billings Refinery (7) years
- Corporate Significant Incident Planning (3) years
- Malaysia 28's Petronas Corporate ERP TSA (2) years
- Malaysia SE Asia HSE regional manager: Malaysia, Thailand, India, Singapore, ect. (4) years
- Czech Republic HSE Lead Risid Cracker (1) year.
- Corporate Downstream PDPM HSE Houston (2) years
- COP Global Downstream PM HSE since merger

Project Development & Management HSE Overview

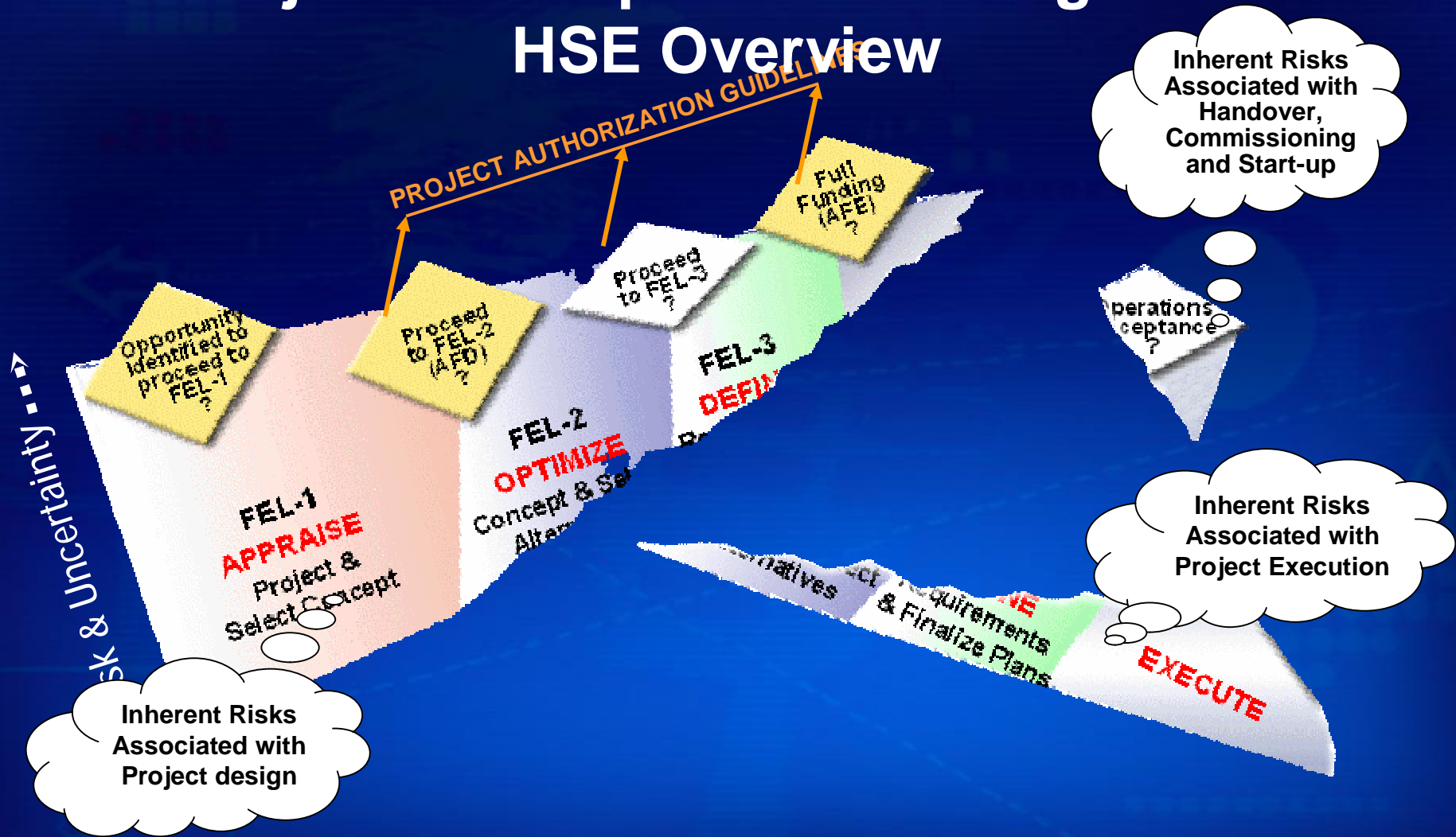


Project Development & Management HSE

←← Risk & Uncertainty →→



Project Development & Management HSE Overview



Our Safety Vision

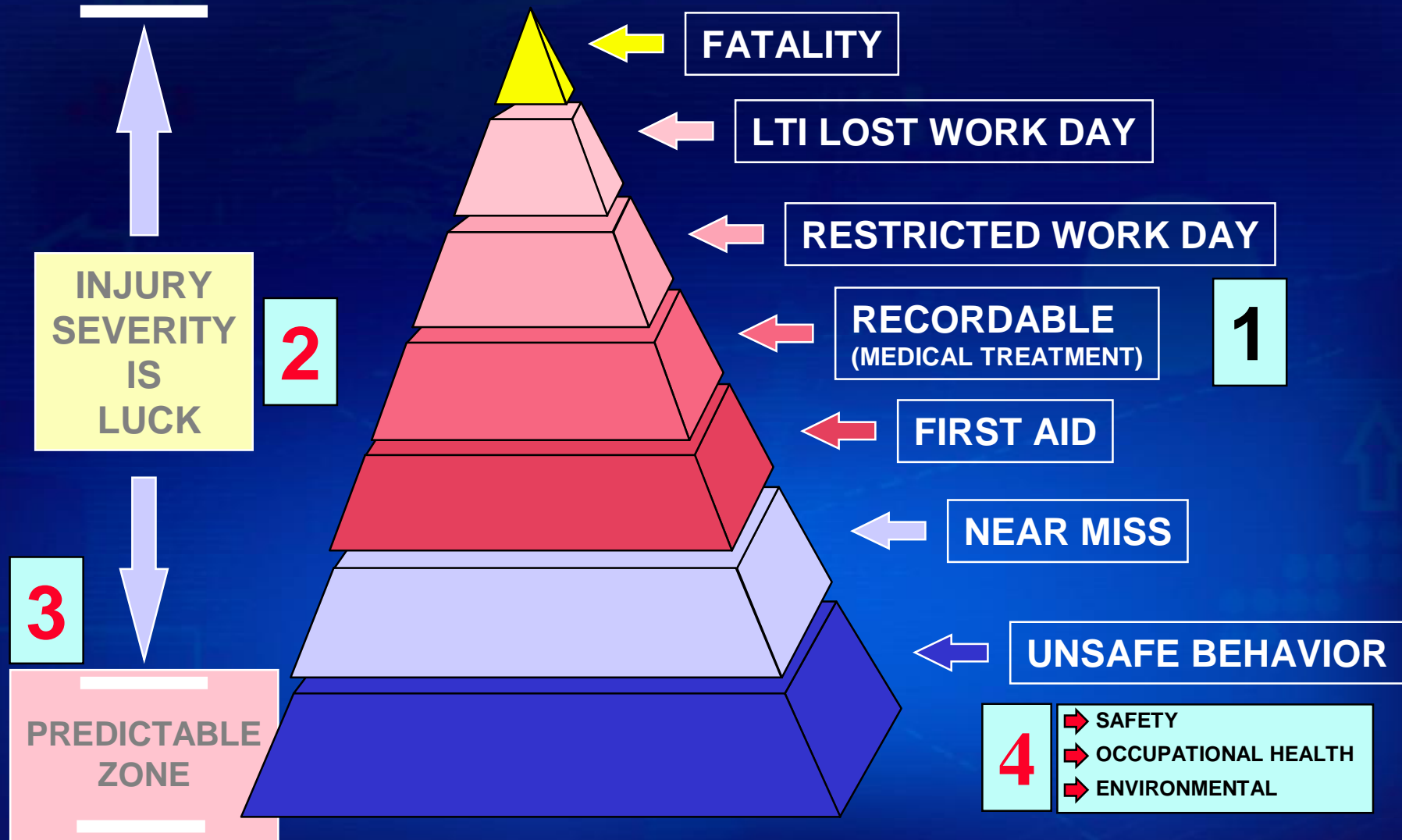


Injuries, Illnesses & incidents

Understanding Injury/Incident Probability

- Injury severity
- Injury reporting and classification
- Behavior Vs. probability
- System approach bottom line is “ZERO”

