

Supplier Connect Newsletter

A message from our leaders



Steve Brameld, Vice President Logistics

Steve is responsible for the delivery of air, land and sea logistics and materials management services across Woodside's business.



Jackie Harris, Chief Procurement Officer

Jackie is responsible for the management and governance of all sourcing and contracting activities in Woodside.

Joint message

Welcome to the third edition of Supplier Connect. In 2016, we have continued our focus on planning excellence, innovation and collaboration. In April, Woodside and Unearthed hosted a Hackathon where 82 independent programmers, industry insiders and data scientists pitched their combined intellect to address industry challenges, applicable across a broad range of industries. Problems addressed were related to supply chain and fitness for work. We sponsored this event as a showcase for a new approach to collaborative innovation. It enables "in-sourcing" of talent with diverse perspectives in solving real problems.

Participants get the loan of some real data upon which to test prototypes and the opportunity to explore potential market applications. We are incredibly impressed by the insights and innovative solutions pitched by the hack teams after only 58 hours of effort with a number of gems worthy of further exploration. This innovation model can offer cost effective methods of enabling continuous improvements drawing on skill and experience not available in-house and is applicable across the whole sector, to both operators and suppliers.

Please refer to the article at the back for further information.

“Our current economic environment is tough and demands adaptation from all participants. Today's business environment is filled with technological disruption, the best of companies are learning how to adapt to exploit these new dynamics. I hope that our supplier communities can be inspired by this to conduct their own innovations”. - Jackie Harris

Adapt to prevail at Australian Oil & Gas (AOG)

In February, Jackie Harris hosted an AOG session called "Adapt to Prevail". The theme of the session was the creation of mutual competitive advantage across the region and sector in response to global energy market trends. Brad Russell Lane, VP Integrated Planning presented his vision of collaborative planning, and Daniel Kalms, SVP Developing Planning highlighted the innovations, brought to Woodside by our suppliers that have enabled more efficient business practices during shutdown and maintenance campaigns. Jose Ruiz, Continuous Improvement Manager described his experiences with continuous improvement in

supplier management at Toyota. Justin Strharsky from Unearthed described the potential gains for mining and energy sectors in collaborative innovation. Ken Fitzpatrick, Chair of the newly formed Industry Growth Centre now called NERA, hosted an interactive audience survey to explore how the sector can stay competitive with a consensus that innovation, driven mainly through a collaboration will be key. As a demonstration of this, Woodside's sponsorship of the Hackathon event was announced. You can view the presentation through this [link](#) (where permission was given).

Hackathon event sponsored by Woodside and Unearthed

Woodside, via the Future Lab initiative, hosted a Hackathon from 8-10 April coordinated by Unearthed. The event supports the feedback Woodside received from suppliers and industry that innovation is extremely important to our region and sector (see article above on AOG).

Challenge statements posed included vessel deck space optimisation, monitoring fitness for work, and reducing the rate of materials returns from site activity. First prize winner 'Fat Controller' had a unique approach to vessel utilisation by pre-empting demand. Their predictive demand and best route algorithm demonstrated reduced shipping runs and deck utilisation over current case. Second prize winner 'Bank Holiday,' optimised the schedules to create "free days" to enable re-hire of vessels. The Young Innovators prize was awarded to 'No Returns' an analytics tool that predicted which materials will be

returned from site and the Cisco Internet of Everything Innovation Centre (CIIC) prize was awarded to 'Ontrack' for a fatigue, and emergency management system based on radio-frequency identification tags (RFID). Each solution poses potential value to Woodside's business and has broad applicability across industries. The event showcased the talent ready to be engaged within the region and highlights a shift towards a more innovative and collaborative culture within Woodside.

Steve Brameld VP Logistics and Jeroen Buren SVP Production were on the judging panel.

For further information, click on this link <http://portal.unearted.com/solutions/competitions/unearted-perth-2016>.



LNG-powered vessel first for Australia

Woodside signed a five-year charter contract with Norwegian company Siem Offshore Australia Pty Ltd at the LNG18 conference on the 12 April 2016. The agreement is set to deliver Australia its first LNG-powered marine support vessel in 2017.

Woodside Chief Operations Officer Mike Utsler said the announcement positioned the company as an early adopter of LNG as a marine fuel in the region.

"We're thrilled to be the first company to bring one of these vessels to the southern hemisphere. Australia is on track to become the world's largest producer of LNG, so it makes perfect sense to build dual-fuel capabilities for our marine fleets here".

"Our LNG tankers use their cargo to power their engines, making them cleaner vessels that use less diesel. It's natural that we progress this capability through to our support vessels," he said.

Woodside's new vessel will be greener — reducing vessel greenhouse gas and pollutant emissions and the reliance on imported diesel — while providing safe, reliable support to Woodside's assets in the Exmouth and Pilbara regions.

Woodside will continue to seek to expand the application of LNG-fueling in transportation in WA.

Dual-fuel has an exciting future as it can be used to power a wide range of vessels.



Need to know

Technology will play a major role in supporting our transactional procurement process this year. We have embarked in simplifying our buying, invoicing and supplier communication through Ariba, a world leading business to business network. Tracy Jones, Senior Contracting and Procurement and process owner says, "Ariba will be a step-change for us on how we collaborate with our suppliers. It will seamlessly connect us with our suppliers within a single, networked platform."

The project will deliver the following benefits:

- 1 Increased automated transactional volumes and collaboration on key documents such as purchase orders, change orders, order confirmations, advance ship notices, invoices and more.
- 2 Introduction of electronic catalogues supporting our internal stakeholder to 'buy right' including the ability for Woodside to utilise vendor hosted catalogues.

The project kicked off February this year and aims to technically go live late in 2016. A survey will be sent out in June to selected suppliers to assess current state. More information will be provided as the project progresses. If you are interested or have any questions please contact ecommerce@woodside.com.au.



Australian Chamber of Commerce and Industry (CCI) conference “Winning work in tough times”

The Chamber of Commerce and Industry will be holding their Resources and Construction conference on the 23 June 2016. Titled “Winning work in tough times” the conference features a range of speakers from the resources sector who will provide industry updates and explore

the current and future outlook for industry. Derek Albert, Woodside’s local content coordinator will be providing an update on Woodside’s projects and will also discuss the continuing need for further collaboration and innovation in the sector. Details of the conference are available at [CCI Conference](#).

Freight preparation improvements roll-out

We are pleased to inform you that the implementation of Woodside’s revised freight preparation standard has been met with a very positive response.

Since the launch on 1 February 2016, improved packaging has flowed through Woodside’s supply chain resulting in better protection of goods, improved efficiencies and most importantly a safer supply chain. Before the change, there were significant preventable manual handling labour required to correct incoming freight to be safe for transportation to plant. By early April 2016 manual handling hours had dropped by 86%.

Since implementation, packaging focus has moved from pine pallets and skids, to ensuring that polystyrene beads are not used as dunnage and that consignments are not packed with multiple purchase orders.

Currently from the total freight coming in, only 1% is non-compliant, mostly from newly on-boarded suppliers.

This outcome reflects the hard work and valued stakeholder engagement we have received from our suppliers during this time. We look forward to continuing to work with our suppliers to sustain and improve packaging quality to ensure all our materials make it “safe to site”.



Woodside’s Sustainability Report now available

The 2015 report is now available online. If you’d like to know how supply chain plays a key role in providing sustainable outcomes and value to our shareholders, click on this [link](#).

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