



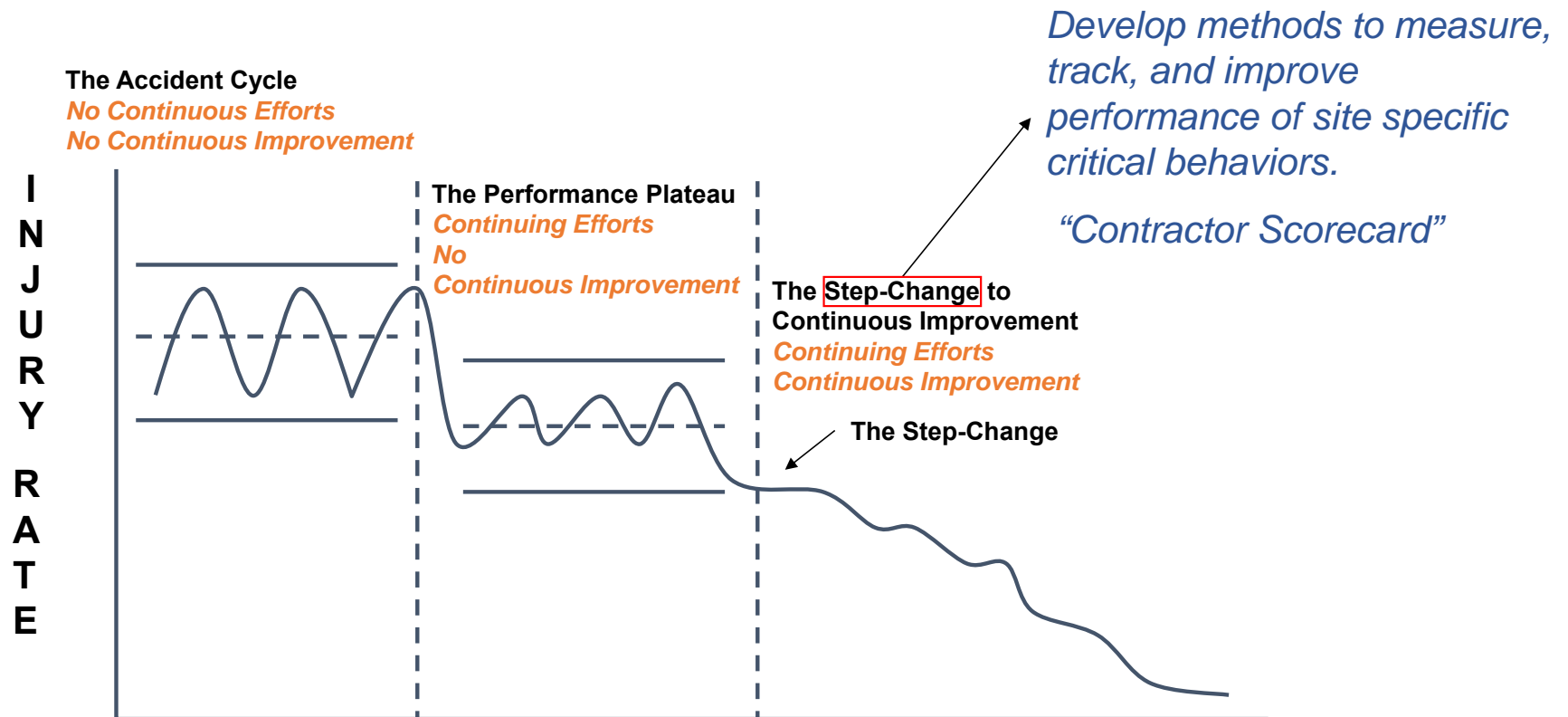
# 2021 COS FORUM

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October 27, 2021

**Oxy Contractor Scorecard in  
Pursuit of HSE Excellence**

## Three Paradigms of Safety Performance



## *Where were we.....*

- Companies historically relied upon a series of lagging or trailing indicators
  - Recordable Incident Rate (RIR) or Lost Work Case Rate (LWCR) typically used as the “safety yardstick”
- The inherent flaw in using such lagging indicators is well understood
  - Tracking failure is an exercise in reporting old news

