

# Corporate Social Responsibility

## Our workplace

- 19.2% reduction in injury rate
- Three-year wellness initiatives started
- Focus on employee health and well-being

## Our global footprint

- Improved environmental performance
- 118 sites with environmental management systems
- \$1,075,580 charitable assistance

## Our marketplace

- New supplier charter
- 86 sites with quality management systems
- Numerous customer awards

## Governance/management

- Full policy compliance
- Group anti-discrimination and anti-trust training
- Excellent governance ratings

## Introduction

At Tomkins, social responsibility is an integral part of our everyday business practices and one of the drivers of our success. We understand the need to balance economic, environmental and social responsibilities in a manner that meets the needs of our stakeholders. Indeed, during the current economic crisis, it has become even more important that we maintain our focus on environmental and social matters. We believe that excellence in CSR is consistent with, and enhances, our financial performance.

A summary of our progress and performance in 2008 is set out below, describing our continued progress in the four key CSR areas, namely, corporate governance, our workplace, our global footprint and our marketplace. We have again published a separate, in-depth, Corporate Social Responsibility report which is available for download from our website, [www.tomkins.co.uk](http://www.tomkins.co.uk).

## Corporate governance

Corporate governance at Tomkins is recognised to be amongst the best in class. At Board level, we continue to address the demands of the changing regulatory environment and place a strong emphasis on corporate governance in all our activities.

Each year, we require our Company Presidents to confirm compliance with our corporate policies; Tomkins' Code of Conduct and Ethics, Human Rights and HSE policies. I am pleased to report there were no material cases of non-compliance.

This year, at an operational level, we undertook Group-wide training on ethics, discrimination and harassment avoidance and anti-trust issues. The training programme covered over 11,000 employees around the world. In December 2008, in recognition of our increasingly global reach and the need to manage risk, we introduced a new training initiative on the US Foreign Corrupt Practices Act of 1977.

## Our workplace: health and safety

The importance placed on health and safety by the Board and management of Tomkins is reflective of the belief that our commercial success is tied to strong health and safety performance. We aspire to achieve the same high safety standards throughout the Group, regardless of the type of operation or its location. This focus on safety has resulted in a 19.2% reduction in the incident rate and a 2.7% fall in severity rate in 2008 versus 2007. These improvements were achieved through the continuous efforts of all employees to make safety a way of life.

Our Excellence Award Programme ran again in 2008, with an increased number of our facilities participating. The Excellence metrics were reviewed at the end of the year to determine their effectiveness. No new criteria were proposed for 2009, but it was recommended that the targets for safety be more rigorous to encourage innovation and leadership in achieving excellent performance.

We selected employee wellness as one of our CSR focus areas for 2008. As part of our wellness initiative, we introduced a 'tobacco-free in three' programme as an option for our companies. As at the end of 2008, there are only restricted outdoor areas at the majority of Company properties where employees may smoke. However, all locations are encouraged to be tobacco-free in three years' time. Additionally, we have been pursuing many voluntary preventive healthcare initiatives at the operating level, ranging from personal health assessments, annual health fairs, smoking-cessation programmes, pre-shift stretching exercises, company contributions to gym memberships through to weight-loss competitions and the provision of healthy-eating options.

## Our workplace: employees

In the workplace, our aim is to be an employer of choice. We believe there is a strong correlation between effective people practices and business success. We can improve the performance of the business by developing our employees to their full potential, by motivating staff appropriately and through prudent succession planning. Our Human Resources function operates on a decentralised structure, mirroring the organisation of the Group. This reflects our belief that localised teams, operating under common principles, are best equipped to deal with the varying cultures, operating structures and geographic locations that exist around the Group. It also helps foster local entrepreneurship, a key element in Tomkins' culture.

## Key performance indicators

	2008	Number of facilities reporting	2007	Number of facilities reporting
Total waste (million metric tonnes)	0.179	132	0.195	126
Landfill waste (million metric tonnes)	0.040	132	0.044	126
Total energy consumed (billion KWh)	1.577	127	1.604	114
Water consumption (million m <sup>3</sup> )	2.534	128	2.550	121
Total greenhouse gas emissions (million tonnes)	0.177	127	0.137	114

Each business in the Group is encouraged to implement comprehensive employment policies designed to motivate employees and to determine ways in which knowledge and skills can best contribute towards the success of the business. Schemes are operated to encourage loyalty and performance. For instance, the Tomkins 2005 Sharesave Scheme provides an opportunity to purchase shares in Tomkins plc.

Employee involvement and communication programmes continue to be developed that are designed to provide equal opportunity to all, irrespective of sex, race, religion or colour. Each business in the Group endeavours to provide equality of opportunity in recruiting, training, promoting and developing the careers of disabled persons.

#### Our global footprint: environment and climate change

Our facilities began reporting energy and water usage, air emissions, waste and recycling efforts in 2007. We have found this data allows our companies to better manage their businesses and we have seen a corresponding improvement in our environmental performance as evidenced by our key performance indicators.

In the table above, we have set out absolute figures for waste production, energy and water consumption and greenhouse gas emissions for 2008 and 2007. Although this data does not cover 100% of our operations, we believe it provides a meaningful guide as to the impact of our operations.

Tomkins recognises that climate change is a global business challenge. We are committed to reducing our greenhouse gas emissions through efficiency improvements and, in particular, the application of lean manufacturing techniques. We continue to make significant investments in our facilities, reducing energy consumption, water usage and waste in order to achieve optimal efficiency levels. Climate change and the environment are also increasingly important drivers of product and process innovation within Tomkins.

#### Our global footprint: community

We recognise our responsibilities to the wider communities in which our businesses operate. These responsibilities range from consulting with local bodies, to providing charitable assistance and supporting community and corporate citizenship projects. Total charitable donations in the year were \$1,075,580 (2007: \$908,728), of which the UK accounted for \$297,020 (2007: \$196,036); in the US they totalled \$593,671 (2007: \$541,329), of which

\$297,054 (2007: \$245,149) came from a Tomkins-funded charitable trust; and in the remaining overseas companies they totalled \$184,889 (2007: \$171,363). It is Tomkins' practice not to use shareholders' funds to make political donations either in the form of monetary donations or other in-kind benefits. No political donations were made during the year (2007: \$nil).

#### Our marketplace

We value highly our relationships with our many, diverse customers. Our products are sold in highly competitive markets and so excellence in customer service, product quality and innovation are always our priority. Likewise, we continue to value our relationships with our wide supplier base.

In late 2008, we introduced a Supplier Charter which outlines our expectations with regards to standards in our supply chain. We believe this initiative further evidences our commitment to CSR by mandating the ethical and respectful treatment of individuals, the environment and wider community. The full Supplier Charter can be downloaded from our website.

We maintain open communication channels with the investment community and have devoted considerable time and resources to our Investor Relations programme. We responded to many queries and requests for further information on our CSR programme from a variety of stakeholders, ranging from third-party survey and assessment organisations, local communities, through to the Carbon Disclosure Project. We maintained our status as a constituent member of the FTSE4Good Index in 2008 and were particularly pleased to have been very highly rated by GovernanceMetrics International, a leading socially responsible investment rating agency which specialises in corporate governance ratings.

#### Conclusion

We are pleased with the progress achieved with our CSR programme this year, in particular the addition of a new Supplier Charter and our improved environmental performance. This progress is testimony to the efforts of all our employees around the Group who, despite challenging economic and financial pressures, continue to value the pursuit of our CSR activities. We will endeavour to further improve our CSR performance on a continued basis.

#### Struan Robertson

Chairman, Corporate Social Responsibility Committee

24 February 2009