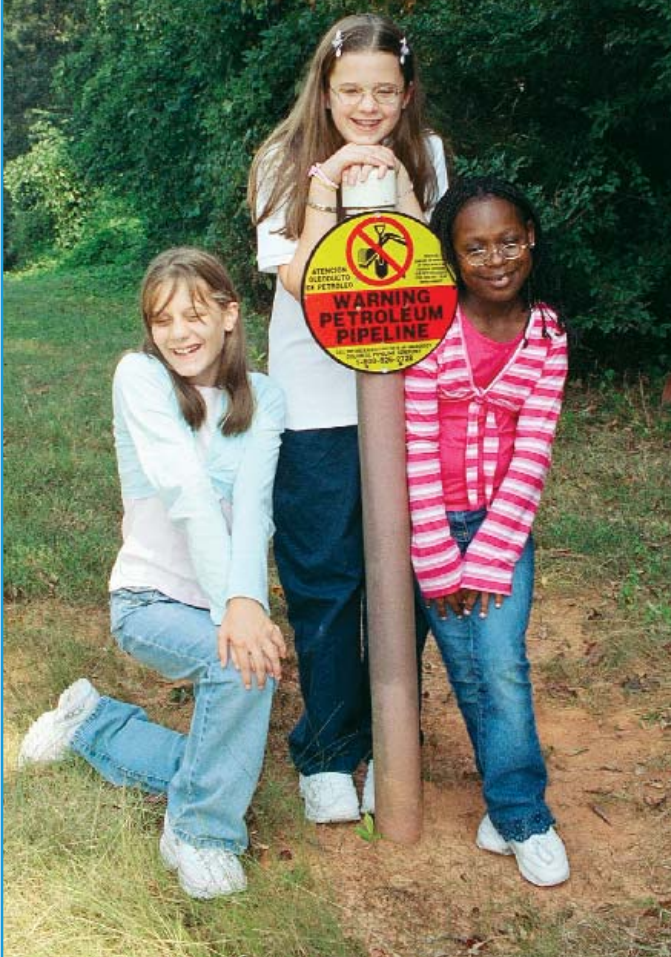


Colonial Pipeline  
**Operations Philosophy**

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*A Commitment to Excellence*

BY OUR ACTIONS, WE WILL PROTECT THE PUBLIC, OUR WORKFORCE AND THE ENVIRONMENT.



## Operations Philosophy

### INTRODUCTION

#### From All of Us at Colonial Pipeline

Colonial is committed to safety as a core value. By our actions, we will protect the public, our workforce and the environment. Our vision is Operational Excellence and our goal is safe, spill-free, error-free operations. This commitment is total.

In Order for Colonial to be successful, this Operations Philosophy and set of belief statements must reflect the core values of the company. Safety, System Integrity, Operational Excellence, and Reliability are Colonial's foundation and core values. These core values drive the philosophy, which in turn drives the creation of policies. Policies direct the creation of standards, procedures, and training. These policies set the expectations for how each of us performs our duties.

This document outlines Colonial Pipeline's philosophy concerning how we conduct business. The belief statements contained within this document support the creation of policies that uphold our philosophy. All individuals are accountable for performing their duties in accordance with our Philosophy and Policies.

WE ARE ACCOUNTABLE FOR OUR ACTIONS AND  
WILL NOT COMPROMISE PERSONAL INTEGRITY OR THE  
INTEGRITY OF ANY OF OUR SYSTEMS FOR ANY REASON.



## PHILOSOPHY

We believe that during the course of daily operations it is our overriding responsibility to protect the public, the environment, and Colonial's workforce, both employees and contract workers. We are accountable for our actions and will not compromise personal integrity or the integrity of any of our systems for any reason.

In order to sustain safety, system integrity, operational excellence, and reliability, Colonial will foster a culture that cultivates improvement in people, processes, and technologies. We will continually assess and allocate appropriate resources to support the achievement of safe, spill-free, error-free operations.

This philosophy is embraced by all work groups as demonstrated in the following belief statements.





**All employees have the right and responsibility to shut down, in an orderly fashion, any system that they believe to be endangering the public, environment, themselves or co-workers.**

### *Operations*

Colonial's core business is to transport products in a safe, reliable, and cost-effective manner.

Our fundamental operating philosophy is a conservative, disciplined, and systematic approach to all aspects of our work to achieve safe, spill-free, error-free operations. We apply this approach to the design, construction, maintenance, and operation of our systems. We follow carefully planned work processes and procedures that address hazard recognition and incorporate safety into our work activities.

As such, we have made the following predetermined decisions:

We will not operate a facility or pipeline that does not have the designed protective devices in operation, unless an approved alternate protection method is utilized.

All employees have the right and responsibility to shut down, in an orderly fashion, any system that they believe to be endangering the public, environment, themselves or co-workers.





### *Personnel*

As employees of Colonial Pipeline we share a strong sense of accountability and responsibility. Each individual is accountable for his or her defined area of responsibility and personal actions. Clearly defined responsibilities allow us to prioritize our own resources and schedules.

