

## Corporate social responsibility report

# Continued focus on health and safety ensures the development of a strong and efficient health and safety culture.

### Code of Conduct

The Group's continued excellent performance would not be possible without the commitment of each of its employees. The Group operates a decentralised structure, believing that everyone works at their best when operating as a local team, under agreed common principles. This has enabled each employee to make their personal contribution to the operations of the division within they work and has ensured that local cultures prevail.

As the Group continues to grow in size, complexity and geographical spread, it is more important than ever that these common principles and best practices are embedded throughout the organisation. During the year the Board approved a Code of Conduct, that sets out the standards of behaviour and business practices expected from everyone within the Tyman Group.

All members of the senior management team have signed up to the Code of Conduct and the contents are being embedded within employee handbooks throughout each Division.

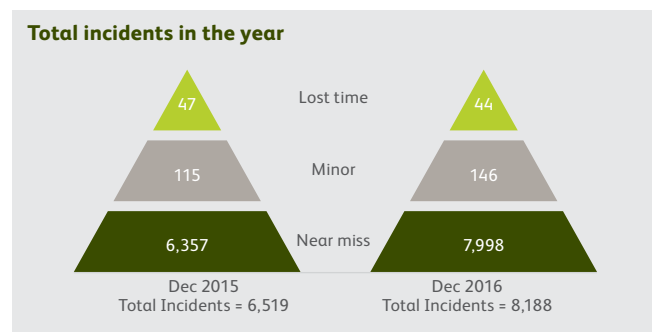
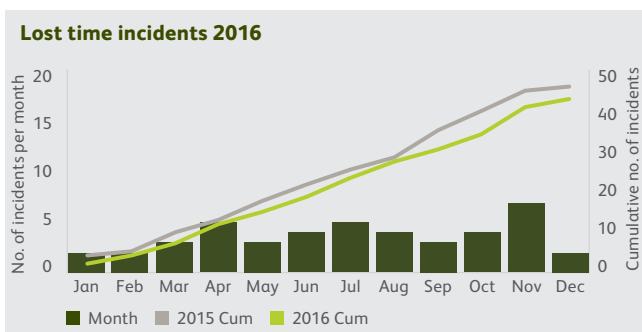
### Health and Safety

As a manufacturing organisation, providing a safe environment in which all our employees can work without accident or incident continues to be a key priority for the Board and the Group as a whole. During 2016 a Group-wide independent health and safety audit was carried out. The aim of this audit was to assess the health and safety practices throughout the divisions, from which key learnings could be put into practice.

