# Annual SSQE Performance Report

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Introduction

This annual report provides an overview of Crowley’s Management System and our continuing safety culture maturity. It is our intention to share the commitment and expectations of integrating Crowley’s values, Safety, Integrity, and High Performing Organization, into daily activities. We continue to make progress on our Road to Zero journey.

The Policy statement signed by Thomas B. Crowley Jr. shows his commitment to operational excellence.
Executive Summary

Crowley has a commitment to safety, integrity and high performance. These core values are the foundation of the services we provide our customers. They guide us on our mission of enriching lives through innovative solutions done right.

Safety is highly visible in our company – from starting our meetings with a safety moment, to the Safety It’s Not Silent section on our company intranet site, the Road to Zero section on Crowley.com, and the personal protective equipment worn by our employees. All of these things are indicative of how important safety is to me and to all our people.

We are doing well on the Road to Zero and I thought it would be beneficial to annually share some highlights of our journey through this year-end Safety, Security, Quality and Environmental Stewardship (SSQE) Performance report.

This inaugural edition highlights some of our achievements in 2015 as we journey on the Road to Zero: zero harm to people, zero damage to the environment and zero damage to the equipment.

From Thomas B. Crowley Jr.
President, Chairman and CEO
Crowley Maritime Corporation
In March 2015, the SSQE department published Fifth Edition of the Crowley Management System Manual. The manual is designed to provide our employees and customers with a snapshot of how we run our business.

The Management System framework provided in the manual sets the high-level expectations that guide our businesses in their approach to operational excellence while maintaining a focus on the key elements of Safety and Health, Security, Quality, and Environmental Stewardship.
SSQE Mission & Responsibility

**Corporate SSQE Mission**

To support Crowley Maritime Corporation priorities of individual safety, security, quality service and environmental stewardship.

**Corporate SSQE Responsibility**

Our responsibilities include:

- Establishing management system expectations for Safety, Security, Quality, and Environmental Stewardship
- Ensuring the sustainability of the enterprise, and
- Providing assurance and measurements of our businesses SSQE performance and compliance.
Crowley Receives 2015 American Maritime Safety Award (AMSA).

“Each year, the AMS Safety Advisory Committee presents member companies with safety awards in recognition of their dedication to preserving the marine environment and promoting safe vessel navigation, operations and maritime work practices. These safety awards are designed to recognize vessel operators for their proactive efforts toward achieving safe and responsible vessel practices. Crowley evinces a determination to not just meet, but exceed U.S. Coast Guard standards relating to the prevention of substance abuse,” AMS President Lee Seham.

Crowley’s Petroleum Services division was honored by Marathon Petroleum Company (MPC) with its annual Elite Vessel Award. This award is given to tank vessel operators who demonstrate a commitment to safety, environmental stewardship and operational excellence. MPC’s George McAfee, Ph.D., Head of Commercial Development, Marine Division, and Gregg Qualls, Logistics Commercial Manager, Marine Division presented this prestigious award to Mr. Rob Grune stating that, “This award recognizes Crowley for its operational excellence with outstanding safety and reliably reliable performance.”
Crowley 2015 Safety, Health, Security, Quality and Environmental Recognition

Crowley Maritime Corporation’s Logistics group has been named a Top 100 Third-Party Logistics (3PL) Provider by Inbound Logistics for the seventh consecutive year. Editors selected Crowley and fellow honorees from hundreds of candidates who submitted credentials based on their ability to offer diverse operational capabilities, scalability and experience to meet customers’ supply chain and logistics needs. “World-class, scalable logistics solutions have become invaluable to companies of all sizes. Inbound Logistics editors continue to recognize that Crowley customizes and flexes its service offerings to provide precisely the kinds of solutions that companies rely on to solve their supply chain challenges,” said Felecia Stratton, editor, Inbound Logistics.

