



612 EH&S Roundtable: How Companies Should Use Their EH&S Standards

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Faculty Biographies

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Vincent M. Gonzales is senior environmental counsel for Sempra Energy, working in both Los Angeles and San Diego, California. He provides legal counsel and services to Sempra Energy's regulated entities (Southern California Gas Company and San Diego Gas & Electric Company) and its unregulated entities.

Prior to joining Sempra Energy, Mr. Gonzales was in-house counsel for Atlantic Richfield Company (ARCO), now operating as BP America. In addition to environmental law, Mr. Gonzales provided counsel to the various ARCO companies in the areas of commercial law, real estate law and maritime law. Before ARCO, he was an associate in the corporation department of O'Melveny & Myers.

Mr. Gonzales is on the board of directors of the Asian Pacific American legal center of Southern California, serving as its treasurer. He is also a member, and former president, of the Philippine American Bar Association of Los Angeles. He is a member of the BOD of ACC's Southern California Chapter and was its 2005 President. He is presently serving as Chair of ACC's Environmental Health & Safety Committee. He is also on the executive committee as well as an officer of the environmental law section of the Los Angeles County Bar Association (LACBA).

Mr. Gonzales received a B.A. from Haverford College in Pennsylvania, and a M.A. in Philosophy from the University of California, San Diego. He also is a graduate of the University of Southern California Law School where he served as a staff member and Publication Editor of the Southern California Law Review.

Mildred P. Woryk

Mildred Woryk is the vice president of human resources at Tomkins plc located in Dayton, Ohio. She coordinates best practices in human resources, corporate social responsibility and environmental, health & safety best management practices across all Tomkins facilities.

Prior to joining Tomkins, Ms. Woryk was the assistant general counsel of Hobart Brothers Company. Hobart Brothers Company is a manufacturer of welding products and aircraft ground power units. During that time, she served as chairman of a local superfund site committee, successfully negotiating an alternate remedy comprising one-third of the original remedy proposed by US E.P.A.

Presently Ms. Woryk is an active volunteer in church community.

She received her J.D. from the University of Cincinnati.



Roundtable Discussion Format:

- No formal presentations or lectures
- Introductions
- Brief summary of issues to address
- Open discussion among peers
- Share ideas and best practices
- Come to some resolution or agreement
- Leave with deeper understanding

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Ground Rules:

- We are colleagues, not competitors.
- Speak and contribute to the discussion.
- Listen as others speak and contribute.
- Be open and candid, as well as courteous.
- *“What happens in this room, stays in this room.”*



Introductions

- Name
- Title
- Company
- Brief description of practice
- “Icebreaker” Question:
 - Name a book you read recently and tell us why you enjoyed or didn't enjoy it?



What are we talking about?

- **Company's EH&S Standard Practices**
 - Proposed Definition: An EH&S standard practice is a detailed, company-developed, written procedure designed to translate and apply certain EH&S laws and regulations at a company-specific, operational level.
 - Proposed Purpose: A company's EH&S standard practice is an attempt to articulate and implement at a "rubber-meets-the-road" level a company's corporate EH&S policy, mission statement, vision or value.



Examples of EH&S Standard Practices:

- Asbestos Management
- Hazardous Waste Shipping
- Confined Space Entry
- Inspection & Testing of Vehicles



How are Standard Practices Developed?

- How are these written?
- Who writes them?
- Who updates them and how often?
- How does a company decide if a standard practice is needed?



How are Standard Practices Implemented?

- How are they “published”?
 - Company intranet or web page?
 - Sent to employees or just their supervisors?
 - Hard copies or electronic copies?
- “Training” programs on Standard Practices?
 - Train the trainer programs?
 - Should trained employees be tested?



How Should these Standard Practices Be Used?

- As standards to be followed by every employee and affiliate of the corporation to ensure uniformity in compliance?
- Or should these be optional for each affiliate?
 - Affiliates in different states or countries
 - Different corporate cultures



Should these be kept confidential?

- EH&S Standard Practices as proprietary procedures developed internally.
 - Trade secrets?
- Risks of disclosure to the government?
- Risks of disclosure to the public?



