

Sustainable Safety For National Development

March 2019



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- **Safety is a part of us, key consideration for everyone in everything that we do, our DNA**
- **Safety culture and belief remains at the core of successful/sustainable businesses**
- **Safe operation practices and procedures are vital in every organization.**
- **It is essential to create a corporate atmosphere in which safety is understood to be and is accepted as the number one priority, approach situations with chronic unease**
- **Management has to communicate the safety philosophy at all times and at all levels within the organization...**
- **... but most particularly by their everyday decisions and actions which provides the opportunity for all employees to see real, practical effort put to the safety philosophy**
- **Everyone loses from an accident. The individual may suffer irreparable damage, the company may suffer equipment losses, funds, employees and reputational damage**

Safety Facts

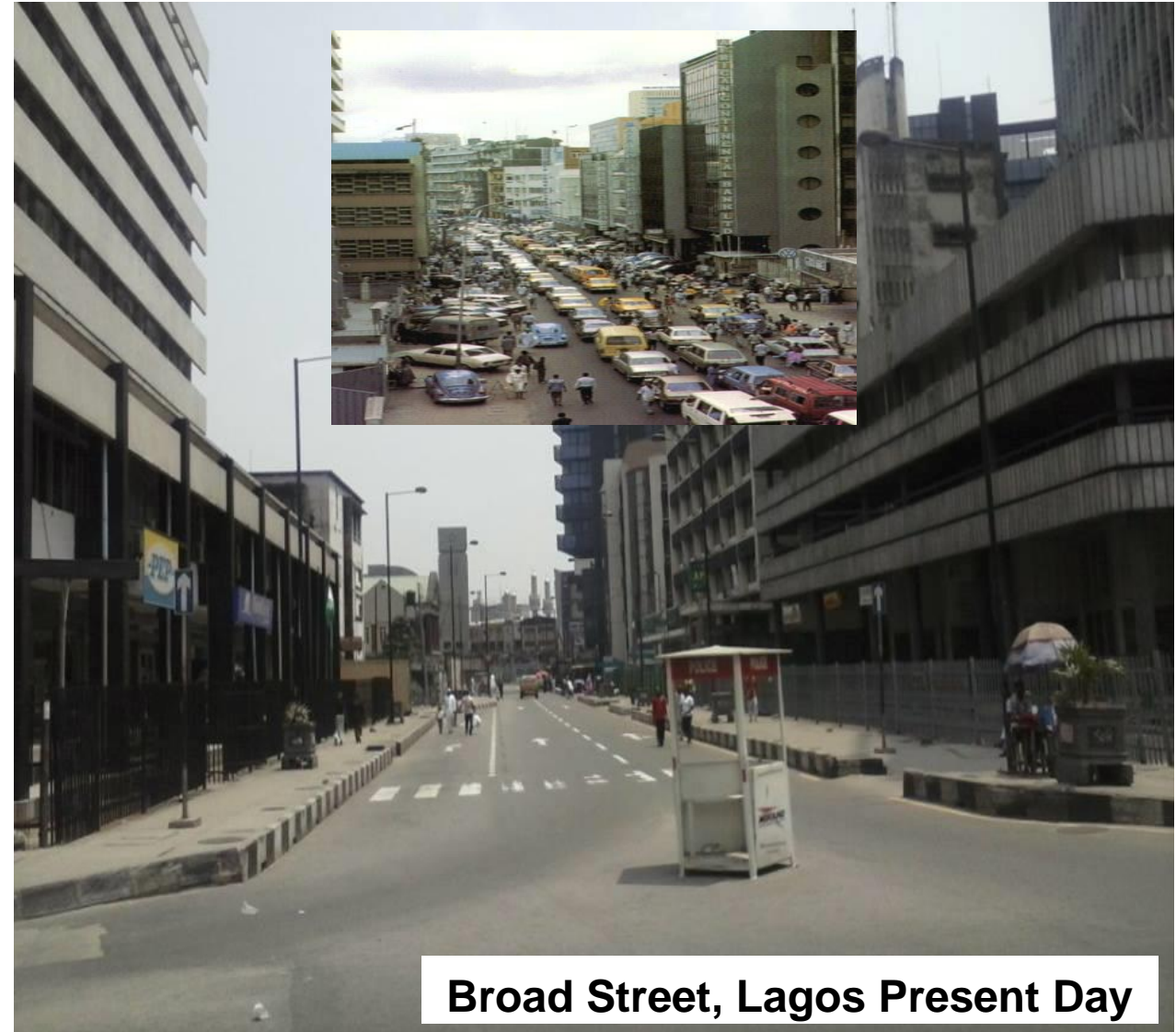
- Safety is **everyone's** responsibility
- Over **90%** of accidents are avoidable
- Workplaces don't cause accidents, people do
- The International Labor Organization (ILO) reports that:
 - ✓ *Work-Related injuries and diseases claim 2.7 million lives annually*
 - ✓ **321,000** people die each year from occupational accidents
 - ✓ **160 million** non-fatal work related diseases per year
 - ✓ **317 million** non-fatal occupational accidents per year
- This implies that every **15 seconds**, a worker **dies** from a **work-related accident** or disease and **151 workers** have a **work related accident**



