WORLD CLASS SAFETY

1. Today’s Safety Culture
2. Who We Are
3. GLDD’s Journey to Safety Excellence
4. Key Characteristics of WORLD CLASS SAFETY
5. GLDD’s On-Going Drive to WORLD CLASS SAFETY
TODAY’S SAFETY CULTURE
TODAY’S SAFETY CULTURE
MANY COMPANIES ARE LIMITING RESOURCES NEEDED TO REACH SAFETY EXCELLENCE

95% of companies have a reactive safety culture
- A reactive safety culture will never achieve “World Class”

98% of all injuries are the result of unsafe human behaviors and actions:
- Most companies concentrate their efforts on equipment
- Only 1.5% of all injuries are related to machinery issues
- 70% of all injuries are the result of unsafe acts of persons other than the injured employee
RESULTS of TODAY’S CULTURE

EACH DAY
• 16 people will die at work
• 15,479 people will be injured
• 38,689 children will experience a parent coming home injured from work

COST TO COMPANIES
• Direct costs are the tip of the iceberg
• Indirect costs can be “4 x” as much and can sink a company

“Hey, we work in rough offshore conditions with heavy floating equipment. People are going to get hurt.”
“What do you expect? This is dredging!”
WHO WE ARE
GREAT LAKES DREDGE & DOCK COMPANY, LLC

- Providing Dredging Services since 1890
- Largest dredging contractor in the U.S.
- Annual sales $700M+
- We have completed dredging projects on six (6) continents
- Largest volume dredging contract completed → 104,600,000 CY
- On average we dredge 51,000,000+ CY per year
- Operate CSD (hydraulic dredges), trailing suction hopper dredges (hoppers), and mechanical (clamshell & backhoe)
DREDGE FLEET
GREAT LAKES DREDGE & DOCK COMPANY, LLC

6 FIXED HULL CUTTER SUCTION DREDGES
4 PORTABLE CUTTER SUCTION DREDGES
6 HOPPER DREDGES

3 CLAMSHELL DREDGES
BACKHOE DREDGE NEW YORK
DRILL BOAT APACHE
GLDD’s ON-GOING JOURNEY TO SAFETY EXCELLENCE
GLDD SAFETY UP TO 2004

Typical traditional safety structure—with a TRIR drop of 50% between 1996 and 2004...

<table>
<thead>
<tr>
<th>Started to develop a formalized SAFETY DEPARTMENT</th>
<th>Implemented RESPONSIBLE CARRIER PROGRAM (Tugboats) Input EM 385</th>
<th>Implemented INTERNATIONAL SAFETY MANAGEMENT CODE (Hopper Ships)</th>
<th>Implemented DREDGING SAFETY MANAGEMENT PROGRAM (All Operations)</th>
<th>SIGNIFICANT PROGRESS</th>
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<tbody>
<tr>
<td>1996</td>
<td>1999</td>
<td>2001</td>
<td>2002</td>
<td>✓ Safety Staff of 9</td>
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<td>✓ Implemented standardized procedures &amp; policies</td>
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<td>✓ Company-wide safety manual</td>
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<td></td>
<td>✓ Safety training</td>
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<td>2004</td>
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…and we thought we really had dredging safety figured out!
GLDD’s **IIF JOURNEY BEGAN IN 2005**

- Gains became more difficult to achieve
- Great systems, procedures, and training were in place, but there were still injuries
- Frustration was setting in
- Began a process of realignment of GLDD’s safety culture developed by JMJ Associates
- Change in safety attitudes from simple compliance with rules and regulations, to a mindset that intends to eliminate work-related incidents and injuries all together
- Chevron, Skanska, Bovis, and other larger international companies had successfully embraced IIF

**The IIF Journey**
- Manson 2004
- Great Lakes 2005
- Weeks 2008
INCIDENT- and INJURY-FREE is ABOUT...

**TAKING RESPONSIBILITY** for your own safety and the safety of those you work with.

**PLANNING** activities and asking questions.

**CARING** for your coworkers.

**SPEAKING UP** when you see something unsafe.

**ACKNOWLEDGING** your importance to the company and that of your colleagues.

**CHANGING** from complying with safety practices to adopting them as the standard.

**CHOOSING** to follow safety rules because you want to, not have to.

AND IT’S ABOUT **GOING HOME SAFELY TO FAMILY AND FRIENDS AT THE END OF EVERY DAY!**
SAFETY SUCCESSES

▼ Decrease in incident claims and medical costs

▼ Significant reduction in insurance premiums

▼ Decrease in time spent by managers responding to incidents

▼ Reduction in equipment incidents & damage

▼ Decrease in employee recruitment/replacement costs

▲ Increase in historic gains in project size and complexity

▲ Improved communications throughout divisions

▲ Access to bidding opportunities

▲ Improved employee morale and productivity

▲ Increase in bench of “Great Lakes-grown” managers and leaders
SAFETY from RULES APPROACH to SUSTAINABLE SAFETY EXCELLENCE

