

An Effective Safety Program And The Executive Role

Hoover Model 541 1930's





Topic Outline

- Goal
- Government and Legal Requirements
- Incident Calculation Rate
- Signal Process to Ensure Safety
- Results
- Questions

The Goal

- To build a World Class Company
- To be successful...
 - Safety was to be the #1 Priority
 - Comply with U.S. Labor Laws
 - Treated as a Process

The Legal Requirements

Under the U.S. Department of Labor / Occupational Health and Safety Administration (OSHA) law, employers with 10 or more employees are required to record and report work-related fatalities, injuries and illnesses.

A work related injury or illness meets the OSHA general recording criteria, and therefore is an OSHA recordable occurrence, if it results in any of the following:

- Death
- Days away from work
- Restricted work or transfer to another job
- Medical treatment beyond first aid
- Loss of consciousness

OSHA Accident Rate Calculation

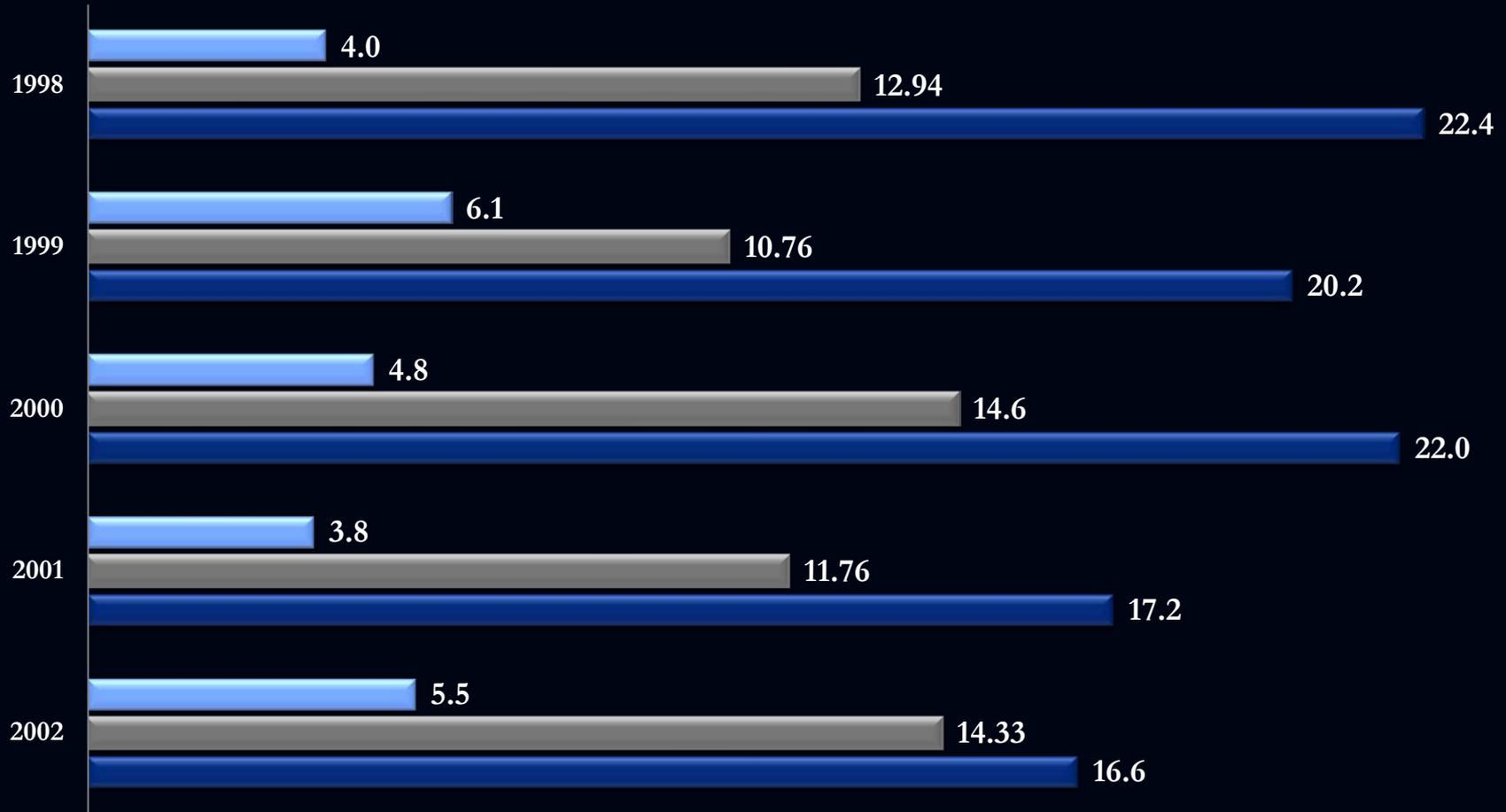
- The OSHA Recordable Incident Rate (total recordable accident rate) is calculated by:
 - Multiplying the number of recordable cases by 200,000
 - Dividing that number by the number of labor hours worked
- Company 'A' has four (4) OSHA recordable incidents and has currently worked a total of 400,000 that year
 - Rate Calculation Example –
4 (injuries total) x 200,000 (OSHA standard)
÷ 400,000 (hrs. worked by facility) =
(OSHA total recordable rate) 2.0

