

## → Business Review

# CSR Report

### Corporate Social Responsibility – a high performance company working to build a sustainable future

Premier Farnell takes seriously its role as a responsible corporate citizen and seeks to take account of the economic, social and environmental impacts of its operations. It is our belief that acting in this way is a source of business opportunity, improved competitiveness and sound business practice.

We have defined Corporate Social Responsibility as the sustainable development of our business – balancing our responsibilities to our shareholders, the environment and society. We believe that by releasing the power of individuals within Premier Farnell, we can have a positive impact on society and reduce our impact on the environment.

As an organisation with strong core values, we are driven to deliver results by being totally reliable, resourceful, customer focused and by conducting ourselves with integrity. These values translate into every aspect of our business. Our CSR programme is helping to create an organisation in which our employees are proud to work and in which our stakeholders have confidence.

Our programme is focused on our environmental impacts; the communities in which we operate; our people; trading ethically with our customers and suppliers and the health and safety of our employees.

We have been a member of the FTSE4Good Index of Corporate and Social Responsibility since its launch in July 2001 and the Group is also a member of Business in the Community (BiTC), a movement of 700 of the UK's top companies committed to improving their impact on society. We participate in the BiTC Corporate Responsibility Index and were one of the biggest improvers in the Index results announced in 2007.

Our programme and reporting follow the framework used in the BiTC CR Index, facilitating the external validation of our programme. We use the feedback from our submission to assist us in identifying those areas where we should focus our efforts.

Every year we identify, publish and report against specific improvement targets in this CSR report and have been doing this since 2002.

### Premier Farnell carbon footprint

This visual shows the principal steps in the life of a product sold by Premier Farnell. All of the steps shown in the central box have been taken into account in determining the Group's carbon footprint.

#### Products

Raw materials extraction  
Raw materials transportation  
Raw materials processing  
Manufacturing processes to make products  
Disposal of products at end of life

### Premier Farnell carbon footprint

#### Processes

Storage and handling of products  
Heating and lighting of premises  
IT support  
Unpacking and repacking of products  
Packaging waste  
Catalogue and direct mail production (paper and energy used)  
Manufacturing products (Akron)

Internal Premier Farnell movements of products  
Employee business travel

#### Transport

Delivery of products from manufacturer to Premier Farnell  
Delivery of products from Premier Farnell to customers

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The Board has overall responsibility for establishing the Group's CSR policies and the Chief Executive Officer is accountable for ensuring that the Group operates in accordance with these policies and reviews progress on a monthly basis. Reporting of our performance is led by the Company Secretary and the Board receives a report on the Group's CSR performance at least every six months. Periodic updates are provided on the [www.premierfarnell.com](http://www.premierfarnell.com) website.

A copy of our Corporate Social Responsibility Policy can be obtained on our website at [www.premierfarnell.com/premier\\_farnell/csr](http://www.premierfarnell.com/premier_farnell/csr) or by contacting Caroline Walker, Group Head of CSR and Environmental Affairs on +44 (0)113 387 5282.

### Note

References to years throughout the CSR report are to calendar years, rather than the Company's financial year. Data is presented in this report in two ways: the absolute total quantity of usage/generation and, to provide a method of assessing relative performance from year to year, unit rates based on sales turnover (i.e. quantity per £1,000 of sales).

### Highlights of the year

Our major achievements this year have been:

- A further improvement of 10% in our rating in the BitC CR Index putting us in the silver category;
- The implementation of a plan to continue reducing carbon emissions to the lowest practicable and economic level;
- The development of our approach to sustainable procurement;
- Over 150 teams across the Group made and delivered community and environmental commitments during the year;
- The appointment of a full-time Group Head of CSR and Environmental Affairs;
- Positive feedback from our employee engagement survey in which the CSR section achieved the highest score of all major indicators; and
- Monthly feedback of progress on objectives to CEO.

