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TRANSFORMING VISION TO REALITY

THE EXECUTIVE FORUM 2008

National Safety Council Annual Congress & Expo
22 Sept 2008 - Anaheim, California USA

ABOUT THE FORUM

New in 2008, the National Safety Council introduced the Executive Forum keynote session at its Annual Congress & Expo, where a panel of leading business executives from around the world discussed and shared their insights on the practical application of EHS management in business, transforming EHS from vision to reality. EHS leaders of all levels attended and joined the conversation at this interactive event.

Note: EHS, SH&E, and HS&E are used as variant acronyms for "environmental, health and safety"

SPEAKERS

Michael F. Henderek: Vice Chairman of the Board of Directors, National Safety Council

Joseph J. Ucciferro: President and CEO, Day & Zimmermann Commercial & Public Sector Businesses; Chairman of the Board of Directors, National Safety Council

Sherri K. Stuewer: Vice President for Safety, Health & Environment, Exxon Mobil Corporation

Kent D. McElhattan: Chairman and CEO, Industrial Scientific Corporation; Member of the Board of Directors, National Safety Council

Abdulkarim J. Al-Sayed: Chief Executive, The Bahrain Petroleum Company BCS(C)

PROCEEDINGS

Henderek: Thanks for being here this morning and thanks for the interest you've shown. I'm Mike Henderek. I'm the Vice Chairman of the National Safety Council, and I'm going to serve as your moderator for this new keynote Executive Forum, which I hope all of you here find to be a very valuable session.

In feedback from prior Congresses, many of you asked for more information and guidance from top executives - executives who are in fact safety champions and proven leaders in the field. You've asked things like, "What are their belief systems, where do they come from, and what does it take to make an organization outstanding in HS&E?" So that's just what we hope to do this morning. We hope to have a dialogue that will help give you ideas and approaches to allow you and your managers to focus on things that really matter. These are the things that will drive continual improvement in HS&E in your home organization.

At the table with me this morning are senior executives from four companies with strong reputations for outstanding HS&E performance. Each of them has a demonstrated history for transforming vision to reality, and that's the theme today: "Transforming Vision to Reality." It's one of the big challenges that faces every organization that's committed to the journey that needs to be taken. So we're going to explore what it takes to get there; what it takes from leadership to move the needle and what it takes to sustain excellence after you've arrived.

Each presenter is going to give you some very personal thoughts about a particular dimension of what HS&E is about for them and what it takes to the move the needle, go from vision to reality, and get outstanding performance. I will give you a brief headline about the theme of their remarks.



Moderator:

Michael F. Henderek
Vice Chairman of the
Board of Directors
National Safety Council



Joseph J. Ucciferro, PhD
President and CEO

Day & Zimmermann
Commercial & Public
Sector Businesses

Chairman of the Board of
Directors

National Safety Council

The first presenter, **Joe Ucciferro**, is the President and CEO of Day & Zimmermann's Commercial and Public Sector Businesses. It includes their power businesses, maintenance businesses, security businesses, and their engineering and construction businesses. Joe has oversight responsibility for all of those businesses. In his career, he's had jobs that have included power plant engineering and maintenance, and construction and project management. In his current role, in addition to his business responsibility, he is a member of the Day & Zimmermann Leadership Council, which is responsible for strategy, policy, and all investment decisions at Day & Zimmermann. Joe also chairs the Day & Zimmermann Safety Council. At the NSC, he is Chairman of the Board of Directors.

Joe is going to talk about what caused him to be a passionate safety leader during his 35-year career and how his leadership affected others.

Ucciferro: Thank you, Mike. I've been asked many times "Where did I get my passion for safety?" Like many of you, I had one of those significant emotional experiences that we all refer to from time to time.

When I was a young engineer 30 years ago, running a technical support group in an engineering office, I had one of those phone calls that you hope you will never get. The call said, "You need to get down to our job site in Willow Island, West Virginia because we've had a serious accident." If you take a look at the first slide you will see a hyperbolic cooling tower that was under construction. I took this picture shortly after the accident. A scaffold system was supported at the top of the tower where the fractured concrete exists. This is 180 feet up off the ground. That tower was being

constructed at five feet a day. In those days there was a race to produce power and this tower was being constructed very quickly. The working platforms and all the workers were being supported by one day old concrete. It turned out that that concrete needed to be 1,000 psi in order to support that working platform. Many of these towers were built this way and there had been no problems in the past. However, they never checked to the concrete strength before they jacked the forms up five feet.