Historical OSHA Rate 1998 – 2002

Shipyard industry, SCA and Operations Former Management

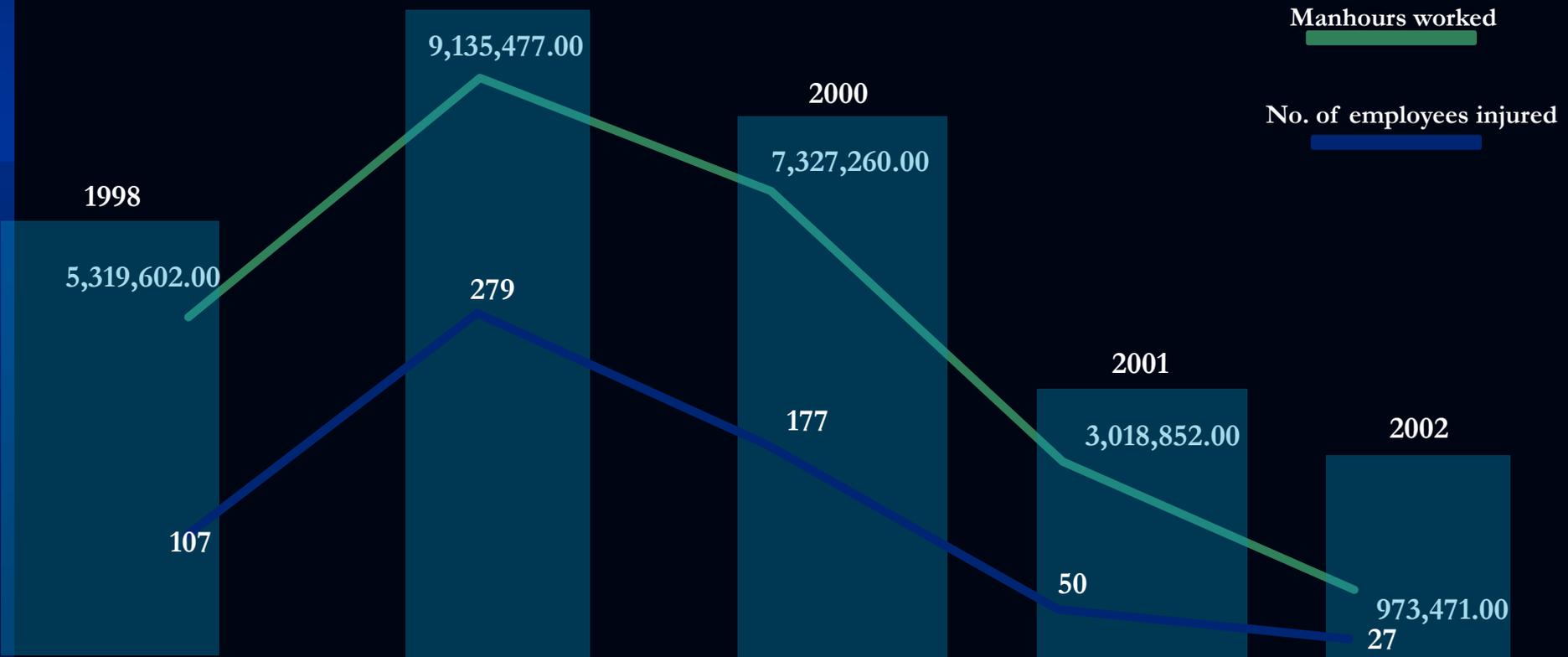
- Total OSHA Recordable Rate(s) -

■ Former management rate
 ■ Shipbuilders Council of America rate
 ■ Industry rate



The Challenge

5 Year Facility OSHA Recordable Record Under Former Management



640 INJURED!!!

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- Understand that a safe working environment promotes morale, production and productivity.
- Safety is instilled as a personal value, not just organizational priority.
- Strong Safety Department
 - Leaders
 - Innovative
 - Not Policeman

The Mission Statement

*Taken from the first page of the Signal employee handbook:



SIGNAL
INTERNATIONAL
A Marine & Fabrication Company

Mission Statement
Superior Service to the Marine Industry

To lead our segment of the marine industry in safety, quality, innovation, professionalism and customer service. To achieve a culture of teamwork through communication while applying the principles of Honesty, Respect, Integrity, and Trust. To combine an unparalleled commitment to excellence with an unsurpassed desire to understand our customers' needs, visions and goals.

	Safety first and foremost.
	Environmental compliance <u>always</u> ensuring the preservation of our natural resources.
	Respond rapidly to the ever-changing needs of the industry while providing value-added service to our customers.
	Vision to lead our segment of the marine industry.
	Innovation , drive and enthusiasm to excel in the face of challenge.
	Craftsmen dedicated to deliver the highest quality products and services.
	Engaged in a professional partnership with our employees, customers, and the community.

Service isn't just part of our name, it's our mission.

Richard Made
Robert Shepherd
John Abely
Lubch
Chris Cunningham

The Commitment

*Taken from page 3 of the Signal employee handbook:



February 18, 2003

