



Overseas Shipholding Group, Inc.



**Overseas Shipholding Group, Inc.**

Intertanko Tanker Event  
Houston, Texas  
March 26-28, 2007



Captain Robert Johnston




# A Drive for Excellence




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## Poseidon Challenge

- Zero Accidents
- Plus
- Zero Pollution
- Plus
- Zero Incidents
- Equals
- Flawless Transportation**



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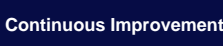



## Continuous Improvement

# Continuous Improvement




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## Continuous Improvement

# Risk Management Assurance




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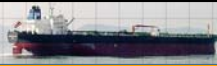
## Risk Management at OSG

**Objectives**

- Enable efficient and consistent management of risks affecting OSG through the creation of a corporate risk management function
- Create a framework and process to support the risk management function
- Improve overall awareness of risk at OSG
- Create cross-functional and cross-office risk event teams
- Develop risk plans for priority risk events
- Train participants in use of framework
- Improve visibility and transparency of risk management activities

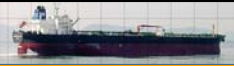


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Principles

- ❑ **Ownership and Accountability**
  - Identified risks must have an owner
  - Owners will be held accountable for managing their risks
- ❑ **Transparency and Consistency**
  - Risk management choices must be explicit and transparent
  - Consistent approaches must be used across risks
- ❑ **Integrated Decision Making**
  - Risk management considerations must be an integral part of business decision making
  - If risks are running across SBUs and functions we manage them accordingly
- ❑ **Effectiveness and Efficiency**
  - OSG must strive for excellence in its risk management practices
  - Risk management at OSG must be efficient in the use of resources
- ❑ **No Surprises**
  - Full and prompt disclosure of risk issues, events and changes in probability

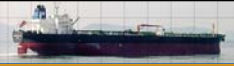


Process

- ❑ **50 risks were identified by a team of 30 staff from across the organization**
- ❑ **The list was distilled to 21 risks**
- ❑ **List was prioritized**
  - Value of the risk
  - Probability of the risk
  - Control of the risk/response
- ❑ **Took the top 10 risks and formed teams**



- ❑ **What is Assurance -**
  - Knowing that your crews are doing thing the right way
- ❑ **How do you know that?**
  - You cannot rely on:
    - Class
    - Flag State
    - Port State
    - USCG
    - Vetting
    - Internal ISM audits
    - External ISM audits



- ❑ **Operational Integrity Department**
- ❑ **External Operational Audits**
- ❑ **Open Reporting**