### Our performance this year

#### Environment

The pervasion of electronics in every aspect of today's world means that we all rely on electronics for innumerable tasks each day. Electronic design engineers are under pressure to design more electronic products, faster, while taking into account how their design affects the environment and individual users.

Our responsibility to our customers and the environment is at the heart of everything we do. It is critical that we meet our customers' growing needs for environmentally friendly products, while decreasing our own environmental impacts.

Our principal environmental impacts are carbon emissions, our use of paper and packaging and waste. We have set the following programmes and targets in order to reduce our impact on the environment.

#### Three year carbon reduction programme

We have defined our carbon footprint and developed a strategy and three year plan to reduce our carbon emissions to the lowest practicable and economic level. We include in our carbon footprint those of our primary activities over which we have direct control – all our activities from the receipt of products into our warehouses to their despatch to customers (including the production of catalogues and marketing material); our use and the disposal of packaging; business travel and the energy required to operate our facilities.

In those areas outside our direct control (for example the delivery of products to our facilities by our suppliers and to our customers by third party carriers), we are working with our suppliers and customers to better understand the opportunities for improved efficiency.

Highlights of our carbon reduction programme in 2007 include:

- Completed energy audits in all our major facilities;
- New programmes and targets to reduce consumption through measurement, energy management and investment in energy efficient equipment;
- The piloting with our principal third-party logistics provider of monthly reporting of the carbon emissions created by our parcel distribution activity; and
- A sustainable procurement programme (covered on page 48).

## Live Edge

Electronic design for the global environment

Design engineers are increasingly being challenged to design electronics that are environmentally friendly. Through ongoing engagement with our EDE customer segment, we are committed to working together in order to build sustainable businesses – ours and theirs.

As a part of our commitment to the environment and engagement with EDE customers, Premier Farnell hosted its first annual Live Edge competition. The competition challenged EDEs from around the world to submit designs for innovative products that utilise electronic components and have a positive impact on the environment. The winning prize package was valued at US\$100,000, comprising a US\$50,000 cash prize and a support package to help bring the winning design to the market, valued at \$50,000.

More than 3,500 engineers registered for the competition from over 100 countries.



The award announcement was made at a virtual ceremony, reflecting both our commitment to the web and our commitment to reducing carbon emissions.

The winning design, a ceiling fan that combines an electronically commutated motor and controller, and aerodynamically efficient blade design that reduces fan input power by up to two-thirds of a traditional fan, was submitted by John Noble. John is an EDE customer from Malaysia, and he believes that: "Live Edge has provided design engineers with a forum to focus more on the issues of sustainability and not just growth."

One of the principal drivers of better energy management is employee behaviour and we actively encourage employees to conserve the Company's resources through our own "green facilities" award scheme. This promotes environmentally friendly working practices, enabling individual sites to self-assess their performance, earning points for conserving energy, reducing waste disposal and increasing levels of recycling. The scheme, which has been running since 2003, has this year been given added impetus by the carbon reduction programme. All our larger facilities have teams of green champions and a further five of the Group's facilities have achieved the green facility award this year, bringing the total to 12. In 2008 we aim to have all the remaining larger facilities accredited to this award.

In November 2007, Farnell in Leeds and CPC in Preston achieved accreditation to the Energy Efficiency Accreditation Scheme (EEAS) which recognises businesses that are making positive moves to reduce energy consumption, become more energy efficient and reduce carbon emissions.

## Driving high standards in our use of paper and packaging

One of our principal environmental impacts is the use of paper in the publication of our product catalogues and marketing material and packaging. We take a proactive approach to reducing the environmental impact of our publications and packaging, whilst taking into account economic and market factors.

Premier Farnell communicates with its customers via a combination of catalogues, direct mail and the web. Whilst it is the Group's strategy to increase the level of web-based business, paper materials continue to be important in offering customers choice in the way they select and order products.

This year we have formalised and published the ways in which we aim to mitigate the impact on the environment of our paper publications by setting appropriate minimum standards for their production (paper and print), distribution and recyclability.