On the morning of Thursday, April 27th 1978, at about 10 o'clock in the morning, one of the jacking beams broke loose from the concrete as concrete was being placed. That tower unzipped, and the working platform and everything it supported including the workers fell 180 feet to the ground. This was my very first involvement in a field construction accident and there were 51 fatalities. I can't possibly explain to you how that impacted me from a personal perspective. I remember hanging from a crane tied off in a bucket looking at that fracture surface on top of the tower as I tried to understand how something like this could possibly happen. Even today, as I think back, 51 people lost their lives that day and every one of them was working safely. As I think of all the safety programs we have in the construction industry, and how we train our employees, much of our training focused on the employees with tools in their hands and how they conduct their work. Sometimes, we tend to lose sight of the things that cause very bad accidents to happen which are around process safety. My experience over the years has been that when things really go wrong and multiple fatalities occur, there are usually operators and engineers involved in the cause of the accident.



Hyperbolic cooling tower construction. Rubble from April 1978 collapse. 51 fatalities resulted from deficiencies in engineering and construction.

JOE UCCIFERRO

This accident has stayed with me for many years. As a structural engineer and even as a staff manager, I had very little impact to affect safety on a broad scale.

In 1994, when I joined Day & Zimmermann, I found that I joined a company that had core values that were very much in line with mine. I joined the company as a business unit president in the power area. Joining Day & Zimmermann gave me an opportunity to do two things. The first was to run my own business and drive and create my own safety culture. Secondly, because I had a passion for safety I was put in charge of the safety programs for all of the Day & Zimmermann businesses. In these roles I had had the opportunity to impact safety at a leadership level where I could affect culture. In these roles I could drive accountability and process, and make a much larger difference than in the past and on a much larger scale. That worked for me very well then and continues to work well for me today. I still lead the safety programs of all Day & Zimmermann businesses.

When I joined Day & Zimmermann nearly 15 years ago, we had 31 different businesses with much different safety challenges. Today, our core businesses are in the areas of power maintenance and modifications, personnel services or staffing, engineering, validation, construction, security, munitions production and defense services. We are a significant government contractor in addition to our work in the commercial and public sector. As a major munitions supplier, we manufacture larger caliber 155mm artillery, cluster bombs, tank rounds, missile warheads and these kinds of things.

As we began transforming our safety culture 15 years ago, we found there were a number of things that were working well for us. Our safety performance was good, but we wanted to take it to the next level. We began to talk about how to get engaged and make the largest impact from a leadership perspective. As I looked back trying to prepare for this meeting, I recalled number of things I think were very important. The first one that is probably at the top of every-

one's list is to establish safety as a core value. Priorities change; values do not change. Therefore safety must be a core value. We wrapped safety into our other values, like integrity and respect and inclusion (diversity). We package all those things together and demanded mandatory compliance to our values as a condition of employment. Every one of our employees understands this. We broadcast those values in many locations. We have signs, posters, and monitors. You can't get away from it. We talk about our values whenever our leaders get in front of their employees.

The other thing that is important is to establish a mindset that all injuries can be prevented. Establish a goal of zero. Have a zero tolerance rule. It is important to build a culture that is open and an environment where employees can feel free to identify hazards and call attention to unsafe acts without any concern about reprisal. If you do not have this you will never get to world-class levels of safety performance.

We may be a little different than some of you. Day & Zimmermann is a \$2 billion per year private company. But we are also a family business. Because it is family-owned, there is a great deal of emphasis on our employees. It's much different than having Wall Street look over our shoulder. Again, our values drive our culture.

The reason we care about safety is not because it is a business imperative. It is not because safety affects the bottom line. These things are important but they are not the driver for us. We care about safety because we care about our people, period. Our employees understand that. The next thing we concluded was if you care about your employees, you must care about them all the time and not just while they are on the job.

We talked about fatality data in our opening session this morning. We told you approximately 5,000 people die of unintentional injuries each year at work. Also, approximately 120,000 people a year die of unintentional injuries in total in America. Of these 120,000, approximately 53,000 are workers who die off the job each year. This means that for every

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Day & Zimmermann

As President I would be there for every one of the [pre-outage training sessions] to kick it off... I attended these programs and spoke for the first 45 minutes about why we care about safety, safety as a core value, accountability, and why we were committed to zero injuries.

- Joe Ucciferro

Day & Zimmermann

worker who dies at work, almost 11 workers die after they leave work. How can one expect to develop a world-class safety culture unless you wrap on-the-job safety with off-the-job safety and deal with them using a 24/7 holistic approach? The answer is you can't.

I can't tell you how many times I've been in meetings like this and I've heard CEOs say. "I care about my employees and I want every one of them to go home in at least as good a condition as when they came to work." When in these meetings, I couldn't help thinking that the CEO just told those folks that he cared about his employees only when they were at work. It's simply not enough.

