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## 21.1 Contractors, Suppliers And Procurement Policies

[Revised March 2006 for contractor screening and other enhancements, Effective September 2006;  
Reviewed March 2006 against 2004 ISO 14001 Standard, References Revised, Effective May 15, 2006]

Business units and facilities shall work with suppliers and contractors to enhance the Company's EHS performance.

### 21.1.1 Minimizing Adverse EHS Impacts

(Reference ISO/OHSAS 4.4.6)

Business units and facilities shall work with suppliers and contractors to minimize adverse impacts the Company's products, packaging and services may have on the environment and to minimize adverse impacts the Company's products may have on persons who handle them.

### 21.1.2 Contractor Management

(Reference ISO/OHSAS 4.4.6)

#### a. General

A contractor under this policy is a non-employee with whom Company contracts to perform a service. Such contractors include, but are not limited to, clerical workers, maintenance workers, temporary non-office staff workers and construction workers. Levels of contractors are described in the Matrix in Section 21.1.4. Contractors are obligated to comply with EHS laws, as well as relevant Company and site-specific EHS requirements. Company EHS Contractor Requirements include those listed in this Policy and in the incorporated Matrix in Section 21.1.4, and in EHS RT Guide Section 21.3.1, "EHS Requirements for Construction Contracts." Facilities must establish systems to review EHS risks involved with a contractor's work.

#### b. Definitions

- "Large Construction Projects" are those projects that have a construction phase involving more than 500 person days on site.
- "CHESS": Company's Contractor Health, Environment, Safety & Security training resource, available in several languages in CD or e-learning formats.

#### c. Communicating with Contractors

Facilities must communicate relevant EHS risks and requirements to contractors and must remain aware of the EHS issues related to contractors' work. To every extent possible, communication to contractors shall be through the project manager or senior on-site supervisor for that project.

#### d. Screening Contractors

Facilities must establish a process to screen potential contractor's safety performance prior to awarding contracts for large construction projects, as defined below, or other contractor-related activities that may pose significant EHS risks. See Contractor Requirements Matrix at section 21.1.4. The results of the screen shall be used as one of the key considerations in selecting a contractor. For the information to request during screening and samples of screening documents, refer to the EHS RT Guide Chapter 21.

#### e. Contractual Language and Bids

Facilities must define contractor EHS requirements, including general and site-specific requirements, prior to awarding contracts. Project managers should include those requirements in both bid and contract documentation. In addition, for all construction, renovation and facility-maintenance contracts, the project manager shall include the following EHS contractual language, or other comparable language approved by Company legal counsel:

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“The Contractor shall comply with environmental, health and safety (EHS) laws, as well as all site-specific and Company EHS Contractor requirements. If the Company requires Contractor to have an EHS Plan, Contractor shall also comply with the provisions of that Plan.”

For all Large Construction Projects, the project manager shall include within the contract the contractual language provided in EHS RT Guide Section 21.3.1, or other comparable language approved by Company legal counsel. Purchase Orders for construction projects are strongly discouraged.

**f. Training and Walk-throughs**

- i.) Facilities shall ensure that any contractor performing tasks for the facility that has the potential to cause a significant environmental impact is competent on the basis of appropriate education, training or experience, and the facility shall retain associated records.
- ii.) Facilities must provide general EHS orientation/ training to all contractor employees and provide specific training appropriate to the Company-specific hazards the contractor may encounter while performing work on-site. See Matrix at Section 21.1.4.
- iii.) As appropriate to the risk, facilities or business-unit EHS representatives shall conduct periodic EHS walk-throughs of the contractor work area. See also Matrix in section 21.1.4.
- iv.) Where Company facilities or business units undertake Large Construction Projects, as noted above, the EHS Manager or EHS Manager’s representative, in conjunction with the project manager, shall conduct, at least monthly, general EHS walk-throughs of the work area to confirm the Contractor’s conformance with contractual EHS obligations.
- v.) At construction sites with no Company EHS facility contact, the project manager shall conduct periodic, preferably monthly, site walk-throughs for the contractor’s conformance with all contract obligations, including all Company EHS Contractor Requirements.
- vi.) The EHS walk-through of a project site by Company personnel may be conducted together with the contractor’s representative, but does not substitute for the contractor’s independent inspection. Safety of the contractor’s employees shall remain the responsibility of the contractor. Of course, in emergency or highly hazardous situations, the Company reserves the right to stop the work.

**g. EHS Plans**

All contractors selected for Large Construction Projects must submit an Environmental, Health and Safety Plan (EHS Plan), with items noted below, to the project manager prior to commencing work on site. The project manager must review and agree to the EHS Plan as soon as possible after consultation with the facility or regional EHS manager.