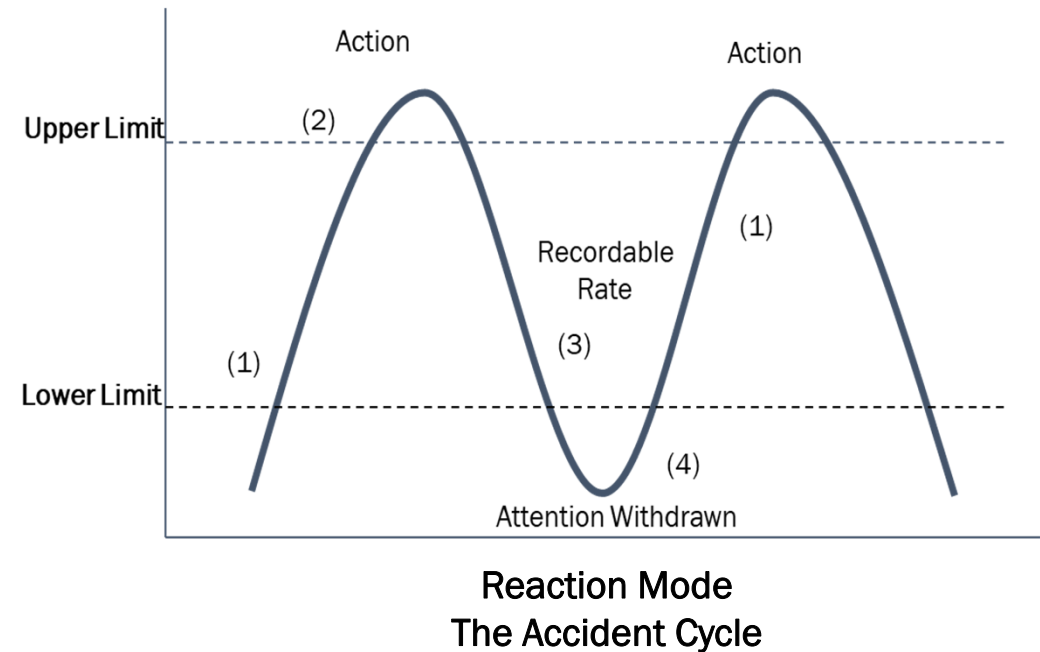




## Why the Scorecard – Changing the Culture

### Purpose:

- HSE Initiative to monitor and improve contractor safety performance
  - Focused on Leading & Lagging indicators
- Performance data reviewed monthly by Oxy and Contractor Proponents
  - Identify strong performers
  - Identify improvement opportunities
- Break the Cycle - Drive Continuous Improvement



## INCREASE – IMPROVE - CONTINUE

### Increase by:

- Worksite engagement, commitment
- Management field visits
- Safety observations
- Feedback

### Improve on:

- Engagement
- Quality and focus of contractor safety
- Incident Investigations
- JSA's

### Continue through:

- Work with our contractor community
- Looking for the next level of KPIs (while perfecting the ones we have)
- To leverage technology
- To Maximize resources

Best practices were taken to select the most appropriate parameters, some lagging and some leading. Each parameter had specific activities or definitions and a numerical range of values.

## Best practices in achieving HSE Excellence

### ➤ *Shift from lagging to Leading:*

#### ➤ **Demonstrated Management Commitment**

- Quarterly Contractor Meetings
- Field Visits
- Management Engagement

#### ➤ **HSE Management Systems**

- HSE Initiatives
- Audits/Inspections/Surveys
- Near Miss/Incident Sharing

#### ➤ **Worker involvement and participation**

- Behavior Based Safety Observations

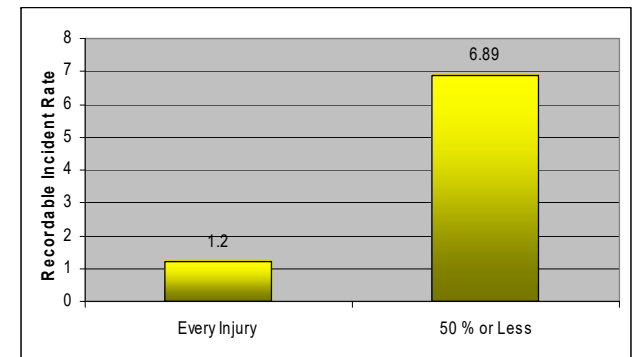
## Added in 2021 for Contractor Scorecard 2.0

