2017 Safety Award Entry

Biggest Safety Improvement

Technical Division: Communication, Education & Marketing

Title: Lakeshore Recycling Systems Revamps Safety Program and Expands Safety Culture

Submitted By: Lakeshore Recycling Systems

Meaghan Johnson
MJohnson@LRSrecycles.com
847.779.7507

SWANA #: 1252291
Jurisdiction: Chicago Metropolitan Area
Population: 9,400,000

LRSrecycles.com  |  773.685.8811
EXECUTIVE SUMMARY

Serving Chicagoland for nearly 20 years, Lakeshore Recycling Systems (LRS) is the largest private waste company in Illinois, specializing in recycling and waste diversion programs, affordable roll-off container services and comprehensive waste removal to Chicagoland businesses and residential homeowners. LRS owns and operates seven Material Recovery Facilities (MRFs), a fleet of fuel-efficient natural gas-powered trucks and is run by over 720 committed full-time employees. Controlling over 2.2 million tons-per-year, LRS does not own a landfill and is committed to raising awareness for a more environmentally sustainable and scalable business model that fuels the circular economy.

Before LRS became the $170 million entity it is today, its origin began as two separate and smaller waste leaders in Chicagoland; each company an expert in a different service sphere and a key player in Chicagoland’s waste industry. Recycling Systems, Inc. and Lakeshore Waste Services merged in January 2013 and would grow to become the Midwest’s industry leader: Lakeshore Recycling Systems.

After the merger, LRS’ safety data displayed positive results with either a decreased or flat DART rate, incident rate and experience modification rate. These numbers led LRS leadership to continue their growth efforts while leaving the safety structure as is. In June 2014, LRS acquired Heartland Recycling and transformed the facility into an $8.5 million single-stream recycling system, which reopened in March 2016. That same month, LRS acquired C&D Recycling, which expanded services to the northern suburbs. The aforementioned growth in these facilities led LRS to win eight large municipal contracts. While rapid growth was encouraged and enabled an increase in employee count and vehicles on the road, there was also an inevitable growth in the level of operational risk.

By the time LRS realized that safety needed to be at the focus of every initiative, LRS was performing below its expected safety standards. Knowing that action needed to be taken quickly, the Company hired Vice President of Risk Management John Sliwicki to overhaul the department and elevate the existing safety culture.

Sliwicki joined LRS in June 2016 with over 17 years of safety and risk experience in waste and construction. Along with being a Risk, Safety & Damage Prevention Committee Chair for UCA (Underground Contractors Association), Sliwicki has a B.S. in occupational safety and health, a B.A. in business administration and an MBA that will be completed in November 2017. This experience is a key factor to improving LRS’ safety structure, reducing incidents as well as obtaining extensive cost savings. Sliwicki’s primary objective for LRS is to create and implement programs, processes and training to drive the evolution of the safety and risk culture. Within the short time that Sliwicki has been with LRS, the Company has already reaped the benefits of his safety expertise and will see even more benefit in the years to come.

Shortly after Sliwicki’s arrival, he made key moves and hires within the Risk Management department: an incumbent Safety Director was transitioned into the role of Facility Safety Manager and a Fleet Safety Manager position was brought onboard. Both positions are essential as the two roles are completely different risk profiles and better assist Sliwicki to manage safety throughout the Company. This structure splits responsibility as well as combines all efforts into the holistic Safety & Risk Management program.
SAFETY IS A VALUE, NOT A PRIORITY

Upon revamping LRS safety initiatives, the Company began instilling a new safety culture. Unlike many companies that keep safety a priority, LRS chose to forgo this option with the notion that safety is not a priority, but a value. The philosophy behind this statement is that priorities can change and shift over time. At LRS, safety has become a value and a core pillar of the Company’s foundation.

LRS’ safety program can be broken down into three major elements: training, communication and recognition. Each area offers a specific purpose to decrease incidents and embed a positive safety culture as the Company continues to expand in service area, revenue, facilities, fleet, employees, system-wide services and more.

TRAINING

LRS has always seen the importance in cross-training employees and ensuring that proper roles are fully certified for operations. Compared to 2015 safety and training programs, LRS has increased its safety training to include programs such as Forklift Training, Fall Protection, Noise and Dust Testing and Audiometric Testing. In addition, LRS has over 50 types of training and procedures across all facilities that are continually monitored for improvement year over year.

Along with implementing a GHS and Equipment Training program, eleven additional programs have been either completed or slated for completion in 2017, which include LOTO Procedures, Emergency Action, TIA – tire handling, Fall Protection, Supervisory Awareness, Confined Space, Vehicle Inspection, Spill Kit, Global Harmonization System, Respiratory Protection as well as Development and Defensive Driver training.

