

Annual Report on the Board's Policy on Safety

November 14, 2018

Topics For Discussion

- Compliance with Applicable Health and Safety Laws and Regulations
- Benchmarking, Measuring and Verifying Safety Performance
- 2018 PSEG Long Island Safety Initiatives
- Schumaker & Company Safety Assessment Management Actions

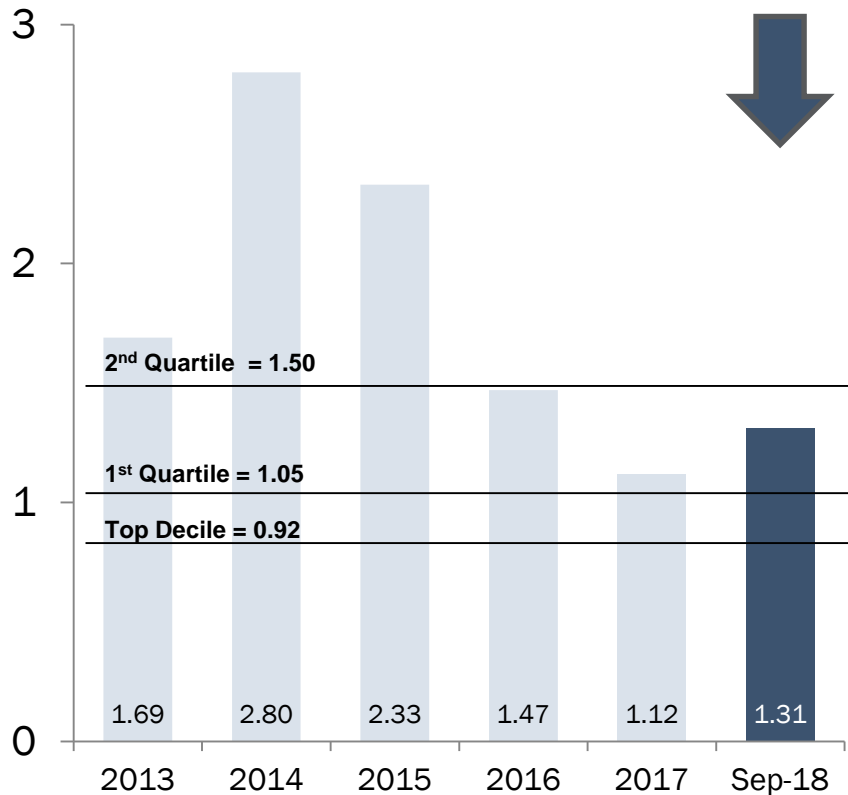
Annual Assessment of PSEG EH&S Program Guide

- The **PSEG Environment, Health and Safety (EHS) Policy** and **PSEG Practice 575-1, EHS Program Guide** are the high level EHS governance documents for PSEG Long Island.
 - The PSEG annual assessment of the implementation of the EHS Program Guide found that systems, procedures and practices in place satisfactorily address the objectives contained in the PSEG EHS Program Guide.
 - There is a consistent understanding of acceptable actions and behaviors to responsibly conduct business in a manner that protects the environment, and the health of employees, contractors, customers, and the public.
 - Adequate controls are in place and functioning as intended.
- PSEG Long Island conducts its operations pursuant to the **PSEG Business Conduct Compliance Program**.

