

CORPORATE SOCIAL RESPONSIBILITY

Corporate governance

- Extended compliance programme
- Above-average governance ratings

Our workplace

- 27.7% reduction in injury rate
- Launched Tomkins fitness challenge

Our global footprint

- 110 sites with environmental management systems
- \$490,643 charitable assistance

Our marketplace

- Full roll-out of supplier charter
- New HSEco-design programme

Introduction

The past year has witnessed significant economic, financial and business turmoil. Tomkins' response to the downturn in its markets has been to implement wide-reaching restructuring projects, involving the closure of 25 facilities and a reduction in headcount of 4,300. Despite this, we have remained focused on CSR as an integral part of our everyday business practices and one of the drivers of our success. We believe that excellence in CSR is consistent with, and enhances, our financial and corporate performance.

A summary of our progress and performance in 2009 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 the Company's website.

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 and risk management in all our activities. Unless otherwise stated, we comply fully with the requirements of the Combined Code on Corporate Governance and also with the provisions of Sarbanes-Oxley in so far as they apply to Tomkins.

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 (including Tomkins Global Minimum HSE Standards). I am pleased to report there were no material cases of non-compliance. In 2010, we are in the process of extending confirmation to all employees holding positions of plant

manager and above. This change was proposed by the CSR Committee of the Board in order to ensure that this critical element of our management procedures receives the prominence it deserves.

Our workplace: health and safety

The health and safety of our employees and those people and communities who are affected by our operations is of utmost importance to us. Tomkins' companies conduct business in many countries around the world. HSE requirements vary greatly in these countries and many do not provide the level of protection for employees that Tomkins has established for its operations. In order to achieve the same high safety standards throughout the Group, regardless of the type of operation or its location, we implement our Global Minimum HSE Standards which must be complied with, in addition to any local regulatory requirements.

In 2009, our accident rate (number of reportable incidents per 100 workers) was 1.97 (2008: 2.72) and our severity rate (average number of lost workdays per 100 employees) was 8.62 (2008: 15.91), representing a 27.7% and a 45.8% reduction respectively versus 2008. These achievements place us well above average when compared to the performance of the US manufacturing sector and demonstrate our commitment to safety excellence. We are pleased to have achieved these reductions against a background of considerable change.

During the second year of our health and wellness programme we launched the Tomkins Global Fitness Challenge. The aim of the initiative was to improve the wellness level of employees, increase productivity and promote loyalty and collaboration worldwide. The goal for the challenge was to travel the total distance around the world, with participants tracking their fitness activities on a customised multi-language website. The site also contained information on healthy living and a bulletin board to share success stories. With over 2,000 participants, we quickly achieved our initial goal and so set and reached a new target of travelling the distance to the moon and back.

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.

At a Group level, we use formalised succession planning, management internships and competitive compensation schemes that align the interests of our managers with those of our shareholders. Specific management training is provided through Tomkins College, the Group's executive development programme.

Individual facilities pursue their own customised employee training programme, covering a variety of issues from safety, security awareness, lean manufacturing, waste handling, through to disease prevention and communication and language training.



Key performance indicators

	2009	Number of facilities reporting	2008	Number of facilities reporting
Total waste (million metric tonnes)	0.084	154	0.118*	139
Landfill waste (million metric tonnes)	0.028	154	0.040	132
Total energy consumed (billion KWh)	1.426	154	1.682*	148
Water consumption (million m ³)	2.178	154	2.524*	138
Total greenhouse gas emissions (million tonnes)	0.163	154	0.177	127

* 2008 figures adjusted for increase in number of reporting locations and data revisions

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 Sharesave Scheme provides an opportunity to purchase shares in Tomkins plc.

We are firmly committed to the equitable treatment of all our employees and qualified applicants for employment. Equal opportunity is one of our most enduring and basic beliefs and we aim to ensure that no discrimination in any form is practised within our business. Furthermore, it is the responsibility of each employee to help Tomkins provide a work atmosphere free of harassment or abuse.

Employee involvement and communication programmes continue to be developed, designed to provide equal opportunity to all, irrespective of sex, race, religion or colour. Each company 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

Environmental liability represents a significant CSR risk to be managed in all Tomkins' operations. Environmental problems can consume valuable management time, place a financial burden on profitability and impair our image in the community. In order to mitigate these risks, our operations are all subject to rigorous minimum environmental standards. Tomkins incurred no environmental fines in 2009.

Our efforts are not limited to minimising the impact of our operations on the environment but also extend to manufacturing environmentally-responsible products. More details of these products can be found in our full-length CSR report for 2009.

Our facilities began reporting energy and water usage, air emissions, waste and recycling efforts in 2007. Data quality has improved each year and we have found this data allows our companies to better manage their businesses.

In the table above, we have set out absolute figures for waste production, energy and water consumption and greenhouse gas emissions for 2009 and 2008. We estimate that this data covers over 95% of our operations and, as such, provides a meaningful guide as to our environmental impacts.

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. Each of our facilities operates its own community engagement programme. Total charitable donations in the year were \$490,643 (2008: \$1,075,580), of which the UK accounted for \$90,168 (2008: \$297,020); in the US they totalled \$254,271 (2008: \$593,671), of which \$161,378 (2008: \$297,054) came from a Tomkins-funded charitable trust; and in the remaining overseas companies, they totalled \$146,204 (2008: \$184,889). 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 (2008: \$nil).

Our marketplace

The new Supplier Charter launched at the end of 2008 has now been fully rolled out across the Group. Compliance with the terms of the Charter is incorporated into the terms of all our companies' purchase orders.

We recently completed an HSEco-Design training manual and programme which is being rolled out across the Group. HSEco-Design is a systematic application of environmental and health and safety considerations at the product and manufacturing process design stage. The way we produce, use and dispose of products impacts the sustainability of the environment, as well as our business. Through the application of HSEco-Design, we aim to enhance business sustainability by creating a more competitive product which meets the needs of all our stakeholders.

Conclusion

The CSR Committee is extremely pleased with the strong progress achieved with our CSR programme this year, especially against the backdrop of global financial turmoil. The Board also continues to emphasise its commitment to CSR, in particular when conducting site visits. We fully believe that the persistence of all our employees in pursuing CSR activities contributes positively to corporate performance.

Looking forward, we will continue to implement our CSR strategy, focusing in 2010 on our key priorities of:

- Further improving our safety performance
- Wellness of employees
- Understanding and managing our environmental and climate change impacts
- Recruiting and retaining talented people
- Continuing to support our local communities

Struan Robertson

Chairman, Corporate Social Responsibility Committee
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