



GREAT LAKES DREDGE & DOCK COMPANY, LLC



ENVIRONMENTAL SOCIAL & GOVERNANCE REPORT 2019



Cover photo: Clamshell Dredges No. 55, No. 54, and No. 53, and backhoe Dredge New York perform deepening work in Jacksonville, Florida.

Photo this page: Cutter Suction Dredge Texas excavating rock to deepen the Charleston Entrance Channel (South Carolina), then pumping the material through Spider Barge #175 and into barges for disposal.

ENVIRONMENTAL SOCIAL & GOVERNANCE REPORT 2019

Great Lakes Dredge & Dock Company, LLC (GLDD) practices effective environmental, safety, social, and governance processes in everything we do. Our business is focused on ensuring that our nation's waterways are open, our 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 our ambition is to leave the areas that we touch in a better state as a result of the work that we perform. To support this philosophy, we continue to build relationships with all stakeholders, including non-government organizations and conservation groups, to focus on the protection of our marine environment. Our principal ESG areas of focus are outlined on the following pages.

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A MESSAGE FROM THE CEO

Great Lakes Dredge & Dock Company, LLC (GLDD) first introduced our formal Environmental, Social and Governance Report in 2018 and we have continued to build on the 2018 initiatives throughout 2019. In our initial report, we presented a number of crucial areas on which we focus. Those areas remain the same today and we look forward to building on them even more in 2020 and beyond.

As a Company, GLDD is committed to ensuring that all projects are executed safely and in accordance with established environmental standards. We strive to perform our projects in ways that leave the areas where we work in a better state. Our goal is to ensure that all tasks we perform are completed efficiently and responsibly, and that they assist in the protection of the marine environment.

We have enhanced our report to include some specific metrics that are critical to the Company, and we will continue to build on these metrics throughout the coming years. We are devoted to improving our positive impact in the field, and remain appreciative and supportive of our committed team members who make it possible for us to do so.

GLDD believes that our focus on ESG matters is one of our most valuable priorities within the organization, and we are dedicated to the delivery of improvements in vital areas supporting our environment each year.

Regards,

Lasse Petterson
Chief Executive Officer





Photo: The Dredge Carolina mobilizes to the Corpus Christi Entrance Channel.

ENVIRONMENTAL

Environmental Protection A Core Value at GLDD

Over the last several years, GLDD has increased our emphasis on our core value of protecting the environment. In developing project plans, we focus on work activities that have the potential to positively impact the environment. We comply with all environmental protection requirements and continue to identify methods to enhance these areas where possible.

During 2019/2020, we focused on specific environmental standards while also identifying a number of other key areas that will minimize environmental impacts throughout the organization. The following provides expanded detail regarding these environmental focus areas.

Environmental Standards

In performing our work, GLDD follows 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 Environmental Agencies
- National Oceanic and Atmospheric Administration (NOAA)

Fleet Improvements

GLDD is continuously engaged in fleet expansion and upgrade initiatives that improve our fuel efficiency and reduce our emissions of greenhouse gases and other pollutants. Multiple engines throughout the fleet have been repowered to modern, more efficient and cleaner burning engines. In addition, many dredge pumps have been replaced with newer more efficient designs that help conserve fuel and thus reduce emissions.

The newest vessel in the fleet, the ATB Ellis Island/Tug Mackie, was designed with a hybrid system utilizing unused power from the Mackie propulsion system to electrically power some Ellis dredge functions for increased efficiency. This vessel's engines are also capable of using LNG fuels.

Many other initiatives, including the use of Environmentally Acceptable Lubricants (EALs) and LED lighting for example, all contribute to GLDD's efforts towards being environmentally responsible.

Our newest hopper dredge will be our most environmentally friendly dredge to date combining all the above-mentioned improvements including EPA Tier IV rated engines.

GLDD's fleet engineering team is also researching the use of clean burning LNG fuels for future vessel investments. These fuels provide significantly reduced emissions and cost savings.

Recycling Practices

At our Oak Brook Corporate Headquarters, 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 received the **2019 Environmental Stewardship Award** from Jonathan Archer, VP & General Manager at Moran Charleston and past President of the Maritime Association of South Carolina.



Beneficial Use of Dredged Material (BUD)

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), a process that takes the material we dredge and reuses it for beach nourishment, wetlands creation, marsh creation, or land reclamation rather than simply disposing of the material offshore.

BUD projects that GLDD undertook in 2019 include: Virginia Beach renourishment which entailed material being taken from the Thimble Shoals channel, in effect



Virginia Beach Renourishment Project



Dredge Terrapin Island performing work at the Galveston Shipping Channel.

performing advance maintenance on the channel; several projects in New York and New Jersey to clear inlets of sand for vessel traffic using the sand to provide coastal protection; and the Houston/Galveston ship channel maintenance, which used sandy materials from a portion of the project to nourish Galveston Beach.

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 expertise and capabilities can replace much of the non-technical anecdotal hurdles that have kept BUD from being a more common practice.

Partnerships

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, GLDD is active with USACE's Natural and Nature Based Feature and Engineering with Nature Initiatives. We are a charter member and serve as co-chair with Caterpillar on their Natural Infrastructure Initiative, and are active with international groups that advocate for similar projects. Currently we are participating with The World Association for Waterborne Transport Infrastructure (PIANC) in its working group to study BUD projects around the world.