With the goal to reduce all equipment-related incidents by 50% by the end of 2017, LRS identified 12 employees in next-level training to be promoted to a Line Supervisor position. This established role better assists in transferring safety initiatives and ideas from upper level management to all employees. To further modify LRS’ training structure, the 12 identified employees completed LRS’ first-ever 10-hour OSHA training program, which provides training for workers on safety and health hazards in the workplace. Completion of the course increased Line Supervisor knowledge about workplace hazards and rights, as well as built a strong awareness for safety and leadership. After the course, LRS employees expanded on their previous safety understanding and lead teams to perform tasks safely and efficiently. In addition to the OSHA 10-hour training course, Line Supervisors participated in a two-day formal equipment training led by Patten CAT. These training modifications are an extension of LRS’ continuous training and decrease the percentage of incidents that occur at LRS’ facilities.

To ensure safety stays at the forefront of every task, LRS continues to hold frequent safety meetings within various departments that focus on workplace improvements, employee training and growth. These meetings include monthly driver meetings, bi-weekly sales meetings, monthly customer service meetings and weekly facility observations followed with a bi-monthly facility meeting. As a 2017 initiative, LRS expanded on its departmental safety meetings with monthly maintenance safety meetings and monthly laborer safety meetings.

In June 2016, LRS appointed its first-ever Junior Board, which meets to discuss areas of improvement, growth and ways to reach all employees in new lights. Complementary to the Junior Board, department leaders attend touch point meetings throughout the year where they meet with outside professionals to invite a unique perspective to strengthen departments.

COMMUNICATION

When constant growth at a company occurs, communication becomes even more essential and must remain top of mind in every aspect of life. With this understanding, LRS introduced
several communication strategies to install safety as a value. First, LRS launched a safety campaign, “Let’s Recycle Safely,” where a poster board is displayed at each operating area and breakroom at LRS’ facilities. These posters display the number of days it has been since an incident last occurred. Posters are not meant to discourage employees, rather display the reality of the industry and focus on actionable tasks to avoid risks.

In addition, LRS introduced an internal ongoing safety campaign that focuses on best safety practices both in and out of the workplace. On the first of each month, a new safety topic is presented to LRS employees in both English and Spanish. The safety topic is also displayed on the company intranet portal and in high foot traffic areas at each LRS facility. This company-wide initiative began in October 2016. Past safety topics include stress management, slip and trip prevention, holiday light setup, cold stress, office ergonomics, hand washing, spring cleaning and fire safety. While these are not the hard-hitting training topics such as forklift operating, they are equally important to display reminders and safety tips applicable to every LRS employee and family member regardless of the role. LRS extended this safety initiative in 2017 to enhance communication on these topics. In addition to the monthly display of the safety topic, LRS now sends a company email with the information and distributes a printed safety card that is personally sent to LRS’ seven facilities for employees to bring home and share with their families.

To strengthen safety guidelines, LRS updated its 58-page Health and Safety Manual to include new terminology, policies and safety protocol. This manual was then translated into Spanish to ensure every employee has equal opportunity to understand LRS’ safety guidelines.

Promoting safety does not stop internally; LRS extends safety awareness and communication to customers and the community. LRS showcases its commitment to safety in many ways including through its quarterly corporate newsletter, REgenerate. This digital and printed newsletter is distributed in English and Spanish and offers various sections related to safety. In fall 2016, LRS incorporated two additional and ongoing safety-focused sections: “Waste Word” and “Safety Corner.” The “Waste Word” section educates LRS’ readership on a specific term in the waste industry that is related to safety.
The “Safety Corner” section provides updates, tips or a seasonal safety message that is relevant to the community. Separate from these two sections, LRS dedicated its fall newsletter entirely to safety, which included side bars outlining various Personal Protective Equipment (PPE) and how each piece of equipment is a necessity for LRS employees along with a two-page spread illustrating the value of safety. The spread related LRS’ safety values to businesses, homes, construction job sites and schools—all key markets where LRS provides service. LRS’ corporate newsletter is a valuable communication outlet as it is distributed to all 720 LRS employees, sent to over 400 customers on LRS’ mailing list, uploaded to LRS’ website for easy viewing and download, passed along to the LRS Sales department for additional customer distribution as well as displayed at the front desk at each facility for visitors.

LRS also upgraded its marketing tools to broaden its safety focus, from crafting regular advertisements with the Bears and Cubs radio, to posting daily social media content via Facebook, Twitter, Google+ and LinkedIn, to updating the company website to include weather warnings and safety specific blog posts, to producing several professional corporate videos that are available on the company website, YouTube, facility televisions and other various outlets.

**RECOGNITION**

Recognition is the third and equally fundamental safety element LRS values. LRS knows that validated recognition does more than provide safety reinforcement; it reduces turnover, improves safety culture, increases performance and provides an outlet for open communication with management.