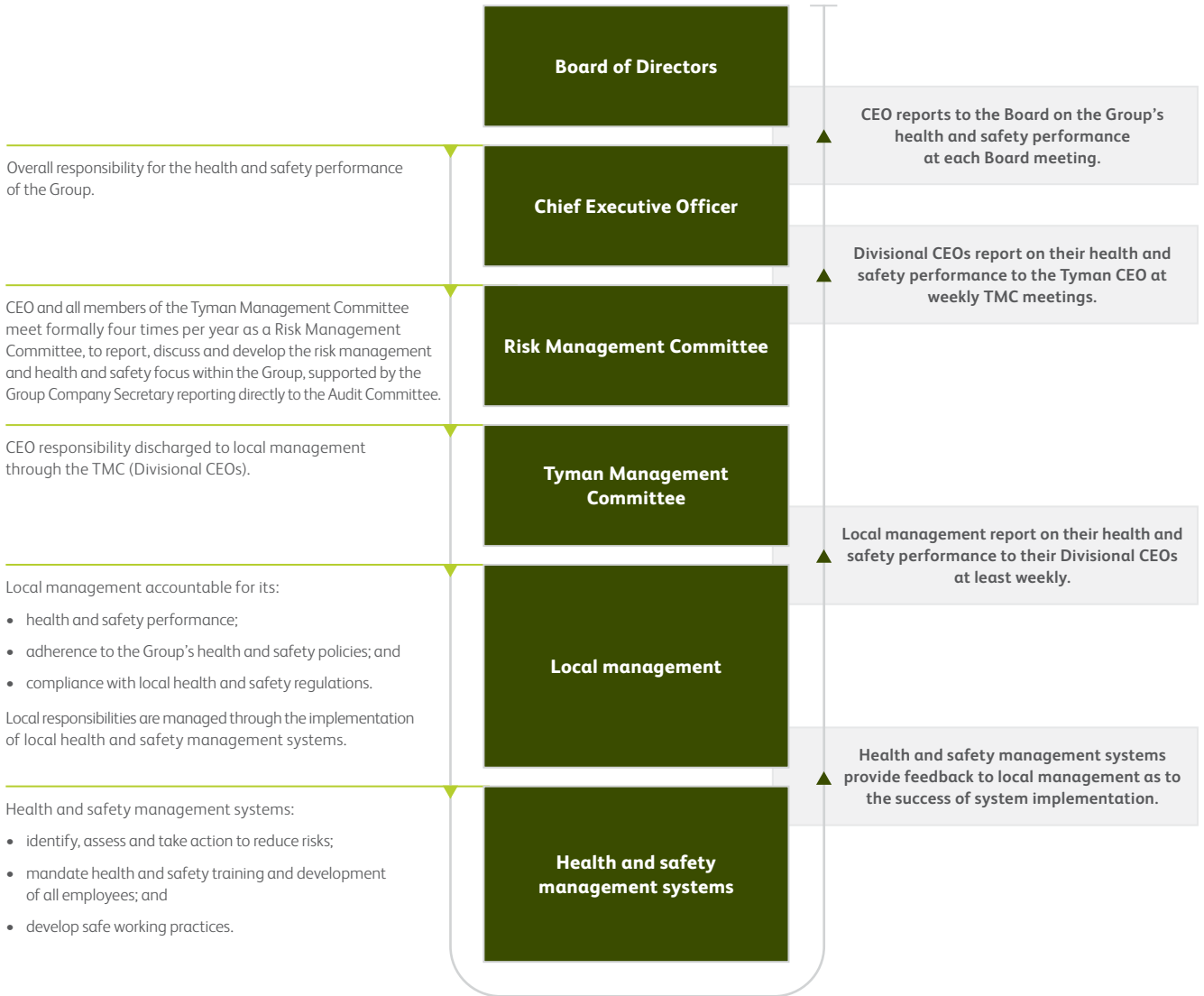
The findings of this audit showed that whilst progress is being made in each Division, more can always be done, even when established practices are already at a high level. In particular, as more companies join the Tyman Group, it is more important than ever that a strong and efficient health and safety culture is developed throughout each Division.

The focus of reporting near-miss incidents as well as the reporting of minor incidents (for which there is no LTI) continued in 2016. The purpose of this process is to identify any potentially dangerous practices or processes which could cause physical harm. In 2016 year, a total of 7,488 near-miss incidents and 148 minor incidents were reported. This increase shows the improved awareness of everyone in needing to manage situations, which helps to ensure more serious incidents do not occur.

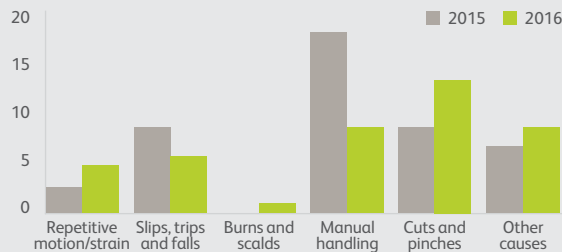
The Lost Time Injury frequency rate of 44 for the year, as shown in the table below demonstrates the progress that has been made during the year, but it is recognised this performance is not where the Group, as a manufacturing organisation, would like to be. The results of the independent audit and the nature of the LTIs sustained during the year show that a different focus needs to be brought to this essential area, moving from one of prevention and reporting to the development of a culture of ownership for the health and safety by and for everyone working within the Group.



**Health and safety management system**



**YTD lost time incidents by reason**



ERA's progress in health and safety is recognised by RoSPA, who awarded ERA a gold award in July 2016, for achieving a very high level of performance, demonstrating well developed occupational, health and safety management systems and culture, outstanding control of risk and very low levels of error, harm or loss.