Illustration of National Development



Economic, Social, Material Development



Need for Sustainable Safety



Abeokuta Govt Building
Collapse



Lagos Church Building
Collapse



Pedestrian Bridge Collapse
Kano



Jebba Road Collapsed by
Erosion



SAFETY FROM AN OIL AND GAS INDUSTRY PERSPECTIVE

Background...

- Safety culture in the oil industry became prominent in the petroleum industry after the Piper Alpha disaster in the North Sea
- The public inquiries report of this disaster that lead to the death of 167 people identified the need to develop a corporate culture in which safety is accepted as the number one priority



- However, 20 years after the reports were published; the industry experienced the Macondo disaster in the Gulf of Mexico
- Investigation findings again identified poor safety culture as a contributing factor to the disaster

Have We Improved as an Industry?



The industry has of course seen improvements in areas such as technology, systems, people, and injury rates...

...however, we continue to see cultural failures contributing to major incidents within our industry and in other high hazard industries

History Repeating Itself – *Those who cannot remember the past are condemned to repeat it*

BP Texas City Refinery
23 March 2005
15 fatalities



PTTEP
Montara
21 August 2009



BP Macondo Blow-out
20 April 2010
11 fatalities



Chevron Funiwa Deep Water
Blowout – 2012, Nigeria
2 Fatalities



Hercules 265 – 2013, USA

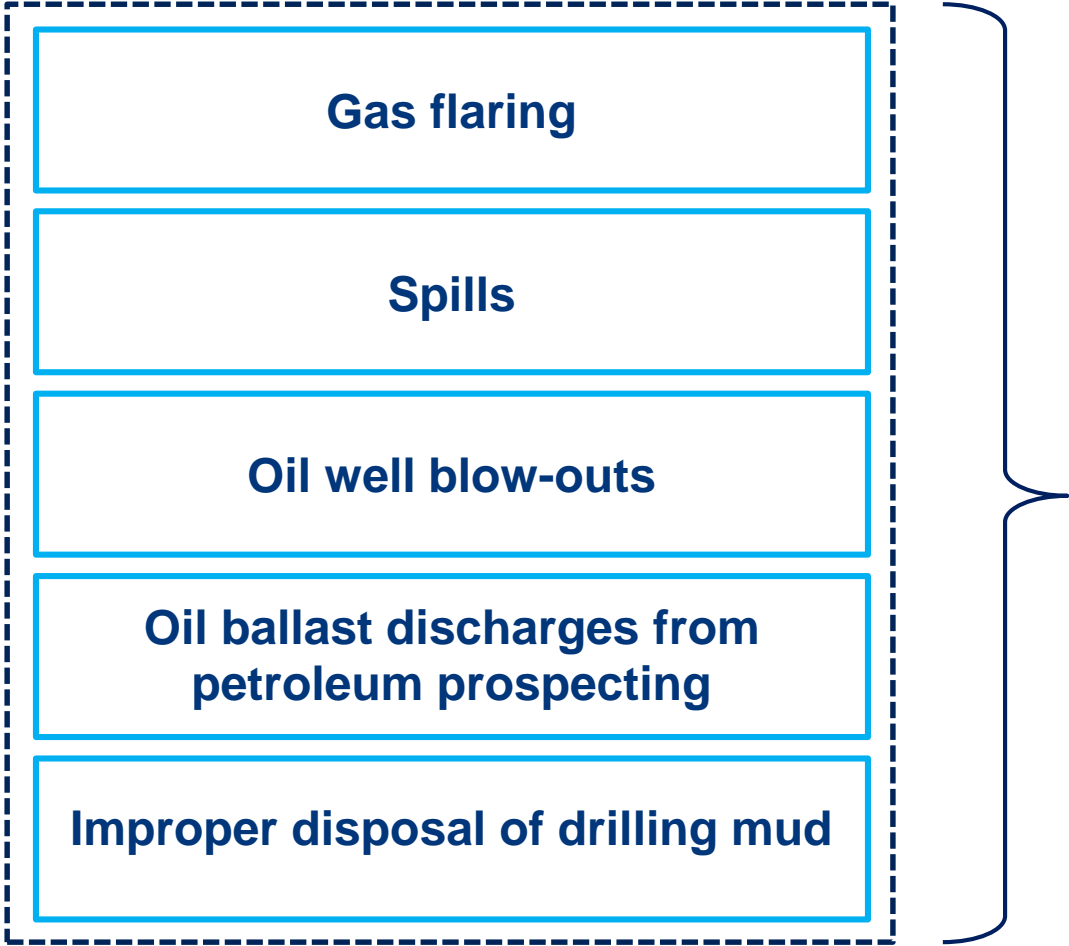


Oklahoma Oilfield Accident – 2018, USA



Drivers of These Misfortunes...

- **Absence of safety culture, lack of contingency planning in the event of a catastrophe**
- **Over dependence of the government on the oil and gas sector which causes them to approve projects without proper safety procedures**
- **Design flaws, compounded by human errors, poor training and a lax attitude towards safety often lead to major safety incidents**
- **Use of substandard materials to cut costs which compromises both quality and safety**
- **Poor risk assessment and lack of a well defined chain of command are also responsible for a number of safety incidents**
- **Absence or weak barriers on both sides of the bow-tie, lack of detection systems that would trigger alarms for prompt response. Even when this exist they are not frequently checked for compromise**
- **Improper safety incidents record keeping and use of records for process improvement**