Crowley Honored with “Earth Day Award” for Environmental Initiatives. Crowley Maritime Corporation was honored with the 2015 Federal Maritime Commission (FMC) Chairman’s Earth Day Award in recognition of the organization’s company wide environmental stewardship initiatives. “Crowley has been chosen for its broad commitment to active environmental efforts across their lines of business and throughout the company,” said FMC Chairman Mario Cordero.

Crowley Maritime Corporation was honored once again as one of the healthiest companies in the region by the First Coast Worksite Wellness Council (FCWWC). The company was selected for the 2015 Healthiest Companies Award in the platinum category for its demonstrated commitment to employee health and well-being through the implementation of comprehensive worksite health promotion strategies.
Crowley Maritime Corporation’s TITAN Salvage and Italian engineering partner Micoperi were honored with the ISU Meritorious Service Award for Outstanding Service to the Salvage Industry. The award was presented by ISU President Leendert Muller in recognition of TITAN and Micoperi’s outstanding service to the salvage industry during the successful execution of the largest single maritime wreck removal project ever to be undertaken, the Costa Concordia.

Crowley Maritime Corporation’s, Crowley Petroleum Services was honored for Outstanding Marine Safety with ECOPRO Environmental Award. The State of Washington’s Department of Ecology honored Crowley Maritime Corporation Corporation’s Petroleum Services division once again with the Exceptional Compliance Program (ECOPRO) award in recognition of excellence in marine safety and environmental stewardship. The ECOPRO program represents a unique, non-regulatory environmental protection program for tank vessels, recognizing operators who demonstrate exceptional compliance with the program’s criteria.
Crowley Celebrates Over Seven Million Man Hours Without a Lost Time Injury in Valdez Operations

In February 2016, Crowley Maritime Corporation’s Tanker Escort and Docking Services group in Valdez celebrated over seven million person hours and more than six years since logging its last Lost Time Injury (LTI).

In 2015, the company logged over one million person hours while safely escorting 236 tankers through Prince William Sound, transporting 185 million barrels of oil in one of the harshest environments in the world.
Safety

Safety Culture Maturity Stages

We believe getting to zero injuries and zero damages to property and the environment is the result of a continuing safety culture maturity. The graph, Safety Culture Maturity Stages, shows five levels of safety culture maturity. It starts with a culture of not caring and progresses to a high reliability organization with safety ingrained in the organization. You know you are at the top of the graph when a safety culture pervades the way you think and work. As the safety culture maturity grows in the Crowley Enterprise and we become more proactive there is a clear relationship to reduced injury rates. It is the Road to Zero.
Safety

What Do the Higher Levels of Safety Culture Maturity Look Like?

Below are some examples we see and value in the Crowley enterprise:

- Visible caring for one another on a daily basis
- Ensuring all employees return home safely every day
- A mindset intolerant of any level of incident or injury
- Taking responsibility for our own safety and that of all of our teammates
- Being proactive to stimulate risk awareness and allowing our teams to develop their awareness and contribute to the maturing safety culture
- Being outspoken about concerns and issues
- Empowering and motivating all employees to take action and apply our values
- Creating an environment where all employees feel valued

Last year Crowley Petroleum Services continued to team with Todd Conklin, author and Senior Advisor at Los Alamos National Laboratory, to help advance their safety culture to a learning organization. Increasing employee involvement and using learning teams is a fine example of proactive and generative levels of safety culture maturity.

We are working with Dr. Mark Fleming at Saint Mary’s University, Halifax, Nova Scotia, Canada to learn more about his work with the oil and gas industry on safety culture measurement tools and techniques. Our SSQE plan in 2016 is to use Dr. Fleming’s Safety Culture Maturity Self-Assessment Audit tool in a pilot program for Crowley business units to identify safety culture improvement opportunities.
Safety

*Lost Time Incident Rates*

- We continue to see a steady downward trend in the total lost time incident rates.

- The severity of injury cases for lost time cases >100 days away from work decreased by 28% from 2015 to 2014.

SSQE is able to track injury information to identify our at-risk areas.