## Corporate social responsibility report continued

### Environment

#### Care for the environment in our production processes

The Board recognises its responsibilities as a manufacturing concern and supports the divisions' efforts in their activities in managing the use of resources and minimising the Group's impact of its activities on the environment.

There are numerous product and process developments in place throughout each division, implemented to achieve improved product design and performance whilst actively seeking to reduce the effect of production on the environment, either through improved production processes or through the use of alternative, more environmentally friendly materials.

#### Greenhouse gas emissions

The Group applies the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas

Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) as the basis for reporting its emissions.

Emissions reporting includes the facilities over which it has operational control. This is the internationally recognised standard for corporate carbon reporting.

Scope 1 and Scope 2 emissions data has been collected from all material locations operated or controlled by the Group. Emission sources falling outside the group's operational control and other Scope 3 emissions have not been collated or reported. Emissions data for businesses acquired during the year has only been included from the date of acquisition.

The Group has used Revenue as its intensity ratio as this is the most appropriate and relevant factor associated with our activities and should provide an appropriate basis on which to compare trends over time.

Greenhouse gas emissions generated by the Group's operations present considerable risks to both the Group and the environment, including:

- the agricultural impact of the Group's dependence on extraction and use of raw materials;
- the potential disruption of the Group's operations and those of its customers and suppliers; and
- changes in the nature or distribution of consumer demand.

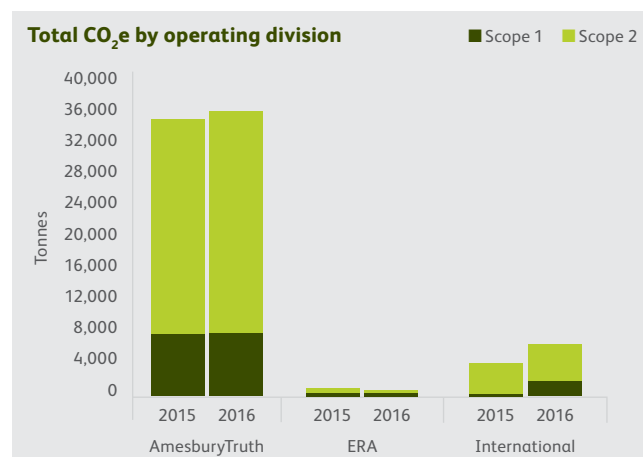
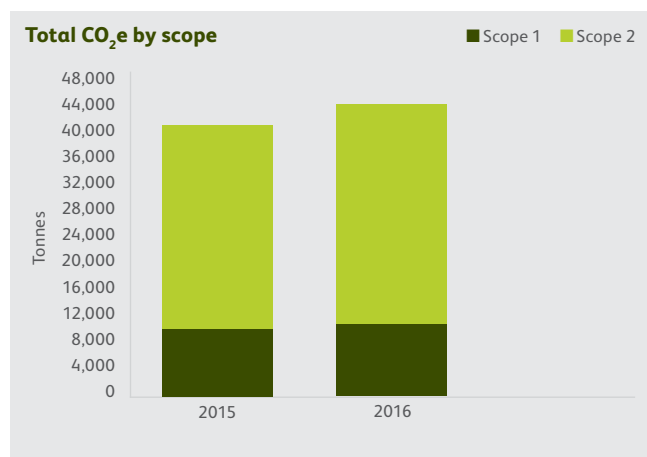
These risks can be mitigated through the Group's conscious efforts to minimise its release of GHG through environmental initiatives.

Our GHG emissions, measured as the quantity of CO<sub>2</sub>e generated by the Group's activities, for the year ended 31 December 2016 are presented in the table below.

Scope	Description	GHG emissions tonnes CO <sub>2</sub> e		
		2016	2015	2014
Scope 1	Emissions that arise directly from our operations and comprise the combustion of fuels and process emissions	11,157	11,423	11,210
Scope 2	Indirect emissions that arise from our use of electricity	33,598	31,062	33,132
<b>Total direct and indirect emissions</b>		<b>44,755</b>	<b>42,485</b>	<b>44,342</b>
<b>Intensity ratio: tonne CO<sub>2</sub>e per £'m of revenue</b>		<b>97.79</b>	120.21	126.37

Data for acquisitions is included for the post-acquisition period.