#### ➤ **JSA Improvements**

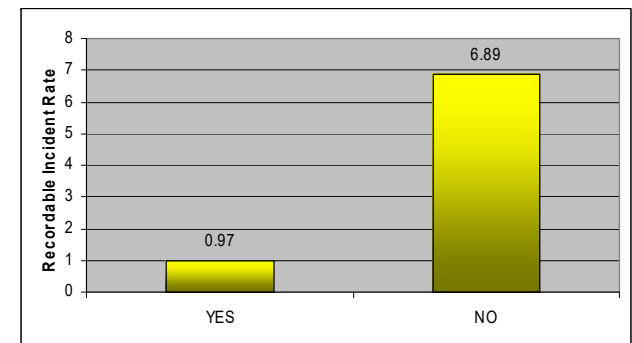
#### ➤ **Accident/ Incident Reporting and investigation**

- Potentially Severe Incidents
- Recordables
- Non-Conformance

How frequently does top management participate in a recordable incident investigation?



Company president/ senior management review safety performance report



Source: Construction Industry Institute

## Monthly Report Card

Category Description	Minimum Points Available	Points Available	
Month	-	-	
Hours	-	-	
<b>Management Commitment</b>	0	175	<b>175</b>
GoM Quarterly Contractor Meeting	-30	0	0
Management Field Visits	0	135	135
Elements of Management Support	0	40	40
<b>HES Management Systems</b>	-48	130	<b>130</b>
HES Initiatives	0	50	50
Near Miss (APO) Sharing	0	40	40
On-time Submission of Monthly Stats	-48	40	40
<b>Field Performance</b>	-30	375	<b>330</b>
BBS Observations	0	100	100
Trending SWA/BBS	0	10	10
Audits, Inspections, Surveys	0	100	100
No Recorables	0	25	25
Incident Reporting	-200	0	0
Incidents/PSI/SI	-135	0	<b>-15</b>
Incident Investigation	0	Variable	5
NCR's	-75	0	0
Agency Reportable	-75	0	<b>-25</b>
JSA Improvements	0	100	90
BSEEISafe	0	40	40
Cultural Influence Points	Variable	Variable	Variable
Cancellation Points	Variable	Variable	Variable
Bonus Points Program	Variable	Variable	Variable
Overall Score:	-108	680	<b>635</b>

- Received each month
  - Shows trends
  - Areas of improvement
- When there is a constant decline in score, meetings are initiated to find the root cause and correct

Meeting held – Next month significant improvement

12month Rolling Performance	Overall Score	Available Score	Percentage Captured	Overall Grade	The grade is a reflection of your participation against the full points of the scorecard that are available.					
	4545	4710	96.5%	A	COMPANY	Year/Month	Total	Available	Percentage	Grade
					Company 1		330	340	97.1%	A
					Company 1		305	340	89.7%	B
					Company 1		430	510	84.3%	B
					Company 1		660	680	97.1%	A

## Scorecard Rating Classifications

### Green

- Above average score
- Company meeting expectations

### Yellow

- Scores are below average
- Development of an improvement plan, & monthly reviews with Oxy

### Red

- Scores are 25% or more below the average
- Company performance is unacceptable, development of improvement plan, bi-monthly reviews and meeting with Oxy leadership