What role should in-house counsel play?

- Write and update these standard practices, or just review them after they are written or updated?
- Oversee their use in employee training?
- Prevent their unauthorized disclosure?



Engelhard At-a-Glance

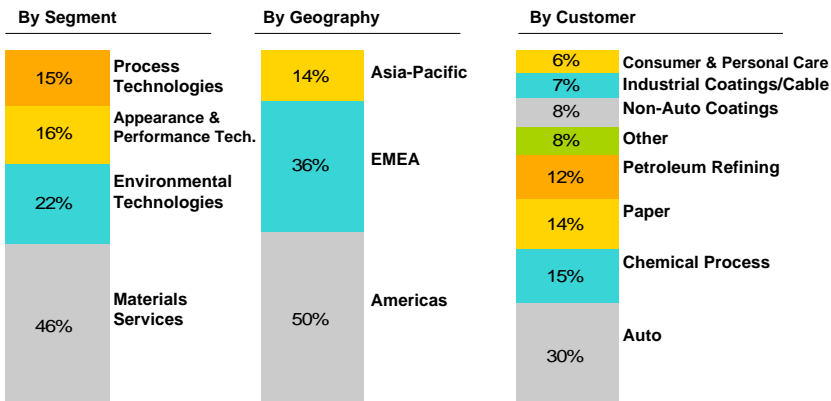
Operations

- ☛ Leader in Surface and Materials Science
- ☛ Environmental Technologies
 - Emission Catalysts (Automotive/Non-Automotive)
- ☛ Process Technologies
 - Chemical Catalysts
 - Petroleum Refining Catalysts
 - Polyolefin Catalysts
- ☛ Materials Services
 - Precious and Base Metal Services
- ☛ Appearance & Performance Technologies
 - Colors
 - Effect Materials
 - Minerals
 - Personal Care Materials
- ☛ Ventures
 - New Business Ventures
 - Separation Systems
- ☛ Operates manufacturing facilities, mineral reserves and other operations in Asia, Europe, North America, the Russian Federation, South Africa and Brazil

ENGELHARD Change the nature of things.		
Fast Facts:	2004	2005
■ Sales	\$4.1 B	\$4.6 B
■ Operating Income (EBIT)	276 M	299 M
■ Net Income	236 M	238 M
■ Total Assets	3.2 B	3.9 B
■ 5-Year EPS Growth	9% CAGR	
■ Number of Employees	7,100	



Engelhard Sales Summary
2005 Sales: \$4.6 billion



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Engelhard Policies and Procedures

- Engelhard is very decentralized, with very few Corporate-wide EHS policies and procedures:
 - EHS Policy, approved by Board of Directors and incorporated in Code of Business Conduct
 - EHS Reporting Procedures
 - EHS Internal Audit Policy (Engelhard's EHS Excellence Initiative)

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Engelhard EH&S Policy

- The Company is committed to respecting the environment in the conduct of its business and recognizes the need to preserve and protect our vital natural resources. Environmental protection plays a key role in the Company's business objectives and is an integral component of all daily operations.
- The Company is equally committed to protecting and promoting the health and safety of its employees, the communities where its facilities are located and its customers. The Company believes that there are no tasks so critical that injury to our employees or neighbors should be risked.
- In order to fulfill these commitments, it is the policy of the Company to:
 - Conduct business activities in a responsible manner to protect the environment and the health and safety of its employees, customers and the public.
 - Comply with all applicable environmental, health, and safety laws and requirements.
 - Continually improve the environmental, health, and safety performance at all facilities, including developing objectives and targets, prevention of pollution and conservation of natural resources.
 - Educate all employees to increase their awareness of environmental, health, and safety issues.
 - Provide effective environmental, health and safety management systems and resources at all levels to ensure that all employees implement and uphold this policy within their respective areas.
 - Cooperate with the public authorities to establish and update contingency procedures to minimize the impact of any accidental release to the environment.
 - Provide the public with the information necessary to understand the environmental impact of a facility's activity.
 - Routinely evaluate our processes and operations to assess conformance with the implementation of this policy.