When most people think about dying of an unintentional injury off the job, they think about someone other than themselves. They think these are different kinds of people that are dying and not like the people that are in this room. Well they are wrong. Take the case of one of my safety professionals, for example. He was also a pilot. He got in an airplane, knowing that he was low on fuel, with the intent of flying to an airport about five minutes away to fuel his plane. He ran out of fuel. He crashed and died—he was a safety professional! I've been in safety training programs with him. He was the kind of person who would never walk past an unsafe act without stopping it or ever allow an unsafe condition to exist. Yet, he got in that airplane knowing he had very little fuel. So, this thing regarding the 24/7, holistic approach to safety is the real deal.

We also would like you folks to think more about what you heard this morning in the opening session. We would like you to think about the over 72,000 people who die of unintentional injuries in the home and the community. You folks who understand safety in the workplace can be the entry points into the home and community. You can be safety ambassadors and lead the way there. This is our biggest challenge. We must reverse the increasing trend of home and community deaths in order to reverse the trend of the increasing total death rate in America.

Another thing that is important in building a strong safety culture is the CEO must establish himself or herself as the Chief Safety Officer.

Have everybody understand that the highest level of leadership is committed to safety. The CEO must have an unwavering commitment to safety. That means you can't be working on your Blackberry when somebody's giving a safety topic in a meeting! That means you have to be fully committed and never waver from holding the entire organization accountable.

We also felt that it was very important for senior leadership and management to get connected with safety professionals. The safety professionals at Day & Zimmermann report to me as Chair of the Safety Council. We don't have a VP of SH&E. I function in that role. We want the entire organization to see me connected and aligned with the safety professionals. There is no such thing as a safety professional being treated as a second-class citizen at Day & Zimmermann. We have given them the power to shut an entire project down if there were a case where line management wasn't responding to safety issues. Yet, we also make it clear that safety professionals are not responsible for safety. That is line management's responsibility. Safety professionals are very important and they are not second-class citizens.

Finally, I just want to leave you with a thought about the importance of being active as the leader so that people can see you are engaged. I will use the example of our Power Maintenance business. We do shutdowns (or outages) for large fossil and nuclear generation stations. We do them in the Spring and the Fall. We use lots of temporary labor. When I was President of that business, we realized we had a significant challenge because each year we hired approximately 20,000 construction workers to do those shutdowns, and their average time with us was only about 10 weeks. We work them hard. We work them overtime. We have demanding schedule requirements, demanding budget requirements, and significant quality requirements, especially in the nuclear facilities. We decided that the only way we could improve on our safety performance was to do significant training before the outages. We felt we needed to reach out and have these folks understand the Day & Zimmermann commitment.

SHERRI STUEWER

When we talked about this in the Fall of 1994, I told our safety professionals in that business that if they would take the time to prepare a detailed, two-day supervisor and foreman training program and give this program before each of the outages, as President I would be there for every one of the programs to kick it off.

These training programs were given at clients' plant sites all over the country which were not exactly in easy-to-reach places. I attended these programs and spoke for the first 45 minutes about why we care about safety, safety as a core value, accountability, and why we were committed to zero injuries. These programs all started at 7:00 AM and I was there at 6:30 to have coffee with the attendees.

Over a 13-year period we put that training program on close to 200 times. I am proud to tell you that between me and the President who succeeded me, we never missed one session. No matter where it was, no matter what we had going, whether it was strategic planning meetings, budget review meetings, or whatever, we were there to address the employees and talk about our commitment to safety. There's probably a lot more that we can talk about later in the Q&A session.

Henderek: Integrity. Think about that.

Our next speaker is **Sherri Stuewer**. Sherri is the VP for Safety, Health, and Environment for Exxon Mobil Corporation. She's responsible for developing, reviewing, and coordinating ExxonMobil's worldwide effort in environmental, health and safety areas. That role has taken Sherri on operations integrity management systems reviews all over the world, including places like Angola, offshore Nova Scotia, and the Rotterdam refin-

ery and petrochemical complex. Sherri has held a wide array of line management jobs in ExxonMobil, managing ExxonMobil's Baytown refinery, the largest refinery in the U.S. before she took her current job. One among many, Sherri is a great supporter of the Robert W. Campbell Award, which ExxonMobil co-sponsors with the National Safety Council.

Sherri's going to talk about the great importance of having a thoughtful and disciplined management system in place.

Stuewer: It's a great privilege to talk to you about the important role that management systems play in helping to deliver world-class SH&E results at ExxonMobil. You heard from Joe a great deal of passion for SH&E results. I'm going to talk a little bit about the discipline behind our passion, and how that discipline enables us to deliver consistent results globally.