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It is our policy to:

- Engage with suppliers of paper and print who can demonstrate their commitment to mitigating the environmental impacts of their production processes through certification to a recognised and properly managed and audited scheme;
- Specify either virgin paper from certified, sustainable sources or recycled paper with the highest available post-consumer recycled content according to cost considerations and the production constraints of individual publications;
- Only place contracts with printers who have a published environmental policy and recognised environmental certifications;
- Specify that the packaging used for protecting catalogues and direct mail in the delivery system is manufactured with recycled and recyclable materials;
- Ensure we maintain up to date customer data which ensures that the publication is relevant to the end customer, thereby minimising wastage; and
- Encourage our customers to recycle all publications and packaging at the end of their lifespan.

We have been setting and achieving targets to reduce the weight of the paper in our product catalogues for the last four years and to increase the proportion of post-consumer recycled material where appropriate.

We are also concerned with reducing the environmental impact of the packaging we use to protect the products we supply and to ship our customer orders. This year we have developed and introduced new cell type packaging which, in addition to providing enhanced protection for the integrated circuits we supply, has the added benefit of being fully recyclable.

At our international distribution centre in Leeds we have replaced air-filled plastic protective packaging materials with an environmentally friendly alternative based on recyclable paper from sustainable sources. This packaging process is also more energy efficient. At our distribution centres in the US, we are increasingly re-using inbound packaging materials and shredded waste office paper for the same purpose.

At the same time, we are moving to packing boxes which are manufactured from sustainable, managed sources and are fully recyclable.

### Reducing waste to landfill

Premier Farnell has identified the generation of waste as one of its three significant environmental impacts. The nature of our business is such that we place orders on our suppliers in large quantities and then break down these orders into the quantities required by our customers. This process creates waste and we engage with our suppliers with the objective of minimising waste and specifying packaging which is recyclable, wherever possible.

We also focus our efforts on minimising the volume of waste which goes to landfill. Where possible we re-use waste packaging and, where this is not achievable, we ensure that it is sorted and recycled.

All our large facilities have recycling programmes and initiatives in place to increase the volume and types of waste that are recycled. The CPC facility in Preston, UK currently achieves the highest proportion of waste recycled at 89%.

Overall, the Group recycles 63% of its waste, up from 59% in 2006.

As a supplier of electrical and electronic equipment, we have producer obligations under the WEEE legislation to provide our customers with a service to enable them to dispose of their waste electrical and electronic equipment correctly in compliance with the legislation. Akron Brass, which manufactures fire-fighting equipment from brass and aluminium, re-use and recycle the industrial waste created by their manufacturing process.

### Embracing environmental legislation

There is an ever growing list of European environmental legislation that impacts the Group's electronic component distribution businesses. The Restriction of Hazardous Substances (RoHS) legislation restricts the use of certain hazardous substances in electrical and electronic equipment. These substances are restricted to complement the ease of recycling, re-use and recovery at the end of a product's life under the Waste Electrical and Electronic Equipment (WEEE) Directive. Beyond Europe, countries such as China, Korea and Australia are all looking to implement their own versions of RoHS, with others to follow.

The Energy using Products (EuP) Directive looks at the energy consumption of a product from mining the raw material right through to its recycling at end-of-life. Finally, the REACH regulations impose tighter controls over the use of 30,000 chemicals in Europe.