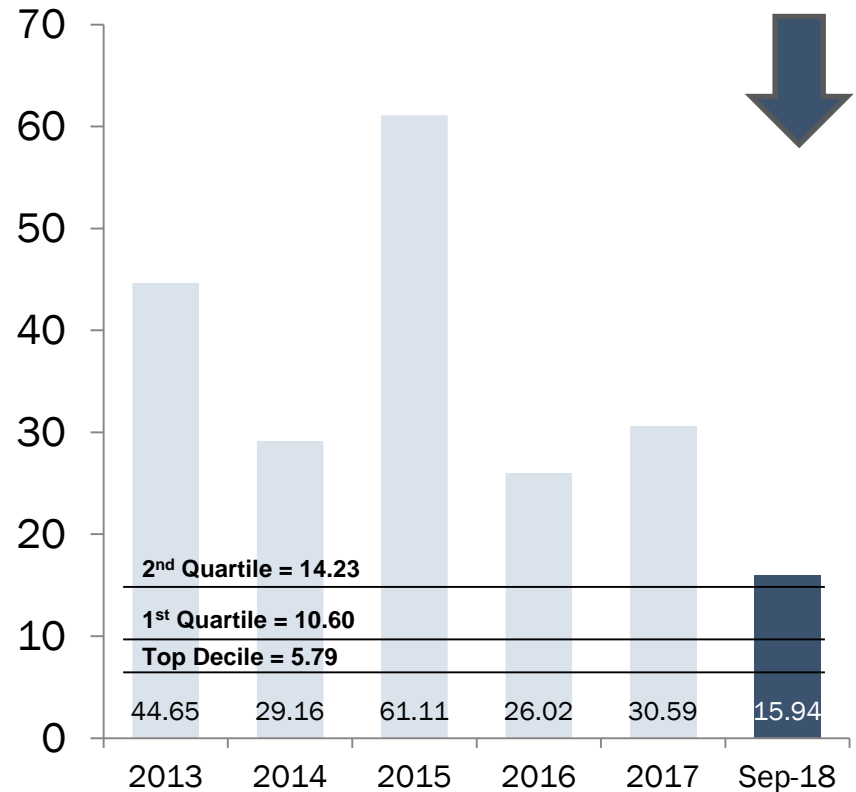
Benchmarking, Measuring and Verifying Safety Performance

PSEG Long Island participates in an OSHA benchmarking process with 13 utilities in the United States that is used by LIPA and PSEG Long Island to set Safety Targets for the OSA (Operations Services Agreement).

OSHA Incidence Rate



OSHA Days Away Rate



2018 Safety Performance Initiatives

PSEG LI strives to maintain a downward trend in OSHA recordable and lost time incidents building upon proven programs and a positive safety culture.

- **Frontline training programs** in the areas of Safety Leadership, Hazard Identification, Incident Prevention and “Normalization of Deviance” provide employees with the requisite safety tools to work safe.
- The **Industrial Athlete Program** is fully implemented and integrated into the physical workers training academies providing instruction on proper body mechanics and pre-job warm-ups. Teams are actively assessing ergonomic hazards and implementing solutions to prevent injuries. Musculoskeletal injuries have been reduced nearly in half (48%) since 2014.
- **Engineering out hazards** through disciplined investment in tools, equipment, and operating practices has resulted in less severe injuries and a reduction in lost work days nearing top quartile performance among benchmarked peers.

2018 Safety Performance Initiatives

- **Additions to safety staff** embedded in the lines of business and to their professional development has reduced the risk of OSHA violations and non-compliance with company practices.
- A strong **internal audit and self-assessment program** is resulting in year over year fewer identified hazards in the work environment.
- **One-on-one safety interactions** with employees are occurring regularly with focus on key concerns (i.e., ergonomics, use of human performance tools, and hitting fixed objects MVA's).
- A **redesigned Health & Safety Training Program (AET)** was rolled out in April 2018 and will be delivered to over 1,000 employees by year end.
- **Fleet vehicle program improvements** including enhanced driver training ; AVLS technology in 600 vehicles; supervisor rides with employees; Circle of Safety, Distracted Driving, and Professional Driver campaigns; and improved forklift safety program.

Schumaker & Company Safety Assessment

The 2017 Assessment revealed:

- “PSEG LI has an effective safety organization...that has created an open safety culture within the company.”
- “Employees believe PSEG LI demonstrated a commitment to safety and its improvement from the first day it assumed responsibility for the operation and maintenance of LIPA’s transmission and distribution assets.”

Schumaker & Company Recommendations Implemented

- Expanded use of Safety Leading Indicators and Tier II dashboard.
- Repair and/or Replacement of damaged material storage racks.
- Securing and tagging equipment removed from operations until disposal.
- Implementation of a new investment recovery practice to assure disposal of obsolete tools and equipment in a timely manner.
- Additions to safety organization staffing.
- Implementation of the PSEG Long Island Learning Management System.
- Development of a training and safety support resource plan to assure adequate facility and staffing resources for skills and safety training.