DHL IP Operational Discipline – Our Culture & DNA

- Monitoring throughout Operational Activities
- Rules, Knowledge & Adherence
- Lessons Learned and Continuous Improvement
- Relentless Compliance Zero Tolerance
- Completion of Operational Activities

DHL Global Energy Conference | 1st November 2018
DHL IP Operational Discipline – Business Flow Framework and Stakeholders Landscape

- **Win strategy with key focus on HSE, technical execution plan, team set up and commercials**
- **Operations planning end-to-end; sub-contractor vetting; alignment with customer team on volumes and staffing**
- **Design of SOPs and desk-level work instructions; translation of commercials into system; team confirmation; HSE approvals**
- **Operational execution and control through KPI dashboards; internal audits; heavy lift planning**
- **Continuous improvement based on lessons learned and KPI’s management.**

The Operational Discipline “lifecycle” starts long before actual execution
Operational HSE – Embedded in our Culture & DNA

» All DHL IP employees and stakeholders are empowered to stop any operation if they observe an unsafe act or undue risks being taken. Stop Work actions are fully supported by Senior Management.

» All DHL IP sub-contractors are subject to the same HSE governance rules as direct employees.

» The DHL Industrial Projects HSE Policy is the statement that provides direction for our HSE Management System.

» DHL Industrial Projects HSE Management System - Fully aligned with the OHSAS 18001 requirements.
Major IOC Case Study– Project Lifecycle and Work Scope

• A large scale project requiring manufacture and transportation of large vessels, steelwork and pre-fabricated units.
• 30 large vessels (largest pieces over 200 tonnes) from 2 China origins to client’s Iraq Site.
• A 15 month project lifecycle.
• High complexity in load planning, pre-engineering, advance route surveys in China & Iraq.
• Multiple lifting and hoisting sequences for each vessel - (<8) between vendor release and delivery to client site.
• High Risk recognized - precise engineering methodology at each handling phase for all large pieces of equipment.
• Challenging Stakeholder Landscape with multi layers of participating stakeholders.
• **OPERATING DISCIPLINE** – meant everything to project success!
Major IOC Project Case Study – Integrated & Disciplined Team

1. Implementation Kick Off – Critical Starting Point.
2. Weekly Project Calls – a sharp focus across stakeholders.
3. Early strategic planning workshops
   a) Key Timelines Agreed - Engineering & production of method statements.
   b) Exact sequence of engineering events and execution pre-planned.
4. Critical DHL scope to locate, identify and charter suitable ocean vessels.
5. Precise execution & mobilization plan activated for all critical lifts.
6. Post Operations performance assessment – led to improved operations flow for subsequent moves
7. Communication Governance well established – open team communication to align on project direction.
8. Positive attitude, professionalism and integrated team work achieved amongst all stakeholders.
Major IOC Project Case Study – Agreed Operating Methods

- Project followed the agreed approach to release, review and acceptance of transport documentation:
  - Vendor release of finalised transport drawings for all major vessels;
  - DHL Engineers develop method statements for handling and lifting plan for each vessel;
  - Client Engineers review and sign-off on method statements to finalise;
  - Method statements shared across contractors landscape – barge operators, port quayside and charter vessels;
  - Post Operations assessment and lessons learned Implemented immediately;
  - DHL HSE managed quayside operations to ensure 100% compliance to agreed methods.
- **OPERATING DISCIPLE** came to life at execution phase
Major IOC Project Case Study – Daily Discipline and Review - China

- Daily toolbox talks with stevedores and Chinese quayside operators;
- Review and agreement of all pre-prepared method statements and rigging arrangements prior to handling and lifting vessels;
- Field agreement on all individual responsibilities prior to each lift;
- Immediate lessons learned recorded and implement changes within 24h;
Major IOC Project Case Study – Operating Discipline Illustration

First Vessels loaded out of Morimatsu Factory in China – February 2017
Major IOC Project Case Study – Daily Discipline and Review - Iraq

- Precision methodology pre-planning for offload at Umm Qasr, Iraq.
- All discharge lifts operations conducted in the same way as China (Engineered Method Statements, rigging & lifting arrangements);
- DHL Iraq appointed an experienced in-country engineering company to manage feasibility studies, load planning and heavy haul transportation;
- Key RISKS identified in advance route surveys from Umm Qasr to customer site.
- Follow up civil works and height restriction risks undertaken;
- Safe Journey Management Plan and Risk Mitigation agreed before transport in Iraq took place;
- OPERATING DISCIPLINE – results in very successful last mile transport
Major IOC Case Study – Operating Disciple Summary Review

- Successful project completion;
- Method improvements managed immediately through lessons learned process;
- Completed within the agreed timeframe;
- Strong teamwork between all parties;

**Improvement Areas:**
- Clearer scope definition of all major vessels;
- Quicker receipt of finalised transport drawings;
- More efficient process to identify and completing all route surveys.

**Zero Harm & Goal Zero Achieved**
DHL Operational Discipline – Our Culture & DNA

Relentless Compliance
Zero Tolerance
**Nikola Hagleitner** is the global CEO Industrial Projects, part of the DHL Global Forwarding division. She leads a team of 600 industry experts, performing end-to-end project logistics for O&G, Mining, EPC, Renewables, Engineering & Manufacturing customers. Prior to her current role, Nikola was EVP of Global Business Strategy for DHL Global Forwarding. Nikola holds a law degree from the University of Innsbruck, Austria and an MBA in International Management from Thunderbird, the School of Global Management in Phoenix, Arizona, US.

**Alan Hunter** has over 25 years experience in the oil and gas industry on major construction projects and in various technical roles in plant operations. Alan is responsible for the business development strategy for projects in the oil & energy sector- with special focus as DHL’s technical specialist for our large projects with international oil companies. Prior to DHL, Alan spent 10 years working for Shell involved in supporting complex projects for Shell in the Sakhalins and Kazakhstan. Alan holds an MA in Economics from the University of Dundee in Scotland.

**Dennis Mottola** has spent his entire professional career in the global logistics and supply chain management field, including managing mega-project logistics, marine shipping, export packing, manufacturing and trading operations. He holds a degree in Logistics from Penn State University, in addition to certificates from various executive programs.

**Luis Savcic** represents Global Procurement in the project teams where he is at the Engineering Contractors offices during the execution of the different phases of Major Projects. He previously worked at BP America till 2012 and Petroleos of Venezuela (PDVSA) until 2002 and its affiliates: Lagoven SA. and Bariven SA. He is a Civil Engineer, from Andres Bello Catholic University, Caracas, Venezuela.