Incident / Injury Probability

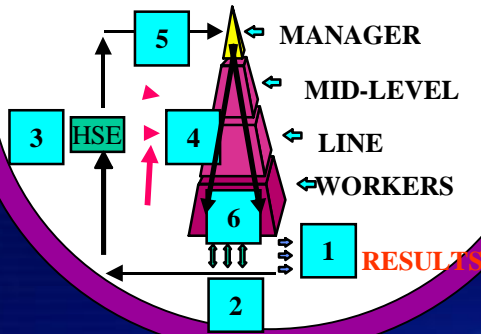


Incident / Injury Probability

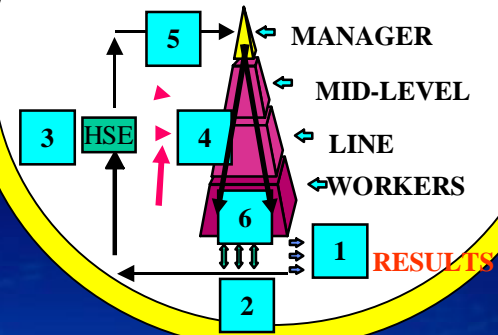


Individual Project HSE Management Systems

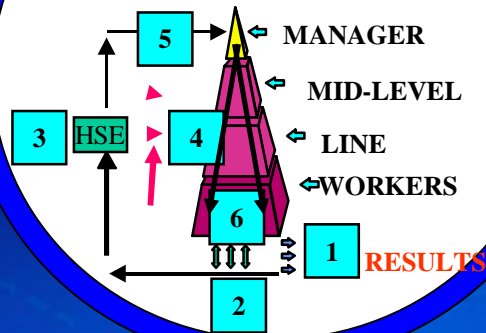
OWNERS JVs



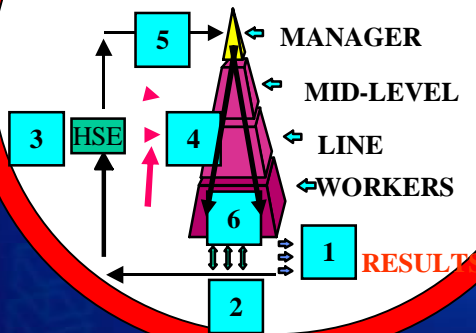
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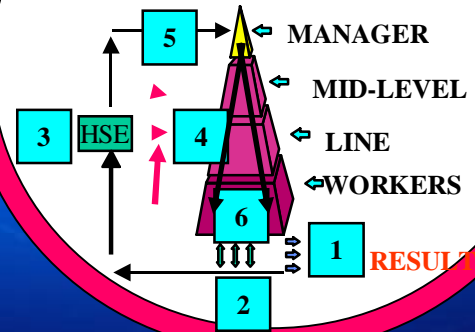
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Sub Contractors