It is the obligation of Signal International to ensure that environmental, health and safety are the top priorities in our workplace. Accidents, injuries and environmental upsets can be prevented by identifying and eliminating unsafe work areas and work practices and through the promotion of environmental, health and safety consciousness both on and off the job.

The environmental, health and safety rules and procedures contained in this booklet are common sense precautions that all persons should use every day. If you have any questions concerning any of the rules and practices contained in this booklet, ask your supervisor. The Environmental, Health and Safety Department and Human Resources Department are also available at any time to discuss any issues or concerns that you may have.

Our challenge at Signal International is to achieve a drug free, accident free, environmentally compliant workplace. This will be accomplished if we follow the rules and procedures contained within this booklet on a daily basis.

Your cooperation towards achieving these goals are both appreciated and expected.

Welcome to the Signal International team!

Sincerely,

Richard L. Marler
President and Chief Executive Officer

The Policy Highlights

Environmental Health and Safety Policy

PURPOSE

To set forth Signal International's policy on complying with local, state and federal environmental regulations.

SCOPE

This policy will encompass the activities at all of Signal International's facilities.

POLICY

- Signal International is committed to... a safe, healthful and drug-free work place...
- The accomplishment... continuous management leadership and full involvement of all Signal International employees...
- The empowerment of management, supervision and our employees to prevent activities that might be conducted in an unsafe and/or an environmentally unfriendly manner...
- To provide...the necessary knowledge and skills to work in a safe, drug-free and environmentally responsible manner...
- To hold all Signal International employees accountable for the safety...
- Signal International mandates that all entities, e.g., sub-contractors, vendor's, customer's, etc.,... attain the same level of accountability...