Academia is also part of our outreach. GLDD is significantly involved with the dredging program at Texas A&M University, teaching in the annual Dredging Short Course, 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, and University of New Hampshire's Ocean Studies Program. 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 continually researches methods to improve environmental and safety processes. All GLDD project sites monitor, track and prepare for environmental impacts that might occur in the areas where we work, and we remain determined to improve results. We work closely with the USACE, state and federal regulators on environmental matters with the goal of always being the leader in our industry.

LOGGERHEAD SEA TURTLE FACTS

- Generally have a shell that is about three feet long
- Have been on earth for 110 million years
- Only one in 1,000 baby sea turtles will live to adulthood
- Have a life expectancy of about 47-67 years
- Are on the international endangered species list
- Enjoy an omnivore diet, but mostly jellyfish, molluscs, and crustaceans



Sea Turtle Conservation Measures

GLDD contracts with environmental consulting organizations for **turtle relocation trawling** efforts on hopper dredging projects where there is risk of sea turtle interactions. Turtle relocation trawling has been successfully utilized in the Atlantic Ocean and Gulf of Mexico to temporarily relocate Kemp's Ridley, loggerhead, leatherback, and green sea turtles from navigation channels and borrow areas where dredging operations are being conducted.

Relocation trawling protocols that were developed by the USACE, NOAA, and NMFS provide guidance for conducting this type of operation. The methods, equipment and biologist certifications are standardized for specific regions of operation. The relocation trawling begins at a predetermined time prior to commencement of dredging and continues through the duration of the dredging operation. During trawling operations, environmental conditions such as weather, air temperature, wind velocity and direction, sea state-wave height, precipitation, tidal stages and water temperature are recorded and input into a database for future analysis in researching sea turtle behaviors.

Captured turtles are handled by a NMFS-certified biologist in a manner to ensure their safety during the relocation process. Turtles are identified, photographed, measured, epibionts (organism that lives on the surface of another living organism) present are recorded, and each turtle is tagged. A biopsy sample is collected for genetic analysis. This data is uploaded to a national database for future research. After the research data is collected, turtles are relocated at a specified minimum distance from the dredge work area in a direction that provides the least likelihood of recapture.

GLDD continues to work with USACE, NMFS, and US Fish & Wildlife Services and private NGOs to investigate and implement ways to protect turtles while performing critical infrastructure projects and creating nesting habitats.

GLDD takes great pride in partnering with local conservation efforts. In early 2020, a partnership was established with the Loggerhead Marinelifelife Center (LMC) to support endangered sea turtles. A critical part of beach renourishment is a responsibility to environmental stewardship, including extensive efforts made to protect local wildlife. Before work began on our renourishment project at Jupiter Beach, Florida, GLDD worked closely with the LMC to ensure there were no sea turtle nests in the area.

Following successful completion of the project, GLDD continued its commitment to Jupiter Beach's endangered sea turtles and LMC by funding a satellite tracking device.

ENVIRONMENTAL



Some of the projects that GLDD performs may require the opportunity to relocate turtles to reduce their risks. The requirement and need to relocate turtles will be based on project specifications from our clients and local, state, and federal agencies

Depending on work schedule, we may see an influx of turtle relocations. For example, GLDD performed a major project in 2018 that required additional turtle relocations due to the project's large size, scope, and duration.



ABOVE: A check is presented to Justin Perrault, PhD, Director of Research at the Loggerhead Marinelifelife Center (r).

ENVIRONMENTAL

Other sea turtle conservation measures include GLDD's contracting of full-time **Endangered Species Observer (ESO) consultants** to be on board hopper dredges to provide visual monitoring during dredge operations. The ESO is tasked with making observations of the dredge work area for certain species activity (sea turtles, right whales, sturgeon, etc.), monitoring the dredging process, and reporting of dredge interactions with species.

Additionally, GLDD's hopper dredges are installed with **Turtle Exclusion Devices (TEDs)** which are utilized during operations. The TEDs are designed to prevent sea turtle entrapment in the dredge gear.

Recently, GLDD has also tested the use of **turtle "tickler" chains** as an additional measure to avoid sea turtle interactions with hopper dredge operations. They have not been regularly implemented in the US dredging industry, and are being studied by a joint USACE/industry working group of which GLDD is a member. The chains drag along the seafloor forward of the dredge gear, encouraging movement of sea turtles and other marine life away from the hazard.

GLDD has also implemented **testing of LED lights as a means to avoid sea turtle interactions**. Sea turtles are able to see the UV spectrum, though a limited spectral range that varies with turtle species and age. Experiments in the fishing industry have found that green lights in particular have the potential to reduce bycatch up to 60%. GLDD is testing use of LED lights to illuminate the area around the dredge gear, which would otherwise be dark and inconspicuous to sea turtles.

GLDD added the new mitigation measures of turtle tickler chains and LED lights to the dredge *Ellis Island* (right) for the Corpus Christi Entrance Channel Deepening Project.



Spill Prevention

Prevention of oil spills is paramount to GLDD's commitment to protect the environment. Prevention of any type of spill has as much to do with operational procedures as it does with modern technology and equipment. We are committed to following appropriate protocols, as well as the necessary maintenance procedures that ensure the safe operation of equipment, aiding in our goal to prevent spills from occurring.

Along with spill prevention through process safety, we continue to investigate and adopt the use of **Environmental Acceptable Lubricants (EAL)** on our vessels. EALs are biodegradable lubricants with minimal environmental impact. Should they become discharged involuntarily into the sea or in nature in general, they are not harmful to the marine environment. Currently, GLDD uses Biogrease™ HDS2, Panolin® 46, Mobile™ AW 32, and Neptune® AW 46, and we are in the process of considering EAL products for our water touching applications, trunnions and spuds.