Our Corporate Scorecard is a tool we use to track lagging and leading indicators and one way we can measure the safety and health of the organization.

In 2016 we are rolling out an interactive Scorecard which includes our new Safety Index.
Safety

New Safety Index

Last year SSQE and Process Engineering worked on an improvement to the Safety Bonus criteria. The goal was to develop a Safety Bonus Index with a mix of leading and lagging safety performance indicators together with a measure of business impact.

The Safety Bonus Index was developed using an initial mix of 25% leading indicators and 75% lagging indicators as shown below.

25% Leading indicators
- Percent of PureSafety training completed on time
- Percent of Corrective Action Plans (CAPs) created on time
- Percent of Corrective Action Plans (CAPs) implemented on time

75% Lagging indicators
- Total incident rate
- Total number of missed days
- Total number of restricted and/or transfer days

We will continue to improve the strength of our safety performance with our 5 year goal of using over 80% leading safety performance indicators in the Safety Bonus Index.

We are enhancing the make-up of the Safety-related goal

From this… LTI rate - 100% Lagging indicator
To this… Safety Index includes 25% Leading and 75% Lagging indicators
To this… 5 year Goal is to have 80% (plus) Leading indicators
Safety

_We Pride Ourselves as a Learning Organization_

Every year we strive to provide an average of 20 hours of training to our employees and an average of 40 hours of training to our supervisors. This metric is intended to promote organizational high performance as we continue to learn and grow so we can readily meet our goals and objectives.

We Strive for 100% Compliance Company Wide

<table>
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<th>Training % of Compliance Company Wide:</th>
<th>2014</th>
<th>2015</th>
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<tr>
<td></td>
<td>89%</td>
<td>90%</td>
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SSQE and Marine Compliance partner with our business’ Health, Safety, Security and Environmental (HSSE) and Operations Integrity representatives to identify the required training for their operations. Together we develop flexible training plans to accomplish regulatory, customer and company required training that ensure our employees are trained to work safely, protect the environment, and ensure quality practices while maintaining compliance.

Training results are one component that makes up our Corporate Scorecard leading indicators.

**Number of Learning Hours**

**2014 Corporate Totals**

- Supervisors: 40.3
- Employees: 26.1

**2015 Corporate Totals**

- Supervisors: 47.2
- Employees: 26.1
Security

Security Practices — Crowley hosts an event for the Department of Defense:
At the request of the Defense Security Services (DSS), Crowley hosted a DSS Counter-
Intelligence briefing for all cleared government contractors in the greater Jacksonville area...
This was the first time a non-governmental company was invited to host this important event!

Department of Defense Contracts new in 2015:
In 2015 Crowley Technical Management added three new Department of Defense contracts. This
tripled the number of personnel requiring special security clearance. Three hundred and thirty-
four mariners were processed to crew the 15 ships in the T-AGOS, BOBO and ROCON fleets. In
addition, thirty-six administrative personnel required special security clearances to support
our new fleets.
Security

Facility Access Control Project

The Corporate Security Department partnered with Crowley Facilities Management to plan and initiate a corporate-wide program to centralize and standardize security access control systems. The project aligns to our organizational goals of Zero Harm to People, Property and Equipment.
Quality Service

*Our Certifications:*

*ISM, ISO 9001, ISO 14001, RCP, ISPS and C-TPAT program*

Crowley’s Businesses proudly displays the following Certifications:

- ISM an international Safety Management code for safety at sea and marine environmental protection
- ISO 9001:2008 a globally recognized standard for quality assurance
- ISO 14001 a globally-recognized standard for environmental protection
- Responsible Carriers Program (RCP) a set of standards for the tugboat industry
- International Ship and Port Facility Security (ISPS) security on vessels and in ports/facilities
- Customs-Trade Partnership Against Terrorism (C-TPAT) supply chain security program
- Customs-Trade Partnership Against Terrorism (C-TPAT) supply chain security program
Quality Service

2015 Audit Program and Audits Completed

In 2015 we added twenty-five additional vessels into the fleet creating our largest audit year ever. The SSQE audit management team completed a record two hundred and eighty-five audits in 2015. Additionally, the team attended and/or conducted thirty-six internal and external (third party classification society American Bureau of Shipping (ABS)) ISM and ISO audits, as well as nine ship yard audits.