Type of energy used	Total amount used			Unit rate		
	('000) 2007	('000) 2006	('000) 2005	Total used/£1,000 of sales		
Electricity (kwh)	<b>31,268</b>	33,982	35,087	<b>43</b>	40	43
Natural gas (cubic metres)	<b>1,320</b>	1,646	1,666	<b>1.8</b>	1.9	2.1
Propane (kilogrammes)	<b>5</b>	5	5	<b>0.01</b>	0.01	0.01
Fuel oil (litres)	<b>97</b>	90	82	<b>0.1</b>	0.1	0.1
Petrol for company cars/trucks (litres)*	<b>311</b>	664	671	<b>0.4</b>	0.8	0.8
Diesel (litres)	<b>341</b>	1,573	1,723	<b>0.5</b>	2.0	2.0
Petrol for rented cars/trucks (litres)*	<b>647</b>	855	1,022	<b>0.90</b>	1.04	1.26

  

CO <sub>2</sub> emissions	Metric tonnes CO <sub>2</sub> emitted**			Metric tonnes CO <sub>2</sub> /£1000 of sales		
	2007	2006	2005	2007	2006	2005
Total	<b>25,184***</b>	31,710	33,753	<b>0.035</b>	0.037	0.04

  

Waste disposed	Total amount (000kg)			Unit rate (kg per £1000 of sales)		
	2007	2006	2005	2007	2006	2005
Total	<b>1,577</b>	1,857	2,137	<b>2.2</b>	2.2	2.8

  

Waste recycled	Total amount (000kg)			Unit rate (kg per £1000 of sales)		
	2007	2006	2005	2007	2006	2005
Total	<b>2,653</b>	2,710	2,569	<b>3.7</b>	3.3	3.3

\*Assumed 10.5 kilometres/litre of petrol consumed in the USA, and 12.3 kilometres/litre of petrol consumed in Europe and Asia Pacific.

\*\*Utilised World Resources Institute (WRI) recommended CO<sub>2</sub> conversion factors.

\*\*\*The total CO<sub>2</sub> emissions for the year were substantially reduced by the disposal of the Buck-Hickman business in April 2007.

All these pieces of legislation impact, and are clearly communicated to, the Group's principal customer base of electronics design engineers. Representatives of the Group were invited to present three training programmes on European environmental legislation at a recent Academy of Certified Hazardous Materials Managers conference in India.

#### Evaluation

We collect data on the amount of energy used and carbon dioxide emitted, waste disposed and waste recycled by the Group's operations in order to assess our environmental impact.

In order to ensure that we have representative and reliable environmental data, we review new data each quarter and compare it to data from prior years. This continual review and comparison allows us to detect and correct any errors and may result in the restatement of certain prior year figures.

#### Health and safety

Our aim is to provide a safe and healthy environment for our employees and visitors to our premises and to keep the number of working hours lost through health and safety incidents to a minimum.

We monitor both the number of workplace injuries and illnesses and the number of "lost-time" workplace injuries and set a target to achieve rates of less than half of the averages for our industry.

We have our own behaviour-based safety programme, Safety STAR (Safety Through Accountability and Recognition), which requires supervisors to encourage safe work practices, promotes regular safety observations, encourages and holds employees accountable for working safely and regularly asks employees for their ideas and suggestions for improving safety at their facility. Two of our facilities in the US have achieved Safety STAR status.

In addition, two of the five US businesses: Cadillac Electric and MCM recorded no injuries and all five of our US businesses qualified for the US National Safety Council Occupational Safety Excellence Awards, having achieved lost-time injury rates of less than half the industry average.

All our UK facilities are accredited to OHSAS 18001: 1999, the internationally recognised standard for health and safety management systems.

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The estimated cost incurred by our US operations for injuries resulting in days away from work in 2007 was \$266,000. This cost is based on a \$38,000 average cost per disabling injury (as estimated by the US National Safety Council). This cost includes wage losses, medical expenses, administration expenses and employment costs.

In Europe and Asia Pacific the estimated cost for injuries resulting in days away from work in 2007 was £35,649 applying UK estimates of £2,097 per occurrence, based on Health and Safety Executive figures.

### Marketplace

Our relationships with our customers and suppliers are at the heart of our business and we believe we can and should work together to build a sustainable business. This year we undertook the development of a sustainable procurement programme and identified the core impacts which are important to us and which we believe we can influence through our supply chain. They are:

- Ethical trading – labour practices and working conditions in our own brand supply chain;
- Waste – generation and disposal of waste;
- Carbon emissions – created by the delivery of goods to our distribution centres and our shipments to customers; and
- Paper – used in the production of our product catalogues and marketing activity.