LRS firmly believes in a “See Something, Say Something” approach where various recognition is given from open communication rather than minimal incidents. Different than other incentive programs, LRS rewards employees who report incidents to build trust facility-wide.

While LRS works towards zero issues, the Company understands that some instances may arise. Initiated in August 2016, LRS presents its LRS Safety Award to employees on a case-by-case basis. This ongoing award promotes honorable behavior in dealing with an urgent situation. The first time this award was presented was when three LRS Mechanics reacted to an urgent situation in a controlled, level-headed manner. When instances occur, LRS acknowledges those situations and reinforces positive behavior. Recipients of the LRS Safety Award receive company recognition, a personalized plaque and a gift card. LRS presented three LRS Safety Awards in 2016 and one currently in 2017.

In addition to this esteemed safety award, LRS recognizes employee’s safety performance in its quarterly corporate newsletter. There are two recognition sections: Employee Highlight and Employee Spotlight. The Employee Spotlight is LRS’ most prestigious honor. To be an award recipient, an LRS employee must be nominated by a manager and then approved by LRS’ executives and safety team. Winners of this award receive a personalized plaque, internal and public recognition, a spot on the exclusive employee tribute wall and a substantial bonus. This award is displayed throughout the quarter in the trophy showcase at the corporate headquarters for employees and visitors to admire before being returned to the quarterly winner.

**Waste word: hard hat**

The purpose of a hard hat is to protect against blow-by objects, debris, water, electrical and other threats. This safety wear is extremely important in creating a culture of safety. Wearing a hard hat decreases the risk of head injuries. For the Protection of Life, LRS always encourages employees to wear a hard hat when present at LRS’ facilities for the utmost safety.

**Reflective Work Vests**

Reflective vests help enhance a person’s visibility when worn. These vests present easily identifiable reflective properties. Visibility enhancement is especially prominent during the early morning or as an overall Standards requirement. Wearing effective work vests help to reduce incidents by allowing employees to be more visible. For issue arises on the job, it is much easier to detect employees who are wearing reflective safety vests.

**Safety corner: LRS Safety Award**

This season, Lakeshore initiated an ongoing Safety Award to recognize employees who display behavior going above and beyond in dealing with urgent situations to reinforce positive action throughout the company. We are pleased to announce the this Safety Award to three Lakeshore Mechanics who reacted to an urgent situation in a controlled manner. These three gentlemen continue to showcase their commitment to the employee’s safety by displaying exceptional leadership and adherence to safety. With Lakeshore’s safety mentality, the Mechanics have been granted the opportunity to be one of Lakeshore’s state-of-the-art ambassadors. Recovery Facility Damilare We encourage you to join Lakeshore in our mission to “Save Safety.” By viewing safety as a core value, Lakeshore is confident that each person, regardless of being a Lakeshore employee or not, can make a positive impact on our employees, but to their families and our communities. And remember, always wear your hard hat!
While the aforementioned recognition greatly impacts company culture, LRS believes that more frequent recognition is just as beneficial. To that end, LRS recognizes an employee every Monday on its social media channels and facility televisions through its weekly LRS Highlight campaign that commenced in March 2016. Each week, a manager nominates an employee who has gone above and beyond expectations as well as follows LRS’ safety standards.

As previously mentioned, LRS continues to build its safety culture of trust and open communication within employees. This notion goes hand in hand with accurate, transparent and timely incident and data tracking/reporting.

When an incident occurs, the employee or vendor first reports it to the manager on-site. The manager then fills out an electronic form that is stored in a 24/7 accessible database. The initial report goes to the Risk Management department to review and edit details, followed by talking with the manager on-site. This is imperative in order to have the safety team take immediate action when necessary. Once completed, the form is sent out to all management and corrective action is implemented. The incident will later be brought up at a bi-monthly facility operations meeting.

LRS records all training initiatives and tracks information on a master spreadsheet. This spreadsheet contains names of employees involved in the training, salary or hourly wage of employees, training costs, time, equipment used, number of incidents, equipment involved, ancillary expenses and more. With the aforementioned data coupled with the depreciation value of each piece of equipment, LRS calculates the equipment’s prolonged lifespan percentage. Based on 2016 training and safety initiatives, LRS calculated it will prolong the lifespan of equipment by 25%. LRS measures employee hours and revenue to determine year over year increases, measures that result in a 20% year over year increase in employee hours and a 15% year over year increase in revenue.

To fully measure and improve safety standards, LRS enhanced its Improved Observation Program. Under this revised program, observations are performed each week at all facilities by the Facility Safety Manager who looks for employees violating PPE protocol and ensures employees are following compliance regulations with LRS’ safety and training programs. Information from the observation is documented, distributed and photographed. All corrective actions are sent to the appropriate Facility Manager and Risk Management department. It is then reported at the facility operations meeting, which occurs every two months. This structured program provides complete transparency within all LRS facilities, allowing Facility Managers to collaborate on best standards for employee training and growth. The program improves compliance and accountability as well as provides accurate and frequently updated figures to analyze trends for facility improvement and growth, ongoing initiatives, incident prevention, employee performance, corrective actions, facility procedures and more. Access to observations are available 24/7 for reference.

