

WHITEPAPER

HOW CHEMICAL MAJORS REDUCE COST AND GAIN QUALITY IN THEIR VETTING PROCESS

8 MAY 2015

Pharox Assurance

Haringvliet 90 | 3011 TG Rotterdam
The Netherlands

+31 (0)10 742 18 70

assurance@pharox.nl

www.pharoxassurance.com

1. Summary

The main objective of the vetting process is to ensure that all the transport operations (barges, seagoing vessels, trucks haulers, terminals) used by the chemical company meets the company's, client and supplier requirements and standards. The ultimate goal is to deliver the cargo in good quality without incidents, accidents or delays.

All transport operations should be subject to inspections, audit and/or screenings which should result into an clearance (or rejection) of the chemical company to use the logistics company services and infrastructure.

Chemical majors can reduce cost and gain quality in their vetting process by applying all the next aspects.

- Create an automated process
- Combine data from different data sources
- Enrich the vetting data
- Add company proprietary / self-inspection data
- Get a global approach
- Include the complete logistics chain
- Give access to various user groups

When you apply all of the above the vetting process will continue smoothly with less interruption and with higher quality and assurance. Your vetting specialists can focus on the defaults and non-conformities in the process where their expertise is most valuable. As a result your company will reduce cost and gain quality in the vetting process.

2. Company introduction

Pharox is market leader in database systems and applications for accreditation, inspection, audit, assessment and certification processes for the global gas, oil and petro-chemical transport industry.

We have extensive experience in supporting companies, non-governmental organizations and governmental organizations with their assurance and compliance processes.

Assurance covers all processes that organizations execute to ensure Health & Safety, Quality and Integrity for their company/organization, industry, society or environment. Typically these processes include accreditation, inspection, audit, assessment, incident reporting and certification.

These processes come together in extensive databases that have to communicate with the different stakeholders.

3. How to reduce cost and gain quality in the vetting process

To determine how chemical majors can reduce cost and gain quality in their vetting process, the following topics, as mentioned before, will be described:

Create an automated process

Our vetting database system enables a fully automated vetting process. The system collects the vetting data (inspection reports, audits, incident reports and historic data) and filters, analyses and provides the requested information to the specific user

The vetting data is automatically downloaded from various industry data sources. Vetting data is then pre-screened based on the vetting specialist standardized requirements. The vetting specialist can predefine on a detailed level how the system needs to respond to certain report data. When new data becomes available this will be automatically processed. As a result of this automated process, the inspected object (for example a seagoing vessel) will or will not meet the companies' requirements and shall as a result be listed as cleared, pending involvement of the vetting specialist or blacklisted.

When vessels or infrastructure are cleared they comply with the chemical company quality, health, safety and environmental standards and are fit to be used for the logistics purposes.

In some predefined cases the involvement of the vetting specialist is required to get for example additional prove of compliancy or issue clearing.

For more information: Pharox Assurance | www.pharoxssurance.com | assurance@pharox.nl

Combine data from various sources

Our vetting database system is able to collect vetting data from various chemical & oil transport industry databases via a permanent interface/connection. This will assure the quality and accuracy and increase the processing time extremely.

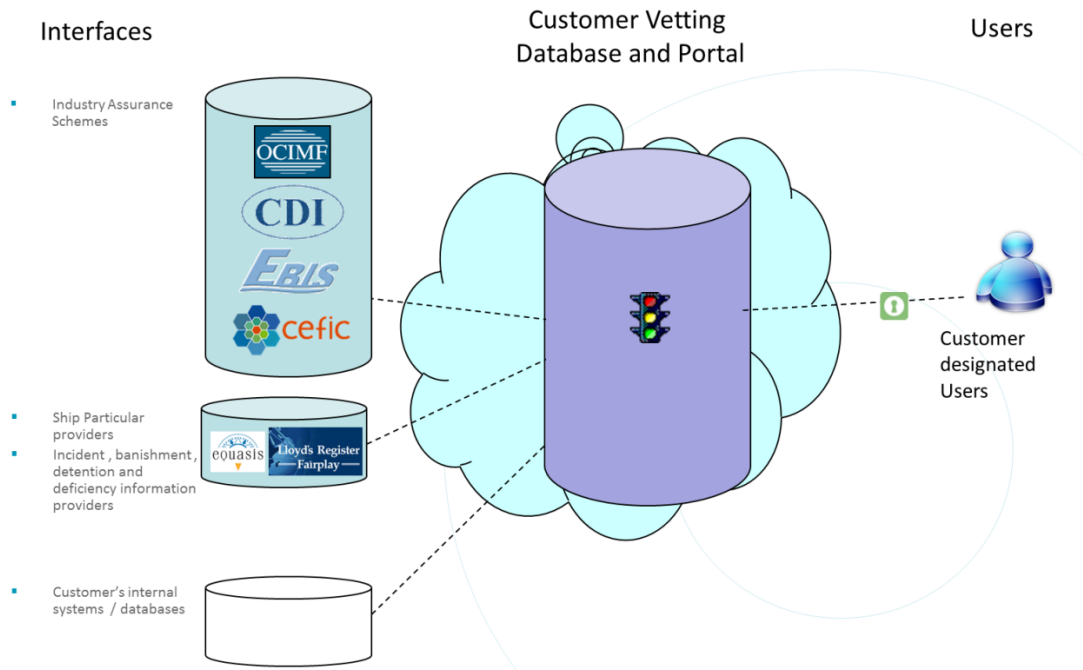
The vetting database can connect to various data sources, such as:

- CDI Marine
- EBIS
- OCIMF SIRE
- OCIMF TMSA
- Equasis
- LR-Fairplay / IHS Maritime
- Etc.

