

# Air Safety and Risk Management



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ENGINEERING YOUR SUCCESS.

# Parker Hannifin Corporate Headquarters Cleveland, Ohio



# Who We Are?

## Key Facts about Parker: FY2013

The Global Leader in Motion and Control Technologies (NYSE:PH)



- \$13.0 Billion in Revenue
- 58,000 Employees
- 137 Divisions – Approximately 300 Plants
- 48 Countries
- Diverse Product Line
- Balanced Global Presence
- \$2.1 Billion in Revenue for Aerospace Group

# Aerospace Group Key Products

- Central Systems and Actuators
- Engine Systems and Components
- Fluid Conveyance Systems and Components
- Fuel Systems and Components
- Fuel Tank Inerting Systems
- Hydraulics Systems and Components
- Thermal Management
- Wheel and Brakes

# Going Forward

## Internal Focus

- 5 Member Executive Team: Treasurer, General Counsel, Procurement, Aerospace Group President, Aerospace Controller
- Appointment of Air Safety Officer
- Enhanced Role of Legal Department
- Coordinated by Risk Management

## External

- Strong Support, Insight and Guidance from Broker
- Strong Relationship with Lead Underwriter and following Markets

## A Total Team Effort

# Proactivity vs. Reactivity

- Parker systems dictated a broader look
- Parker could make a more significant emphasis in safety
- Establish credibility and how we can help
- Goal – safe components and systems

# Managing Risk

- Regular open Steering Committee meetings with Lead Underwriter, Broker, Outside Consultants and Senior Management
- Expectations were discussed
- Best practices considered
- Set up safety structure within company

# Managing Risk - Proactive Culture

- Contracts
- Constant awareness of incidents
- Frequent communication with team, outside and inside
- Setting up precautionary reserves
- Offering our assistance



# Managing Risk - Proactivity

- Early involvement
  - Attending investigations
  - At times with no hint of our components/systems
- Early setup of experts
- Follow up Steering Committee Meetings to discuss past action items, improvements and best practices

# Managing Risk

- Full Corporate Involvement
- Clear from beginning that all at Parker benefit
  - Safe products/systems for public
  - Employees bought into this involvement
- Although added cost, Management took the right steps
  - Namely nomination of our first Safety Officer

# Parker Air Safety Overview

- 3 Primary Responsibilities:
  - Safety Management System
  - Accident/Incident Investigation
  - Legal Technical Support
- Accident/Incident Investigation Manual
- “Go Team” vaccinated, trained, ready to assist investigations
  - 36 Go Team members
- Notification E-mail Internally
- System Responsibility
  - Drives on-site assistance
  - Requires additional safety involvement

# Benefits of Air Safety

- Suppliers Emergency Response Plan
- Neutral objective viewpoint
- Every incident & accident monitored according to our product content
- Increased involvement in investigations affords you all data
- Credibility in safety community
- Safety voice in day to day business
- Single contact for NTSB & industry

# Air Safety Approach

## Investigation Example - Commercial

- Offer assistance to NTSB or OEM
- Air Safety is Party Coordinator, with Go Team expertise
- Participate fully through the final report
- Provide comments and position

# Air Safety Approach

## Investigation Example - Military

- Formal standardized investigation protocol followed
- Photos & video taken
- Part inducted into Parker repair tracking system
- All test results documented & photographed
- Examination led by Air Safety Officer with Go Team expertise
- Air Safety afforded overall investigation details

# Air Safety Approach

## Accident/Incident Parts Example

- Encourage product to be returned for recertification (also FAA guidance)
- Have a repair policy in place to recertify by looking for hidden damage and repairing or scrapping where appropriate
- Reduces chance parts with hidden damage will contribute to future incident

# Air Safety Approach

## Safety Management System

- Formal SMS process and procedures
- Proactively looking at returns, quality escapes and design issues for potential safety issues
- Air Safety - Go Team/Division Safety Coordinators have significant safety voice
- Proactively communicate potential safety issues via counterparts at OEM's