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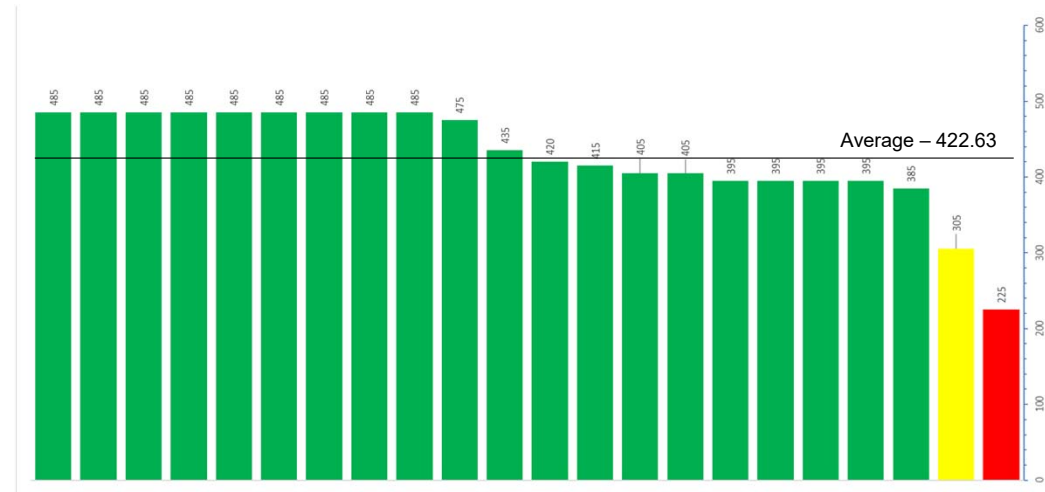
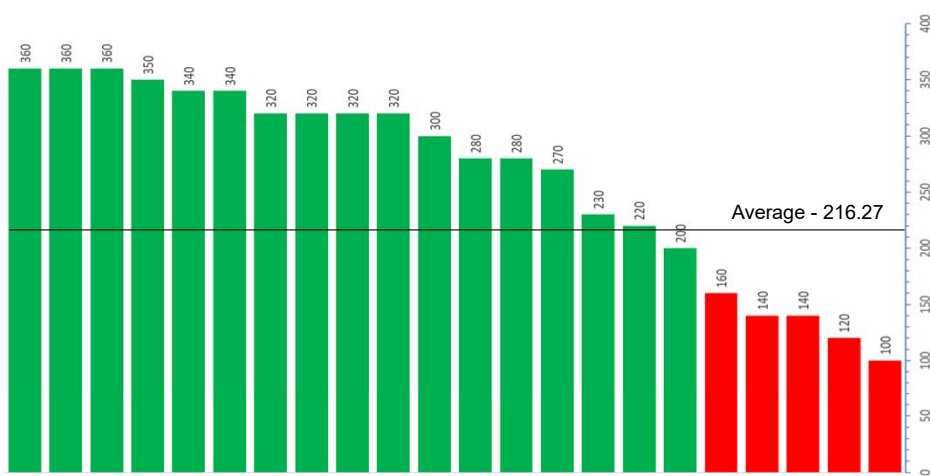
## January 2020