### Highlights of our marketplace programme in 2007 include:

- Engaging with a social enterprise with considerable experience and expertise in this area, Action Sustainability, and securing funding from UK government Department of the Environment, Food and Rural Affairs (DEFRA) to assist in the development of a sustainable procurement programme;
- Development and publication of our supply chain CSR policy;
- Defining workplace standards for the factories of those suppliers with whom we contract to produce own brand products;
- Engaging with eight of our most important own brand suppliers in order to assess them against our labour practices and working conditions standards; and
- Development and roll-out of training for our commercial teams on the environmental and social issues affecting our supply chains.

### Workplace and community

Our aim is to be recognised by existing and potential future employees as a responsible employer that values its people and provides an environment in which they can develop their skills and make a contribution to the success of the business.

We also wish to make a contribution to the communities in which we operate, building goodwill and a reputation as a good neighbour and employer. Our community investment strategy and charitable giving policy support this aim.

Highlights of our workplace and community programme include:

- Over 150 teams across the Group made and delivered CSR commitments as part of our activities to launch the new financial year; and
- 79% of employees thought that Premier Farnell is socially and environmentally responsible, the highest score in the employee survey carried out in August.

Our community investment strategy is based upon building sustainable partnerships with local community groups using our resources and in particular our time to support their activities.

Employees are encouraged to volunteer in company time. Funds are raised principally through employee fundraising activities and supplemented for specific projects with funds from the corporate charity budget. All employees are eligible to apply for funds and these can be a cash donation, matched funds or goods in kind. The budget of £20,000 has been fully utilised this year.

Our community partners and projects represent causes with which our employees have demonstrated (through discussion groups and surveys) their interest and support. Through dialogue with the community partners, activities are identified which can be supported by the employee volunteering programme. These include large projects, met by team challenges and ongoing, regular activities met by individual volunteers.

In the US, all of the Group's businesses participate in the United Way, a community-based umbrella organisation supporting various human services organisations with whom the businesses have had a relationship since the 1980's.

In each of our US businesses we have employees who undertake leadership roles in United Way's fundraising activities and every year we run a pledge and donations drive. A number of team and individual initiatives have this year benefited local community groups and charities

Business in the

Community



including Adopt a Soldier programmes, donations of clothing to a homeless shelter and the annual American Cancer Society's Daffodil days fundraiser, which is a great success and hugely popular with employees.

Our largest site in Europe and Asia Pacific is in Leeds, UK. This is located in an inner city area which borders on the prosperous and fast developing city centre. Two-thirds of the employees at this site live in Leeds and of these over half live in the local area. If we make a difference in our local community, we contribute to the community in which many of our employees live.

We have established partnerships with two local groups who work with the elderly and disengaged young people and a number of local schools. Regular activities such as escorted shopping trips and tea dances for the elderly, supporting primary age children in reading programmes, mentoring of young people and team gardening challenges have been undertaken this year by a committed group of volunteers.

Across the Group employees have identified the good causes they want to support and are giving their time, money and commitment in a variety of ways: examples include the donation of money raised through the recycling of aluminium cans to a local children's hospital and loose coin collections to sponsor a child in a developing country.

The Group recognises that these types of activity not only benefit the community groups and good causes involved, but also deliver business benefits in providing training and development opportunities for those employees who participate. Our new online personal development planning system "Futures" enables employees to capture the volunteering activities they have undertaken, assess the development opportunities and benefits delivered and discuss these as part of their performance review process with their line manager.

#### Awards and achievements

We are delighted to report that five Premier Farnell companies qualified again this year for the US National Safety Council Occupational Safety Excellence Awards. These awards recognised exemplary safety records at Newark, MCM, Akron Brass, TPC Wire & Cable and Cadillac Electric sites.