I thought I should share a little bit about the history of how we got to our Operations Integrity Management System, or OIMS. The genesis of OIMS goes back in large part to the Valdez oil spill and other events that occurred in the industry at the same time. The Valdez spill, for the people in the company, was a painful and emotional event. We thought we were better than that. But out of that traumatic event came the commitment to build a management system that could be used globally to strengthen the way we manage SH&E risks. And now, more than 15 years later, we have a system that has grown and has improved. Now it is woven into the fabric of our operation, and it is the foundation of how we manage our SH&E performance globally.

So with that as introduction, let me talk a little bit more generically about management sys-



Sherri K. Stuewer
Vice President for Safety,
Health & Environment
Exxon Mobil Corporation



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tems. This graphic [below] is familiar to some of you. It depicts the evolution of the approaches to SH&E management over the last 50 years or so. The improvements over that time have been a combination of continuous improvement and step changes as new technologies and approaches to managing risk have emerged. Clearly, we need to remain focused on the first two steps shown here: engineering safety into our facilities and maintaining effective procedures and practices.

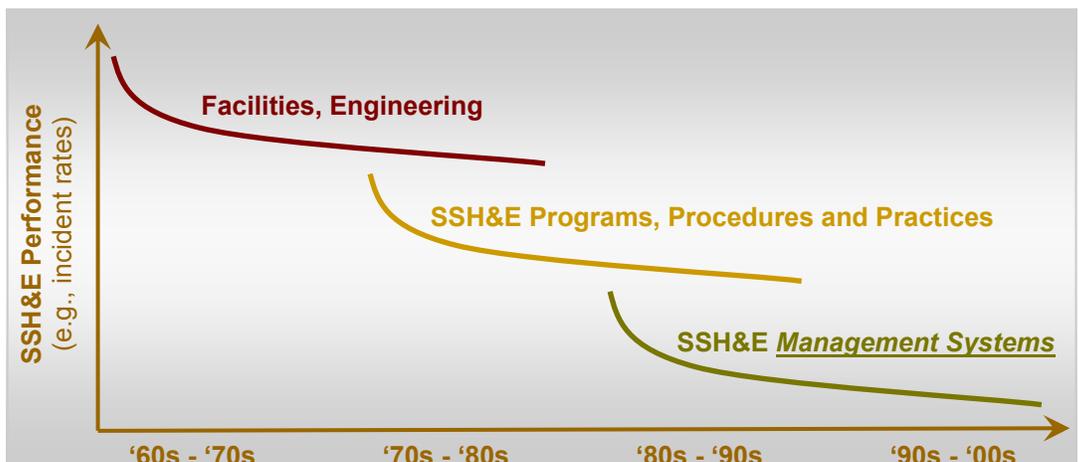
However, ExxonMobil and much of the industry have recognized the importance and the essential nature of using structured and sustainable management systems to address SH&E risk. It's not only dramatic events that have moved the industry in this direction. There are a number of other pressures. Internal management continues to expect better performance. Shareholders, regulators, and the communities in which we operate expect us to deliver flawless SH&E performance. We believe our very license to operate and our responsibility as a corporate citizen require us to continue to improve. It's our belief that we can deliver that performance only through disciplined, sustainable, and globally consistent management systems.

ExxonMobil's Operations Integrity Management System, or OIMS, was launched in 1992. We chose the term "operations integrity" to encompass all aspects, including safety, health, and environment, and later security. OIMS provides a common approach—a structure that's utilized in all of our facilities globally, from drilling rigs to refineries, from retail stores to our transport op-

erations. At the highest level, OIMS is built around 11 Elements or critical areas of SH&E risk, beginning with management leadership, commitment, and accountability. None of these elements operates independently. On the contrary, they all are linked together and operate as a comprehensive system. Supporting or underlying each of these elements is a set of common expectations that drives the detail of the areas to be addressed. There are 64 of these corporate expectations in total. But at the operating level, where the rubber really meets the road, the 11 elements and 64 expectations are operationalized by a family of management systems. OIMS is an umbrella management system, underneath which there are more detailed management systems. Together those systems translate those OIMS expectations into actionable steps.

It's not always clear what is meant when you use the phrase "management systems." At ExxonMobil, there are five key characteristics which define a management system – scope and objectives, procedures, roles and responsibilities, verification and measurement, and a feedback mechanism. Once documented and implemented, this approach provides the discipline and the rigor to deliver effective operations integrity performance globally.

You understand that just declaring expectations to an organization doesn't mean they will be consistently implemented and deliver results. So, the 11th element in OIMS calls for a comprehensive process for assessment and improvement. Every assessable unit across the company conducts a thorough self-assessment annually, carefully as-



SHERRI STUEWER

sessing the design of the management systems and their effectiveness. In this manner, opportunities for improvement are identified. Then the identified gaps are addressed by actionable steps that are stewarded to closure. We consider these annual self-assessments really as the first line of defense in our system. The assessments are conducted by experts at the sites who are most knowledgeable about the operations. But, to provide further verification, we have an independent validation of these assessments by a team of experts from outside the assessable unit. These external assessments occur every 3-5 years. Those external teams are made up, in part, of people from peer operations. Those peers bring the best practices from their operations, and they take away from those assessments ideas for improvement in their home operations. The assessed unit will take the gaps identified during those assessments, address them, and steward them to closure.