Safety Implementation

- Create a safety culture
- Safety Signage 

The Process

-The sign as you are at the front gate of the facility-



The Process

-The first thing you see when you drive into our facility-



Typical Safety Signs

- Safety can distinguish you. Lack of safety can extinguish you
- Hard hats, they're not just for decoration
- Accidents hurt – Safety doesn't
- Just because you always did it that way, doesn't make it right
- Stop accidents before they stop you

Safety Implementation

- Create a safety culture
- Safety Signage 
- Make commitments and set realistic safety goals
 - Annual
 - Monthly
- Employee orientation (Safety License) 

Safety License

Signal Ship Repair



... a division of Signal International

The bearer of this license hereby accepts the responsibility and is fully authorized to call a 'time-out for safety' at the Signal Ship Repair Operations of Signal International, for a condition believed to be unsafe or otherwise regarding an unsafe situation or condition. This obligation is accepted with the understanding that there will be no repercussions to an employee.

THAT IS THE SIGNAL INTERNATIONAL COMMITMENT.

ELECTRONIC SIGNATURE OF
Bearer Signature


Bob Beckmann - Sr.V.P. & GM
251-454-8279

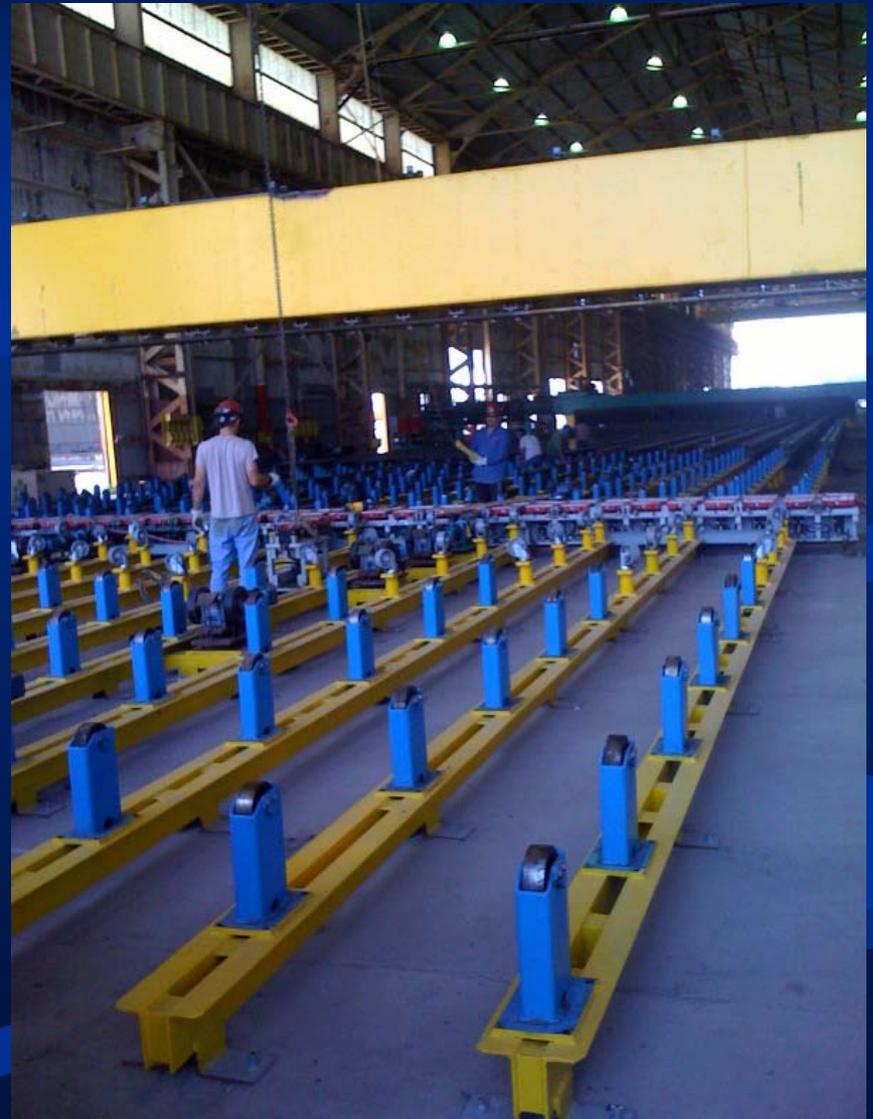
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- Employee orientation (Safety License) 
- Continual drug testing
- Facility cleanliness 