RULES APPROACH
- Focus on Compliance
- Executive Awareness & Concern
- Safety Professionals Create & Enforce Rules
- Field Complies

PROGRAM APPROACH
- Focus on Awareness & Training
- Executive Commitment
- Safety Professionals Develop & Implement Safety
- Field Participates

PROCESS APPROACH
- Focus on Behavior
- Executive Leadership
- Safety Professionals Provide Expertise & Facilitate Safety Process
- Field Drives Safety Process – Identify Problems, Create Solutions, Implement, Follow-Up

ACCIDENTS

TIME

SUSTAINABLE SAFETY EXCELLENCE

INTEGRATED MANAGEMENT SYSTEMS

SUSTAINABLE SAFETY EXCELLENCE

INJURY-FREE
KEY CHARACTERISTICS OF WORLD CLASS SAFETY
#1 Business objective is the health and safety of PEOPLE.

All injuries & occupational illnesses CAN BE PREVENTED.

EXCELLENCE in safety is compatible with excellence in other business parameters.

Safety must be made an INTEGRAL PART of every job.

Good safety is mainly IN THE HEAD.
KEY CHARACTERISTICS of WORLD CLASS SAFETY

- Vision / Drive to be World Class
- Management Leadership
- Aligned to Broad Business Goals
- Establishment of Targets & Accountability
- Achievement of Goals / Objectives
- Consistent Processes / Process-driven
- Adoption of Best Practices
- Ability to Adapt to Change
KEY CHARACTERISTICS of WORLD CLASS SAFETY

- Management Commitment / Involvement
- Responsibility & Accountability
- Communication & Engagement
- Behavior Analysis / Management
- Recognition & Rewards
- Continuous Improvement
SAFETY MANAGEMENT FUNDAMENTAL BELIEFS

- Top management must be committed to excellence
- Safety is a front line responsibility
- Requires involvement from everyone
- Safety training is an essential element

If committed to safety excellence, an organization will have a broad array of safety systems and practices which are thoroughly implemented and supported by broad workforce participation.
Universal systems in place to communicate on all safety issues

- All employees participate and take ownership

- Safety issues are at the forefront of company decisions

- Safety performance is well communicated throughout the company

- Policy & procedure communication is a three-way process

- Regular communication and one-on-one employee engagement meetings
EFFECTIVE ACCOUNTABILITIES ARE…

FOCUSED

SMART

- Specific
- Measurable
- Achievable
- Results-based
- Time-bound

DO THEY CREATE PARTNERSHIPS?
SPECIFIC PRACTICES FOR SAFETY EXCELLENCE

- Safety of Jobsite & Equipment
- Safety Discipline/Performance Management
- Measurements & Benchmarking
- Safety Organization/Specialists
- Safety of Contractors & Subsidiaries
- Hiring for Safety Attitude
- Off-the-Job Safety
SPECIFIC PRACTICES FOR SAFETY EXCELLENCE

- Safety Rules
- Safety Training
- Safety Meetings
- Risk Assessments
- Audits & Inspections
- Injury / Incident Investigation
- Modified Duty & Return-to-Work Systems
- Involvement in Community & Customer Safety
MANAGING for WORLD CLASS SAFETY - MODEL

ESSENTIAL CORNERSTONE

MANAGEMENT VISION, COMMITMENT & DRIVE

LINE OWNERSHIP OF SAFETY

IN INVOLVEMENT IN SAFETY ACTIVITIES, TRAINING

COMPREHENSIVE SAFETY SYSTEMS & PRACTICES

SAFETY ORGANIZATION, SPECIALISTS

MAIN DRIVERS

WORKPLACE OUTCOMES

SAFE EQUIPMENT & PHYSICAL ENVIRONMENT

SAFETY-AWARE, TRAINED & COMMITTED WORKFORCE

THE RESULT

WORLD CLASS SAFETY PERFORMANCE

SOURCE: Managing for World Class Safety, James M. Stewart
RESPONSIBILITY & ACCOUNTABILITY

MANAGEMENT
VISION, COMMITMENT & DRIVE

LINE OWNERSHIP OF SAFETY
IN INVOLVEMENT IN SAFETY ACTIVITIES, TRAINING

COMPREHENSIVE SAFETY SYSTEMS & PRACTICES
SAFETY ORGANIZATION, SPECIALISTS

SAFE EQUIPMENT & PHYSICAL ENVIRONMENT
SAFETY-AWARE, TRAINED & COMMITTED WORKFORCE

WORLD CLASS SAFETY PERFORMANCE

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OUR ON-GOING DRIVE TO WORLD CLASS SAFETY
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- Leading success indicators
- Reliability Assured Maintenance – builds on IIF
- MCIA Remedial Measures improvements
- SALT reinforcement
- Significant Incidents and Fatalities (SIFs) Filter
- New subsidiaries into Great Lakes IIF brand
SAFETY TOOLS
REINFORCING GLDD PROJECT SITES TODAY

