



## Foss Mid-Year Safety Update July, 2007

Foss' number one goal is *to deliver unsurpassed customer service by relentlessly pursuing perfection in our health, safety, quality and compliance initiatives* and in the past six months, we have increased our efforts to make that a reality. So far this year, on the marine side, our recordable incident rate is down 19% from last year, and our lost time incident rate is down nearly 23%.

### Safety Culture

At Foss, we are establishing a culture where doing things safely is second nature. In December 2006, we hired a premier safety consultancy firm to help us assess our current safety culture and identify any areas that could use improvement so we can correct them immediately. After conducting focus groups and individual interviews with more than 180 people, our consultants have come back with a snapshot of where we are today and recommendations to make our safety program even stronger.

### Systems Improvements

We are continuing to gather and use real data to help us identify potential issues and set them right immediately. An example of this is our new Event Information System for marine personnel. We have long had a policy to report "near misses" in an attempt to prevent injuries from occurring. Now, with our new system, we have an improved process and structure for an effective "feedback loop" to share lessons learned and the corrective actions taken in these situations. What does this mean? It means that crews in Los Angeles and Portland and abroad all benefit from a new practice first employed in Seattle in response to a near miss. It means that as Foss grows and expands, the same high safety standards can be expected no matter where we are working, and no matter what we are working on.

As President and COO, I am personally taking the lead in this critical area. I am making Foss' safety performance my number one priority and I am demanding a sense of personal accountability throughout the company. Each one of us is responsible for delivering on our commitment to pursuing perfection in our health, safety, quality and compliance initiatives.

**Gary Faber** | President & COO