Data for disposals is included up to the date of disposal.



**Water usage**

As the size of the Group has expanded through acquisition in 2016, and the consequential increase in the extent of manufacturing processes, it was considered appropriate to measure the Group’s water usage, to ensure the efficient use of this resource. The table below shows water usage for the year.

**Product integrity**  
**Operating with integrity**

The Group seeks to be honest and fair in its relationships with customers and suppliers and to source and supply goods and services in an efficient manner, in accordance with specifications, without compromising quality and performance.

Each Division is responsible for negotiating the terms and conditions of trade with suppliers. In doing so each division is expected to maintain high standards of integrity in all business dealings with suppliers and is encouraged to use the services of those suppliers whose values and standards are equivalent to our own.

**Quality management standards**

Operating units are encouraged to gain and maintain accreditation to any specific standards required by the markets they serve, with over 18 quality and production accreditations, gained throughout the operations.

ISO 9001 certification ensures operations adopt and maintain efficient quality management systems that save time and cost, whilst improving efficiency and deliver high quality products to their customers.

**In the community**

In keeping with the decentralised nature of the Tyman Group, each operating unit manages its own relationship with the community within which it is located. Activities are based around local initiatives and causes that are either closely associated with the unit or have a personal connection to a Group employee that operate in their area.

AmesburyTruth and Bilco together participated in charitable causes at both local and national level, having donated \$87,000 during the year through either monetary donation or community service. Activities included participation with the local Chamber of Commerce, community service and volunteer hours and taking part in collections for winter clothing, toys and supplies for the needy.

In ERA, staff help to nominate the charitable cause for the year. In 2016 the chosen charity was Cancer Research UK and through a variety of initiatives from monthly raffles to ERA sponsored golf days, a total of £14,000 was raised.

The variety of community participation within Schlegel International shows the wide geographical and national spread of this division. A total of £9,000 was raised for charities ranging from earthquake disaster relief in Italy, to Alzheimer’s Society and the Great North Ambulance service.

**Business ethics, anti-corruption and compliance**

The Group is committed to conducting its business with integrity. High standards of professional and ethical conduct are expected throughout its operations acting in compliance with the laws and regulations in jurisdictions in which the Group operates. These principles are embedded in the Group’s Code of Conduct to which each employee is expected to adhere.

During the year certain key members from all three Divisions were selected to participate in training modules, provided by an independent external training company, DeltaNet, covering anti-bribery and corruption. Where necessary these modules have been translated into local languages to ensure full understanding of the topics being covered. Further training, on an annual cycle, in these and other compliance areas, is now planned.

The Group supports and encourages employees to report any incident or suspicion of any form of malpractice. Employees have a number of ways in which they may communicate their concerns, within their own Division, or with the Group Company Secretary. Should an employee wish to speak with someone outside of the Group or to remain anonymous, they are encouraged to contact an independent whistleblowing service, through which they may voice their concerns, 24 hours a day, 365 days a year. Notices, displaying contact details of these whistleblowing services are posted on staff notice boards throughout each facility.

All whistleblowing notifications are followed up by an appropriate independent individual and a summary report of all notifications and follow up is reported to the Board at each Board meeting.

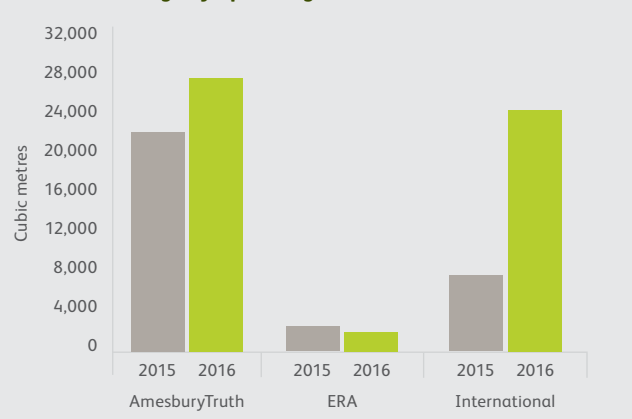
**Human rights and modern slavery**

The Group is committed to respecting human rights across all our operations and therefore aims to work at the highest international standards as well as complying with local legislation. The Group fully supports the Modern Slavery Act 2015 and has worked during the year to ensure that the Group’s activities and activities within its supply chain do not infringe or encourage abuses of any human rights.