5S Cleanliness Promotes Safety

1. **Sort** - remove all items that are not needed
2. **Straighten** - place for everything and everything in its place
3. **Shine** - organized and clean
4. **Standardize** - guidelines/rules/procedures/expectations
5. **Sustain** - commitment by all to maintain

Clean Work Area



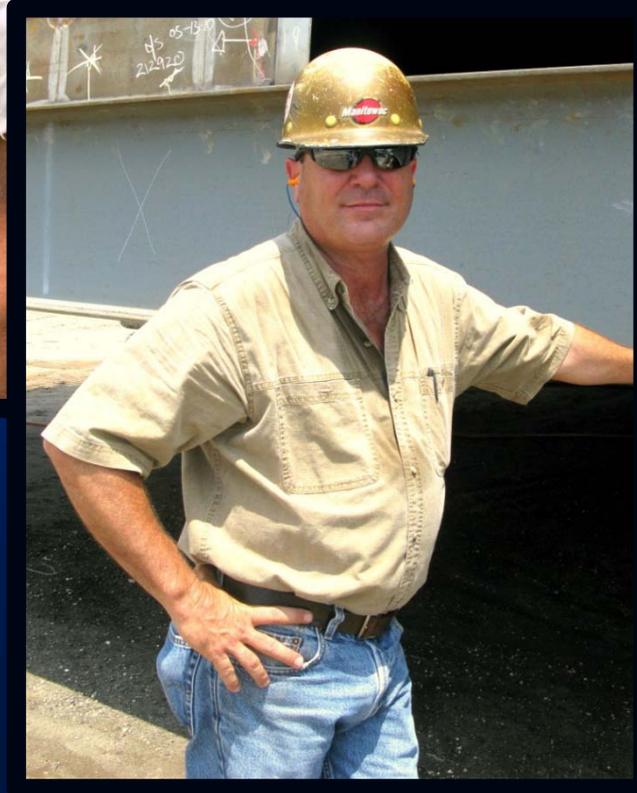
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- Medical Management Plan (in yard first aid)
- Safety Gear 

Employees in Safety Gear



Employees in Safety Gear



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- Safety Gear 
- Monthly Foreman safety sessions
- Twice daily gang box meetings (monitored) 

Craft Participating in the 'Gangbox' Safety Meeting



Craft 'Gangbox' Safety Meetings

- Gangbox safety training meetings are held twice per shift; at the beginning of the shift and following the shift's lunch break
- Meetings are given by craft supervision and overseen by the Safety Department
- In addition to the mandatory OSHA and EPA training (shown on the following slide) these meetings are 'functionally specific' with regards to the work that is to be conducted for that day/night
- At each meeting a review of the current work permit for that operation and function is reviewed to ensure that all safeguards for conducting the work are presented, understood and followed