Engelhard EH&S Reporting Procedures

- I. **Purpose**
 - This procedure applies to all facilities worldwide and is intended to assure Corporate EH&S awareness of all EH&S issues having a potential impact on Corporate liability.
- II. **Procedure**
 - The following items should be reported to Corporate EH&S by the next business day:
 - Events that have the potential to negatively impact the environment, health or safety of our employees, customers, or neighbors and/or require reporting outside the Corporation.
 - All exceedances or contraventions of a permit or other limitation or condition applicable to our operations.
 - Copies of agency/authority correspondence and/or inspection reports that contain an apparent compliance deficiency.
 - All injury/illness & all lost-time cases that are reportable to any agency/authority.
 - All industrial hygiene personnel exposure monitoring, noise monitoring and biological monitoring results that are greater than an applicable regulatory standard.
 - That a facility has been contacted by news media, environmental groups, or the authorities about EH&S issues.
 - The Corporate Director, EH&S will assure legal involvement for significant issues.



Engelhard Evolves . . .

- On June 9, 2006, Engelhard was purchased by BASF – The Chemical Company in a hostile takeover.
- Engelhard becomes a wholly-owned subsidiary of BASF and is renamed BASF Catalysts LLC.

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BASF At-a-Glance

Operations

- The world's leading chemical company
- Our portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas
- 12 operating divisions manage 57 regional and global business units
- 6 regional units support the businesses and provide an infrastructure
- 8 corporate divisions and departments, along with 11 competence centers perform on a Group-wide basis
- Verbund networks drive competitive advantage through efficient use of raw materials and energy, and reduced emissions and waste



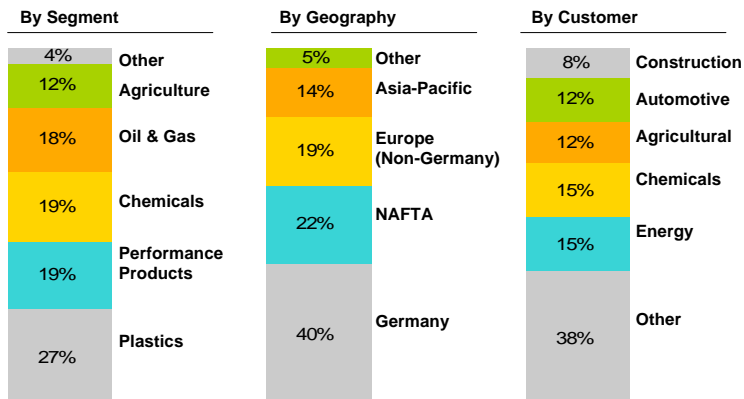
Fast Facts:	2004	2005
■ Sales	€37.5 B	€42.7 B
■ Operating Income (EBIT)	5.2 B	5.8 B
■ Net Income	2.0 B	3.0 B
■ Total Assets	35.4 B	35.7 B
■ 10-Year EPS Growth	10.7% CAGR	
■ Number of Employees	81,000	

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BASF Sales Summary
2005 Sales: €42.7 billion



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BASF's Policies and Procedures

- BASF has an EHS Policy and 22 Corporate-wide EHS Procedures

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BASF VISION, VALUES, PRINCIPLES

- **BASF is the world's leading chemical company, we want to create assets that benefit all: our customers, our shareholders, our employees, our Company, as well as the countries in which we operate.**

BASF's **Vision** describes the path that the Company will take in the coming years. It clearly defines the goals that we set out to achieve. All strategic decisions are based on this Vision.

BASF's **Values** describe the approach and the manner in which we want to work to achieve our goals.

Together, our **Vision** and **Values** form the framework for all of our decisions and activities. They serve as both an orientation and a guideline for leadership, and also define our corporate culture.

BASF's **Principles** formally state how we want to conduct ourselves in day-to-day business.

As a globally operating company, we must continuously comply with different legal frameworks and cultural conditions and constantly conduct ourselves in a manner that helps us to fully achieve our self-established standards and further enhance the image of BASF.