- 73.61% points captured
- 5 companies in the RED



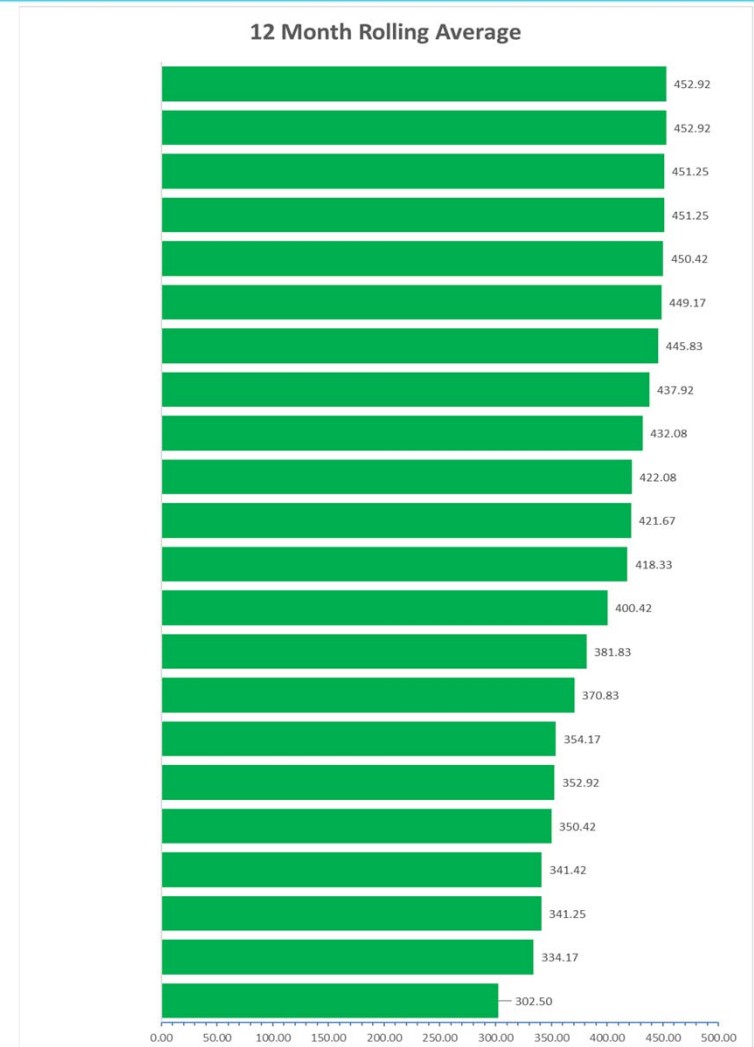
## July 2021

- 85.96% points captured
- 1 company in the RED



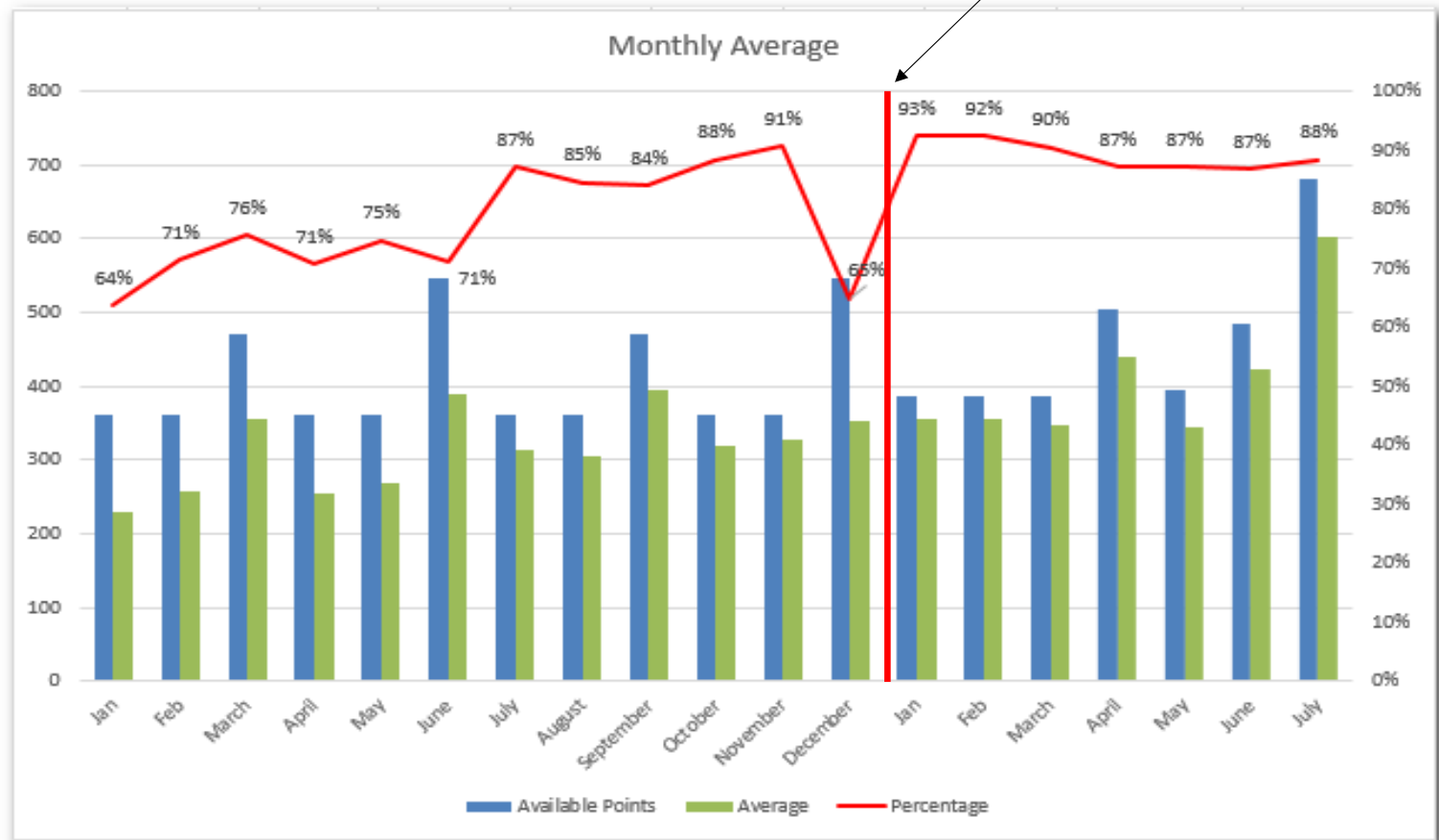
## Results since 2019

- 1. Upper Level Mgt Field Visits ↑ **68%**
- 2. Mid-Level Mgt Field Visits ↑ **77%**