Ensuring process safety minimizes the risk of a spill and protects the health and safety of people and our environment.

65%
SPILL
PREVENTION
IMPROVEMENT
from 2018 - 2019*



***2018 = 974.5 gallons**
2019 = 337.3 gallons

Climate Change Risks and Opportunities

As a maritime company, GLDD is on the front lines of observation of the effects of climate change. Rising sea levels associated with global warming, an increase in seawater surface temperature, and other related weather events such as changes in seasonal precipitation, severe storms, and floods present both opportunities and challenges to the industry.

Risks to GLDD and the dredging industry include changes to waterway and coastal project conditions, changes to the types of dredging tools and methodologies needed to complete projects, and increases in severe weather delays.

GLDD has engaged in numerous channel maintenance and deepening projects and beach renourishment projects necessitated by the effects of climate change, and will continue to analyze our fleet capabilities to ensure that we are positioned to respond to increased dredging demands created from rising sea levels and the need for coastal defense systems.

In addition, coral reefs, one of the world's most biodiverse ecosystems, are significantly threatened by the effects of climate change. GLDD is proud to initially contribute to the Florida Aquarium's coral conservation and restoration program.



GLDD's CEO, Lasse Petterson (l), and Roger Germann (r), President and CEO of The Florida Aquarium.

Coral Conservation

In late 2019, GLDD invested in [The Florida Aquarium's](#) coral conservation and restoration work by providing a two-year contribution for use by the Aquarium's world-renowned coral scientists.

"Conservation efforts rely on research and development to be successful," Roger Germann, President and CEO of The Florida Aquarium remarked. "The level of R&D we are engaged in to save the Florida Reef Tract has significant financial impact to our organization. The benefit from GLDD's investment in our research means we can do more to save corals from extinction."

Since 2014, The Florida Aquarium has positioned their research and resources to protect and restore Florida's threatened coral population. Five years into the program, the Aquarium's coral experts led the largest outplanting of genetically diverse Caribbean staghorn coral in Florida's history. Then in August of 2019, The Florida Aquarium became the first to spawn endangered Atlantic pillar coral through lab-induced techniques. These historic events could ultimately help save corals in the Florida Reef Tract from extinction.

The Florida Aquarium employs several coral scientists who focus on ex-situ coral brood-stock holding (parent corals that are used for culturing more corals), spawning (both lab-induced and in the greenhouses), and for grow-out (rearing) of the cultured corals until they are ready to be replanted in the ocean for restoration purposes. GLDD, by providing an initial two-year contribution, will help fund the scientists and associated operating expenses.



Above: Crew of the Dredge Ellis Island and Tug Douglas B. Mackie

Overview

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.

GLDD has 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 (see next page for more about SWC)
- 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 (S.A.L.T.) Safety Training Manual

Awards & Recognition

- 2019 Environmental Stewardship Award
Maritime Association of South Carolina
- Dredge Ohio - Safety Milestone 3000 Days without a Lost Time Incident (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
- 2005/2006 Safety Leader Award - Signal Mutual



Dredge Ohio's Safety Milestone



Above: A class of new Site Engineers attend safety and dredge engineering training.

Safety Without Compromise

Safety Without Compromise (SWC) elevates GLDD's safety culture from basic technical safety associated with job-specific duties. SWC models and articulates GLDD's safety culture in ways that make clear what is expected of new and front-line employees on the job relative to their personal safety and that of their coworkers'—**every day**. SWC confirms employees' commitment to GLDD safety culture and willingness to work toward Company safety-goal achievement.

SWC works alongside our Incident & Injury Free® (IIF®) Operations Orientation, on-the-job training and mentoring, Life-Saving Absolutes, and S.A.L.T. compliance, as well as required classroom and/or Learning Management System training. **SWC elevates GLDD employees' safety awareness to the highest level possible** which enables employees to take immediate ownership of personal safety and awareness for others' safety.

SWC builds knowledge, skill, and ability around GLDD-specific safety values. Further, course activities result in consistent, ongoing communication with peers, supervisors, vendors/contractors, visitors, and/or civilians to express safety concerns, policies and procedures, and best practices.

National Construction Safety Week

Safety Week was started in 2014 when more than 40 national and global construction firms comprising the **Construction Industry Safety Initiative** and the **Incident and Injury Free® (IIF®) CEO Forum** joined forces with a single aim: **to inspire everyone in the industry to be leaders in safety.**

Each year, GLDD partners with other companies in our industry to kick off Safety Week with a unified message and commitment to preventing injuries. GLDD continues to focus on the original goals of:

- Thanking our team members for supporting safety and recognizing their efforts to be Incident and Injury Free® (IIF®)
- Increasing awareness of the importance of being committed to safety, every day
- Encouraging everyone to share best practices and to work together to strengthen the industry's safety culture
- Conduct on-site safety awareness activities to support education



GLDD's Chief Operating Officer, David E. Simonelli (far right) joins the Nags Head crew during Safety Week 2019.

Safety Management System

Our Safety Management System (SMS) is a continuous improvement process that reduces hazards and prevents incidents. It's a valued resource for the health and safety of our team members and is integrated into everyday processes throughout our organization. The adoption of an SMS framework and thoughtful implementation of the various facets has had significant impact on educating our team members and enhancing our performance around safe operations. **Our SMS is a living document which allows ongoing reduction of risk with the goal of an Incident & Injury Free® (IIF®) workplace.**

Industry Engagement

At GLDD we have a saying that, "Safety is not proprietary." In this spirit, we are active in promoting safety in many different forums. As noted earlier in this section, we are part of the **Construction Industry Safety Initiative** and the **Incident & Injury Free® (IIF®) CEO Forum**. Additionally, we are active participants in the **Council for Dredging and Marine Construction Safety**, an organization of which we are founding members; we introduce safety to those new to the dredging industry at the annual **Texas A&M University's Dredging Short Course**; and our leadership has been, and continues to be, instrumental in raising the level of the safety conversations with the **Western Dredging Association**.



