



# ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT



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GREAT LAKES DREDGE & DOCK COMPANY, LLC







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## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Great Lakes Dredge & Dock Corporation (GLDD) practices effective environmental, safety, social and governance processes in everything we do. Our business is focused on ensuring that our nation's shorelines are protected and potential risks associated with storms and sea change are mitigated. Our people seek and develop technical innovations so that our work can be completed efficiently and responsibly, and we are committed to executing all projects with robust environmental and safety standards.

Our principal ES&G areas of focus are outlined on the following pages.



Dredge Ohio at Bahrain LNG Trenching Project

# ENVIRONMENTAL

GLDD regards the protection of the environment as a core value. We conduct all work activities so that adverse effects on the environment are avoided or minimized. We comply with all environmental protection requirements and strive to exceed these where possible.

In performing our work, we follow strict environmental standards which include:

- Environmental Monitoring
- Preservation and Restoration of Landscape and Marine Vegetation Damages
- Water Resources
- Air Resources
- Chemical Materials Management and Waste Disposal
- Integrated Pest Management
- Maintenance of Pollution Control Facilities
- Post Construction Cleanup
- Protection of Historical, Archaeological and Cultural Resources
- Protection of Fish and Wildlife Resources
- Endangered Species Protection including qualified Endangered Species Observers onboard vessels 24/7 when working near habitat areas and during seasonal migrations (sea turtles, manatees, right whales, etc.)

Additionally, GLDD is proud to partner with the following organizations for many, if not all, of our environmental efforts:

- United States Army Corps of Engineers (USACE)
- United States Coast Guard (USCG)
- National Marine Fisheries Services (NMFS)
- Environmental Protection Agency (EPA)
- State Departments of Environment

At our Oak Brook office, yard facilities, and project sites, GLDD uses partially recycled paper products for printers/copiers when possible and practical, and provides recycling services for paper, discarded mail, bottles, cans, toner cartridges, and batteries.

GLDD is actively engaged with organizations and initiatives that promote and celebrate natural infrastructure. One of the types of natural infrastructure that is frequently discussed is called beneficial use of dredged material (BUD), that takes the material that we dredge and reuses it rather than simply disposing of the material offshore. Beneficial uses include beach nourishment, wetlands creation, marsh creation, and land reclamation. The definition of beneficial use continues to expand as the practice develops, but while the emphasis may be new, the concept is not since many contractors have been engaged with BUD in many forms over years.