In addition, Ken Manchen our Director of Safety, Health and Environmental Affairs for the Americas was honoured with an "Outstanding Commitment to Safety" award by the National Safety Council for his long and continued commitment to safety.



Helping Ravenswood Elementary School

#### Taste of Ravenswood community event

Newark's neighbour, Ravenswood Elementary School, is a 90% low income school that has beaten all the odds to be considered in the top 15% of Chicago Public schools. As an electronics distribution company in the community, we wanted to show support and raise funds for the school to buy electronics for their students to engage and learn at new levels that would be otherwise unavailable to them. We had an event called "Taste of Ravenswood" which involved local establishments donating food and services. We sold pizza, make your own sundaes, and raffle tickets to employees for many of the donated items. This raised awareness both for local businesses and the school. We also held a 'Jeans Day' where employees paid \$5 each to wear jeans and show their support for the school. The school was extremely grateful for our participation, thank you notes were received from the entire first-grade class, the principal and head of the parent's organisation and we were included in their monthly newsletter. Our little events made a difference for almost 500 students – a total of \$3,300 was raised for the school.

We remain a member of the FTSE4Good Index of Corporate and Social Responsibility. We participated in the BITC Corporate Responsibility Index for the third time this year and improved our rating by a further 10%, putting us in the silver category of the Index. We are also among a small number of companies that have participated in the Business in the Environment regional survey of Corporate Environmental Engagement every year since its inception in 1999 and shown continual progress, increasing our overall score by 3% in the latest survey.

This year our UK businesses achieved accreditation to the Energy Efficiency Accreditation Scheme (EEAS) the national benchmark standard for energy efficiency in the UK, which recognises businesses that are making positive moves to reduce energy consumption, become more energy efficient and reduce carbon emissions.

#### Audit of this report

As part of the process of ensuring that we have robust data as a reference point, our Internal Audit Department have assessed the processes used to collect and collate the information contained in this CSR report and their proposals for improvement have been implemented. The Internal Audit department carry out a review of the key data presented in the report every two years and this review has been undertaken for this report.