Tomkins Perspective

- Posted policy
- Annual report
- Individual policies



Policy

- 1 page & posted
- Progress toward goals discussed in Annual Report, Quarterly Board Subcommittee Meeting



Annual Report

- Report progress toward goals
- Describe methods of monitoring:
 - Subcommittee reports
 - Audits
 - Risk assurance



Individual Policies

- QA through a minimum standards document
- Regular audits
- Central Team – peer review opportunities
- Annual HSE meetings



Why The Minimalist Approach

- Sarbanes
- Credibility
- Focus



Conclusion

- If you are not simply describing the ordinary course of business, you do not have effective environmental compliance.



Sempra Energy

- Parent of two California public utilities
- Parent of non-PUC regulated companies
- Operations primarily in California, but also in various states, as well as abroad
- Lawyers are employees of corporate parent and not of the affiliates they assist



Sempra Energy Utilities: SDG&E and SCG

- Large department of EH&S professionals: scientists, engineers, managers.
- EH&S Department works very closely with SEU Operations: transmission, distribution, storage, fleet, facilities, procurement, asset disposition, contractors.
- EH&S Standard Practices.



Sempra Energy Global Companies

- More business development focused
- EH&S Department smaller and more project development focused
- No EH&S Standard Practices



Open Discussion

- Does your company have EH&S standard practices?
- How are these written and developed?
- How are these used by your company?
- What role do you or the legal department play w/r/to these standard practices?

Agency Inspection Protocol

AGENCY INSPECTION PROTOCOL

This Protocol applies to EHS inspections from all federal, state and local agencies, as a guideline for what to do in the event of an inspection, and how to ensure that each facility reacts to an inspection in a way that minimizes potential liability and preserves evidence. Inspections may be announced in advance, or unannounced. Generally, the same principles apply to either type of inspection.

1. When the inspector arrives, document his/her name, credentials, address, and telephone number. Document what triggered the inspection, the purpose and scope of the investigation, and the statutory authority under which the inspection is being conducted. If the inspector arrives with a search warrant, ask for a copy of the warrant and contact legal counsel immediately.
2. Arrange for an Opening Conference. The opening conference is held to determine the scope of the investigation. Facility personnel are advised of the investigation objectives, and logistics and scheduling of inspection activities are discussed. The facility may require a safety orientation prior to allowing any inspector to enter production areas.
3. A facility inspector should stay with the inspector at all times. Limit the extent of the inspection to the scope determined during the opening conference. If at any time, the inspector wishes to expand the scope of the investigation, consent should be withdrawn and the inspection should cease until a new scope is negotiated.
4. Document all issues discussed and name of employees interviewed. When an agency wants to interview employees, we have the right to tell the employee that he/she can request that company representatives be present. Employees should answer only the question asked, and avoid statements that might be considered as an admission of noncompliance.
5. Make copies of any documents provided to the inspector. If documents are confidential, ensure the documents are marked as such, and that the inspector's agency will handle the confidential material appropriately.
6. Duplicate any photographs taken by the inspector and ensure that no confidential business information appears in any photos. Ask the inspector to provide split samples.
7. Arrange for a Closing Conference. Request copies of all sample/analytical reports, interview reports, field notes, and the inspector's report. Ask the inspector for a receipt acknowledging documents provided. Document problem areas indicated by the inspector, along with the applicable standards, suggested abatement procedures, and potential penalties.
8. Upon completion of the inspection and closing conference, the facility representative should prepare a report of the inspection incorporating any record, notes, samples, photos, etc. The report is to be made at the request of counsel and must be labeled or designated as having been so prepared. The report should be forwarded to counsel and not circulated.

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APPENDIX D: Removal Of Asbestos-Containing Gaskets And Packings

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PURPOSE To protect employees, members of the public and the environment by identifying and managing asbestos-containing materials.