GLDD has experienced a significant reduction in injuries with our Total Recordable Incident Rate (TRIR) decreasing by 89% over the last 13 years.

TRIR

2019 – 0.58
 2018 – 0.93
 2017 – 1.27

LTIR

2019 – 0.14
 2018 – 0.36
 2017 – 0.24

**Positive Project Management
Enhancing Safety, Efficiency, Professionalism, and Job Satisfaction**

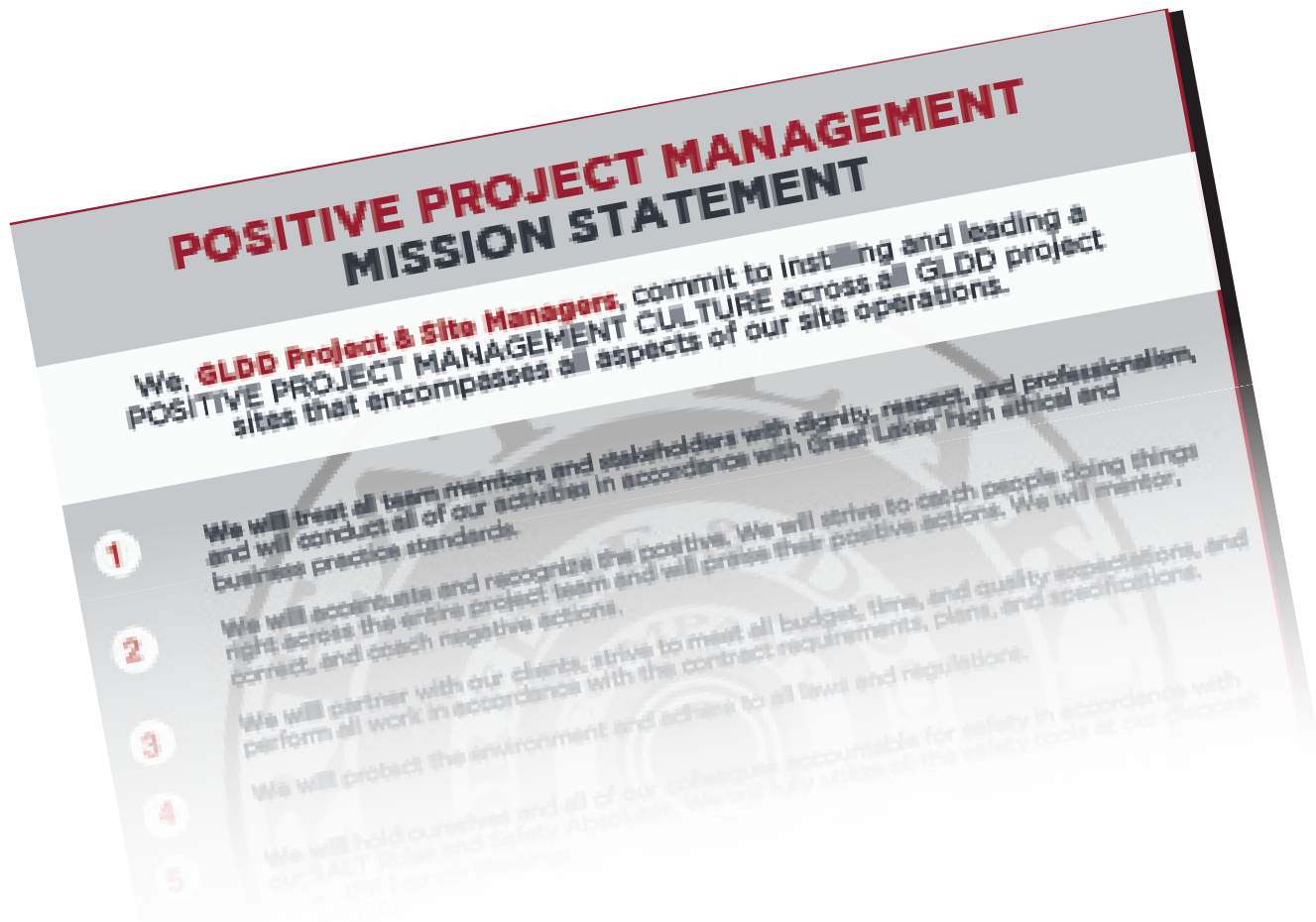
One of our key Safety Goals for 2019 was to develop and implement a Positive Project Management model across all of Great Lakes' project sites, and in September 2019, we delivered on that goal. Our Project and Site Managers developed this model with input from site personnel, including a series of staff surveys conducted in 2018.

As part of the model, our Project and Site Managers, with the full support of our executive leadership team, commit to:

- Accentuate and recognize positive performance;
- Consistently communicate and collaborate with site staff;
- Maintain strong personal engagement with our crews; and
- Provide for consistent and reasonable work schedules that minimize excessive work hours.

In support of this, corporate management has committed to: respecting site work load; following the chain of command on site; and communicating the priority of requests so that our site staff do not work late hours on non-critical tasks, allowing for personal and wellness time. Additionally, the program includes implementation of an enriched performance management program to improve coaching, performance feedback, and recognition.