With the understanding that advanced reporting was a stronger focus in mid-2016, LRS uses DART, IR and EMR to measure quantitative results.
LRS utilizes various quantitative methods to measure safety results and look for areas to improve safety. These methods include evaluation of workers compensation claims, insurance claims cost, underwriter loss pick, training initiatives, year over year increases and more. While LRS did not report information in 2015 at the level it was reported in 2016, LRS records quantitative results that include DART, IR and EMR. LRS’ measurements follow the calendar year. The results listed below provide insight to the baseline and improvement action.

**DART**: Days Away, Restrictions and Transfers Rate

**IR**: Incident Rate

**EMR**: Experience Modification Rate

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<th>LRS Safety Baseline 2015</th>
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<td><strong>DART</strong></td>
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By the time LRS realized that safety needed to be at the focus of every initiative, LRS was performing below its expected safety standards. The hire of Vice President of Risk Management John Sliwicki in June 2016 was the most crucial piece of action taken to improve safety at LRS.

While the average time it takes for an employee to be acclimated to a company and begin generating results can be a full year or longer, Sliwicki was hired with the expectation that his actions would be measured immediately. Within just the six months left of the year, Sliwicki had created results-driven safety performance, reduced the numbers in LRS' 2015 baseline and saved costs substantially.

Workers compensation claims, P&C insurance and underwriter loss pick took a strong focus in 2016. By working closely with the Company’s insurance partner and ensuring that claims are handled appropriately, litigated workers compensation claims went from over 85% in 2015 to 0% in 2016. Additionally, LRS reduced its over P&C insurance premium by $300,000 and reduced its underwriting loss pick by $500,000.

In addition to a Vice President of Risk Management, LRS made several key hires and promotions to position strong leadership in LRS departments. This process has streamlined facility-wide collaboration, resulting in awareness of company goals and safety standards.

Education and communication is also deserving of recognition for the improvement of LRS’ safety performance. LRS used various outlets of communication to reinforce the company tagline, “Safety is a value, not a priority,” displaying that priorities can change over time and values do not.

LRS sees and promotes safety as four core values: Value of Life, Value of Integrity, Value of Excellence and Value of The Greater Good.

The Value of Life is about preservation and protection not just of LRS employees, but those impacted in the community. LRS educates employees that the safety tools learned on the job are essential in everyday life. Integrity represents the value of doing the right, honest thing in sometimes dangerous situations. Excellence showcases the constant and continuous improvement of the safety culture. And lastly, The Greater Good is the understanding that employee behavior and actions are not about the individual, but everyone affected.

These transferable values showcase that safety is a team effort and a responsibility for each individual, knowing just one person can affect many people.
CRITERIA 5: WHY DO YOU THINK YOUR SAFETY PROGRAM DESERVES THIS IMPROVEMENT AWARD?

In 2016 alone, LRS has experienced a great deal of growth and innovation. From single-stream recycling, to being one of the first companies to utilize RFID in waste, to being one of the first companies to initiate an organics program, to a generating a substantial increase in municipal contracts, employees and acquisitions, the level of risk was inevitably rising. LRS’ four major initiatives in 2016 are as follows:

1. On March 1, 2016, LRS opened its fully renovated internal structure of Heartland Recycling Center, the $8.5 million Machinex® single-stream recycling system. This increased LRS’ workforce by 10% and added over five acres to the plant. Single-stream recycling at Heartland Recycling Center contributed to the addition of eight large municipal contracts.

2. On March 10, 2016, LRS purchased C&D Recycling in Northbrook, advancing LRS’ growth and adding a strategic asset and location in the northern Chicago suburbs.

3. LRS was one of the first haulers in the Midwest to implement Radio Frequency Identification (RFID) technology in its industry. Capabilities with RFID enhances operations to run more efficiently, better optimize routes, limit driver fatigue and reduce time on the road. Drivers no longer need to step out of the truck as frequently to locate and remove garbage stickers- a huge advantage as there are over 800 stops a day during an average LRS residential route.

4. LRS is one the first waste companies in Illinois to introduce a compost program within collection routes. The first program started with the 9,200 households in the City of Highland Park. On October 1, 2016, LRS began a similar compost program for the 14,000 households in the City of Wheaton. LRS will begin a comparable compost program in May 2017 with the City of Highwood. Under the organics program, food scraps and yard waste are co-mingled and collected to be recycled into compost.

The above examples are variables in which extra safety precautions must be taken. LRS has controlled and enhanced safety during a rapid period of growth, working relentlessly to spread a safety culture in a relatively short period of time.