

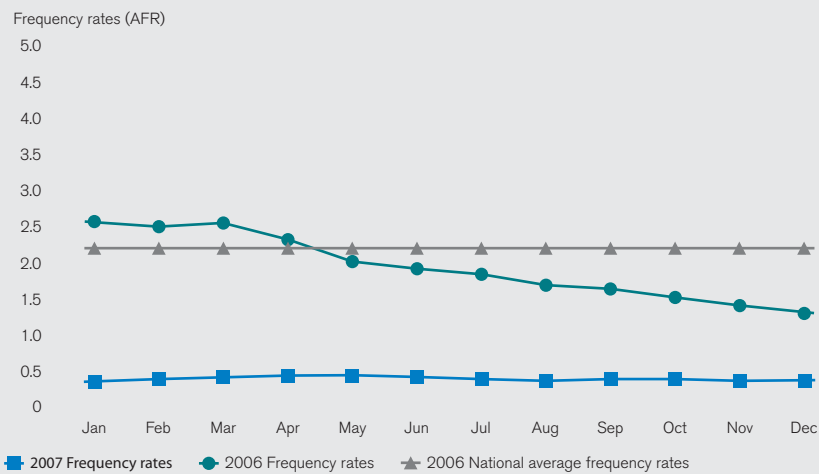
---

**We want to make our yards  
a safe workplace for all.**



Safety is a collaborative effort – client representatives from ExxonMobil and SBM play an active role in Keppel Shipyard's Safety Steering Committee.

**Cumulative accident frequency rates 2006/2007**



**SETTING NEW HSE BENCHMARKS**

The Keppel O&M Group continued to make remarkable progress in safety even amidst the heavy work demands in the 20 yards worldwide.

The Group's Accident Frequency Rate (AFR) dropped to a low of 0.37 reportable cases per one million man-hours worked in 2007, a marked improvement over the AFR of 1.30 in 2006.

The Accident Severity Rate (ASR) was also reduced to 187 man-days lost per one million man-hours worked in 2007 from an ASR of 207 in the previous year.

The improved safety records were the result of a greater ownership of safety across the yards led by the management as well as stronger collaboration with customers and suppliers.

In the Singapore yards alone, in 2007, more than \$12 million were invested in safety equipment as well as the education

and promotion of Health, Safety and Environment (HSE) to enhance workplace safety.

As the workforce in our yards grows in tandem with the rising workload, we have made a concerted effort to ensure that new workers are properly inducted and assimilated into Keppel O&M's safety culture.

Similarly, newer yards in the Group such as Keppel Nantong are also equipped with the right set of HSE hardware and software to meet their operational requirements.

**ENTRENCHING OUR SAFETY CULTURE**

Keppel O&M's safety culture is rooted in close collaboration with the Company's stakeholders including employees, customers and suppliers.

Our safety efforts during the year were sustained through the four strategic thrusts of open communication, training

and development, empowerment and incentives and recognition.

The Group continued to further its safety initiatives through interdependent teams consisting of the Workforce Safety Councils in the Tuas, Benoi and Gul yards of Keppel Shipyard and Keppel Singmarine as well as the Contractors HSE Watch Groups formed by the subcontractors of these yards.

These HSE teams also work hand-in-hand with their counterparts from customers who share invaluable feedback and guidance. One such platform for collaboration and cross sharing is Keppel Shipyard's Safety Steering Committee, which involved client representatives from ExxonMobil Development Company (ExxonMobil), Single Buoy Mooring Inc (SBM) and Shell. There, incidents and near misses are openly discussed so that the lessons may be shared with other yards in the Group.





In addition, each yard within the Group has its own Annual HSE Plan, which rolls out different initiatives throughout the year, and ensures that various aspects of HSE receive sufficient attention and coverage. Apart from our employees, we have also reached out to subcontractors with targeted safety programmes. These include the Safety Induction Programme, Fire Watchman Training and Gas Meter Operations initiatives, which have helped to raise our subcontractors' safety standards as well as recognise and reward those with good HSE records.

In celebration of a joint commitment to safety, Keppel O&M's employees and stakeholders rallied to build the world's longest chain of safety helmets at Sentosa Island in October 2007. The wall of 18,000 helmets that spanned 5.8 km was emblazoned with the striking slogan, "Safety first! Our Yard, Our Home". This joint effort was honoured with titles in the *Guinness World Records* and *Singapore Book of Records*.

### CHAMPIONING NEW INITIATIVES

The Group continued to make bold strides in the follow-through of initiatives to build ownership and leadership in safety.

Keppel O&M participated in the inaugural Keppel Group Annual Safety Convention held in November 2007. The convention aimed to share best practices, recognise efforts to enhance safety and spur employees to raise safety standards.

