

With a firm conviction that personal and process safety excellence are vital for continued business success and sustainability, SPC adopts the best industry practices and cultivates EHSS awareness continuously.

SPC continuously reviews and improves its Environment, Health, Safety and Security (EHSS) system to manage risks inherent in its operations and processes.

SPC incorporates industry best practices and standards in its day-to-day operations as well as cultivates EHSS awareness and proactiveness among its employees and contractors.

Environment

In 2008, the Company implemented the SPC Green Initiative to strengthen its environmental conservation and protection efforts with the following objectives:

- Embrace technology to improve environmental friendliness;
- Integrate green initiatives with business processes and policies;
- Create a green mindset among employees;
- Participate in community environment conservation projects.

As part of the Green Initiative, SPC organised talks and seminars conducted by external consultants, implemented waste recycling programmes, and distributed educational circulars. Following a series of activities, key environmental performance indicators were identified, measured and monitored for continuous improvement.

Health and Safety

In 2008, there were no loss time injury, oil spill and facility incidents. This attests to SPC's commitment towards EHSS. Regular EHSS reviews of the Group's operations were carried out to ensure compliance to EHSS policies and procedures.

Crisis Management

SPC reviewed, improved and tested its emergency response and crisis management plan in 2008. In addition, the crisis management plan was validated by a crisis management consultant. Two major exercises were carried out in April and November. The first exercise was based on a scenario of a LPG explosion at one of SPC's terminals while the second was based on a marine oil pollution scenario.

Frequent drill practices of emergency responses is fundamental to crisis management preparedness. Such exercises offer the opportunity to test the responsiveness of the Company and soundness of procedures including activation processes, notification protocols, public and media communication, as well as next of kin and incident management. These exercises serve to strengthen the cooperation of all personnel required to react swiftly in a real incident.

Active participation and collaboration with regulatory authorities is one way to promote industry environment, health, safety and security. It is with this in mind that SPC conducted a joint exercise with the Singapore Civil Defence Force at its Jurong Bulk Plant in June 2008.

SPC will continue to give its unwavering support to EHSS programmes by proactively managing all EHSS issues and concerns while keeping up to date with changing industry regulations.

Singapore Refining Company

SPC's 50% jointly-owned refinery, the Singapore Refining Company (SRC) upholds an EHSS policy based on internationally recognised best practices. It was the first refinery in Singapore to be accredited with an integrated Quality ISO 9001 and Environmental management system ISO14001 in 1999.

SRC pursues EHSS excellence by adopting best practices and leveraging proven technologies in its operations, and reviewing them regularly. In 2008, SRC maintained its solid track record with no major incidents and zero non-compliance incidents.

Environment

SRC complies with local regulations pertaining to pollution, emission, effluent and waste disposal standards. SRC consistently monitors its direct and indirect emissions, and proactively addresses the environmental impact of its existing and planned projects.

The refinery adopts best-in-class practices for project development and execution, and for turnaround planning and management. Both processes include environment impact assessments and mitigation plans prior to implementation.

To reduce particulates and smoke emissions, SRC is presently conducting burner modifications to some of its steam generation facilities. At the refinery, solid waste is disposed through contracted third-party specialists. In addition, SRC has a wastewater treatment facility that ensures full compliance with regulations before wastewater disposal. SRC has also since 2007, switched to using reclaimed water, or NEWater for most of its refinery's operational needs.

Energy Efficiency

Conserving energy is a high priority in SRC. SRC's energy performance is measured by the Solomon Benchmark Energy Intensity Index (EII), which refers to the percentage of actual energy consumed over the energy required to operate the

entire refinery; the lower the EII, the better the energy performance. SRC lowered its EII in 2008 by 1.1% from the previous year as a result of electricity optimisation and cultivating an eco-friendly culture in the workplace. In addition, SRC carried out in-house initiatives such as work-fuel conservation, chemical injection to decrease fouling and coking, flare loss reduction and heater efficiency improvements.

To reinforce an energy-conscious mindset across all operational levels of the refinery, SRC conducted the Energy Blitz 2008 campaign in October to encourage its employees to identify electricity and energy-saving opportunities. Initiatives that were implemented after the campaign led to a net savings of 1% of power consumption in that month.

To further enhance energy efficiency, SRC is exploring technologies such as Cogeneration (Cogen), a combined heat and power application. Cogen can potentially achieve energy efficiency of up to 80% compared to 50–55% at conventional plants. Apart from improved efficiency, which translates to savings in operating expenses, it helps in reduction of air pollution as well.

SRC publishes a monthly newsletter that features energy initiatives implemented at the refinery. The newsletter reinforces employee awareness of industry best practices.

Health and Safety **"Start Safe, Stay Safe for Our Loved Ones!"**

SRC is committed to look after the health and safety of its staff and contractors. With a firm conviction that personal and process safety excellence are vital for continued business success and sustainability, the refinery enforces stringent safety standards and commits resources to conduct periodical assessment of its facilities.

SRC places an emphasis on Injury and Incident Free (IIF) operations, and actively promotes a "safety-first" culture through behaviour-based safety programmes. SRC duly

recognises and appreciates employees and contractors displaying exemplary safety practices.

Manager Safety Tours at the refinery were also organised to facilitate dialogue between ground level staff and senior management so that they can collectively address safety issues. Regular visits by management to the refinery also helped to promote communication between the ground and management level, bringing about swifter resolution of safety issues.

SRC regularly conducts safety talks and provides training sessions for both staff and contractors. From time to time, SRC conducts scenario-based tabletop exercises to enhance safety and emergency preparedness.

In April and May 2008, more than 1,350 contractors were involved in round-the-clock maintenance works of various critical refining units. The maintenance was completed on schedule without any major incident.

In 2008, SRC achieved 8 million man-hours without any loss time injury. This safety milestone affirms the refinery's rigorous safety systems and procedures.



SRC's "8 million man-hours without any loss time injury" milestone affirms its safety-first culture.