Environmental Monitoring



## ENVIRONMENTAL

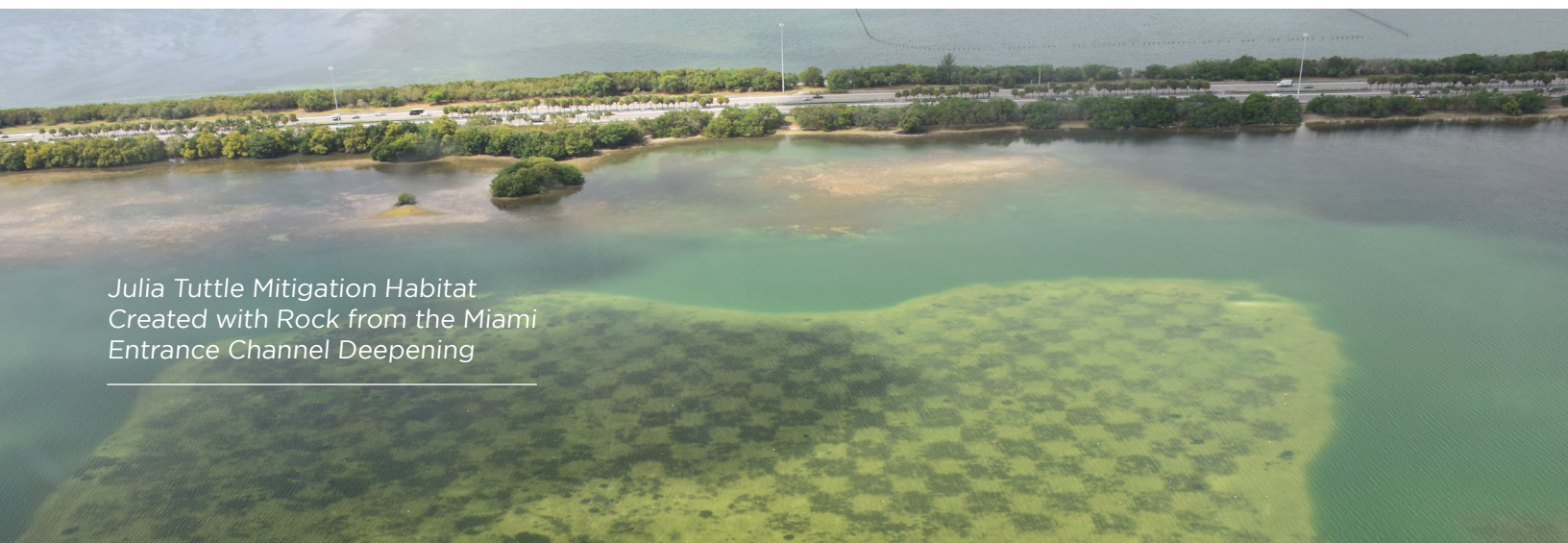


Jamaica Bay Islands  
Long Island, NY  
Wetlands Created Using  
Dredged Material from  
Ambrose Channel Deepening

Some examples of these projects are the Jamaica Bay (NY) wetlands creation program which came out of partnering discussions with the USACE to utilize dredged material to rebuild eroding wetlands; Kings Bay (GA) regional sediment management which takes dredged material which used to go to sea due to costs and rationalizes the costs in combination with a nearby beach project to create beach habitat; and Jesuit Bend mitigation bank which is the first of its kind mitigation bank to create wetlands using material dredged from the Mississippi River. Rock dredged from the deepening of the Miami Entrance Channel was used to create the Julia Tuttle Mitigation Habitat, and one of the biggest BUD success stories is ongoing in the Mississippi River where land is being created every year as part of changes made to the annual maintenance dredging of the lower Mississippi.



Jesuit Bend Mitigation Bank  
Created Using Dredged Material  
from the Mississippi River



Julia Tuttle Mitigation Habitat  
Created with Rock from the Miami  
Entrance Channel Deepening



# ENVIRONMENTAL

GLDD works on many fronts to explore and encourage BUD. While much of the BUD discussion centers on policies to encourage BUD processes, we have found that much of what holds back the growth of the concept is lack of understanding of the technical possibilities. This is the part of the conversation where GLDD's real expertise and capabilities can replace much of the non-technical anecdotal hurdles that have kept BUD from being a more common practice.

GLDD participates at the Board level in national and regional port and coastal groups that include advocacy for BUD as one of their main objectives. National organizations, like American Shore & Beach Preservation Association and Coastal States Organization, as well as regional organizations, such as Coast Builders Coalition in Louisiana, North Carolina Beach and Intracoastal Waterways and Bay Planning Coalition in San Francisco, are all active leaders in these discussions along with many others.

In addition, we are active with the Army Corps of Engineers Natural and Nature Based Feature and Engineering with Nature Initiatives, and serve as a co-chair with Caterpillar on their Natural Infrastructure Initiative. We also are active with international groups that advocate for similar projects. Currently, we are participating with PIANC, a global association for waterborne transport infrastructure, on its working group to study BUD projects around the world.

Academia is also part of our discussion. We are significantly involved with the dredging program at Texas A&M University teaching short courses on dredging and serving on the Board of the Ocean Engineering Advisory Board and the Texas A&M Engineering Experiment Station. We were instrumental in the formation of the Louisiana State University Coastal Resilience Center, and currently serve on the Boards of Monmouth University's Coastal Studies Program, Stevens Institute for Coastal Engineering, University of New Hampshire's Ocean Studies Program, and continue to look for other opportunities to speak on these subjects. In these forums we stress the importance of safety and environmental stewardship to ensure that the next generation of leaders builds upon the work that has been completed to date.

GLDD practices exceed all environmental and safety protocols and we continually research methods to improve processes to better address environmental and other matters, reviewing outcomes and adjusting to be more efficient and effective. We work closely with the USACE, state and federal regulators on environmental matters with the goal of always being the leader in our industry.