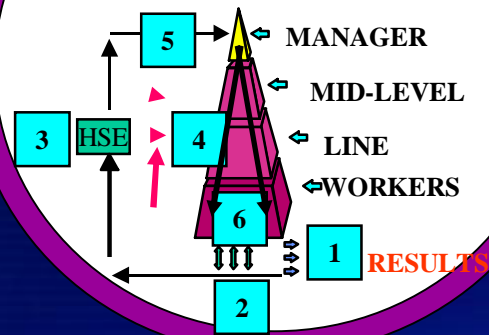


Sub/Sub Contractors

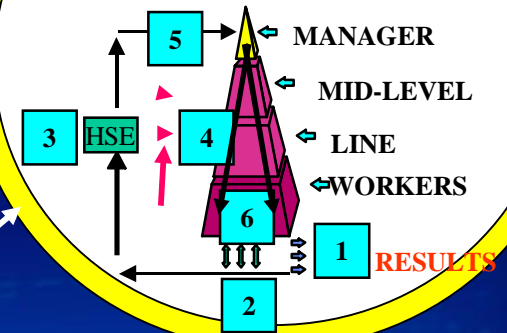


Understand Individual HSE Mgt. Systems

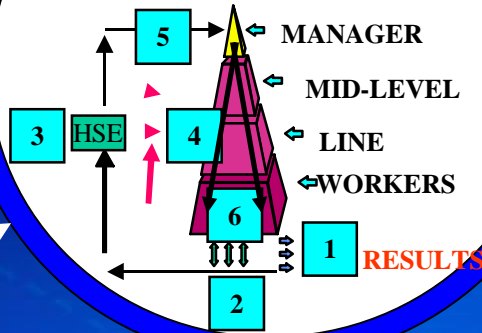
OWNERS JVs



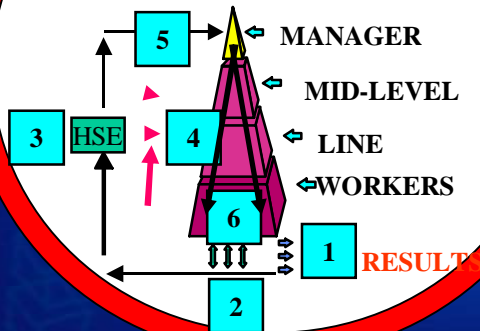
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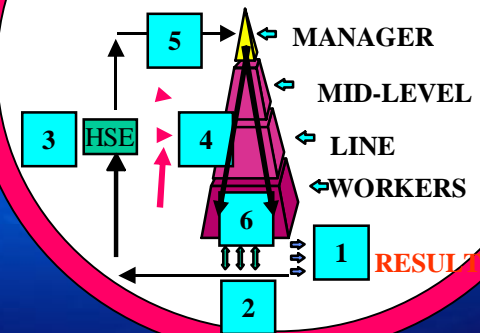
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Sub Contractors

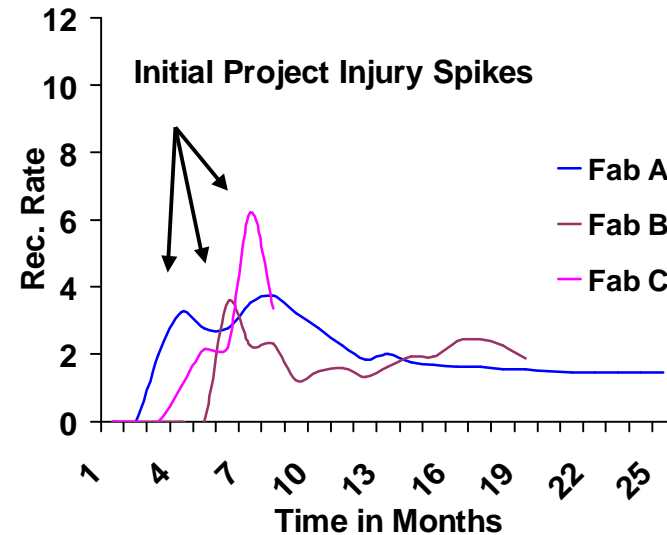
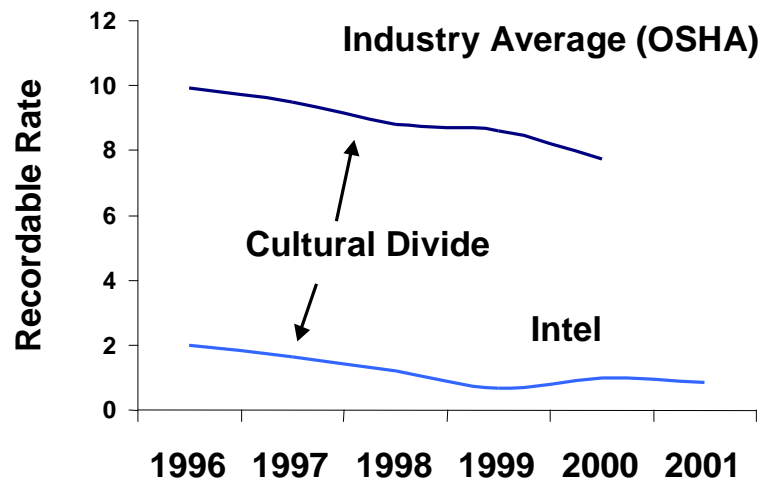