Performance against 2007 environmental targets and actions planned in 2008

Target 2007	Progress	Target 2008
Achieve "green facility" status at two more locations in the Group.	Five of the Group's facilities have achieved "green facility" status this year.	Achieve "green facility" status at all remaining large facilities. Achieve ISO14001 accreditation at Farnell France facility.
Carry out an energy audit at Newark and the Farnell Mainland Europe and Asia Pacific facilities. Set targets for reduction in energy consumption for all business units.	Energy audits have been undertaken and energy saving opportunities identified in all the Group's larger facilities. Energy efficiency plans have been developed and are being implemented. We have achieved accreditation to the Energy Efficiency Accreditation Scheme (EEAS), the national benchmark standard for energy efficiency, in the UK at our facilities in Leeds and Preston.	Implemented carbon reduction plans in each of the larger facilities to achieve a 10% reduction in the carbon emissions created by the heating and lighting of those facilities by 2009 against the baseline of 2006 carbon emissions. Achieve EEAS accreditation at the European Distribution Centre (Liège). Evaluate US accreditation schemes for external validation of the US businesses environmental programmes and, if appropriate, target accreditation of at least one business.
Carry out an audit of printing and copying equipment to maximise the use of energy and paper efficient equipment and set targets for the reduction of paper consumption at two facilities.	An equipment audit has been undertaken in the UK, the purpose of which was to rationalise and update office equipment – printers, faxes and copiers with the objective of providing benefits both to the users and reducing the consumption of energy and consumables – paper and toner. The audit recommendations will be implemented in quarter one FY09. Savings in energy and consumables are being quantified and targets set.	Carry out an audit of printing and copying equipment to maximise the use of energy and paper efficient equipment and achieve a 5% reduction in paper consumption at two of the Company's major US facilities.
Reduce the grammage of the paper used for printing the main catalogues in Europe and Asia Pacific by 10% (lighter weight paper requires fewer raw materials to produce and transport, creating fewer CO2 emissions). Increase the post-consumer recycled content of the direct mail pieces across the Premier Farnell brands. Reduce the overall weight of paper consumed in producing the Newark catalogue by 10%.	The paper grade used for the CPC 2007 catalogue and the Farnell 2008 catalogues was reduced in line with our target. The CPC catalogue was printed on 29g/m <sup>2</sup> , Nordic Swan certified paper and the Farnell 2008 catalogues are being printed on 30g/m <sup>2</sup> FSC (Forestry Stewardship Council) certified paper. MCM have produced their first flyer using FSC certified paper. Farnell has changed the paper stock used for its direct mail campaigns to papers with a minimum of 45% post-consumer recycled content. Due to difficult conditions in the US paper market, Newark was unable to source paper with recycled content for their direct mail programme in 2007. However, from February of this year, direct mail and sheet-fed work will all be printed on paper with a recycled content. In addition Newark's 2008 catalogue will be printed on paper with a minimum of 45% post-consumer recycled content, up from 35% in the 2007 catalogue.	Work with printers and paper manufacturers to quantify the carbon emissions created by the production of the catalogues and direct mail pieces and determine what percentage of the Group's carbon footprint this activity accounts for. Specify recycled paper and/or FSC certified paper for catalogues and/or direct mail where available and competitively priced.
Establish programmes at all major US facilities for recycling used batteries, computers, fluorescent lamps and pallets. Target a 5% increase in general recycling activity at the Liège Distribution Centre.	Our major US facilities now have programmes established for the recycling of batteries, computers, fluorescent lamps and pallets. Overall the US businesses increased levels of recycling from 58% to 63%. Liège increased the amount of waste it recycles by 16% and now recycles 59%. Maybrook and CPC now recycle 66% and 89% of their waste respectively.	Achieve a further increase in recycling globally.

### Performance against 2007 health and safety targets and actions planned in 2008

Target 2007	Progress	Target 2008
<p>Continue to monitor the number of recordable and lost time workplace injuries and illnesses that occur at our facilities in 2007, and achieve rates of less than 50% of the averages for our industry.</p> <p><i>The Group's occupational injury and illness rate is compared to occupational injury and illness rates for other industry segments as compiled and published by the US Department of Labor, Bureau of Labor Statistics for 2006 (being the latest statistics available).</i></p>	<p>In 2007 the rate at which industrial injuries and illnesses occurred at Premier Farnell facilities worldwide was 0.68 injuries per 100,000 hours worked. Our goal was to have a rate of 50% or less than the average for our industry. Our industry average was 1.42 injuries per 100,000 hours worked, putting us below 50% of the industry average.</p> <p>The number of lost-time injuries and illnesses that occurred at Premier Farnell facilities worldwide was 0.31 lost-time injuries and illnesses per 100,000 hours worked. Our industry average was 0.44 lost-time injuries and illnesses per 100,000 hours worked putting us at 72% of the industry average, but falling short of our target of 50% of the industry average. The Group did not achieve the target as a result of a worse than target performance in the Europe and Asia Pacific region which outweighed the better than target performance in the US.</p>	<p>Continue to monitor the number of recordable and lost time workplace injuries and illnesses that occur at our facilities and achieve rates of less than 50% of the averages for our industry.</p>
<p>Achieve Safety STAR status at an additional facility in 2007.</p> <p>Encourage each safety manager to complete 10-hour OSHA-approved General Industry training in 2007.</p>	<p>The Newark Gaffney distribution centre has implemented a safety observation programme and achieved Safety STAR status.</p> <p>The safety and environmental manager at Akron Brass has completed her Occupational Safety and Health Administration (OSHA)-approved General Industry training. Safety managers at the other US businesses have committed to undertake the training in 2008.</p>	<p>Achieve Safety STAR status at Akron Brass.</p>
<p>Training for Farnell and CPC first line managers to continue.</p>	<p>A number of new courses have been developed for the Online Learning Centre namely Managing Health &amp; Safety in the Workplace; Introduction to Health &amp; Safety at Work; Manual Handling; DSE Workstation Assessment and Training and Accident Investigation.</p> <p>The first line managers at Maybrook have completed courses in Manual Handling and Managing H&amp;S at Work. The first line managers at CPC have completed the Manual Handling course.</p>	<p>Develop and deliver training on implementing risk assessment online and face to face in Farnell Leeds and CPC.</p> <p>National Examination Board for Occupational Safety and Health (NEBOSH) certificate level training completed for two key managers at the Leeds distribution centre.</p>
<p>Review benchmarking tools to identify areas where improvements can be managed through all H&amp;S processes and systems that will help drive safe systems of work and reduction in accidents.</p>	<p>Discussions have been undertaken with the British Standards Institute to understand the potential benefits of benchmarking tools.</p> <p>The benchmarking tool offered by BSI was not considered appropriate and this piece of work will not be progressed.</p>	
<p>Implement Avian Flu Preparedness Plans in all businesses.</p>	<p>The Avian Flu Preparedness plans have been reviewed by the Group's Safety, Health and Environment Officers. The plans are considered to be effective and sufficient for the current situation.</p>	