As you might expect, we're a company made up largely of engineers, so we like to measure things. We like to run things by the numbers. OIMS is no exception. Every assessment provides ratings for each of the OIMS elements on two dimensions. First, the status, or quality, of the system itself, and second, how effective it is in delivering the desired result. As Mike mentioned, I am a former refinery manager, and I can tell you those ratings count. The ratings for OIMS assessments are stewarded up-line to the presidents of our operating organizations. The aggregated ratings, as well as any outlying performers, go all the way to our Management Committee. It is that kind of stewardship that helps our system to remain vital and effective.

With any system, the big challenge is to keep it fresh or sustainable, and to continuously improve it. There are a couple of key elements that are important for sustainability. First and foremost, OIMS is owned and operated by line management from top to bottom. It's not delegated to the SH&E function. The SH&E function plays a very important role in supporting the development of the tools and helping with the assessment process, of course, but line management is fully accountable for SH&E results and the implementation of OIMS.

SH&E performance is all about leadership, and it is no coincidence that Element 1 of OIMS is entitled "Management Leadership, Commitment, and Accountability." SH&E leadership is, in fact, an area where we're currently working. We're hoping to produce yet another step change. As a part of this leadership effort, we're enhancing the leadership development programs across the company to reinforce and train our leaders in the skills they need to improve SH&E performance.

Another very practical element in sustaining a program like OIMS is human resources. This means allocating valuable and experienced people, both to support the development of the tools and to support the assessment process. That resource commitment is not just at the technical level, it is also at the managerial level. As a small example, I am looking forward in two weeks to participating in one of those OIMS assessments. I've gone all over the world to do that, and I've found participating in these assessments a great way to understand how to strengthen assessments across the company.

Finally, I'm going to say that OIMS remains current and relevant in part because every five years we step back and conduct an integrated assessment of the whole process. Through those cycles of improvement over the last 15 years, we've strengthened and enriched the system. For example, in recognition of the security risks we faced in many of our operations, we've strengthened the expectations within OIMS to manage both personnel and facilities security. We have, in fact, just kicked off another cycle of improvement for OIMS, and I look forward to being a part of strengthening and improving this system in the years to come.

In closing, hopefully it's clear that we at ExxonMobil have really embraced management systems to help us deliver flawless SH&E performance globally and to meet the growing expectations of stakeholders. As an operating manager and as senior manager at the corporate level, I have slept better knowing that the discipline of these global systems is in place - whether it's here in the States, in Angola, in Russia, or anywhere in the world where we have operations - I sleep better because I know we have the discipline of these management systems.



With any system, the big challenge is to keep it fresh or sustainable, and to continuously improve it.

**- Sherri Stuewer
ExxonMobil**

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Kent D. McElhattan, PhD
Chairman and CEO
Industrial Scientific Corp.

Member of the Board of
Directors
National Safety Council

Henderek: For those of you who might be interested in learning more about the Operations Integrity Management Systems and how parts of it or all of it might be relevant for your organization, you can go to exxonmobil.com and do a word search for “operations integrity.” The high-level document is a public document that Exxon-Mobil shares with anyone interested.

Our next speaker is **Kent McElhattan**, the co-founder and CEO of Industrial Scientific Corporation. They’re a manufacturer of industrial gas detection systems used widely in mining, chemical, refining, and many other industries. These are the detection systems that keep people alive. Kent has run Industrial Scientific as both a publicly-held company and also as a privately-held company. In fact, he took it back private, which he’ll talk about.

Kent is on the Board of the National Safety Council. He joined a year ago and we’re very happy to have him. He’s also on the Board of the Center for Leadership and Ethics at Duquesne University. Joe talked about integrity, Sherri talked about integrity ; ethics, these are the foundations that safety is built upon.

Kent is going to speak about the importance of having a clear vision and a strong value system.

McElhattan: I want to start by telling you what our vision is. It’s quite simple really—our vision is that no one should go to work and get killed. The actual words we use are, “Industrial Scientific people are dedicating their careers to eliminating death on the job in this century.” By changing work processes and using advanced technologies such as artificial intelligence, robotics, and others, we believe that’s realistic and achievable.

My commitment to safety became emotional during the 15 years I worked at a mining machinery manufacturer that built continuous miners, shuttle cars and locomotives used in underground mining.