Sub/Sub Contractors



Lessons Learned

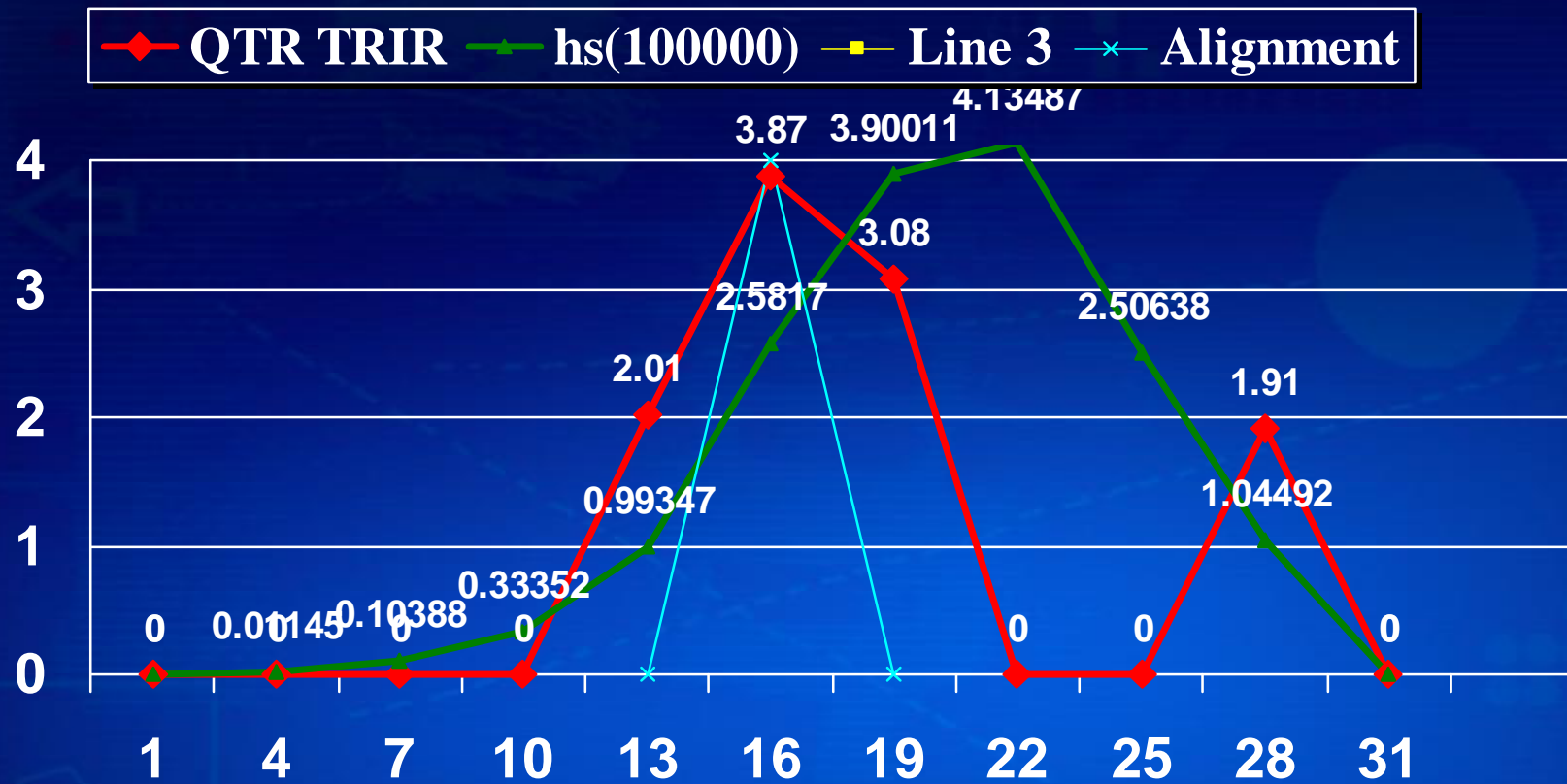
- Strategic project planning is key to preventing initial spikes.
- Need early pre-planning and project team mobilization, including safety.