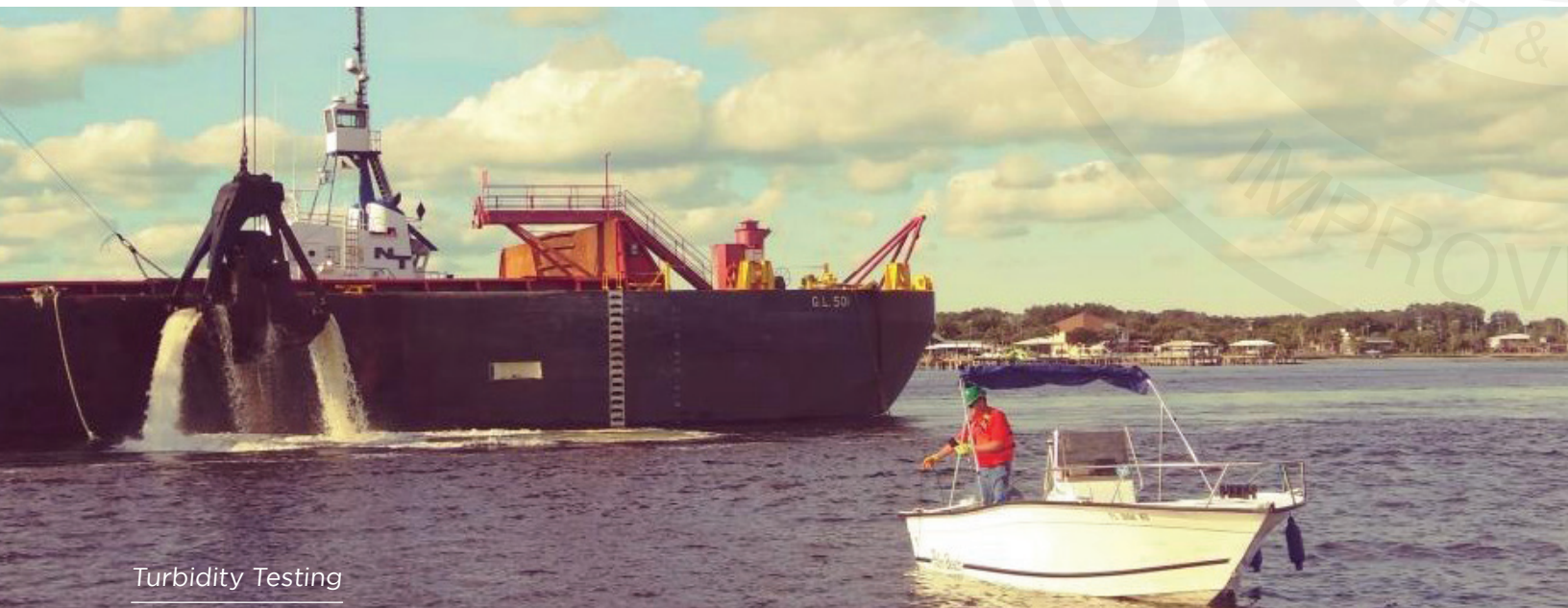
*For more information, click the project links below.*

[JAMAICA BAY MARSH ISLANDS](#)

[KINGS BAY, GEORGIA](#)

[JESUIT BEND](#)

[MISSISSIPPI RIVER](#)



Turbidity Testing





GLDD is committed to providing a safe and healthy working environment for all employees and trade partners. In return, all GLDD employees are committed to Incident and Injury Free™ (IIF) safe work practices both at work and home. Employees will not be asked to perform work that is unsafe and may refuse to perform tasks if they believe that the activity or work environment is unsafe. In addition, GLDD takes every opportunity to advocate for safety in our relations with other organizations. We require our trade partners to participate in the spirit and specifics of IIF when engaged on our projects. We are committed to spreading safety consciousness within our industry and throughout the maritime community, raising the spirit of IIF in meetings and making our safety materials freely available.

Our IIF safety journey has resulted in a dramatic reduction in work related injuries over the past decade and a half, and we are very proud of the lives we have positively impacted. This success has been nurtured through a culture of taking personal responsibility for safety, care, and concern for one another and that makes our work environment one of the safest in the dredging industry. Our lower incident rates clearly reflect how many GLDD employees went home safely because of IIF and the transformation it has fostered in how we operate globally. We have experienced a significant reduction in injuries with our Total Recordable Incident Rate (TRIR) decreasing by 89% over the last 13 years. The safety tools that reinforce GLDD project sites today include:

- IIF Kickoff Meeting
- Safety Without Compromise (“SWC”) onboarding training which outlines expectations of new and front-line employees relative to their personal safety and that of their coworkers. Additionally, SWC supplements other training and is intended to create a “spark” among participants to ensure full, on-the-job compliance with safety requirements.
- IIF Operations Orientation
- Emergency Preparedness Plans - Hurricane/tropical storm protection plans for employees, environment, and equipment
- Stop-Work Authority
- Job Safety Analysis
- Company-wide Good Catch, Near Miss, and Incident Broadcasts
- Support from Site Safety & Health Officers (SSHO)
- Systems-Focused Incident Response
- Save A Life Today The S.A.L.T. Book

### *Awards & Recognition*

- 2019 Environmental Stewardship Award  
*Maritime Association of South Carolina*
- Dredge Ohio - Safety Milestone  
*3000 Days without a Lost Time Incident (as of Fall 2018)*
- 2017/2018 US Longshore & Harbor Company of the Year  
*Safety Excellence Award*  
*Signal Mutual*
- 2014/2015 Safety Leader Award  
*Signal Mutual*
- 2013 Excellence In Safety Leadership and Performance  
*Mosaic Mine*
- 2009 Annual Safety Award  
*Western Dredging Association (WEDA)*
- 2005/2006 Safety Leader Award  
*Signal Mutual*



Dredge Ohio's Safety Milestone



GLDD's David Johanson, left, accepts the 2019 Environmental Stewardship Award from Jonathan Archer, VP & General Manager at Moran Charleston and past President of the Maritime Association of South Carolina.