During those years, three of our service people were killed in three separate mine accidents; one in South Africa, one in Australia, and one in the States - one at a time. Two were gas-related, one was crushed. None of the accidents were

high profile or labeled “disasters” by the media. Yet all three left their families and friends just as devastated as if hundreds of people had been killed. Almost 40 years later the impact of these deaths is still felt by the families and friends. My being here today is evidence of that impact.

The lessons I learned were about the power of one; each person, every single life, every single product. Those families didn’t care that fatal accident rates were a fraction of what they had been 20 years earlier in mining. Neither did I. It didn’t hurt any less that only one person was killed each time. I love statistics and we use them relentlessly, but they’re cold and empty when it’s *your* husband, *your* father, *your* co-worker.

In order to understand how we transformed this vision to reality, it’s important to go back to the founding of our company. In 1985 Industrial Scientific was the smallest company in the gas detection field. Our closest competitor was 50 times our annual revenues (which were less than \$1 million). Confined space legislation wouldn’t come along until 1993, so if companies didn’t feel socially or morally responsible enough for the safety of their employees, there wasn’t an urgent need to purchase our products—especially from a tiny, unknown company in Pittsburgh.

It was a dark era. We only had 30 people and some of them quit. It didn’t look like Industrial Scientific was going to survive its first year. We were facing almost certain failure. So, we all gathered together and decided it would be okay to go out of business. But if we failed, we wanted to be proud that, for a time, we did everything the way we would want if our very lives depended on our products.

As it turned out, customers liked our no compromise approach and the company began to grow. That deep-seated commitment is still alive today.

Our factories are more like big climate-controlled clean rooms - nothing like where our products are used in real life. So we had to teach people what it’s like to work in a coal mine, a sewer in January, a steel mill in August, or an oil refinery where hydrogen sulfide is constantly lurking to kill you.

KENT MCELHATTAN

We taught our people to visualize working in those environments and then ask yourself what you want the manufacturer of your gas monitoring instruments to do. Do you want them to be efficiency experts? Do you want them shaving costs, specifying just-good-enough components, or cutting out critical testing because it adds too much cost? I don't. You'd be surprised how obvious the right answer is when you have to use the product yourself. Our responsibility for the lives of our customers is our first priority, not our income statement.

To support our people in fulfilling that responsibility, we have a founding management philosophy that states:

"We believe good financial performance is the result of doing the right things for our people first, customers second, and shareholders third."

We have further explained the responsibilities this entails to our people in a document we call "The Compact."

Putting our people first is actually our way of putting customers first. We promise our customers that we will employ only the best, most qualified, and talented people in the world to serve them. Our leadership teams are taught to serve their people by ensuring they have the best tools - hardware, software - the best of everything. I

think it's a truism that great people working with great tools do better work. If we have that formula working between our people and our customers, then shareholders will benefit - and they have.

Our growth was so rapid that we had a public offering in 1993. For six years we were traded on the NASDAQ exchange - the worst six years of my life. Our value system didn't correlate with Wall Street's and we weren't willing to compromise. We had to make a decision that Industrial Scientific would either be accountable to its customers, or to its shareholders. It was an easy decision—customers—but a long, tough and expensive one to implement. We had to fire all but two of our Board of Directors to get it done. Because it's so rare, it's much more difficult and takes twice as long to go private than it does to go public. We put our money where our mouth is and bought the freedom for our people to do the right things for the right reasons. Every year I celebrate May 21, 1999 as Independence Day. As a company we've been tested many times through the years. Each time I think of the three service men and am so grateful for the courage, commitment and perspective they give me in transforming our vision to reality.

I don't want to sound too philosophical here. We're realistic about costs. When someone is trying to sell me something, I like it when they're

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Putting our people first is actually our way of putting customers first.

- Kent McElhattan
Industrial Scientific



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enthusiastic, positive and helpful. I like it when they make me feel valuable and unique. I really like it when they're concerned about my costs! We know we can't achieve our vision and be aloof about costs. Our answer is to automate everything possible in our factories and use tools that increase productivity of our non-factory people.

The last thing I want to mention on transforming our vision to reality is our product development process. We don't start with sales projections. Instead we start from how can we shape the unique skills, knowledge and passion of our people in a way that's more valuable and helpful to our customers? A clear illustration of this is iNet. We spent our first 15 years trying to build the perfect instrument. Then we saw we could do that, but many of our customers couldn't maintain them, calibrate them, or meet record-keeping requirements perfectly. We were determined to automate this and eliminate all the after-sale responsibilities that gas monitoring instruments require. During the development of iNet we had to fire our CFO because he couldn't get behind the business model which isn't as lucrative as selling hardware and collecting our money 30 days later. But it's better for people who have to use gas monitoring instruments so we committed tens of millions of dollars and years of development to it.

