

Benchmarking Customer EH&S Expectations of Telecom Equipment Installation/Maintenance Contractors



Presented by: Tom Finley, Lucent Technologies

ITSC

September 13, 2005

Lucent Technologies – Proprietary
Use pursuant to company instruction

Lucent Technologies
Bell Labs Innovations





Benchmarking Customer EH&S Expectations of Telecom Equipment Installation/Maintenance Contractors

Purpose:

The purpose of this survey is to determine the expectations of companies such as yours when evaluating the EH&S performance of your equipment installation/maintenance service providers.

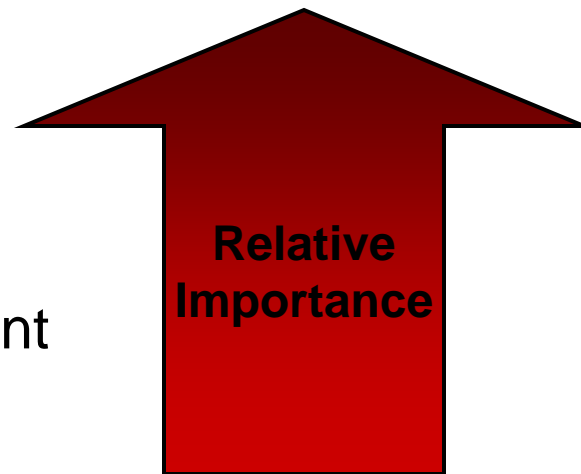
Benchmarking Customer EH&S Expectations of Telecom Equipment Installation/Maintenance Contractors

Survey Question:

- Please rate the level of importance of the following criteria (31 provided) when you are selecting a potential contractor for installation, service, or maintenance of telecommunications equipment?

Response Choices:

- Always Important
- Usually Important
- Unsure/Neutral
- Sometimes Important
- Never Important



Survey Format

Part 1: Survey Questions

Please rate the **level of importance** of the following criteria when you are selecting a potential contractor for installation, service, or maintenance of telecommunications equipment? Please enter an "x" for your choice in each row.

| Selection Criteria | Never Important | Sometimes Important | Neutral / Unsure | Usually Important | Always Important | Comments (if any): |
|--|-----------------|---------------------|------------------|-------------------|------------------|---|
| Sample Question: Company Safety Slogan? | | X | | | | As long as they have a good safety record, I don't really care much about their slogan. |
| Total Injury/Illness incidence rate (work-related recordable)? | | | | | | |
| Lost Workday Case Rate (i.e., work-related absence cases)? | | | | | | |
| Lost Workdays Rate (i.e., work-related absent days) | | | | | | |
| Past Fatalities? | | | | | | |

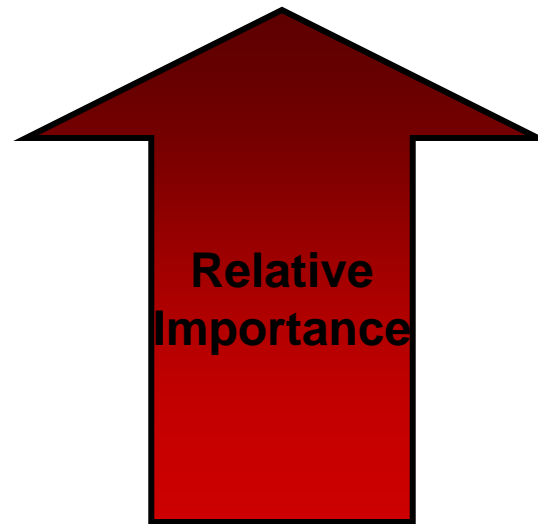
Response Rate

- 11 out of 15 Responses (73%)
- 1 Military Customer
 - U.S. Army
- 10 Major Telecommunications Service Providers
 - BellSouth
 - Sprint
 - Cincinnati Bell
 - T-Mobile
 - Cingular Wireless
 - US Cellular
 - Nextel
 - Verizon
 - SBC Communications
 - Verizon Wireless

Results

“Most Important” (Top 5) When Selecting Contractor:

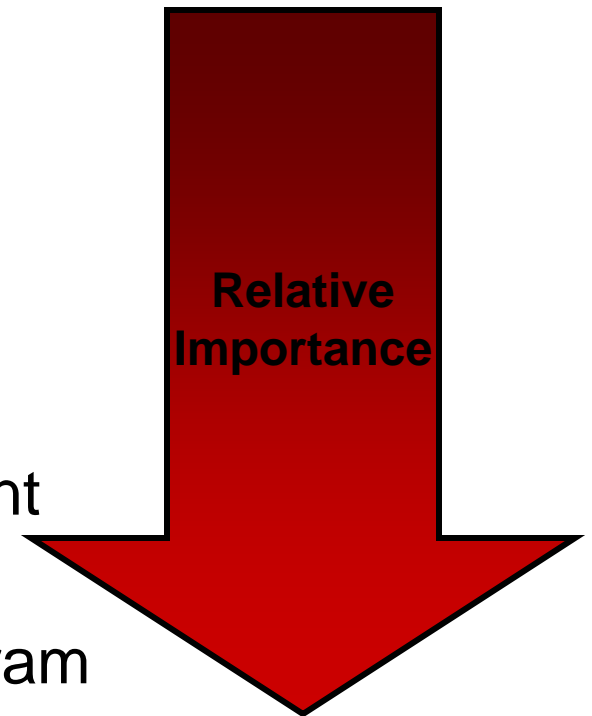
1. Existing Subcontractor safety program
2. Waste removal and disposal procedures
3. Past History of Fatalities
4. Ability to respond On-site to Address Field Issues/Concerns
5. Past Regulatory/Government Citations



Results

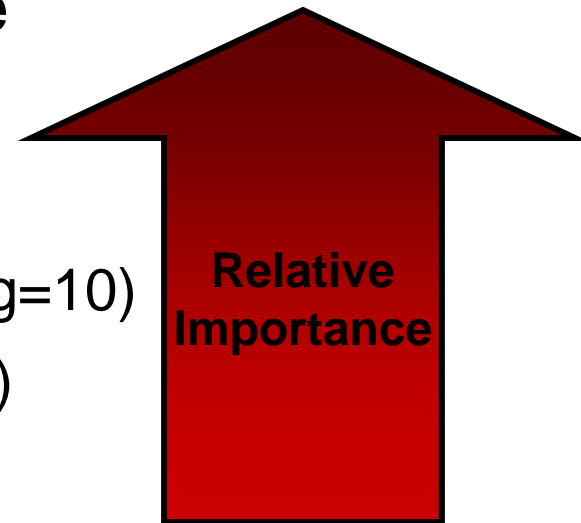
“Least Important” (Bottom 5) When
Selecting Contractor:

27. Policy for Corporate Social Responsibility/ Governance
28. Existing EH&S Policy Statement
29. Non-Certified EH&S Management Systems in place
30. 3rd Party Certified EH&S Management Systems in place (e.g., VPP)
31. Safety Incentive or Recognition Program



Other “Notable and Interesting” Results

- 2 Subcontractor Safety Items Ranked in Top 6
 - Existing Subcontractor Safety program (Ranking=1)
 - Subcontractors screened for EH&S performance (Ranking = 6)
- Injury Rate Level of Importance
 - Past Citations (Ranking=5)
 - EMRs (Ranking=9)
 - Lost Workday Case Rate (Ranking=10)
 - Lost Workdays Rate (Ranking=12)
 - Total Injury Rate (Ranking=18)





Other Observations

- **EH&S Involvement in Contractor Selection**
 - 8 (73%) EH&S Respondents Stated that they provide EH&S Standards of Performance to their Procurement / Supply Chain Organization for Screening and Selecting Contractors (or are currently moving in that direction)

- **Priorities for Contractor Selection**
 - Compliance-Based and Field EH&S Support/ Response related items most important
 - Non-Compliance items and less direct results-oriented items (e.g., policies, documentation, etc.) least important

Take-Away Questions:

- For Service Providers:

- Are You Evaluating/Screening Contractors for EH&S Criteria that you deem important?
- Is Your EH&S Team involved in evaluating/ screening contractors for EH&S performance or establishing EH&S performance criteria (as most of your competitors are)?

- For Equipment Installation/Maintenance Contractors:

- Are you able to provide the information or data about your EH&S performance/ capabilities that the customer requests and considers important?
- Are you prioritizing what you're doing based on what your customer sees as important?

Benchmarking Customer EH&S Expectations of Telecom Equipment Installation/Maintenance Contractors

Benefits of Findings:

Results of this survey should be helpful to:

- **Telecommunications Service Providers**, such as yours, to better understand your competitor's expectations when selecting contractors for telecommunications equipment installation/maintenance.
- **Telecommunications Equipment installation/maintenance companies** to ensure that your expectations/ priorities for EH&S support and performance are better understood and that those expectations are met.