At this convention, Keppel Singmarine was awarded the Keppel Group Chairman Safety Challenge Trophy for its winning submission, the "Propeller Shaft Guide". Keppel FELS also won an award for their project, "T.I.M.E".

Keppel Shipyard, together with partners ExxonMobil and SBM, jointly launched the Safety Leadership Programme in April 2007. This initiative, which builds upon its Safety Plus Programme, seeks to instil effective observation and intervention skills at all levels, and to

1. At Keppel O&M, all projects are built on safety.
2. The joint commitment to safety demonstrated by Keppel O&M and its stakeholders was endorsed by former Minister for Manpower, Dr Ng Eng Hen, who topped off the wall of 18,000 helmets together with senior management and union representatives.



Workers learn the ropes of safety from their mentors.

## SIGNIFICANT SAFETY MILESTONES AS AT END-2007

Yard	Project	No. of man-hours without LTI	Client
Keppel Shipyard	<i>P-53</i>	7,000,000	Petrobras
Keppel FELS	<i>Mærsk semi No.1</i>	6,000,000	Mærsk Contractors
Keppel Shipyard	<i>FPSO Mondo</i>	5,000,000	SBM
Keppel Shipyard	<i>FPSO Saxi Batuque</i>	6,000,000	ExxonMobil
Keppel FELS	<i>Mærsk jackup No.1</i>	3,000,000	Mærsk Contractors
Keppel FELS	<i>Mærsk jackup No.2</i>	3,000,000	Mærsk Contractors
Keppel FELS	<i>West Atlas</i>	2,500,000	Seadrill
Keppel FELS	<i>PV Drilling I</i>	2,500,000	Petro Vietnam
Keppel FELS	<i>Mærsk semi No.2</i>	2,000,000	Mærsk Contractors
Keppel FELS	<i>Al Zubarah</i>	2,000,000	Gulf Drilling International
Keppel FELS	<i>WilBoss</i>	2,000,000	Awilco
Keppel FELS	<i>Deep Driller 5</i>	2,000,000	Aban/Sinvest
Keppel FELS	<i>Sedco 702</i>	2,000,000	Transocean
Keppel Kazakhstan	<i>Kashagan Development</i>	1,500,000	Agip KCO
Keppel Shipyard	<i>FPSO Vincent</i>	1,000,000	Mærsk Contractors
Keppel Shipyard	<i>FPSO Front Puffin</i>	1,000,000	Sea Production
Keppel FELS	<i>West Ariel</i>	1,000,000	Seadrill
Keppel FELS	<i>Mærsk jackup No.3</i>	1,000,000	Mærsk Contractors
Keppel FELS	<i>Discovery 1</i>	1,000,000	Jindal
Keppel FELS	<i>Development Driller III</i>	1,000,000	GlobalSantaFe

align management and the workforce so as to ensure that safety is built into everyday work processes.

In the same month, Keppel FELS held its annual safety campaign with the aim of preventing hand and finger injuries among workers.

Overseas, Keppel Verolme appointed Safety Ambassadors to help promote safety awareness in the yard.

### SAFEGUARDING THE ENVIRONMENT

Keppel O&M yards around the world continued to play their part in ensuring that their operations are conducted in a responsible manner with minimal impact on their communities and the environment.

Keppel AmFELS, for instance, carries out its activities strictly in accordance to the State Air Quality Permit and Federal Operating Permit requirements. Keppel Batangas is a member of

the Batangas Coastal Resources Management Foundation which conducts surveillance to ensure the sea water quality around the Batangas Bay Region where the yard operates is good.

In Singapore, Keppel Shipyard set up an Environmental Task Force in June 2007 to promote a safe and healthy working environment. Gritblasting is done in an enclosed chamber, otherwise nettings are erected over floating docks to prevent dust dispersion. Recycling bins are set up at various locations in the yards to facilitate the waste segregation process. Special attention is paid to ensure that the yard is free of potential breeding grounds for mosquitoes.

### RAISING THE BAR

Despite the heavy workload across Keppel O&M's shipyards, the Group was able to boost its safety performance in 2007.

At the Ministry of Manpower Annual Safety & Health Performance Awards

2007, Keppel Singmarine won the Silver Award for Workplace Safety & Health. Both Keppel FELS and Keppel Shipyard won the Safety & Health Award Recognition for Projects (SHARP) for the *Mærsk Resilient* and Petrobras *P-53* projects respectively.

At the 10<sup>th</sup> Convention for Workplace Safety & Health Innovations Teams in Marine Industry organised by the Association of Singapore Marine Industries (ASMI), two teams from Keppel Shipyard (Gul) won the Gold and Silver Awards respectively.

Together, Caspian Shipyard and Keppel Kazakhstan chalked up an impressive safety record of 4.24 million man-hours without any lost-time incidents. Keppel Kazakhstan was awarded a trophy by Agip KCO for achieving 1.5 million man-hours without any lost-time incidents for its project.