

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

A. INTENT

The intent of the Contractor EH&S Program Standard Practice is to minimize risks associated with the activities of contractors who perform work for UTC operations. This Standard Practice identifies environment, health, and safety related performance requirements for UTC contractors and the criteria that shall be established to effectively evaluate contractor compliance with this Standard Practice and other regulatory and corporate requirements.

B. APPLICABILITY

This Standard Practice applies to all UTC business units and operations worldwide including those joint ventures, partnerships or other business arrangements where UTC holds a majority ownership interest, majority voting control, or where UTC, by contract, has agreed to manage the company. This Standard Practice applies to all UTC operations worldwide where contractors are retained. Each operation shall comply with the most stringent requirements established either by local regulation, the business unit requirements or by this Standard Practice.

C. REQUIREMENTS

Each operation shall develop a strategy for implementing the requirements of this Standard Practice. Operations management is responsible and accountable for all contractor activities.

1. Oversight

Contractors shall not perform work for any UTC operation without the prior knowledge of a contractor coordinator who has been informed of, and assigned responsibility for, the contractor's activities.

2. Written Program

Each UTC operation, where applicable, shall have a written program that describes the strategy, requirements, and practices which address this Standard Practice. The program shall be reviewed annually to ensure it is current and meeting operational needs.

3. Assessment of Contractors

Pre-Work Assessments

Each operation shall establish a written program to:

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

- Determine the specific EH&S risks associated with current or expected contractor activities;
- Establish contractor EH&S requirements based on the degree of hazard and risk, and/or the type of work being performed; and
- Assess the EH&S qualifications of contractors that are currently conducting or are expected to conduct business for any UTC operation.
- Assess the potential impact to the operation (e.g. hazards to the employees, business interruption/continuity) due to the work and the contractors performing it.
- Establish risk level criteria to be used in the contractor pre-work assessment process.

Each UTC operation is responsible for determining the scope and format of its assessment. Assessments shall evaluate contractor qualifications and performance history with respect to applicable UTC EH&S Standard Practices and applicable regulatory requirements, and ability to conduct business in a safe and environmentally responsible manner. Pre-work assessments shall include a review of the following:

- Contractor's EH&S operating procedures;
- Training records or certifications for individuals working on site at UTC operations;
- History of EH&S performance for UTC or other companies, and /or recommendations from UTC or other companies;
- History of environmental or safety citations;
- The assessment shall establish and assign a designated risk level for contractors. Each risk level shall determine the type of work allowed and training required to perform that work. Contractors who have significantly changed their scope of work shall be re-assessed and re-designated to an appropriate risk level.

The information shall be kept in a central location (as defined by the operation) and updated as appropriate. The most current information shall not exceed three calendar years.

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

Business decisions regarding the selection and use of contractors shall consider the ability of the contractor to perform the work in a safe and environmentally responsible manner.

Long-term contractors shall be reviewed periodically as deemed necessary by the UTC operation.

4. Accident Investigations

Accidents and incidents involving contractors that meet the reporting threshold requirements for Policies 33 and 52 (as if the contractor were a UTC employee) shall be completely investigated to determine root cause.

5. Contractual Language

All contracts, purchase orders or other similar documents entered into or issued to contractors by UTC operations shall contain: (i) a provision requiring the contractor to comply with the requirements of this Standard Practice and all applicable laws, rules and regulations; (ii) a provision indemnifying, defending, and holding harmless UTC from any liability associated with the contractor's non-compliance with such requirements; (iii) a provision disclaiming any liability to UTC based on the EH&S assessment and any other acts or omissions of UTC under this Standard Practice; (iv) a provision for default termination of the contract in the event the contractor falsifies information describing its qualifications, or where the contractor is shown to be significantly deficient in EH&S performance and/or capabilities.; and (v) a provision requiring the contractor to agree that its relationship to UTC shall be solely that of an independent contractor (not an employee) and that it will comply accordingly with all applicable governmental tax withholding requirements.

Appropriate measures shall be established and implemented when misconduct on the part of the contractor occurs. Non-compliance with the terms of the contract or use of less than acceptable work practices, i.e., improper disposal, spills, or violations of UTC Cardinal Rules, and unsafe work practices, shall be addressed promptly by the operation's management. Local management shall decide whether or not to continue doing business with contractors who fail to meet the requirements of this Standard Practice.

A contract review of the operation's contractors shall be completed annually to ensure the contractors are performing to the provisions and that the information

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

they have provided is current. For contractors who work periodically and subsequent work extends beyond a calendar year, or more, the review should be conducted prior to their next scheduled commencement of work.

6. Emergency Contract Work

Each operation shall plan for the possibility of emergency work and the need for contractor services. Where possible, the operation shall conduct a precertification of contractors that would likely be called in an emergency. This list shall be included in the operation emergency response plan, where applicable.

If the contractor in question is not pre-certified, the operation must collect information concerning the contractor's EH&S programs and performance from the contractor at the time of the emergency or soon thereafter.

