



Managing Risk through Operational Excellence

BunkerWorld Forum: Squeezing the Bunker Barrel November 16, 2006

Barbara A. Pickering
Operational Excellence Manager
Global Supply & Trading



Managing Bunker Risks

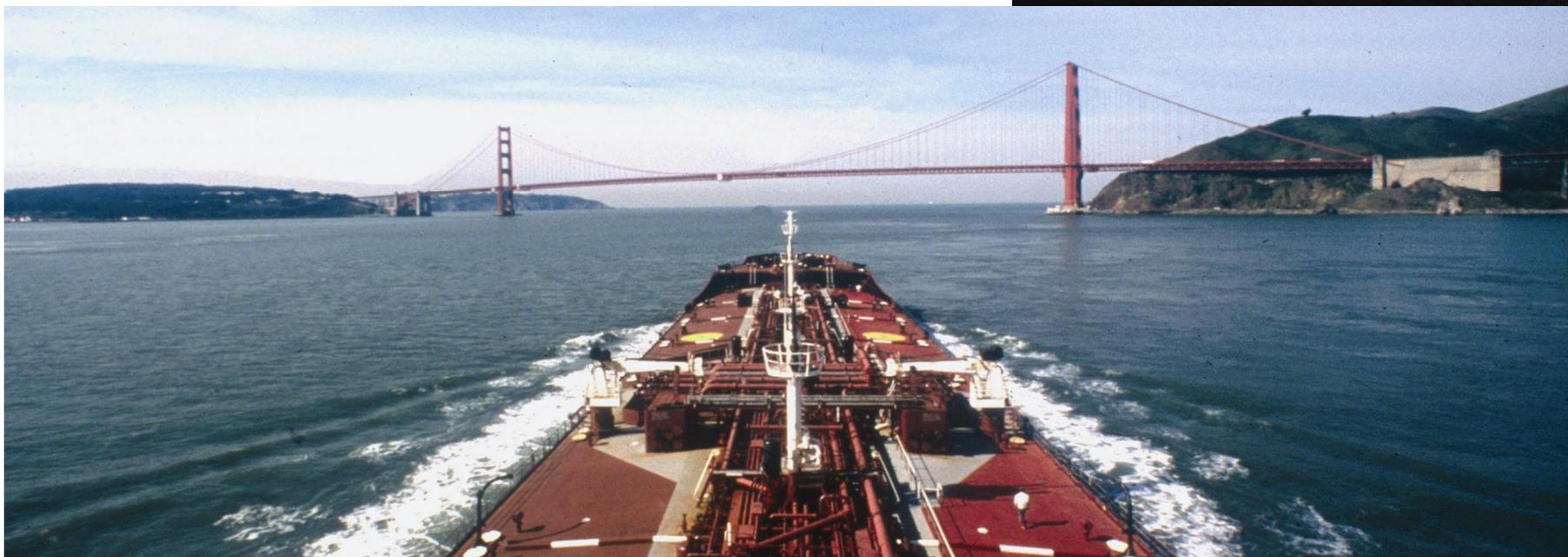
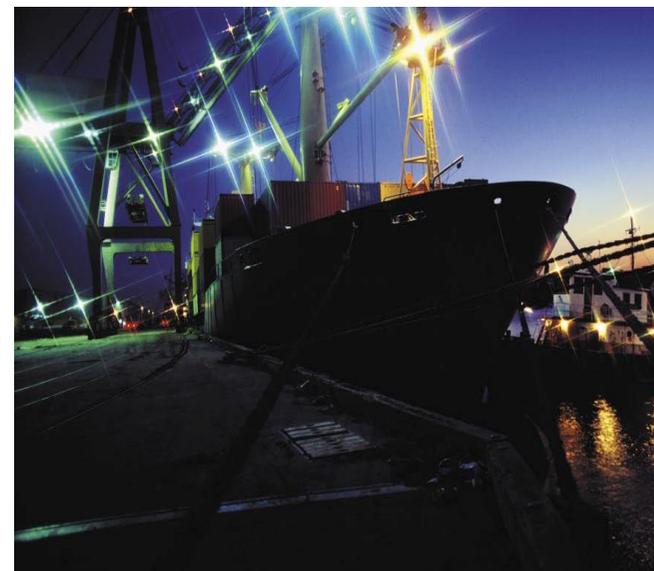
- Operator evaluation
- Barge vetting
- Contractor safety conferences
- Advocacy with local authorities
- Sharing best practices
- Incident investigation
- Near-miss reporting

Los Angeles – September 6, 2006



Our Operational Excellence Vision

To be recognized and admired by the industry and the communities in which we operate as world-class in safety, health, environment, reliability and efficiency.