The Positive Project Management model will continue to be a key safety focus area and we will make improvements by way of regularly requested feedback, end of job questionnaires, and suggestions from project staff.



Man Overboard Prevention

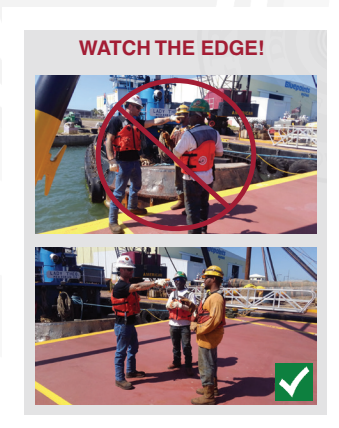
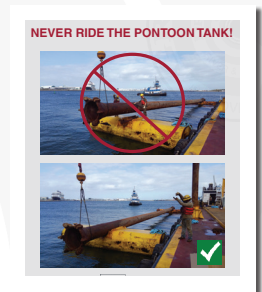
Great Lakes has stepped up in recent years to tackle Man Overboard (MOB) incidents within the Company and the industry as a whole. MOB incidents are one of the more serious incidents within our operations – when a team member goes into the water it can quickly become a fatal event.

In 2016, GLDD developed a MOB Work Group which drives the effort behind preventing and eliminating all MOB incidents. We now see evidence of the group's work on a daily basis upon boarding any GLDD vessel. Specially designed boarding platforms have been implemented and our Vessel Boarding Procedures are posted at every project. To date, the MOB Work Group has provided:

- MOB prevention posters which are aimed at breaking old habits and constantly reminding crews of safe choices to make when around the water.
- A commitment to a new pontoon tank design that will require the tank to have a flat top.
- The MOB Work Group has developed nine Job Safety Analysis templates to assist in planning tasks that have the potential for a team member being involved in a MOB incident.

As we continue to reduce the number of MOB incidents, our next step is system safety improvements. This is a systematic and comprehensive approach to design and installation of our safety systems to ensure that relevant safety requirements are met. We will look at how we install our pipeline, the floating equipment used to work on pipeline, and ways to remove our team members from the hazards of working over and on the water.

MAN OVERBOARD PREVENTION



SOCIAL | labor & human rights



The crew of the Dredge 58.

All members of the GLDD team deserve to work in a fair and ethical workplace, and must be treated with dignity and respect.

GLDD operates internationally, most notably in the Middle East, and has 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 Filipino nationals. GLDD provides all workers with competitive terms for all team members.

GLDD goes beyond the requirements of the POEA by expecting and encouraging full participation in our Incident and Injury Free® (IIF®) safety culture, resulting in our international teams often being top performers on our safety goals.



During 2019, the Company reviewed all key policies and identified several to introduce to potential partners and employees. Our goal is to ensure that vendors, partners and employees have a solid understanding of key policies and our expectations for anyone partnering with the Company. The following are some of our key policies and guidelines:

Employee Welfare and Human Rights

In 2019 the Company reviewed key policies related to Employee Welfare and Human Rights. During our analysis we determined a few key areas that needed to be introduced which were incorporated in the Company's new policy in late 2019. This document is supplemental to other core policies. The Company introduced a detailed outline for all team members summarizing key focus areas and priorities. In particular, GLDD cares about its team members and understands that everyone wishes to work in a fair and ethical workplace. The Company is committed to treating all team members, partners and stakeholders with dignity and respect. We emphasize the importance of everyone respecting co-workers and human rights.

[Great Lakes Dredge & Dock Company's Employee Welfare & Human Rights Policy](#)

Supplier Code of Conduct

We introduced an updated policy related to our Supplier Code of Conduct outlining our expectations of all vendors and partners. We established priorities that are consistent with key GLDD policies including a focus on Environmental, Health and Safety, Labor and Human Rights, Ethical Behavior, and Compliance with Laws. Collectively, we expect our suppliers to partner with us and be committed to proper business ethics, safety and integrity in the workplace and complying with the intent of these policy statements.

[Great Lakes Dredge & Dock Company's Supplier Code of Conduct](#)



The crew of the Dredge Carolina.

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, Compliance, 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.

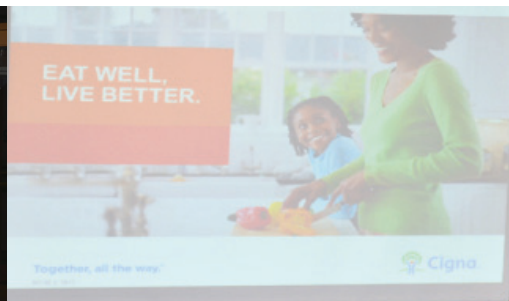
SOCIAL | employee well-being

GLDD provides team members with wages and benefits that are competitive with the market including 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 and offers tuition reimbursement opportunities for those who elect to pursue continued education. All employee information is kept safe and confidential.

Stretch & Flex at GLDD's Oak Brook Office - Safety Week 2019.



Wellness presentations prepare GLDD staff with tools and resources to support a healthy lifestyle.