During 2016 all Divisions completed a number of initiatives in respect of their supply chains to ensure these organisations recognised their responsibility and commitment to a workforce that is not subject to human rights abuses, including modern slavery, forced labour and human trafficking.

More detailed due diligence checks, in the form of compliance audits were conducted in certain areas that were considered more at risk of these practices to ensure employee welfare policies, including provision for the prevention of forced labour, under age working, human trafficking and provision of contracts of employment were in force.

**Total water usage by operating division**



## Corporate social responsibility report continued

### Employee diversity and equal opportunities

All Group employment policies and practices require that an individual's skills, experience and talent are the sole determinants in recruitment and career development rather than age, beliefs, disability, ethnic origin, gender, marital status, religion and sexual orientation.

The Group is committed to supporting employment policies and practices that make provision for equal opportunities and non-discrimination, and that comply with relevant local legislation and accepted employment practice codes.

Tyman supports the continuing professional development of all its employees. Where appropriate, skills development training is provided to employees to enable them to perform their duties and to facilitate career progression opportunities. Training schemes around the Group include apprenticeship schemes, vocational training and personal employee development.

To ensure all employees are kept informed on matters that may concern them the divisions carry out employee briefings in a number of ways, with business briefings providing updates on the progress of their company, to staff meetings, lunchtime, lunch and learn sessions, newsletters and staff surveys.

Within the Group local diversity programmes are conducted and salaries are linked to job evaluations to promote equality of opportunity. As a manufacturing organisation there are challenges in attracting females into the industry. Within the Divisions a number of promotions have taken place during the year, bringing more female representation into leadership positions, at both executive level and in sales and development roles.

Following the appointment of Helen Clatworthy on 9 January 2017 the Board had female representation of 29 per cent (2015: 29 per cent). Female representation in senior management positions has improved during the year and now represents 29 per cent (2015: 22 per cent). Across the total workforce, there was a 40 per cent female representation, unchanged from the prior year (2015: 40 per cent).

### Centres of excellence

Investment in our businesses to create safe, modern and flexible facilities.

As part of the Group's continued growth, a number of projects have either been completed during the year or are well underway.

At AmesburyTruth the footprint rationalisation programme has resulted in the expansion of the Juarez facility increasing from 60,000 square feet to 150,000 square feet, the consolidation of the existing plants at Sioux Falls and Canton facilities into one new building at Sioux Falls and the commencement of construction at Statesville, which will result in the combination of the two existing Statesville plants into one enlarged site of 240,000 square feet.

In ERA, worked commenced on the construction of a new facility at the i54 business park, in Wolverhampton, with completion planned for mid-2017. This new facility will bring three locations under one roof, with the combination of plants currently based at Coventry, Willenhall and Wolverhampton.

These new buildings provide the opportunity to incorporate the latest elements of sustainable construction based on the efficient use of resource while building in sustainable elements such as, low energy usage, improved insulation levels, low G values on windows and curtain walling to reduce solar gain, heat recovery ventilation systems, present detection lighting, air source heating and cooling, and the reuse of storm water.

These large scale investments are being carried out, to provide efficiencies in production, warehouse management systems and enhanced logistics. These facilities, align manufacturing equipment and processes in support of future growth.

They also present the opportunity to provide state of the art production facilities for everyone working in these plants, with aspects such as ceiling, wall and floor insulation for noise reduction and improved natural light, providing improved working conditions and facilities that are more environmentally sound, creating centres of excellence in manufacturing at these Tyman Group locations.



Sioux Falls – injection moulding and multi point lock area.