Craft 'Gangbox' Safety Meeting

- Regulatory Training Outline And Tracking Document -

SIGNAL INTERNATIONAL												
ANNUAL REQUIRED TRAINING												
TRAINING FOCUS	TRAINING CONDUCTED ON											
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
BLOODBORNE PATHOGENS (Hepatitis B vaccination)												
COMPETENT PERSON/EMERGENCY RESCUE												
CONFINED/ENCLOSED SPACE PROCEDURES												
CRANES/SLINGS & WIRE ROPE												
ERGONOMICS												
ELECTRICAL SAFETY & RELATED WORK												
EMERGENCY RESPONSE & EVACUATION / CONTINGENCY PLAN												
EXCAVATION & WORKING IN MANHOLES												
FALL PROTECTION/SAFETY HARNESS/PERSONAL FLOATATION DEVICES												
FIRE PREVENTION/FIRE EQUIPMENT/FIRE WATCH												
FIRST-AID/CPR/MEDICAL RESPONSE												
FUEL GAS / O2 SYSTEMS (WELDING)												
FLAMMABLE AND COMBUSTIBLE LIQUIDS												
FORK-LIFT OPERATION												
GAS CYLINDERS & COMPRESSED AIR												
GROUNDING (Also blasting and painting equipment)												
GUARD-RAILS												
HAZARDOUS COMMUNICATIONS / MSDS / RIGHT-TO-KNOW												
HAZARDOUS WASTE TRAINING (HAZWOPER) / DOT TRAINING												
HEARING CONSERVATION / NOISE EXPOSURE												
HEAT STRESS												
HOUSEKEEPING												
LADDER/SCAFFOLD SAFETY - SCAFFOLD COMPETENT PERSON												
LEAD AND ASBESTOS (IF/WHEN APPLICABLE) / SMOKING CESSATION												
LIFTING TECHNIQUES												
LINE CONTROL												
LOCKOUT/TAGOUT												
LPG FUELING												
MACHINE GUARDING & HAND TOOLS												
MANLIFTS/SCISSORS LIFT												
MATERIAL HANDLING												
MATERIAL SAFETY DATA SHEETS												
OIL DISCHARGE PREVENTION AND RESPONSE												
PHYSICALS FOR BLASTERS/PAINTERS (IF/WHEN APPLICABLE)												
PPE/HEAD*EYE*FOOT*HAND*WORKING APPAREL												
RESPIRATOR FIT TEST / PULMONARY FUNCTION TEST - RESPIRATOR TRAINING												
SAFETY HYGIENE												
SLIPS, TRIPS, FALLS												
STORMWATER POLLUTION PREVENTION TRAINING (SWPPP)												
SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN (SPCC)												
VENTILATION												
WASTE MANAGEMENT												
WELDING/BURNING SAFETY												



Safety Implementation

- Create a safety culture
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- Make commitments and set realistic safety goals
 - Annual
 - Monthly
- Craft monthly safety bonus
- Employee orientation (Safety License) 
- Continual drug testing
- Facility cleanliness 
- Medical Management Plan (in yard first aid)
- Safety Gear 
- Monthly Foreman safety sessions
- Twice daily gang box meetings (monitored) 
- Job Planning Outline / Job Risk Assessment / Work Permit 

Job Risk Assessment / Work Permit



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- Job Planning Outline / Job Risk Assessment / Work Permit 
- Employee monthly Hazard Hunts
- Impact awards (company and customer)
- Employee / family appreciation picnic
- Immediate Investigation of incidents and “near misses”
- Corrective Action

The Result

Signal International Historical Safety Performance 2003 through May 16, 2010



SI OSHA Statistics

52 week average for period: 5. 31. 09 - 5. 30. 10 (Signal Ship Repair not included until there are 12 months of historical data)

Texas Operations	
<u>total recordables</u>	
total recordables	1
man hrs worked	667,675
rec rate	0.30
<u>Loss time</u>	
man hrs worked	667,675
lta	1

Mississippi Operations	
<u>total recordables</u>	
total recordables	1
man hrs worked	856,021
rec rate	0.23
<u>Loss time</u>	
man hrs worked	856,021
lta	1

Signal International - Mississippi/Texas	
total recordables	2
man hrs worked	1,523,695
rec rate	0.26
<u>Loss time</u>	
lta	2
man hrs worked	1,523,695
rec rate	0.26