- *Loss of revenue, estimated at 2.5 billion dollars yearly*
- *Loss of sources of livelihood of locals around producing areas*
- *Loss of the aesthetic values of natural beaches due to unsightly oil slicks;*
- *Depleted air and groundwater quality*
 - *Health Challenges*

So What Can We Do to Change This?

- **Develop Safety Leadership that can change the safety culture (behaviors) of the various sectors. Safety should be part of our DNA and be included in every meetings**
- **Entrench use of safety indicators (leading, lagging) to help shape safety culture – Understanding the trends and acting, apply continuous improvement**
- **Government, Private and Public Sectors dedication and investment in safety R&D**
- **Put in place a strong reward and recognition system for safety initiatives and achievements with game changing results**
- **Professional Associations to drive and monitor development and implementation of safety standards**
- **Build an Independent Statutory Compliance system**

SEPLAT SAFETY STORY

Seplat Safety Considerations

THE “SEPLAT MODEL”

- Safety is at the forefront of all our activities as we try to conduct all our activities with minimal footprint
- Approached using People, Environment, Asset and Reputation model
- Incorporation of a safety first policy: “if its not safe don’t do it”
- We only execute projects that promote continuous reduction of environmental impact in our operations
- We track emissions released into the atmosphere from our operations and strive to reduce discharges from our facilities. Our internal use of gas flared reduced by over 95% between 2011 and 2017
- We comply with all regulatory requirements and benchmark of our performance with international standards

THE SEPLAT EXPERIENCE

- Continuous decline in safety incidents over the years
- Continuous deployment of safety training and coaching to hone safety consciousness and skills of our local contractors
- Progressively managing challenges around establishment of support infrastructure for safety management
- Since taking over the assets, 3rd party interference on Seplat infrastructure has been significantly minimised. This has significantly reduced spill incidents
- Seplat has incorporated key programmes across all our facilities to achieve flares out by 2020 in line with keeping the environment safe

Zero Fatalities
(2014 – 2017)



Zero Groundwater
Contamination
(2014 – 2017)