Next Challenges

- Bridging the gap through external involvement: labor groups, owners, contractors.

Total Recordable Incident Rate (TRIR)



Cultural Alignment of HSE management Systems and "Zero"

Contractor Issues Facing Owners Today

- Changing roles between owners and contractors.
- Shortages of trained craft personnel due to demographics and industry image
- Contractors don't understand HSE Management Systems and don't use them to improve safety
- Line management (i.e., contractors) don't understand their HSE responsibilities and accountabilities
- Primary Contractors do not take responsibility for all sub-contractors HSE performance

Benchmarking and Project Reviews

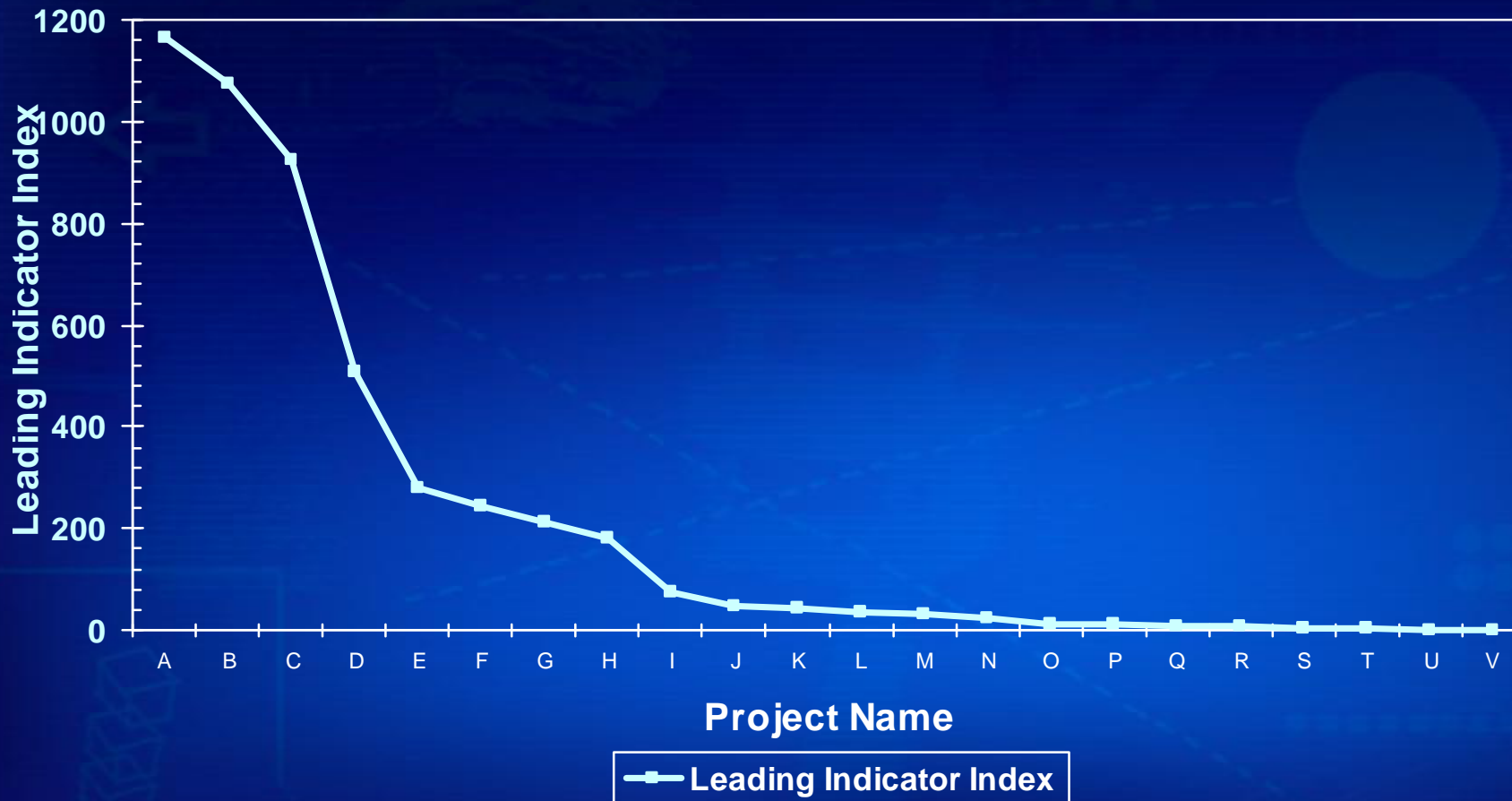


Downstream PM HSE Project Strategy

- Get PMT HSE manager on board
- Develop PMT HSE management system
- Develop for bid HSE RFQ/RFP
- Complete “bridging process” for project site HSE policy and procedure development