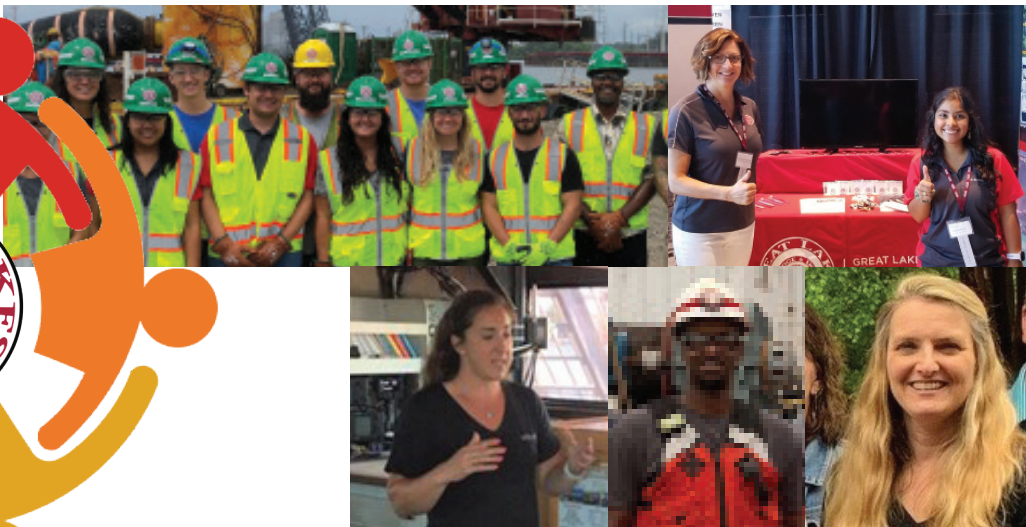
GLDD crew members from the tug *Brangus* listen intently during First Aid/CPR course instruction - Safety Week 2019.



Healthy eating during Safety Week 2019 wrap up lunch.

GLDD continues to be focused on recruiting, retaining and developing all staff. We support the participation of and identify opportunities for all employees, and are committed to increasing the participation of females and minorities in key roles. GLDD's Board of Directors recently added an additional professional female, and the Company's executive team and senior leadership continue to demonstrate strong female representation.

Our team includes highly skilled females and minorities throughout our Company and we have exceeded the 2019 Bureau of Labor Statistics demographics for representation of both of these categories.* During calendar year 2019, the Company continued to recruit both females and diverse candidates into key roles including 33% of salaried positions filled by females and 23% filled by minorities. Our operations hourly hires included 8% female and 35% minorities. Additionally, 6% of our total employees are veterans. GLDD remains steadfast with our focus to enhance representation and development of key talent including greater diversity throughout the Company.



2019

TOTAL EMPLOYEES

(as of 12/31/2019)

SALARIED

17.2% FEMALE
14.9% MINORITY

HOURLY

7.6% FEMALE
36.1% MINORITY

TOTAL

10.7% FEMALE
29.2% MINORITY

NEW HIRES

SALARIED

33.3% FEMALE
23.1% MINORITY

HOURLY

8% FEMALE
35.2% MINORITY

TOTAL

11.9% FEMALE
33% MINORITY

*2019 Bureau of Labor Statistics - Construction category reflects 10.3% of workforce female, 11.9% of workforce minority

SOCIAL | community engagement

GLDD supports the communities where we work and where we call home. During 2019, a number of specific projects were introduced Company-wide in support of protecting the environment and the health and welfare of animals, as well as supporting environmental organizations that are local to our project sites and offices.

GLDD team members continue to be active participants in a number of key areas in support of community engagement. Examples of our community outreach and charitable support include the following:

2019

- Holiday gift donations for Park Place Assisted Living residents
- Florida Aquarium support for coral conservation, restoration and research
- Loggerhead Marinelife Center equipment funding
- Vitalant Blood Drive

2018

- Equipment Funding for the Georgia Sea Turtle Center
- Vitalant Blood Drive
- Officer Mike Smith Charity and Toy Drive
- Holiday gift donations for Daybreak Center
- Golf Outing/Fundraiser for St. Jude's Children's Hospital
- Winter clothing and personal care items collection for the Chicago Night Ministry

2017

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

GLDD provides continued focus and support via social media, Internal messaging, and Individual Initiatives for:

- Prostate Cancer Movember Foundation
- Breast Cancer Month - American Cancer Society



Blood Drive



Preparing Holiday Gifts for Seniors in Assisted Living



Florida Aquarium Coral Conservation & Restoration



Loggerhead Marinelife Center

SOCIAL | organizational support

GLDD is committed to supporting organizations primarily focused on environmental enhancement and education. During the 2019 calendar year, the Company made dedicated contributions of funds and resources to more than 20 organizations. The Company also initiated an ongoing partnership with the Florida Aquarium supporting its coral research initiative.

Below are some of the organizations we have supported over the last several years.

