

## Behavioral Safety: Key to Achieving Breakthrough in Safety Performance

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As expected, 2006 was an eventful year for Vopak in Asia. In terms of safety performance, we recorded an LTIR of 1.5 and TIR of 4.2 for employees, and LTIR of 1.1 and TIR of 2.8 for contractors.

It was very encouraging to see over the years a continuous drop in total injury rate (TIR) which normally precedes sustainable improvements in LTIR. Another encouraging sign is the good safety performance of contractors. In fact, it was better than employees despite the many construction sites we had – Zhangjiagang, Lanshan, Caojing, Korea, Darwin, Sydney, Thai Tank, Banyan and Sebarok. We want to commend the respective project teams for a good job and continue to stay vigilant at all times as there are even more projects in the pipeline in the years to come.

Looking back in 2006, one would have noticed the many proactive SHE initiatives that were embarked. We were quick off the blocks with the Vopak Fundamentals (VF) and implementation of Job Safety Analysis for all loading and unloading work instructions. The continual pursuit of certified management systems resulted in the terminals in Tianjin, Darwin & Sebarok obtaining ISO 9001, ISO 14001, OHSAS 18001 certifications. Safety Observation Rounds were conducted, achieving 90% of target. 16 Out of 20 terminals reported full compliance with VF while the remaining 4 terminals (Xiamen and Nippon Vopak) are on track to achieve this by end January 2007.

Tank overfill risk assessments are continuing to mitigate risk of another Buncefield incident. Most importantly, these proactive measures (as basic as they may appear to be) are the best way to ensure the prevention of incidents, rather than acting reactively after an incident has occurred.

2007 Promises to be another exciting year for operational excellence. Top in the list is to improve behavioral safety in the workplace. This is necessary to achieve breakthrough in our safety performances as we know that there is a limit to what we can achieve with good hardware and management systems. Safety culture assessments will be carried out by each terminal to determine the gaps for further improvement. As behavioral safety is a process and not a project, we ask that a sustainable approach be developed by all terminals. Another initiative is terminal energy management where there are still opportunities to reduce energy consumption and cost. Other on-going improvement programs will be sustained.

In summary, these coordinated and multi-pronged approaches are necessary in sustaining our Vopak strategy in which we will differentiate ourselves by consistently achieving excellent SHE performance comparable to our major customers.