The UTC operation shall provide the contractor with information needed to complete the emergency work without risk to company or contractor employees, or harm to the surrounding environment.

7. Contractor Coordinators

Each UTC operation shall establish a method to continually identify all employees who act as or have the potential to act as contractor coordinators. The contractor coordinators shall be trained in basic EH&S rules and regulations. The responsibilities of the coordinators are to ensure that contractors comply with all pertinent company rules, EH&S rules and regulations and contract requirements, including this Standard Practice.

They shall:

Where applicable, ensure that contractors are aware of any special precautions or hazards of which the operation management has knowledge by sharing applicable, procedures and sharing any appropriate JSA, PRA, or FHRA's.

Ensure comprehensive site orientations are completed for contract personnel on UTC sites.

Ensure and verify all contractor personnel on UTC sites have received appropriate and current training relative to the identified hazards, local regulation and UTC requirements.

Contractor coordinators must be given the authority to terminate a contract if contractor activities are deemed unsafe or environmentally unsound.

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

8. Communication

Each UTC operation shall establish a method of communication to ensure that the contractor coordinators, the contractors, and contractor employees are aware of the operation's EH&S requirements. Any changes to local EH&S requirements must also be communicated to the coordinators and contractors. The UTC operation shall document these communications and shall require confirmation that the coordinator, the contractor, sub-contractor, and all designated contractor employees have been informed of and understand these requirements.

UTC operations shall ensure that UTC employees, non-UTC employees, and the general public are informed of the contractor activities that may affect them. UTC operations shall provide information to contractor employees concerning hazards to which they may be exposed while performing work for the operation. Performance information should be shared with other UTC operations that may have access to the same contractor.

D. TRAINING

Each operation shall develop and provide training to all designated contractor coordinators regarding the control of the specific hazards and risks of its processes as well as training for basic EH&S rules and regulations. The training shall be sufficient to allow these personnel to properly carry out the duties assigned. Refresher training shall be provided as deemed necessary by the operation. This training shall be incorporated into the operation training plan, and records maintained according to the operation's record retention policy. Contractor coordinators who do not possess a skill set in the risk analysis should consult an appropriate subject matter expert.

E. INSPECTIONS AND AUDITS

1. Each operation shall ensure that ongoing contractor activities are inspected, with appropriate follow-up. Major deficiencies should be noted in the contractor's central location file. The scope, format, and frequency of inspections, and the specific contractors to be evaluated shall be determined by the operation, based on the degree of risk or the type of work being performed. The inspection must, at a minimum, address applicable environmental and safety compliance and ensure that the risks to UTC, the contractor's employees, customers, and the surrounding environment are identified and controlled. The contractor coordinators must be trained in inspection activities.

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

UTC operations hiring contractors who will not work on UTC premises may use alternate means to assess contractor EH&S performance, including third party assessments and/or self-appraisals.

Each operation shall have a program of inspections and audits in place that effectively reviews all facets of the Contractor Safety program. The trending information gathered from these findings shall be used in the overall annual program evaluation.

F. DOCUMENTS AND RECORDS

Each operation shall maintain in a central location the following documents and records in accordance with the operation's record retention schedule:

1. Written Contractor Environment, Health and Safety Program (Section C.2)
2. Contractor Pre-Work assessments (Section C.3)
3. Emergency Contractor List (Section C.6)
4. Confirmation records of Communication of EH&S Requirements and associated changes. (Section C.8)
5. Training Records – Contractor Coordinator (Section D)
6. Pertinent Training Records for Contractors (Section C.7)
7. Contractor Inspections and Audits (Section E)

G. REFERENCES

1. UTC Minimum Operating Requirements
2. UTC EH&S Management System

H. IMPLEMENTATION

Each operation is required to meet local regulatory requirements at all times. Implementation of additional requirements mandated in this standard will be in accordance with the following schedule:

1. Existing Business Units and Operations: November 1, 2010
2. Acquisitions: Two years from the date of acquisition. Except: Sections C1, C4, C8 and Section E to be applied immediately.

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

I. DEFINITIONS

- **Contractor/Subcontractor** – is any non-UTC person or persons who have been authorized by a UTC operation to work on the premises of a UTC site or under the direct supervision of UTC employees. In addition, contractors not working on UTC premises or not subject to direct UTC supervision are subject to this policy if they are providing installation, maintenance, or service work for UTC equipment on UTC's behalf and pursuant to UTC's instructions. Persons who perform work as a subcontractor to an authorized UTC contractor and who meet these criteria are subject to this standard practice. Other suppliers of goods or services are not subject to this standard practice.
- **Contractor Coordinator** – is any UTC employee who is authorized to give direction to or otherwise has authority over a contractor. In the event a contractor coordinator has not been designated for a specific contract or purchase of service, the employee requesting the work shall be responsible for carrying out the duties of the contractor coordinator for the work requested and shall be considered to be the contractor coordinator.
- **Central Location** – for an autonomous operation one location where all the required information on contractors can be maintained for review, the location can be either on paper or electronic, it can be local or web-based.
- **Risk Level** – each operation shall determine, based on a risk assessment relative to their operations, a set of clearly identified threshold levels to categorize their contractors. Each risk level shall determine the type of work allowed, the inspection frequency and training required to perform the work. Any contractor performing work, or providing services shall be assigned a risk level. Auditing and inspection activities by third parties and regulatory agencies are considered contracting activities and shall also be assigned a categorized threshold level.
- **Basic EH&S Rules and Regulations** – A core understanding of the following local safety regulations to include:
 - Energy Isolation (LOTO)
 - Electrical Safety
 - Confined Space Entry