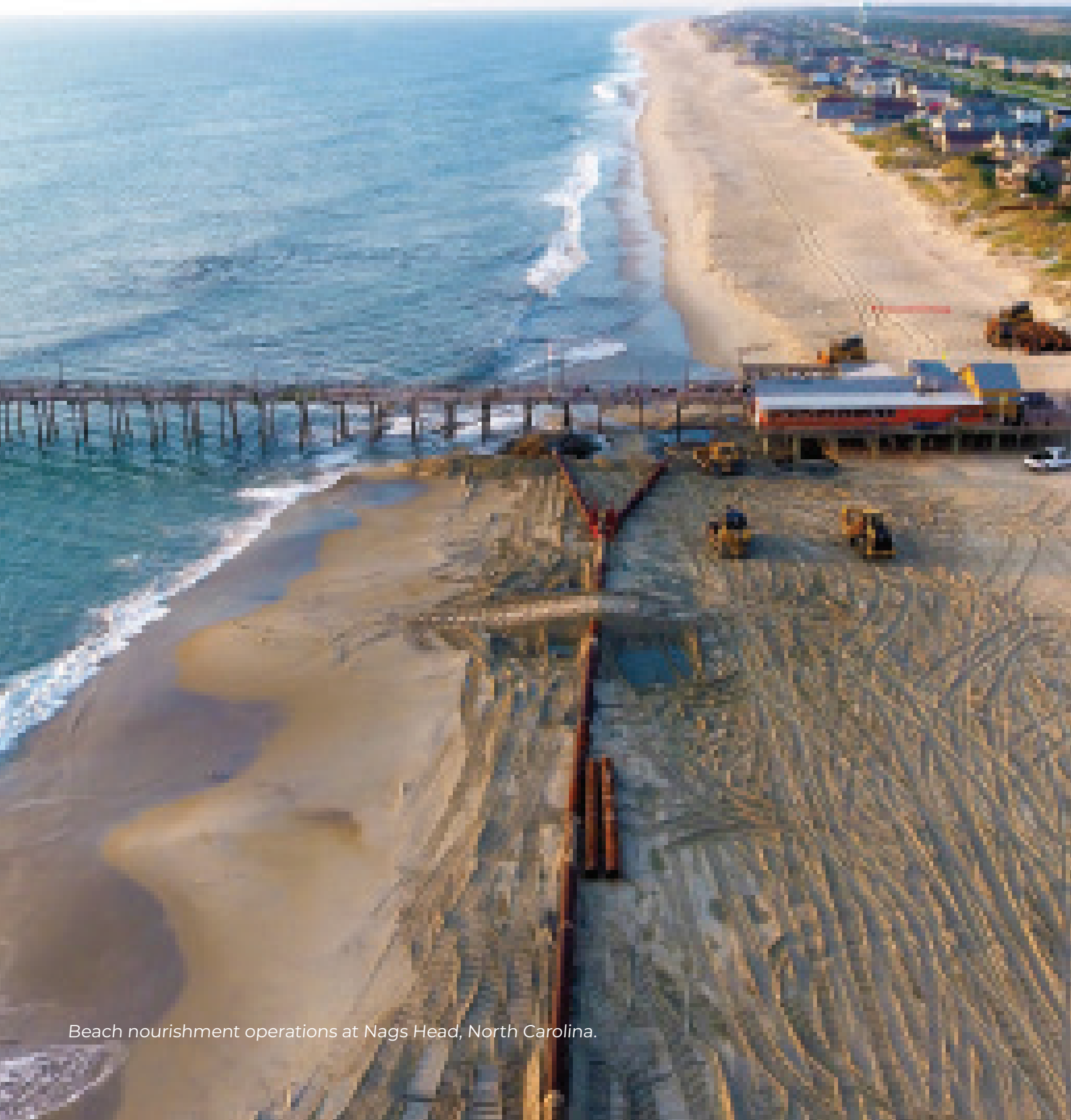
American Association of Port Authorities
American Shore & Beach Preservation Association
American Maritime Partnership
American Waterways Operators
Associated General Contractors
Atlantic Intracoastal Waterway Association
Bay Planning Coalition (San Francisco)
Business Council for International Understanding
California Maritime and Navigation Coalition
California Coastal Coalition
California State University Annual Sponsorship
Caterpillar Natural Infrastructure Initiative
Center for US Global Leadership
Coalition to Restore Coastal Louisiana
Coast Builders Coalition (Louisiana)
Coastal States Organization
Cornell University
Democratic Governors Association
Dredging Contractors of America
Ecological Restoration Business Association
ENO Transportation Foundation
Florida Shore & Beach Association
Florida Chamber of Commerce
Florida Ports Council
Florida Maritime Partnership
Great Lakes Governors & Premiers Association
Great Lakes Shore & Beach Association
Gulf Ports Association
Gulf Intracoastal Waterways Association
Illinois District Export Council
Illinois Maritime Task Force
Jacksonville Chamber of Commerce
KBR Charity Foundation
Louisiana State University
Lundeburg School of Seamanship
National Association of Manufacturers
National Governors Association
National Waterways Conference
North Carolina Beach and Intracoastal Water Association
Offshore Marine Service Association

Pacific Northwest Waterways Association
Philippine Engineers & Scientists Organization
Port Everglades Association
Propeller Club
Rebuild by Design
Republican Governors Association
Sierra Club Foundation
South Carolina International Trade Association
South Carolina Shore & Beach Association
Texas A&M University
Texas Shore & Beach Association
Transportation Research Board
University of California/ Davis
University of Delaware
University of New Hampshire
University of North Florida
Virginia Maritime Authority
Western Dredging Association
World Organization of Dredging Associations



Photo above: GLDD was a major sponsor of *Virginia Ports Day* on February 13, 2020 in Richmond, VA, which celebrated the Virginia Maritime Authority's 100-year anniversary. The day concluded with signing of a charter agreement for another 100 years.

GOVERNANCE



Beach nourishment operations at Nags Head, North Carolina.

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. The majority of 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.

Following are examples of policies and processes employed by GLDD to ensure adherence to effective governance practices.

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.



Fire Island Restoration, New York - Dredge Illinois

GOVERNANCE

Enterprise Risk Management

As part of our enterprise risk management (ERM) process, senior management discusses and identifies major areas of risk to ensure that appropriate mitigation plans are in place to reduce impact to the Company, our stakeholders and the environment and periodically reviews these risks with the Board. Our ERM process includes the following:

- Annually conduct both “top-down” and every other year a “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
- Assess a series of new or emerging risks for inclusion in the risk register
- Risks are prioritized and critical ones assigned to an executive owner to oversee actions to address and reduce or eliminate the risk

This process employs a framework for identifying and assessing key strategic, operational, financial and compliance risks based upon guidelines of the Committee of Sponsoring Organizations of the Treadway Commission.