- 3. BBS Observations ↑ **81%**
- 4. Audits/Inspections/Surveys ↑ **68%**
- 5. HSE Initiatives ↑ **88%**
- 6. Near Miss/Incident Sharing ↑ **72%**



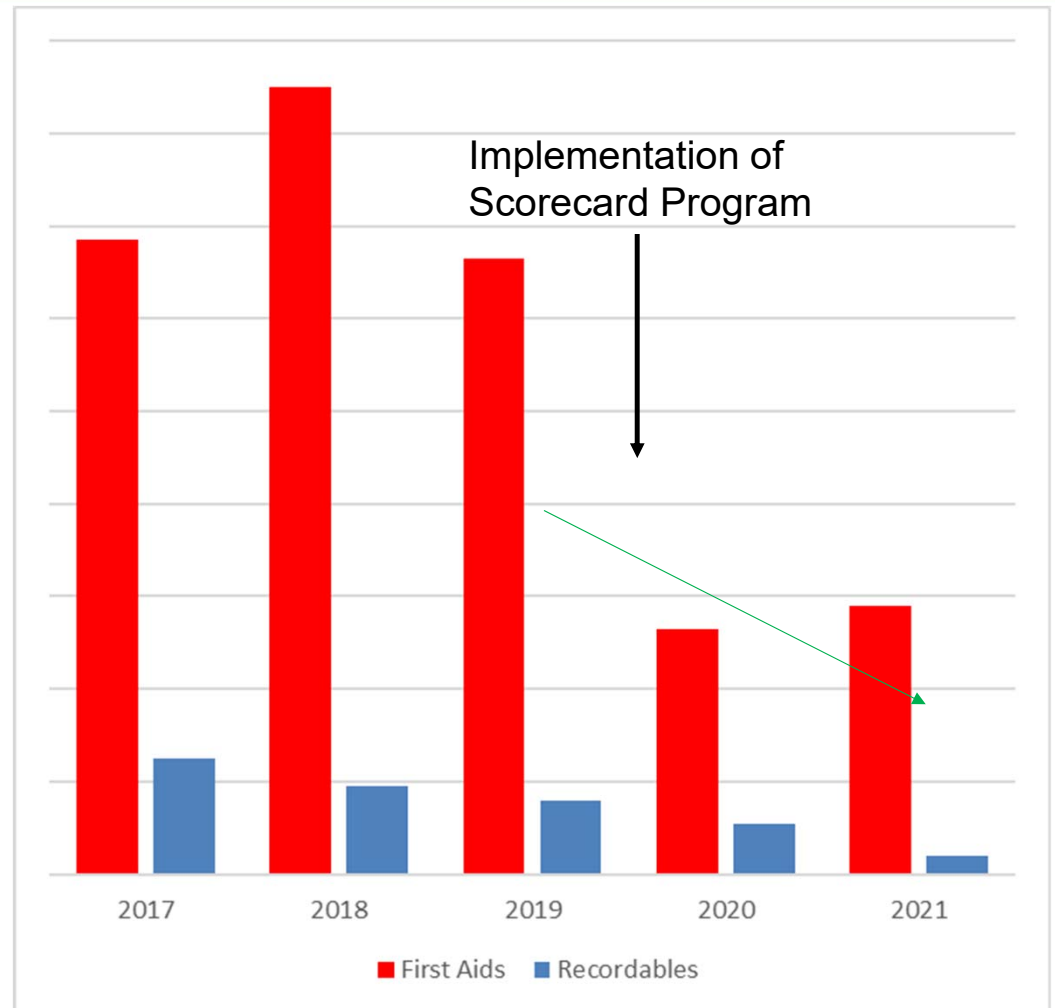
- Oxy is part of the Scorecard
- Continual Improvement each month
- Lagging indicators incorporated in 2021