2014 vs. 2015 Audits

- Total Audits Completed: 2014 - 173, 2015 - 269
- Total Reports Completed: 2014 - 269, 2015 - 438
## 2015 Audit Program Results

<table>
<thead>
<tr>
<th>Audit Type</th>
<th>Total Number of Audits Conducted</th>
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<tbody>
<tr>
<td>Internal ISM/ISO/Security Vessel Audits</td>
<td>130</td>
</tr>
<tr>
<td>External (ABS) ISM-ISO Vessel Audits</td>
<td>89</td>
</tr>
<tr>
<td>Internal ISO Office Audits</td>
<td>8</td>
</tr>
<tr>
<td>External (ABS-QE) ISO Office Audits</td>
<td>10</td>
</tr>
<tr>
<td>Internal Document of Compliance Office Audits</td>
<td>10</td>
</tr>
<tr>
<td>External (ABS) Document of Compliance Office Audits</td>
<td>8</td>
</tr>
<tr>
<td>Maritime Labour Convention Vessel Audits</td>
<td>5</td>
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<tr>
<td>Internal Safety, Quality, Environmental Shipyard Audits</td>
<td>9</td>
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<tr>
<td>Internal Vessel Inspection Audits Valdez</td>
<td>16</td>
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<tr>
<td><strong>Total Audits Completed</strong></td>
<td><strong>Total 285</strong></td>
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<table>
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<th>Report Types Processed</th>
<th>Total Number of Reports</th>
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<td>Summary of Audit Findings</td>
<td>153</td>
</tr>
<tr>
<td>Internal and External Audit Reports</td>
<td>285</td>
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<td><strong>Total of all Report Combined</strong></td>
<td><strong>438</strong></td>
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<tr>
<td>Audits Conducted and/or Attended by SSQE</td>
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<tr>
<td>Crowley Maritime Services Valdez</td>
<td>12</td>
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<tr>
<td>Crowley Liner Services</td>
<td>6</td>
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<tr>
<td>Crowley Offshore Services</td>
<td>3</td>
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<tr>
<td>Crowley Technical Management/ Marine Transport Management</td>
<td>4</td>
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<tr>
<td>Crowley Marine Service Ship Assist and Escort</td>
<td>1</td>
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<tr>
<td>Crowley Petroleum Services</td>
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<tr>
<td>Crowley Logistics-Houston</td>
<td>3</td>
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<tr>
<td>Maritime Management Services</td>
<td>2</td>
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<tr>
<td>Marine Transport Lines</td>
<td>1</td>
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<tr>
<td><strong>Total Audits Completed</strong></td>
<td><strong>36</strong></td>
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Corrective and Preventive Actions (CAPA) are managed in our Quality Management System (QMS). This graph demonstrates one way we can trend analysis in the QMS. CAPAs are tracked through implementation and verified as part of our continual improvement process. We use the CAPA process as one of our leading indicators on the Corporate Scorecard.
Quality Service

Document Control Structure and Utilization

Striving to meet a key requirement of a High Performing Organization, SSQE partnered with the businesses to develop a robust document management system in 2015. The system is hosted at a secured site to ensure all company related documents have the opportunity to be housed securely. Each business has the opportunity to manage their own documents.

SSQE provided onsite and virtual training to most businesses and corporate service groups, by request in 2015.