Employees that are alert, well-trained, and multi-skilled are vital to the safe and efficient operation of Colonial's pipeline system and business. Policies and procedures are designed as aids to the well-trained employee. They do not replace knowledge, but rather support the user. The company believes a strong training program is essential to its success.

As members of high performing teams, employees are to be students of the business. Teamwork and interpersonal skills are necessary to support a positive work culture and productive work environment.

### *Administrative Controls*

Administrative controls are essential for sustaining a high-performing organization. We value thorough, easy-to-use controls that ensure accuracy, compliance, and clarity of purpose. Training on the use and retention of these controls is critical to consistent, company-wide implementation. Used properly, administrative controls can also eliminate duplicate work activities, provide background for understanding decisions, eliminate errors, and serve as a basis for improvements.

WE VALUE THOROUGH, EASY-TO-USE CONTROLS THAT ENSURE ACCURACY, COMPLIANCE, AND CLARITY OF PURPOSE. TRAINING ON THE USE AND RETENTION OF THESE CONTROLS IS CRITICAL TO CONSISTENT, COMPANY-WIDE IMPLEMENTATION.





### *Communication*

Complete, accurate, and continuous communication promotes trust and ensures continuous learning. Facts are friendly in an environment of mutual respect and trust. It is the responsibility of all levels of our organization to foster this environment which is essential for open communication. This trust facilitates continuous improvement by encouraging communication through learning tools such as near-miss reporting, lessons learned, performance improvement recommendations and by sharing best practices.

COMPLETE, ACCURATE AND CONTINUOUS  
COMMUNICATION PROMOTES TRUST AND  
ENSURES CONTINUOUS LEARNING.



### *Continuous Improvement*

We recognize that continuous improvement is required to maintain our competitive advantage in a changing business environment. We track performance to identify improvement opportunities. We use tools such as pilot programs and benchmarking to compare our capabilities against industry and against our prior performance. We incorporate best practices and proven technologies into our processes.

We foster an environment of coaches and mentors. This environment helps preserve past experiences and encourages exploration, the sharing of current business knowledge, and creativity.

Lessons learned through both internal and external environments are shared across organizational boundaries. We incorporate the value of these lessons without compromising our commitment to safety, operational excellence, system integrity, reliability or business ethics.





### *Asset Management*

Utilizing industry standards and best practices, Colonial designs, builds, and maintains all system components to maximize system reliability and longevity.

We ensure safety, reliability, and maintainability by design. All designs minimize the effects of human error and equipment failure and prevent a single-point failure from developing into a system failure. Colonial utilizes proven technology and standardized system components.

Colonial builds all systems as designed with quality components and equipment. Quality is ensured by conducting inspections of the manufacturing, fabrication, and installation processes. Employee and contractor qualifications are verified prior to construction. We test to ensure operational integrity before any system is placed into its originally designed service or placed into a different service.

Once a system has been placed in service, Colonial maintains the system as designed. We utilize a system of preventive/predictive maintenance procedures incorporating risk management principles. Qualified employees, contractors, and materials are made available to support the maintenance of the system. Integrity management activities performed on existing systems take precedence over all other operational and construction activities.

### *Customer Relations*

We value our customers and strive to meet their needs. However, we do not place this service commitment above our obligation to protect the public, our employees and contractors, and the environment. System integrity and maintenance activities are carefully scheduled to minimize loss of service. However, if necessary, these activities will be completed at the expense of throughput.

We study industry trends to anticipate our customers' needs. We deliver innovative business offerings, improved reliability and predictability through the creativity of our people, use of processes and application of technology.

Colonial employees and contractors recognize and respond to abnormal and emergency operating conditions on Colonial and/or customer systems with actions that place safety as the highest priority.

We share with our customers our philosophy regarding integrity management, maintenance and our business.

WE VALUE OUR CUSTOMERS AND STRIVE TO MEET THEIR NEEDS. HOWEVER, WE DO NOT PLACE THIS SERVICE COMMITMENT ABOVE OUR OBLIGATION TO PROTECT THE PUBLIC, OUR EMPLOYEES AND CONTRACTORS, AND THE ENVIRONMENT.





### *Regulatory Interaction*

We believe that local, state, and federal regulatory agencies are resources that support the development, documentation, and communication of all regulatory guidelines based on industry's experiences. Colonial will champion the development of regulatory guidelines. We will consistently interpret and meet or exceed all regulatory guidelines.

**WE WILL CONSISTENTLY INTERPRET AND MEET OR EXCEED ALL REGULATORY GUIDELINES.**



### *Leadership*

Leaders are visible and maintain an inspiring attitude. Their behaviors are consistent with this document. Leadership occurs at all levels and we are all encouraged to demonstrate leadership skills. Leadership is recognized and rewarded at all levels within the organization. Recognizing that people matter most, positional, influential, and situational leaders all use coaching to unleash the creativity and capabilities of our fellow employees.

We maintain and adhere to this document as well as operational and ethical policies, procedures, training and processes. We demonstrate this commitment with responsible funding and leadership by example.







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