Operational Excellence

- Tenets of Operation provide a foundation for an OE culture
- Leadership & Accountability is the single largest factor for success in building an OE culture
- Management System Process is a systematic approach used to drive progress toward world-class performance
- OE Expectations are organized under 13 elements for management of safety, health, environment, reliability and efficiency

The Tenets of Operation

- To meet our objectives we must develop a culture where everyone believes that we can achieve Zero Incidents
- The Tenets of Operation provide a foundation for a culture of operational excellence
- The Tenets of Operation are a code of conduct to guide daily decisions
- These tenets are based on two key principles:
 - ***Do it safely or not at all***
 - ***There is always time to do it right***

Tenets of Operation



1. Always operate within design or environmental limits
2. Always operate in a safe and controlled condition
3. Always ensure safety devices are in place and functioning
4. Always follow safe work practices and procedures
5. Always meet or exceed customers' requirements
6. Always maintain integrity of dedicated systems
7. Always comply with all applicable rules and regulations
8. Always address abnormal conditions
9. Always follow written procedures for high-risk or unusual situations
10. Always involve the right people in decisions that affect procedures and equipment

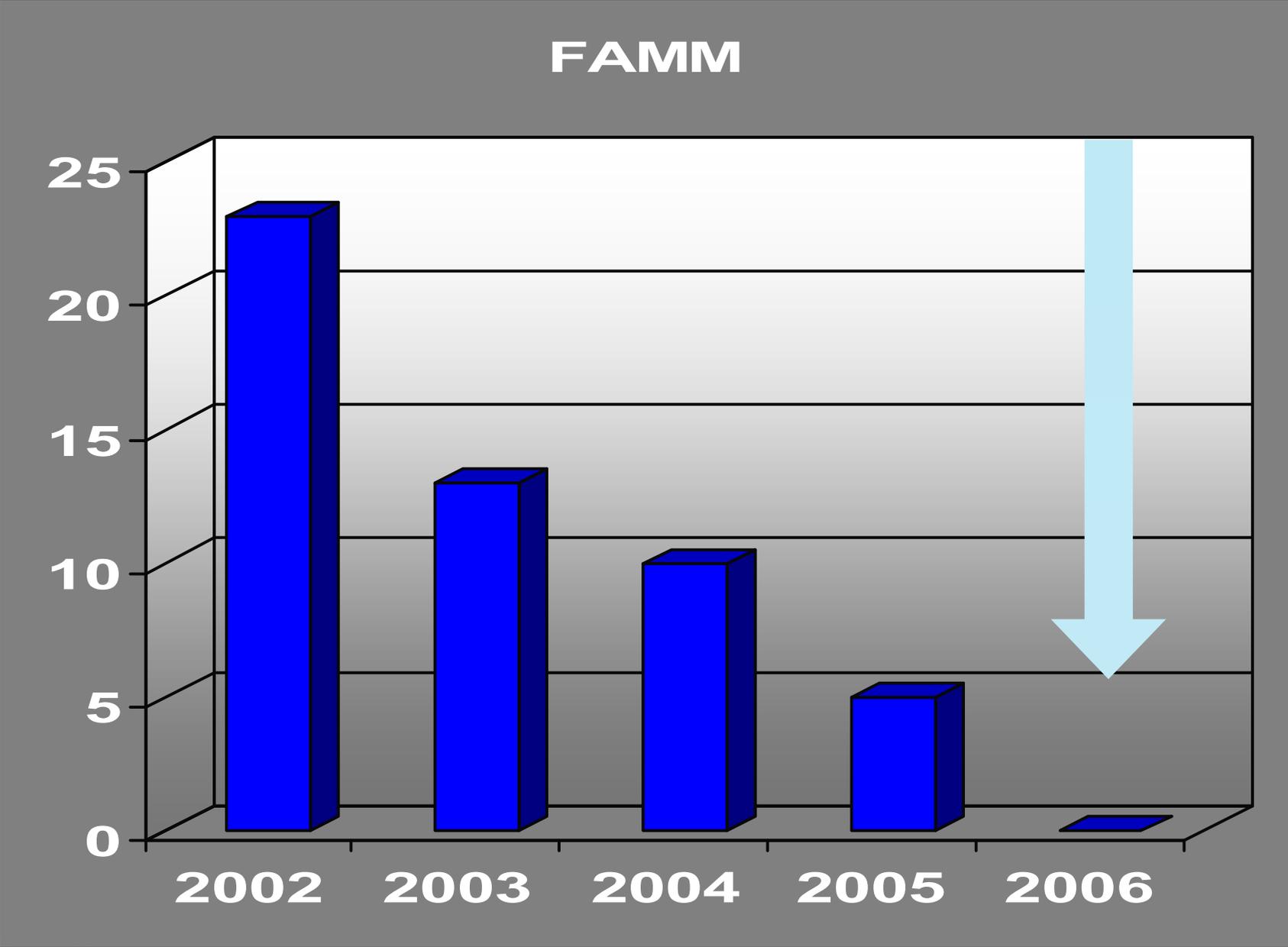
*“DO IT SAFELY
OR NOT AT ALL”*

*“THERE IS ALWAYS TIME
TO DO IT RIGHT”*

OE Expectations

- Security of personnel and assets
- Facilities design and construction
- **Safe operations**
- **Management of change**
- Reliability and efficiency