2015 Controlled Documents Created in 2015 by Business

- Crowley Marine Services - 172: 12%
- Crowley Liner Services - 1: 0%
- Crowley Latin America - 1: 0%
- Crowley Logistics - 1: 0%
- Corporate Services - 185: 13%
- Marine Transport Lines - 2: 0%
- Crowley Global Ship Management - 172: 12%
- Crowley Puerto Rico Services - 244: 17%
- Crowley Petroleum Distribution - 60: 4%
- Crowley Offshore Services - 623: 42%
Environmental Stewardship

*Environmental Procedures and Plans*

During 2015, the SSQE Department collaborated with businesses across the Corporation in developing new or updated environmental policies and procedures.

These new environmental policies and procedures – addressing topics such as waste management – are captured in an entirely new Environmental Protection Program (EPP) Manual. The new EPP Manual can be viewed in its entirety through the C-Link landing page under Safety and on the SSQE SharePoint site.
Environmental Stewardship

**Environmental Management: Aspects, Objectives, Targets**

SSQE has supported Operations Integrity managers in developing objectives and targets for ISO-certified businesses for years.

Throughout this process, SSQE listened to and learned from the challenges facing the operating units.

2015 marked a year where SSQE was able to take action around these lessons learned and to develop an entirely new framework for assessing environmental aspects, objectives, and targets.
Environmental Stewardship

Business Continuity Management and Plans

2015 was an exciting year for Crowley’s Business Continuity program:
- Assigned a dedicated SSQE manager to the program,
- Refreshed the current Business Continuity program and broadened the scope of the existing plans to improve overall resiliency,
- Benchmarked the current Business Continuity program against industry best practices and professional standards including ISO 22301,
- Set the strategic direction for the Business Continuity program for 2015 and beyond.

Looking forward to phase two:
- Implement the new Business Continuity strategy,
- Enhance Crowley’s capabilities to prevent and reduce the vulnerability of Crowley to natural, human-caused, and technological incidents.

Process, Not a Project

Risk Assessment and Control – Cause and Effect
Environmental Stewardship

Business Continuity Management and Plans

Moving forward into 2016:
- Complete the initial scope of the Business Continuity refresh initiative by conducting tabletop exercises.
- Implement the new Business Continuity planning process into all of Crowley’s businesses.
- Combine Crowley’s Corporate Emergency Management team with the Business Continuity Advisory committee.

**BC Plan – A Holistic View**

- **People**: Sales, distribution, accounting, payroll, human resources, supply chain/purchasing, personnel.
- **Processes**: Staff, visitors, delivery people, outside services personnel, vendors, other tenants.
- **Places**: The site and building which accommodates part or all of the organization, and where some or all of the processes are conducted.
Environmental Stewardship

Emergency Management, Training and Exercises

The Corporate Emergency Management Team (CEMT) and business unit incident management personnel convened for several exercises and training sessions throughout 2015.

HURRICANE KATRINA ANNIVERSARY “ROAD SHOW”
SSQE emergency managers visited facilities in Houston, Miami, San Juan, Port Everglades, and Jacksonville to review lessons learned from Hurricane Katrina in association with the ten-year anniversary of this natural disaster.
Environmental Stewardship

Emergency Management, Training and Exercises

INCIDENT COMMAND SYSTEM TRAINING AND EXERCISE
A joint Incident Command System (ICS) 320 training was hosted by Crowley Petroleum Services.

QUALIFIED INDIVIDUAL TRAINING AND EXERCISE
Qualified Individuals from across Crowley’s vessel operating companies attended an SSQE-hosted training in Seattle and a tabletop oil spill exercise in Burnaby, British Columbia. At these events senior officers from Petroleum Services ATBs’ participated in conjunction with responders and managers from Western Canada Marine Response Corporation (WCMRC). WCMRC is Crowley’s oil spill removal organization and incident management team service provider in British Columbia.
SSQE 2015

Conclusion

Employees are now not only more engaged in their personal safety, but are also taking ownership by speaking up and helping to develop the most efficient and safe work practices and processes. I am proud of each and every individual who has played a role in helping us to achieve the continuing reduction in injuries. Though our Road to Zero journey is ongoing, I am thrilled to say that Crowley’s safety culture has never been stronger.

There is nothing more important.

Sincerely,

Tom