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Performance against 2007 marketplace targets and actions planned for 2008

Target 2007	Progress	Target 2008
<p>Follow up the supplier engagement with a CSR questionnaire.            Include CSR criteria in all new supplier audit and selection processes.</p>	<p>This target was re-scoped as we developed our understanding and focus through our sustainable procurement programme.</p> <p>A supply chain policy has been written and published, sustainability criteria have been incorporated into processes, job descriptions, development plans and vendor scorecards. A supplier survey has been developed and is being piloted with eight of our own brand suppliers.</p> <p>A training workshop has been developed and is being delivered to commercial teams to increase awareness and understanding of sustainable procurement practices.</p>	<p>Complete the labour practices and working conditions assessment and have agreed plans in place as appropriate for the Group's eight most important (by sales value) own brand manufacturers in Asia.</p> <p>Develop a sustainable procurement programme at Newark, sharing learning and best practice from the European programme.</p> <p>Engage with key suppliers on waste and carbon emissions.</p> <p>Sign up to the BiTC Marketplace Principles.</p>
<p>Widen the policy to include environmental practices.</p>	<p>The Premier Farnell supply chain CSR policy includes the environmental impacts of carbon emissions, waste and paper and is published on the Premier Farnell website.</p>	

### Performance against 2007 workplace and community targets and actions planned in 2008

Target 2007	Progress	Target 2008
<p>Achieve a further improvement in our score in the BiTC CR Index</p>	<p>The Group participated in the BiTC CR Index for the third time this year. The Group achieved a rating at the top end of the silver ranking, with a score of 88%, an increase of 10% on the previous year.</p>	<p>Achieve a further improvement in our score in the BiTC CR Index as part of our progress towards our target of achieving Platinum status by 2010.</p>
<p>Continue to monitor the rates and causes of employee absenteeism and take actions to achieve reductions</p>	<p>The Group monitors the rates of absenteeism and also the causes. The average rate of employee absenteeism across all the US businesses of 1.63% was lower than the US national rates of 1.87% for same size organisations.</p> <p>Since absenteeism rates keep parity with US national rates, reduction targets are not set in the US.</p> <p>In Europe targets were set for each of the distribution centres and call centres. The absence rates represent hours lost divided by hours available and targets were achieved with the exception of the Maybrook Distribution Centre. Whilst short-term absence has been controlled at Maybrook, there has been a higher than expected long-term absence rate. The management team continue to monitor this and the appropriate actions are taken to reduce this wherever possible for example phased return to work and lighter duties.</p>	<p>Continue to monitor the rates and causes of employee absenteeism and take actions to achieve reductions</p>