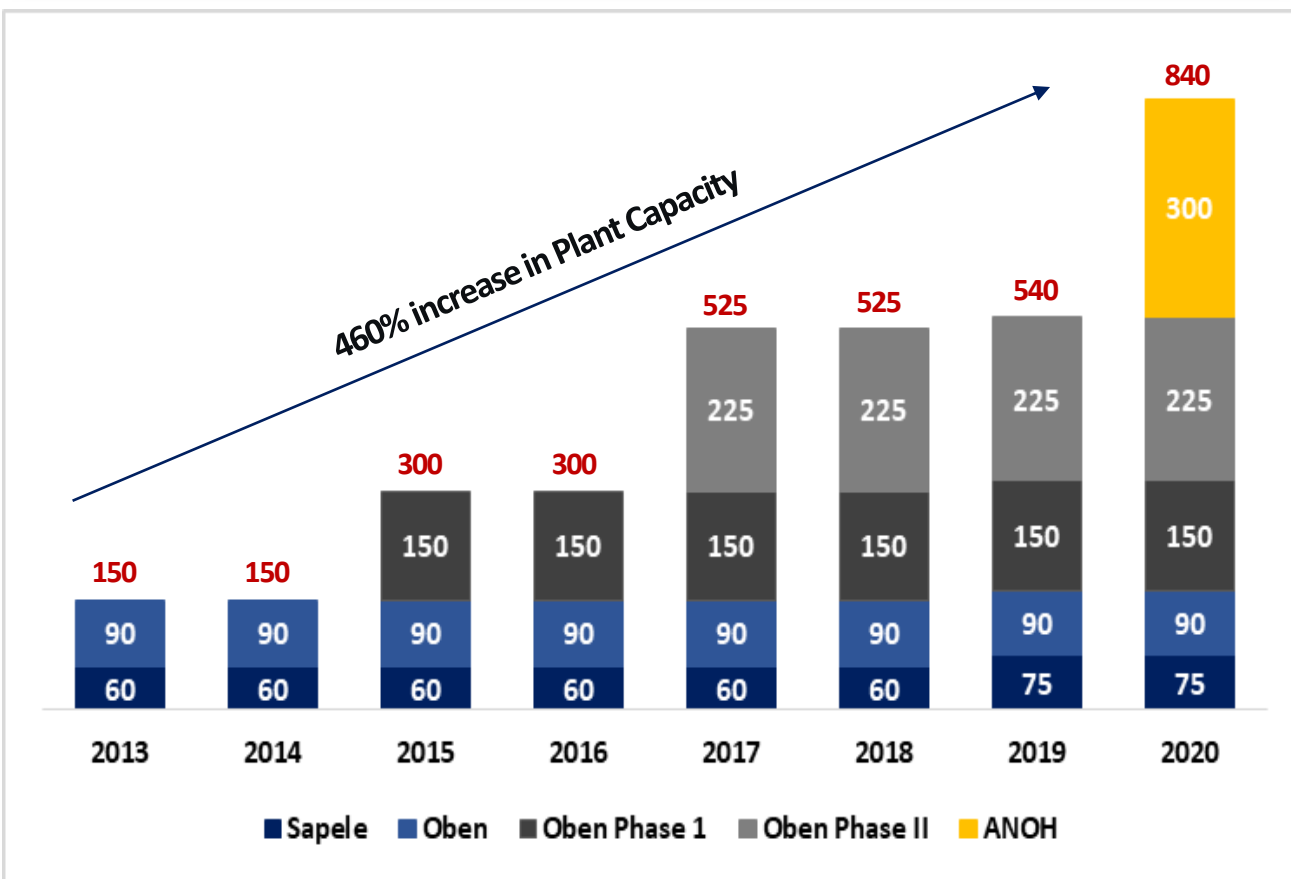


About 56% Reduction in
Flares Volume (2013 – 2017)



Seplat's Gas Story – Contributing Towards a Cleaner Environment

Growth In Gas Processing Capacity



- The Oben hub is strategically positioned to access Nigeria's main demand centres
- Phase I expansion of 150MMscfd completed in 2015
- Phase II expansion adding 225MMscfd processing capacity completed in 2016
- Current well stock capable of delivering around 400 MMscfd (gross)
- Additional processing capacity available for 3rd party volumes (future tariffing revenue)
- >\$300million invested in Oben Gas Plant Expansion Project
- Sapele Gas Plant Upgrade and ANOH Project to add 315MMscfd Capacity by 2020.

- **Develop Safety Leadership that will change the safety culture of the various sectors.**
- **Entrench use of Safety Indicators that can help shape Safety Culture – Understanding the trends and acting, embed continuous improvement mindset**
- **Regulatory bodies, Government, Private and Public Sectors should invest in Safety R&D – This has been instrumental in raising the bar in sectors like Oil and Gas, Aviation**
- **Put in place a Strong reward and Recognition System for Safety Initiatives and achievements with game changing results**
- **Professional Associations should help with development of standards, policies and legislature on safety**
- **Build Independent Statutory Compliance framework and systems**

- Safety is the same across all sectors. There are different investment strategies, portfolios, operating systems, equipment but the same **common sense** principles apply
- Always remember: Always approach situations with chronic unease, **Identify** the Hazards, **Develop** mitigation measures and always be ahead
- When all unsafe acts and unsafe conditions are removed, there are no accidents
- **Safety is everyone's priority!!!**

THANK YOU



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