At least annually, the ERM process is discussed with GLDD’s Audit Committee. As part of the Audit Committee’s regular oversight of the ERM framework, the Audit Committee reviews risks relating to financial controls, operational processes, cybersecurity and other information technology risks, controls and procedures as well as the Company’s plans to mitigate such risks. On an annual basis, the Board and/or the Audit Committee receives a report from management on the major types of environmental risks related to our project operations as well as the Company’s processes to reduce, mitigate or eliminate such hazards. Environmental risks inherent in the Company’s project include:

- Equipment-related issues, such as oil or other spills from GLDD equipment, black and gray water discharge, slurry pipeline failures, and equipment failures resulting in draft loss exceedances or open hull violations.
- Encountering underwater or overhead utility or pipeline crossings.
- Interactions with endangered species, such as coral, seagrass, manatees, sea turtles, right whales, sturgeon, piping plovers, etc.
- Exceeding maximum depth dredging restrictions.
- Contact with unexploded ordnance.
- Overpressure, vibration and other risks from drilling and blasting operations.

Executive Compensation Practices

Our executive compensation program is designed to support our financial and strategic goals, align executive pay with stockholder value creation, and discourage unnecessary and excessive risk-taking. Our Compensation Committee regularly reviews our executive compensation program to incorporate commonly viewed best practices as it deems appropriate, examples of which include:

- ✓ Executive compensation is variable and linked to meeting financial and strategic goals and stock price performance
- ✓ All senior executives have stock retention requirements
- ✓ No tax gross-ups for excess parachute payments
- ✓ A compensation recoupment (i.e., clawback) policy
- ✓ The Compensation Committee engages an independent compensation consultant
- ✓ Regular risk assessment of executive compensation programs
- ✓ Annual incentive compensation and long-term compensation are based on a variety of performance metrics
- ✓ Directors, officers and all other employees are prohibited from hedging or pledging Company securities



Charleston Harbor, South Carolina, maintenance dredging project - Clamshell Dredge No. 58

2019 PROGRESS

	2018	2019
ENVIRONMENTAL		
Turtle Relocates	808	402
Spill Prevention (% improvement from prior year)	--	65%

SAFETY		
TRIR	0.93	0.58
LTIR	0.36	0.14

DIVERSITY & INCLUSION

TOTAL EMPLOYEES*		
Salaried		
Females		22%
Minorities		16%
Hourly		
Females		7.6%
Minorities		36.1%
Total		
Females		10.7%
Minorities		29.2%

NEW HIRES		
Salaried		
Females		33.3%
Minorities		23.1%
Hourly		
Females		8%
Minorities		35.2%
Total		
Females		11.9%
Minorities		33%

*As of December 31, 2019.

Photo: Rivers & Lakes Dredge Iowa performs work at the Emergency Levee Repair project on the Missouri River in Iowa.

ENVIRONMENTAL

Spill Prevention

GLDD will continue to focus on minimizing spills and aspires to reducing spills to ZERO over time.

Turtle Relocation

Count the number of turtles GLDD relocates and implement measures to reduce turtle interactions, such as employing trawlers. We will continue to aspire to prevent turtle injuries associated with our projects.

SAFETY

Man Over Board (MOB)

GLDD plans to reduce the number of MOB's by implementing engineering and mechanical solutions to reduce MOB risks. GLDD aspires to eliminate all GLDD MOB incidents to ZERO over time by implementing these safety system improvements.

Total Recordable Injury Rate (TRIR) and Lost Time Injury Rate (LTIR)

The goal of our Incident and Injury Free[®] safety program is to have no incidents or injuries in our operations. As we move towards this aspiration, our goal is to continue to reduce our TRIR and LTIR rates to zero over time.

DIVERSITY & INCLUSION

Females & Minorities

GLDD continues to focus on recruiting and developing all staff and strives to increase the participation of females and minorities in key roles. We strive to increase the employment of both females and minorities throughout the organization.

Veterans

GLDD is proud of the veterans who are key members of our team and we will strive to maintain veterans as key members of our team.





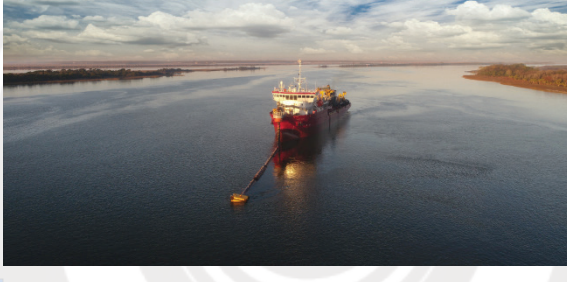
BEACH RENOURISHMENT



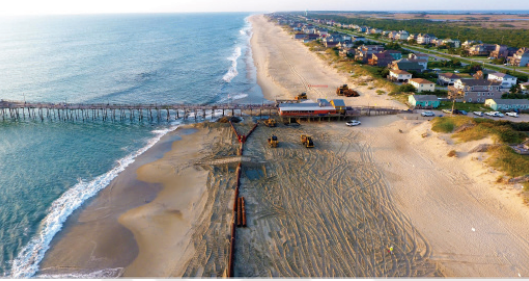
PORTS & HARBORS



RIVERS & LAKES



INTERNATIONAL



COASTAL RESTORATION



COASTAL PROTECTION