✓ IIF® Kickoff Meeting
✓ IIF® Operations Orientation
✓ Stop-Work Authority
✓ JSA
✓ Company-wide Good Catch, Near Miss, and Incident Broadcasts
✓ Support from Site Health & Safety Officers (SHSO’s)
✓ Systems-Focused Incident Response
✓ Save A Life Today (The S.A.L.T. book)

Save A Life Today or the “S.A.L.T. Book,” is a collection of safety rules and recommended practices. It was written by representatives of our entire fleet - top to bottom, international to domestic, experienced employee to new hire - and our people follow its precepts proudly. We expect subcontractors and site visitors to comply with the S.A.L.T. book as well.
Safe a Life Today (SALT) Safety Rule Book

✓ 6 Rule books developed by crew in 2013
✓ Crews updated rule books in 2016
SAFETY WITHOUT COMPROMISE (SWOC) TRAINING

- Two (2) Day Course – both salary/hourly for all Operation Personnel
- Conveys GLDD Safety Culture
- Strengthen Hazard Awareness
- Focus on Mutual Accountability
OUR ON-GOING DRIVE TO WORLD CLASS SAFETY

LIFE SAVING ABSOLUTES

✓ Safety Accountability
GETTING TO IIF – 2005 to the PRESENT

**SAFETY THERMOMETER**

- **2005**
  - Total Recordable Incident Rate: 7.62
- **2018**
  - Total Recordable Incident Rate: 0.99
  - Lost Time Incident Rate: 0.45

**POSITIVE IMPACT PYRAMID**

- 2 LIVES SAVED
- 189 FEWER RESTRICTED DUTY CASES
- 1,197 FEWER LOST TIME and/or NON-LOST TIME

**+1,895 NEAR MISS REPORTS (2010 – 7.2018)**

**COUNTLESS**

- Speak Up, STOP Events, Good Catches, Stepping Back for Safety, Pre-Shift Planning, Safety Walk-Arounds, JSAs, Hazard Hunts, Thank You for Safety, SHAKE, Stretch & Flex, etc.
OUR ON-GOING DRIVE TO WORLD CLASS SAFETY

IIF IMPACT ON FAMILY & FRIENDS

1,389 Fewer co-workers injured with 5 close family or friends = 6,943 positively impacted family members and friends.

1,389 Uninjured co-workers injured with 10 close family or friends = 13,885 positively impacted family members and friends.

And if we say half of our NEAR MISS reports resulted in a safer, uninjured co-worker, then our IIF EFFORT has made a positive impact on 11,680 – 23,360 family members and friends! Many have no idea what we do, but they know their loved one made it home: SUCCESS!
YOUR EFFORTS TO REACH THE GOAL and MAINTAIN THE GOAL SHOULD NEVER STOP.

FROM DAVE SIMONELLI & KYLE JOHNSON TO ALL GLDD EMPLOYEES – FALL 2018

“As you can see from the August safety statistics our year-to-date TRIR (total recordable incident rate) is down to 0.94. We have reached our Sub-1 goal of attaining a TRIR below 1.0! Further, our severe storm response to Hurricane Florence was executed Incident & Injury Free, with no injuries or any damage to our equipment in Florence’s path. These successes are thanks to the efforts of every Great Lakes employee. Let’s continue this momentum to ensure that we maintain Sub-1 through the year and forward, and as we continue our Pre-empt the Fall Spike during September. We ask that you please go home safe at the end of the day!”

FROM JASON CAMPBELL – AUGUST 2018 vs. AUGUST 2017

Excellent work on reporting leading indicators and correcting deficiencies

✓ 1370 Good Catches through August 2018 vs 1108 Good Catches through August 2017

Improvement in our frequency of OSHA Recordable Incidents

✓ 12 reported through August 2018 vs 17 reported through August 2017

Overall Total Recordable Incident Rate (TRIR)

✓ 0.94 through August 2018 vs. 1.16 through August 2017

Man Overboard Stats

✓ 4 through August 2018 vs. 8 through August 2017
AT GREAT LAKES DREDGE & DOCK

SAFETY

is about making sure we all go home safe and sound EVERY DAY to our families and friends.
“Hey, we work in rough offshore conditions with heavy floating equipment. People are going to get hurt.”
“What do you expect? This is dredging!”
QUESTIONS / DISCUSSION