## SOCIAL *Labor & Human Rights*

All members of the GLDD team deserve to work in a fair and ethical workplace, and must be treated with dignity and respect. Additionally, GLDD has a productive relationship with all representatives of employees (where unions exist).

GLDD operates internationally, most notably in the Middle East, and have instituted processes to ensure that all employees and temporary workers are treated in compliance with our guidelines as well as all local and international laws.

- GLDD works in cooperation with a reputable employment agency in the Philippines, Pacific Seaman Services Inc., to staff our fleet in the Middle East. GLDD is committed to ensuring that all employment contracts entered into are compliant with the conditions set forth by the Philippine Overseas Employment Administration (POEA), the agency that supervises all overseas employment for Philippine nationals. In accordance with the guidelines from POEA, GLDD provides all workers with a contract outlining terms (rates of pay, hours of work, vacation, payment of wages), as well as:
- Provides a seaworthy ship and takes all reasonable precautions to prevent accident and injury to the crew
- Provides a workplace conducive for the promotion and protection of the health of the seafarers in accordance with the ILO Maritime Labor Convention
- Observes a Code of Ethics for Seafarers
- Extends coverage to the seafarers under the Philippine Social Security System, Philippine Health Insurance Corporation, Employees' Compensation Commission and Home Development Mutual Fund (unless otherwise provided in multilateral agreements entered into by the Philippine government with other countries)
- Complies with all requirements of the POEA.

In addition, GLDD goes beyond the requirements of the POEA by:

- Rewarding seafarers for safe practices at work
- Providing company sponsored annual Safety Week where all seafarers are invited to participate in activities including a basketball tournament, safety trainings, health checkups, and more
- Distributing weekly questionnaires to all seafarers which provide a safe forum to anonymously report any malfeasances or concerns directly to senior management
- Providing a program called "Adopt a Dredge," whereby each member of GLDD's management team 'adopts' a vessel and visits the vessel monthly to address any seafarer concerns.





## SOCIAL *Labor & Human Rights*

### *Anti-Discrimination*

GLDD prohibits any type of discrimination against any worker based upon race, color, gender, sexual orientation, gender identity, religion, national origin, age, veteran status, disability, genetic information or other characteristic protected by law; and deals with customers and prospective customers on a non-discriminatory basis. All new hires are trained on key policies including anti-discrimination and anti-harassment, and managers receive updated training on these critical topics annually. GLDD has a confidential hotline for employees to report any issues and prohibits retaliation against anyone who reports a potential violation.

### *Anti-Harassment and Abuse*

GLDD is committed to maintaining a workplace in which individuals are treated with respect and dignity. Each individual has the right to work in an environment which promotes equal employment opportunities and is free of unlawful discrimination in any form, including harassment based upon sex, sexual orientation, gender identity, race, national origin, religion, disability, age, veteran status and any other protected characteristic. GLDD is committed to a workplace free of harassment and abuse.

### *Grievance Systems*

GLDD has an open door policy where employees may report any issue or concern to their manager, next level of supervision, or Human Resources. In addition, the Company has a confidential Compliance Line available to team members who may report any violations of this or other GLDD policies.



## SOCIAL *Employee Well-Being*

GLDD provides team members with wages and benefits that are competitive with the market including as well as programs to assist with planning for the future (retirement). Team members have access to an Employee Assistance Program to assist with personal or professional issues that may arise, and we routinely communicate with team members on topics related to wellness (rest, diet, exercise, work-life balance) and mental health issues (depression, anxiety, stress, suicide prevention). GLDD provides training in both technical and managerial skills to all team members, and offers tuition reimbursement opportunities for those who elect to pursue continued education. All employee information is kept safe and confidential.