Now that I've explained where my emotional commitment to safety comes and how our vision drives our operations, I'd like to move on to how we ensure a safe working environment for our own people.

Industrial Scientific is a medium sized, light manufacturing company. We have 900 employees in 17 countries, with factories in the US, France, China and Germany, and annual sales that will cross over \$200 million next year. I think it's easier to embrace safety as a value when that's the industry you serve.

We do all the standard things; we have safety committees at all factory locations, we have strict policies and procedures, we have zero tolerance for pranks and stupidity, we make examples of people and terminate them when appropriate, etc.

One leading edge thing that we use is an automated inspection and behavior prediction system developed by a Silicon Valley company called DBO2. This system uses leading indicator patterns to rank order our people in terms of safety behaviors as well as quality and productivity. DBO2 is one of many companies working ahead of the curve for safety. I hope you will encourage entrepreneurs who have good ideas.

By definition, the safety industry is risk-averse. None of you hold your positions as safety managers because you're the biggest risk taker in your company. Being conservative, we are all comforted by products and solutions that have worked for years. But the facts are that death on the job is no longer going down—it has flat-lined at around 5,000 per year in the United States alone. Technology and innovation can give us better tools, but we need to be open-minded and constantly curious as we work together to reduce death on the job to the only level acceptable: zero.

When that happens in this century, we will have completed transforming our vision - and yours - to reality.

Henderek: Thank you Kent. That's a noble goal. Another goal that ExxonMobil has is "Nobody Gets Hurt." I hope that some of you will take away a vision and motto if your company doesn't already have that vision.

Next is **Abdulkarim Al-Sayed**. He is the CEO of Bahrain Petroleum Company, the 2007 Winner of the Robert W. Campbell Award. As you know from Sherri's remarks and from the CEOs of two other winning companies, it is no small task to win the Campbell Award.

Abdulkarim has worked in refining, engineering, maintenance, and major projects for BAPCO for the past 43 years. He's active in many professional societies in his country and internationally as well.

He's going to talk about what it takes to develop and maintain a passionate workforce - a key component of leading environmental, health, and safety performance.

Al-Sayed: It's a real pleasure to be standing here to talk about how we created passion for safety,



Abdulkarim J. Al-Sayed
Chief Executive
The Bahrain Petroleum
Company BCS(C)

ABDULKARIM AL-SAYED

health, and environment. I've been with the Bahrain Petroleum Company my entire career, all of my life.

I remember the first day I joined BAPCO, my supervisor asked me, "What do you think is the most important thing for you to do?" Being a teenager trying to impress my supervisor, I said, "I have to work very hard." He said, "You impress me, but tell me something more important." I said to him, "I must be very punctual." And he said, "You impress me, but tell me something more important." I kept on going, but not knowing anything about safety, health, and environment, it never crossed my mind to say that I have to care for these kinds of important issues. Then he said to me, "Look Son, the most important thing for you to do as a person and for BAPCO is to make sure you go home every day in good shape and that you are uninjured." That has really stuck in my mind for my 43 years with BAPCO. In all the positions I held, I always remembered this and I always preached this to my own employees.

Our vision for BAPCO is "Striving for Excellence." In striving for excellence we talk about excellence in every aspect of our business. EHS comes at the top, as far as a priority. We certainly think that you can only achieve excellence in EHS through creating passion in the organization for EHS. The passion that we talk about is that every single employee is committed at all levels and there is a deep belief that EHS is something that is truly important for the organization. There needs to be a sense of ownership and accountability at all levels. This is what we always preach to all the employees. There is also the need for it to be one of the shared values with systems and processes in place to support these values. There are defined duties and responsibilities as far as EHS is concerned, and there is integrated EHS management system. What is important for everybody in the organization is that we talk about concern for safety, health, and environment at all levels, and we must walk the talk. It's not only a matter of talking about it. Every single employee in the organization—from the lowest level to the chief executive—has to be seen walking the talk and also see that we really do mean what we say. It is important that our philosophy

for EHS is very clear to the organization. It's also very important that we have policies in place. These policies need to be clear and fully understood by every employee in the organization. It is important that the company's and contractors' EHS programs are totally aligned. At BAPCO, we pay a lot of attention to contractors and we treat contractors in the same manner as our employees.

Our philosophy for EHS is to create an environment that encourages all employees to cooperate and be actively involved in the company EHS initiatives. We emphasize its importance because they have to feel that they want to do it, and not that they *have* to do it. This is what we normally preach in the organization. Responsibility and ownership of individual and fellow workers' safety is reemphasized in the organization in that every employee is very much responsible for his own safety and the safety of his colleagues. We strongly believe that the driver for safety is within the individual, and we also believe in celebrating achievements. As I said, walking the talk is very important for the organization and the only acceptable safety performance, as my supervisor said to me 43 years ago, is that everyone goes home every day without injury.