Raised the BAR - Implementation of 2021 additional metrics



## Successes

- 56% reduction in First Aids
- 79% reduction in Recordables





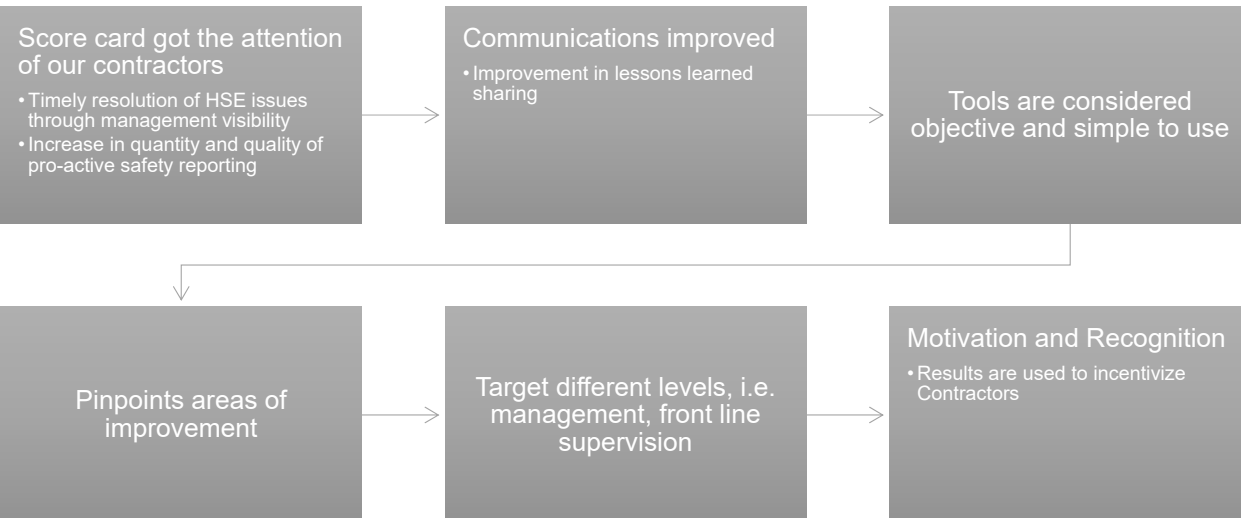
## Future Plans

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- Continue to update the scorecard by implementing additional parameters driving HSE Excellence
- Add/Remove contractors based on work scope, exposure or shift in operations and activities of the contractors
- Re-structure the scoring mechanism to enable participation of smaller contractors



## Conclusions







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THANK YOU