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

- Fall protection
- Scaffolding requirements
- Personal Protective Equipment
- Walking & Working Surfaces (to include Ladders)
- Hot Work permits
- Compressed gases
- Powered Industrial Vehicles
- Machine Guarding

Local Asbestos regulations (if applicable)

Local Environmental Regulations (if applicable) to include:

- Basic Hazardous waste regulations
- Basic Air regulations
- Basic Water regulations

■ **Spill and Emergency Response**

Emergency Work – non routine work as a result of an unplanned event that has poses a significant impact or threat to the facility, the property or neighboring properties.

Examples of emergency work to include

- Spill response
- Major electrical repair
- Major plumbing repair
- Gas line repair
- Fire suppression system repair

EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

J. REVISION/REVIEW

Revision/Review	Description	Date	Owner
Original	Original	10/18/1996	E. Bulakites
1	Updated to reflect current document control requirements.	12/31/2006	J. Hughes
2	Revised for definition and clarity, updated to reflect current operations.	05/14/2010	D. Tyler
Review	No changes identified or needed	5/17/2012	J. Harvey

Change Type	Section	Details
No Change	A	
Addition	B	The “most stringent requirements apply” language added.
No Change	C.1	
Addition	C.2	Program to be reviewed annually
Addition	C.3	“Written Program” / “Potential impact to the business.” / Establish a “risk level.” / Information kept in a Central Location.
Addition	C.4	Accidents and incidents involving contractors that meet the reporting threshold requirements for Policies 33 and 52 (as if the contractor were a UTC employee) shall be completely investigated to determine root cause.
Addition	C.5	The contractor coordinators shall be trained in basic EH&S rules and regulations. The responsibilities of the coordinators are to ensure that contractors comply with all pertinent company rules, EH&S rules and regulations and contract requirements, including this Standard Practice. They shall: Where applicable, ensure that contractors are aware of any special precautions or hazards of which the operation management has knowledge by sharing applicable, procedures and sharing any appropriate JSA, PRA, or FHRA's.
No Change	C.6	
Addition	C.7	Specifying training for the coordinators, ensuring compliance of the contractors, using hazard recognition tools. Ensure proper orientations are provided and ensure proper and appropriate training on the contractor.
No Change	C.8	
Modification	D	Each operation shall develop and provide training to all designated contractor coordinators regarding the control of the specific hazards and risks of its processes as well as training for basic EH&S rules and regulations. The training shall be sufficient to allow these personnel to properly carry out the duties assigned. Refresher training shall be provided as deemed necessary by the operation. This training shall be incorporated into the operation training plan, and records maintained according to the operation's record retention policy. Contractor coordinators who do not possess a skill set in the risk analysis should

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Page: 9 of 10

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EH&S STANDARD PRACTICE SP-010

CONTRACTOR ENVIRONMENT, HEALTH AND SAFETY PROGRAM

Change Type	Section	Details
		consult an appropriate subject matter expert.
Addition	E.1	The contractor coordinators must be trained in inspection activities.
Addition	E.1	Each operation shall have a program of inspections and audits in place that effectively reviews all facets of the Contractor Safety program. The trending information gathered from these findings shall be used in the overall annual program evaluation.
Addition	F	Identifies important/pertinent documents for contractor assessments, training records for contractors with emphasis on "central location"
Addition	G	"UTC EH&S Corporate Portal Website" added to the list
Addition	H	Acquisitions from three years to two years for implementation
Addition	I	■ Central Location – for an autonomous operation one location where all the required information on contractors can be maintained for review, the location can be either on paper or electronic, it can be local or web-based. ■ Risk Level – each operation shall determine, based on a risk assessment relative to their operations, a set of clearly identified threshold levels to categorize their contractors. Each risk level shall determine the type of work allowed, the inspection frequency and training required to perform the work. Any contractor performing work, or providing services shall be assigned a risk level. ■ Basic EH&S Rules and Regulations - A core understanding of the following local safety regulations to include: • Energy Isolation (LOTO) • Electrical Safety • Confined Space Entry • Fall protection • Scaffolding requirements • Personal Protective Equipment • Walking & Working Surfaces (to include Ladders) • Hot Work permits • Compressed gases • Powered Industrial Vehicles Local Asbestos regulations (if applicable) Local Environmental Regulations (if applicable) to include • Basic Hazardous waste regulations • Basic Air regulations • Basic Water regulations