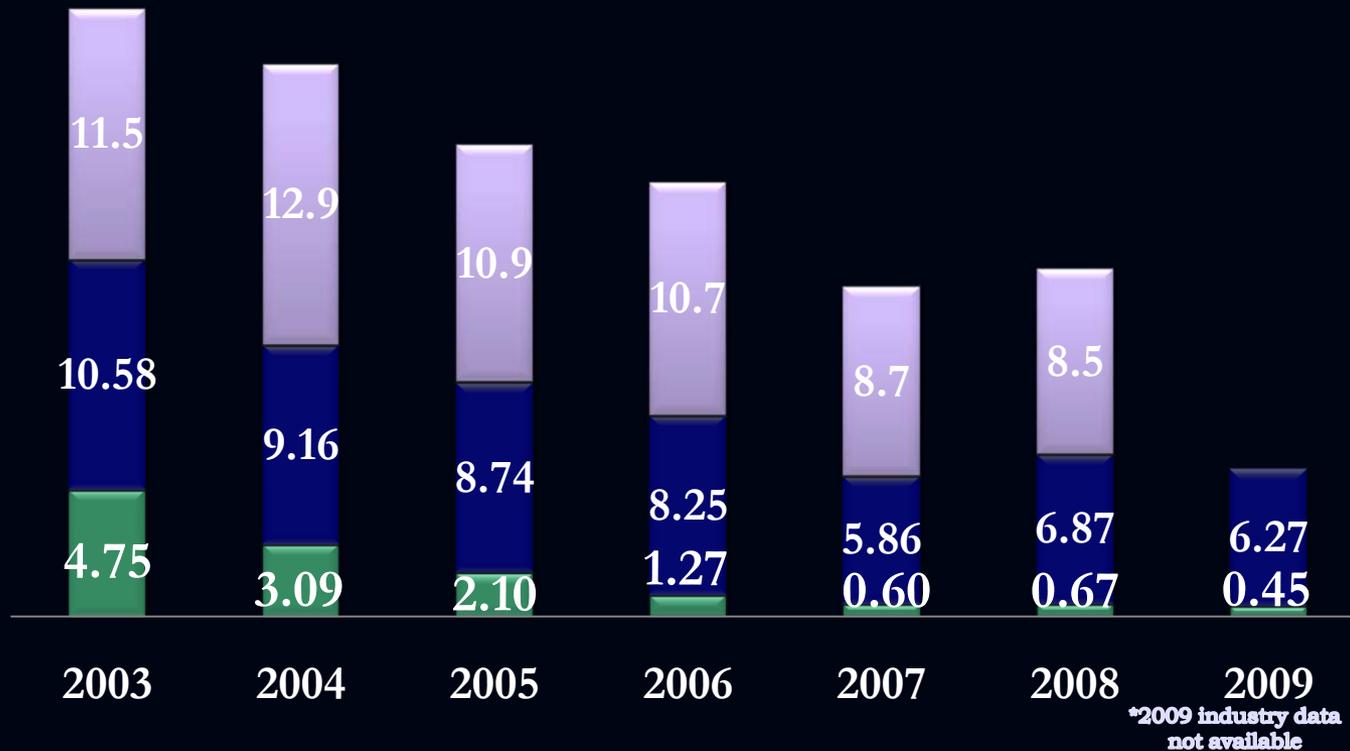
Former Operation vs Signal (OSHA Recordables)

- Under former operations, for the years 1998 through 2002, a five year time-frame, a total of 640 employees were injured and counted as OSHA recordable incidents
- Under current Signal operations, for the years 2003 through current 2010, a seven-plus year time-frame, a total of 197 employees were injured and counted as OSHA recordable incidents
- Calendar year 2009-2010, only 11 employees were injured in recordable incidents
- YTD 2010 only 4 recordable incidents

A Comparative Assessment

Total OSHA Recordable Rate Analysis 2003-2009

■ Signal ■ SCA ■ Industry



Summary

Since the EHS Management process was established throughout all activities, results have been:

- Drastic reduction in number of personnel injuries
- A greater line of communication was established between all crafts
- Production rates went up
- Quality went up – rework went down
- Workers' compensation insurance rates went down
- An increase in employee morale
- On time delivery
- Greater customer satisfaction
- New business opportunities

All factors resulting in increased performance and expectations within the entire organization – this established **'Organizational Excellence'**

Questions -