The following image shows the vetting database system with the interfaces to various chemical industry databases:

Example Vetting Portal

Overview



Enrich the vetting data

Various report maintenance options allow the vetting specialist to update and add certain report details, such as:

- Change expiry date of reports (with reason date change)
- Change report status (Active, Archived etc.)
- Change question answers, both the initial answer as the corrected answer will be displayed in the report.

In addition the user will get various query options, such as:

- List of Negative answers
- Percentage of Negative answers

The user will be able to search the vetting data using certain search parameters, such as:

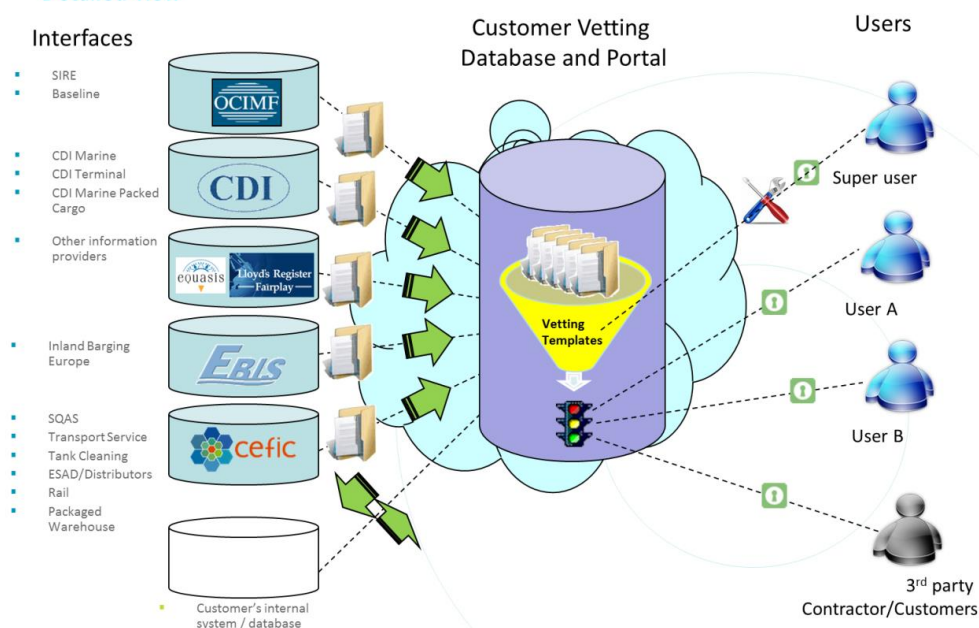
- Name
- Report number
- Name of Inspector
- Date of Inspection

The vetting database system also offers the possibility to upload various attachments like work documents, technical requirements, certificates and audit reports.

The following image shows the various data vetting feeds which are automatically processed:

Example Vetting Portal

Detailed view



For more information: Pharox Assurance | www.pharoxssurance.com | assurance@pharox.nl

Add company proprietary / self-inspection data

The vetting database system also includes functions to submit self-inspection reports. These reports can be directly submitted to the vetting database by the internal company inspectors.

In addition the vetting specialists can add specific information to the ships, for example additional review information, observations or corrections if corrective actions have been taken. All updates to data is logged via an audit trail.

Get a global approach

The vetting database system allows you to manage one worldwide standard that will apply for all transport infrastructure being used by the chemical company.

The vetting database system can split the world in several regions, for example Europe, Africa, South America, Asia pacific, NAFTA region etc. The vetting specialist can specify different sets of questions / templates per region. The way it is possible to analyze the vetting data with different quality and safety standards for each region.

Include the complete logistics chain

Our vetting database system can process the vetting data from the complete logistics chain. So, vetting data of different kind and source can be imported, pre-screened, analyzed, filtered and presented.

vetting data from various logistics operations, such as:

- Inland barging (normal cargo, chemical, gas etc.)
- seagoing vessels (Oil, Chemical, Gas, Dry bulk etc.)
- Storage terminals
- Marine packed cargo
- Road transport
- Rail
- Cleaning Stations
- Warehouses

Give access to various user groups

Our vetting database system can service various types of users, each having access to specific functionality.

The following user profiles can be defined (among others):

General Public

The general public users (no password protection): have access to general information about your vetting standards etc.

Inspected party

The inspected parties are the companies that are being inspected under the specific assurance systems. The inspected party can for example enter comments or an improvement plan.

(Internal) Inspector

The inspectors conduct the inspections and create the inspection reports using inspector software. After completing the report entry, the results of the inspections are submitted to the vetting database system.

Vetting Users

The users are able to access/view/download/print the report information

Vetting specialist

The vetting specialist has special maintenance functionality and access to all data and functionality. For example the vetting specialist can add, update, delete, (de-)activate report information and perform other maintenance operations.

3rd Party vetting contractor

It is possible to give access to the vetting database system to 3rd party vetting contractors or other subcontractors. You can give these 'external' users access to very specific functionality and/or very limited access rights.

Pharox Assurance

Haringvliet 90 | 3011 TG Rotterdam
The Netherlands

+31 (0)10 742 18 70

assurance@pharox.nl

www.pharoxassurance.com