To support all this we have to have programs and systems in place such as EHS policy and guidelines, health and safety performance programs, and process safety management systems. We have recently introduced Behavior Based Safety. We have a very stringent requirement as far as contractors are concerned, as I mentioned earlier. Our contractors' employees are treated in the same manner as BAPCO employees in terms of education and awareness. The training that we give to our employees, we give to our contractors' employees to assure that they are at the same level as our own employees.

The company that I work for was established in 1929 and the refinery is one of the oldest in the Gulf area. Actually, it is the second oldest refinery in the whole Middle East after the Abadan refinery in Iran. It was commissioned in 1936, and the first crude unit was also commissioned in 1936 and, believe me, it is still operating. In those days, there was a lack of knowledge and



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**- Abdulkarim Al-Sayed
BAPCO**

TRANSFORMING VISION TO REALITY

awareness of the safety issues and health hazards that we are aware of today, such as asbestos. We had a lot of asbestos in our facilities and have been able to remove most of it. We take every possible opportunity to remove asbestos, such as during shutdowns, and have succeeded in removing about 90% of the asbestos.

We have had environmental management systems and occupational health programs for many years. Off-the-job safety initiatives are also conducted on a regular basis and something that we have always done. In fact, we educate our employees not only on safety, health, and environment aspects necessary for them to do their work safely, but we also educate them on how to respect these issues and elements outside their work. Health and safety at home and at the community have the same importance.

I want to highlight a bit from our environment, health, and safety policy statement. It says we are committed to protection of the environment, our employees, contractors, customers, and the public. Also that EHS is an integral part of BAPCO's business and we seek continual improvements. The application of best EHS management systems is management's responsibility and adherence to it is everybody's responsibility. The management responsibility here is essential to providing support and sufficient resources for everyone to do their job adequately and efficiently.

Active involvement of all employees is of vital importance and training awareness is provided to BAPCO employees and contractors. As I men-

tioned, this is something that we really are very proud of in BAPCO and that is used by many organizations as an example for leading in this area. We have very stringent requirements in terms of contractors who are required to work at BAPCO. There is a very comprehensive prequalification procedure in place which is used when we go out to bid for any particular job or project and it is included in our bid specifications. We set the minimum EHS requirements that contractors must meet, which are very, very stringent. In fact, we emphasize that each contractor is required to have a safety officer within their organization. It is something we are truly very proud of. Thank you very much.



With a vision to make our world safer, the National Safety Council

(www.nsc.org) aims to educate and influence people in order to prevent accidental injury and death. The NSC's Congress & Expo (www.congress.nsc.org) is the world's largest annual gathering of EHS professionals. It provides access to the products, trends, experts, education, and networking opportunities needed to drive business forward.



Supported by a network of Global Partners, the Robert W. Campbell Award aims to improve lives and businesses worldwide by promoting leading-edge EHS systems. The Campbell Award actively encourages and provides methods of leader-to-leader dialogue. The Executive Forum is one of the Award's leadership outreach efforts. Learn more about applying for the Award or becoming a part of its Global Alliance at www.CampbellAward.org.

ENVIRONMENT, HEALTH AND SAFETY POLICY (EHS)



سياسة البيئة والصحة والسلامة

Bapco, an integrated oil company, is committed to the protection of the environment and to the health and safety of its employees, contractors, customers, the surrounding community and the general public.

The Company believes that Environment, Health and Safety (EHS) are integral parts of its business and culture and seeks continual improvement to assure full compliance with the laws and regulations of the Kingdom of Bahrain. In the absence of local rules and regulations, internationally accepted standards will be applied, as appropriate, to the local conditions. Bapco will pursue the application of sound

تلتزم شركة نفط البحرين (بابكو) التزاماً مطلقاً بحماية البيئة وبمطلوبات صحة وسلامة موظفيها ومقاوليها وزبائنها والمجتمع والجمهور عامة.

وتؤمن الشركة بأن المحافظة على البيئة والصحة والسلامة جزء لا يتجزأ من أعمالها ومن ثقافتها المؤسسية، وتسعى باستمرار نحو تحسينها بحيث تضمن تماشيها مع القوانين والتشريعات التي تصدرها حكومة مملكة البحرين. وفي حالة غياب الأنظمة والتشريعات المحلية، تلتزم الشركة بتطبيق النظم المعتمدة دولياً في هذا المجال وبما يتناسب مع الظروف المحلية كما تولى الشركة اعتماداً عاماً باتجاه الأساليب الإدارية النشطة فيما يتعلق بالبيئة