- Implement Project HSE management system and site specific policies and procedures before contactor mobilization to site.
- Implement leading & trailing metrics for monthly reporting

COP Project Management YTD 2004 Large Capital Project HSE

Owners Influence Divided By Incident Probability Is (LII)



COP Project Management YTD 2004 Large Capital Project HSE *Recordable Incident Rate Summary*



COP Project Management YTD 2004

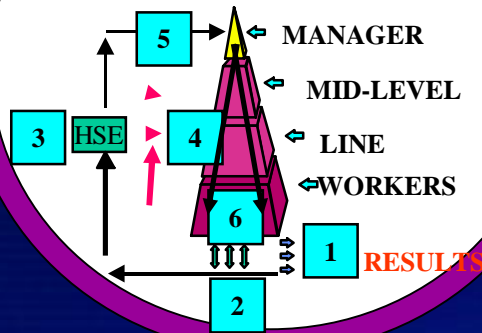
Large Capital Project HSE

Leading Indicator Index(LII) & TRIR Combined

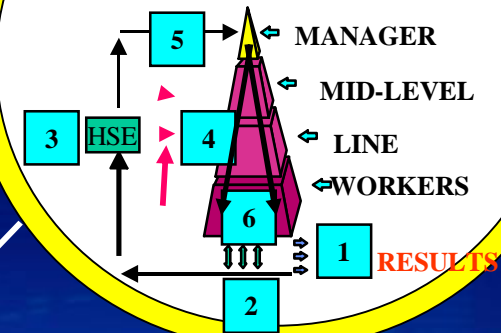


Begin Process of Site HSE Mgt. System Alignment (FEL)

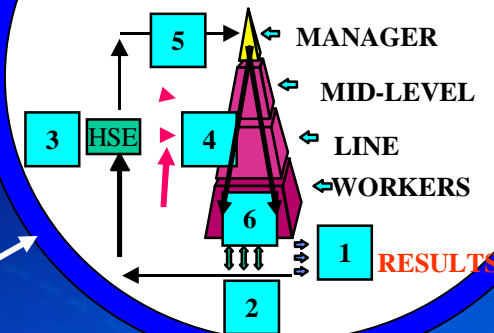
OWNERS JVs



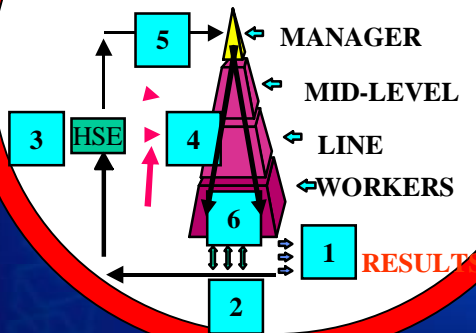
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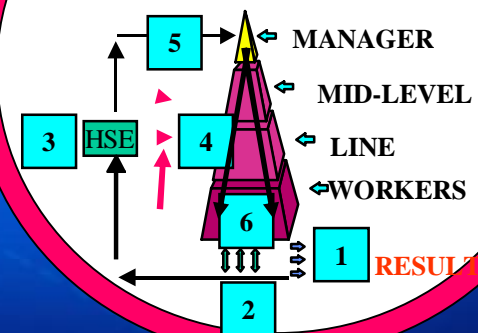
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Sub Contractors



Sub/Sub Contractors



"Continuous Alignment"

ACCEPTABLE SHE MANAGEMENT SYSTEM ALIGNMENT