## SOCIAL *Community Engagement*

GLDD supports the communities where we work and where we call home. Examples of community outreach and charitable support include the following:

### 2015

T-shirt Sale for Typhoon Relief - Philippines Red Cross  
Making Strides Against Breast Cancer - American Cancer Society  
Toy Drive - Chicagoland Toys for Tots

### 2016

Service Day - Chicago Cares Serve-A-Thon  
LifeSource (now Vitalant) - Blood Drive  
Clothing Collection - Deborah's Place Women's Shelter Services  
Golf Outing Fundraiser - St. Jude's Children's Hospital  
Golf Outing Fundraiser - American Society of Civil Engineer's Scholarship Fund

### 2017

Food Drive - Elmhurst Yorkfield Food Pantry  
Food Drive - Greater Chicago Food Depository  
LifeSource (now Vitalant) - Blood Drive  
Golf Outing Fundraiser - St. Jude's Children's Hospital  
Golf Outing Fundraiser - American Society of Civil Engineer's Scholarship Fund  
Holiday Gift Donations *Christmas with the Crews* - California Fire Victim Relief  
Golf Outing Fundraiser - Recreation Unlimited Camps & Scholarships

### 2018

New Equipment Funding - Georgia Sea Turtle Center  
Toy Collection - Officer Mike Smith Toy Drive  
LifeSource (now Vitalant) - Blood Drive  
Gift Donations - Daybreak Center *Adopt a Family at the Holidays*  
Winter Clothing / Personal Care Items Collection - Chicago Night Ministry  
Golf Outing Fundraiser - St. Jude's Children's Hospital

### *Continual Awareness via Social Media Campaigns and Internal Messaging*

- Prostate Cancer Movember Foundation
- Breast Cancer American Cancer Society



Blood Drive



Movember Men's Health Awareness



Georgia Sea Turtle Center



Making Strides Against Breast Cancer Walk



# GOVERNANCE

GLDD has vigorous processes in place to ensure that all activities are carried out in a manner that complies with all legal requirements and corporate governance best practices. GLDD's Board of Directors is an independent body led by an independent Chairman. All Chairpersons of Committees as well as the majority of the Board are independent and no employees serve on any key Board Committees including Audit, Compensation, and Nominating and Corporate Governance. All of the members of the Audit Committee have been deemed financial experts. The Board is comprised of distinguished professionals with expertise in corporate governance, audit, executive compensation, dredging and infrastructure, government contracting, and general management.

The following are examples of policies and processes employed by GLDD to ensure effective governance practices are adhered to.

## *Code of Conduct*

GLDD is committed to and believes that conducting our business with a strong sense of ethics, honesty, and integrity is critical to maintaining trust and credibility with customers, suppliers, employees, communities, owners, and other business partners. Every GLDD employee plays a crucial role in continuing this long-standing tradition. It is GLDD's policy to comply with all applicable laws everywhere we do business. All new hires are trained on our key policies including anti-discrimination and anti-harassment and managers receive updated training on these critical topics annually. The Company has a confidential hotline for employees to report any issues and prohibits retaliation against anyone who reports a potential violation.

## *Enterprise Risk Management*

GLDD conducts an annual review of major risks to the company to ensure that appropriate mitigation plans are in place to reduce impact to the company. Our ERM process includes the following:

- Conduct both "top-down" and "bottoms-up" look at risks to develop the risk register
- Rank the likelihood and impact of risks including using safety and level of business disruption, in addition to dollars, for the impact ratings
- Rate the risks on a "where we are now" basis so the discussion of inherent risks vs. residual risks from the process was unnecessary
- Assess a series of new or emerging risks for inclusion in the risk register
- Prioritize risks and assign critical issues to an executive owner to oversee actions to address and reduce or eliminate the risk

At least annually, the ERM is reviewed with GLDD's Audit Committee to ensure that they understand both the risks and the mitigation plans in place.

## *Executive Compensation*

GLDD's executive compensation program is designed to drive performance against the company's short-term and long-term goals while appropriately balancing risk. The Compensation Committee works with an independent consultant to review the compensation program and determine its competitiveness within the market. Overall, our compensation and general employment practices reflect best practices which include:

- ✓ Regular risk assessment of compensation programs
- ✓ All senior executives have stock retention requirements
- ✓ Annual incentive compensation and long-term compensation are based on different performance metrics
- ✓ The majority of executive compensation is variable and linked to achieving financial and strategic goals and to the Company's stock price performance over time
- ✓ No tax gross-ups for excess parachute payments
- ✓ A clawback policy
- ✓ Senior executives are discouraged from hedging or pledging Company securities
- ✓ Double trigger cash severance and long-term incentive provisions in the event of a change in control



Dredge Carolina - Charleston Deepening Project



GREAT LAKES DREDGE & DOCK COMPANY, LLC  
2122 YORK ROAD  
OAK BROOK, ILLINOIS 60523  
630.574.3000

[WWW.GLDD.COM](http://WWW.GLDD.COM)