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In addition, facilities may, at their option, require such EHS Plans where significant hazards (for example, EtO) exist for projects smaller than a Large Construction Project. The EHS Plan, where required by this policy, must address, at a minimum, the following elements:

- (i) How EHS regulatory requirements and facility and Company EHS requirements, as defined in bid documents, are going to be met (for example, through contractor EHS manual, inspections and procedures);
- (ii) How the Contractor will provide applicable EHS training for its employees and subcontractors, such as:
  - Appropriate training for use of personal protective equipment, fall protection, hazard communication, spills, confined-space entry, welding, cutting and hot-work policies, electrical safety and energy-control and/or lockout/tagout policies;
- (iii) The Contractor's approach to site EHS inspections and how non-conformances will be addressed.
- (iv) The name of the person on site, and/or with the Contractor's company who is responsible for EHS issues, including training and addressing non-conformances.
- (v) An acknowledgment that the Contractor has reviewed and understood all Company and facility contractor EHS requirements that the Contractor has been made aware of, including emergency response and evacuation plans as applicable;
- (vi) Except if already provided as part of the contractor screen, the Contractor's work-related injury and illness statistics, where allowed to be provided under local law, and a description of any Contractor fatality experienced in the past four years (in the U.S., OSHA lost-time incident rate shall be provided); and
- (vii) How subcontractors will address EHS requirements, including all items applicable to contractors listed in (i) to (vi) above.

### **21.1.3 Additional Requirements For New Construction or Significant Modifications to Existing Facilities**

(Reference ISO/OHSAS 4.3.1, 4.3.2, 4.4.1, 4.4.3, 4.4.4, 4.4.6, 4.5.4)

- a. EHS laws that require review, approval or other activities prior to initiating construction projects shall be reviewed by the project manager together with the facility or regional EHS manager, and complied with prior to beginning any new construction project (for example, environmental impact assessment or construction permit). The facility or regional EHS manager shall document the result of such reviews.
- b. EHS requirements shall be identified by the project manager together with the facility or regional EHS manager, and appropriately addressed in the design and construction of new and modified facilities and other structures, prior to the finalization of project scope and funding. The facility or regional EHS representative shall document such EHS requirements, including permits and hazard reviews. The project manager shall communicate changes in scope or engineering that affect these requirements to the facility or regional EHS manager. The project manager should prepare and communicate to the contractor, designer and other relevant parties the EHS standards for design and construction, similar to those contained in the Model EHS Design and Construction Requirements for New or Upgraded Facilities (EHS RT Guide Checklist 21.4.2).

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See also Section 1.1.9 regarding contract manufacturers and major vendors/suppliers/contractors.

### 21.1.4 Contractor Requirements Matrix

(Reference ISO/OHSAS 4.3.1, 4.4.1, 4.4.2, 4.4.4, 4.4.6, 4.5.4)

Levels	Apply Screen (Y/N)	EHS Review / Risk Assessment Required	Level of Training	EHS Plan Required	Frequency of Walk-throughs
1. Clerical / Admin / Office-Contract staff not from temp agency, includes professional consultants.	No	No	CHESSEquivalent	No	N/A
2. Temp. agency office staff (e.g., Kelly, etc.)	No	No	CHESSEquivalent	No	N/A
3. Temp. non-office staff from temporary agencies	No	Yes	CHESSE plus specific EHS-related risk training for Company site.	No	As needed
4. Maintenance, janitorial and other routine non-office staff, shipping, receiving, groundskeeping.	Yes, based on risk and length of work.	Yes	CHESSE, plus contractor to provide generic EHS training.	No	As needed
5. Maintenance, repair / minor modifications/ construction to existing structures. (electricians, plumbers, etc.)	Project-dependent. Consider risks and costs involved.	Yes	Company will provide CHESSE, plus training specific to the hazards unique to the job tasks Training on risks related to the contractor's trade (e.g. electricians doing electrical safety work) to be provided by contractor.	Yes, if more than 30 days but fewer than 500 person days on-site	Weekly
6. Construction project; Large or new construction and major modifications to existing structures, large maintenance projects.	Yes	Yes	Company to provide CHESSE, plus specific EHS-related risk training for Company site. Contractor responsible for specialized discipline (e.g., hot work, electrical safety, and trenching) training.	Yes, if more than 500 person days on-site	Monthly

### 21.1.5 EHS Considerations In Procurement

(Reference ISO/OHSAS 4.4.6)

- a. Facilities must consider EHS issues when selecting suppliers, products, materials and supplies. (See, for example, EHS RT Guide Sections 21.4.1, Global Supplier EHS Questionnaire, and 21.4.1.1, Global Supplier EHS Questionnaire Guidelines.) Facilities must establish systems that ensure EHS considerations are integrated into the procurement process for suppliers.

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- b. Business units and facilities must ensure that products, materials and packaging purchased for use in Company products and packaging comply with Company requirements. See EHS RT Guide Section 24.1, Product Development And Packaging Policies.
  - c. Where feasible and cost-effective, facilities shall purchase products containing recycled materials.