



# YARD RULES

Key leaders at McDermott comment on building a culture of safety, managing HSE during a crisis, and how safety informs efficiency

**S**afety has always been a major concern for the oil and gas industry, but the onset of the pandemic has made it vastly more complex. With project delays and office workers at home, managing health and safety has taken on a different meaning. Despite these challenges, EPC firm McDermott International recently hit 90 million work hours without a lost time incident (LTI) at its Jebel Ali facility in the UAE. "With a lot of people working from home during the height of the pandemic, their mental well-being and ability to perform their work was a huge concern," says Shaun Hannam, senior director of QHSES (quality, health, safety, environment and security) for EMEA at McDermott. "The fabrication yard

employees are the real heroes, they had to come to work every day, they did not have the option of working from home." Ordinarily, working in a fabrication yard presents inherent, physical risks which require strict safety regulations and procedures. "In the yard, we go back to basics," Hannam says. "It takes a lot of consciousness and consistency in compliance to the work methods we have set in place." An October 2020 survey by the International Association of Oil & Gas Producers (IOGP) revealed that companies in the oil and gas sector reported 703 lost work day cases in 2019, the vast majority of which (551) involved contractors. Companies participating in the survey lost a combined 21,899 days of work due to injuries.

Avoiding & pre-empting LTIs requires more than a thorough set of rules and

procedures. Hannam describes it as a collaborative process, with dedicated HSES teams in each fabrication yard to supervise & work with team leaders.

"It was evident that leadership had to step up," says Tareq Kawash, senior vice president, EMEA, at McDermott. "We went to a lot more effort and spent more time working with supervisory staff and employees to make sure we were collaborating and that they had as much information as possible. This never ends, and we must be committed and support as leaders to this every day."

"Through the pandemic summer months, our leadership team met with the supervisors every week," Hannam adds. "We would listen to their questions and concerns, and we would respond. Interaction and collaboration between leaders and the workforce shows genuine

care and builds trust – without trust and care, leadership is not very effective."

Safety does not exist in a vacuum. McDermott, like all companies in the oil and gas sector, is striving for efficiency against the backdrop of the pandemic and slowly stabilising oil prices. "McDermott is working on transforming Altamira [in Mexico] into a digital yard. This initiative improves automation and efficiency and enables us to smart track asset availability and utilization – all resulting in a more efficient project execution and construction process," says Mark Coscio, senior vice president for North, Central and South America. "We have remained consistent in our focus on delivering fabrication to our customers safely and on schedule even through this year's pandemic, all while safely executing more than eight million work hours."

Digital technology is one piece of the efficiency puzzle, but safety is also key. "The challenges to maintain and improve on our performance are significant," says Guy McLear, McDermott's Global Vice President, QHSES. "There are many aspects that combine to help us achieve this. In no small part, this starts with our people and establishing a strong safety culture across the organization where everyone works together to achieve a safe and efficient workplace. This alone, however, will not necessarily be successful without establishing global standards, systems and processes. Underpinning this are our Operational and Core Values, that help us to message and reinforce our safety culture and expectations globally."

As a company that operates globally, those safety standards have to be implemented across a large span of work sites, and were put to the test by the pandemic. McDermott's joint venture yard, QMW, is based in Qingdao, China, and was very quickly faced with the realities of the coronavirus pandemic.

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"It was our "Taking the Lead" initiative that meant Asia Pacific was prepared to deal with the COVID-19 pandemic," says Ian Prescott, senior vice president, Asia Pacific, at McDermott. "With QMW, Asia Pacific operations were the first crisis management team to be initiated globally in McDermott and led the initial COVID-19 response plan which was essential as the virus spread around the globe. Despite many of our peers in Asia Pacific needing to close fabrication facilities, McDermott's robust management of the situation including the use of temperature screening, quarantining, contact tracing and social distancing has

enabled our yards at Batam [in Indonesia] and QMW to remain operational 24/7 throughout the pandemic."

QMW reached 12 million work hours without a recordable incident, and Batam achieved more than 76 million work hours with no LTIs. Prescott adds that Asia Pacific has a total recordable incident rate (TRIR) of 0.03 so far in 2020—TRIR is a measure of the injuries per million hours worked and according to a report by the IOGP, the TRIR average among the company's peers in 2019 was 0.19.

"The dedication to safety in our yards through employee engagement, training, tool box talks and campaigns is what helps deliver these results along with the dedication and commitment of our people. Having worked on this for decades, it really is part of our McDermott DNA," Hannam says.