- **Third-Party services**
- Environmental stewardship
- Product stewardship
- **Incident investigation**
- Community awareness and outreach
- Emergency management
- **Compliance assurance**
- Legislative and regulatory advocacy

Fuel and Marine Marketing Recordable Incidents 2002 - 2006 (YTD)



Do it safely...



...or not at all



How to Build an Incident-Free Operation

Engage employees and contractors in dialogue; inquire about their work and working conditions

Understand and recognize the value of each individual's contribution to incident-free operations

Positively reinforce safe behaviors on the spot

Act immediately to mitigate unsafe conditions

Share personal examples of safety learnings and observations from both on and off-the-job

Never ignore a suggestion to improve safety

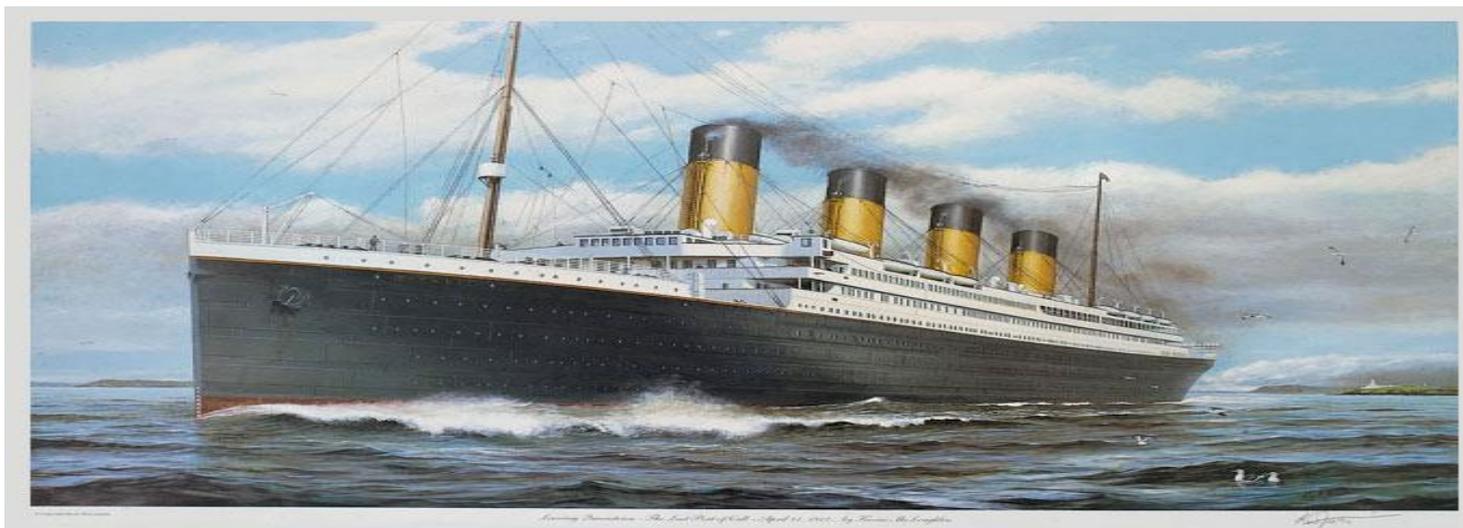
Role-model the Tenets of Operation

“When anyone asks me how I can best describe my experience of nearly forty years at sea, I merely say uneventful.

Of course there have been winter gales and storms and fog and the like, but in all experience, I have never been in an accident of any sort.

I have seen but one vessel in distress in all my years at sea...I never saw a wreck or have never been wrecked, nor was I ever in a predicament that threatened to end in disaster of any sort.”

Capt. E.J. Smith – RMS Titanic





A Message from the Fleet

“No officer, whatever his rank, or experience should flatter himself that he is immune to the inexplicable lapses in judgment, calculation and memory, or slip of the tongue in giving orders which so often brought disaster to men of the highest reputation and ability.”

Chester W. Nimitz, Fleet Admiral