- 1. POLICY**
- 1.1 Material that could contain asbestos shall be treated as asbestos-containing material (ACM) until proven otherwise by laboratory testing or other documentation specific to the material and location (e.g. "generator knowledge" of waste source).
- 1.2 Employees shall not disturb ACM or other materials that may contain asbestos fibers unless specifically authorized, trained, and equipped to do such work. Employees shall notify their supervisor if any operation may involve exposure to asbestos fibers.
- 1.3 No ACM shall be specified, purchased, obtained or used in any operation, facility or equipment. Note: Existing ACM installed in facilities or equipment may remain in place as long as it is maintained in good condition and poses no significant risk. The proposed use of ACM believed to have no viable substitute must be reviewed and approved by Safety and Environmental Services through the Product Approval Process.
- 1.4 Employees will ensure that asbestos waste is properly managed and sent to company-approved disposal sites.
- 2. PROGRAM**
- 2.1 Sources of Asbestos
- 2.1.1 Asbestos can be found in a wide range of materials based on its heat resistance, chemical resistance, strength and sound absorbing properties. **Suspect materials that must be presumed to be ACM include:**
- | | |
|---|---|
| <ul style="list-style-type: none"> • thermal insulation older than 1981 (e.g. block, cloth, plaster, wrap, tape, loose fiber fill -- on heater duct, lead cable, electrical bus work, steam pipe, chill water pipe elbows) • fabrics used for high-heat applications – welding blankets, gloves, firefighting suits | <ul style="list-style-type: none"> • surface coatings (e.g. sprayed or troweled acoustic ceiling or fireproofing) older than 1981 • asphaltic (coal tar) pipe wrap • roofing felts, paper, compounds • fibrous or fiber-reinforced paint, coating, wrap, insulation, resin, plastic |
|---|---|
- continued*
- | | |
|---|--|
| <ul style="list-style-type: none"> • fire door internal insulation • resilient floor tile | <ul style="list-style-type: none"> • fibrous gaskets and packings • stucco |
|---|--|

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- resilient flooring backing
- asphaltic pole-mounted transformer bolt covers
- substation reactor supports
- substation air circuit breaker arc chutes
- cement panels, pipe, conduits
- drywall joint & other patching compounds older than 1981
- window panel caulking
- brake and clutch linings not labeled "asbestos free"
- artificial fireplace embers/logs older than 1981

2.2 Identification and Sampling of ACM

2.2.1 A suspect material (such as listed in Section 2.1.1) shall be presumed to be ACM unless (a) it is sufficiently sampled and analyzed by scientifically-accepted laboratory methods to determine the asbestos content, or (b) the asbestos content of the material is well documented.

Records such as lab results, engineering or construction specifications, and purchasing documents must identify the specific material, location and installation date to be acceptable to demonstrate that asbestos is absent.

2.2.2 Before disturbance, demolition or renovation of suspect materials, a survey shall be performed including sufficient sampling and analysis of the materials unless the absence of asbestos in each material is well documented or the material is treated as ACM.

2.2.3 Sampling of materials for asbestos identification may be performed by:

- Certified Industrial Hygienist, accredited asbestos inspector or asbestos consultant
- Other trained, protected employee (e.g. lab technician) when the suspect material is other than pre-1981 thermal or surfacing material or floor tile
- Industrial hygienist when the suspect material is floor tile or other than pre-1981 thermal and surfacing materials

2.3 Labels, Signs and Information on ACM

2.3.1 Known ACM, containers of ACM products or wastes and pre-1981 thermal insulation, pre-1981 surfacing material and pre-1981 resilient floor tiles presumed to contain asbestos shall be **labeled** or posted with wording equivalent to:

*Danger
Contains Asbestos Fibers
Avoid Creating Dust
Avoid Breathing Asbestos Fibers
Cancer And Lung Disease Hazard*

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Note: Roofing and resilient flooring are not required to be labeled when another method to inform employees and contractors is used.

2.3.2 The **entrances to mechanical rooms** and other areas having thermal or surfacing material shall be **posted** with information on the material(s), location(s) and practices to prevent disturbance.

2.3.3 Each site where asbestos fibers may be released above the PEL shall be controlled and posted as a **regulated area** with **signs** to prevent entry by unprotected persons. Signs shall have wording equivalent to:

*Danger
Asbestos
Cancer And Lung Disease Hazard
Authorized Personnel Only
Respirators And Protective Clothing Are
Required In This Area*

Exception: No warning signs are required for tasks listed in 2.5. if work is conducted according to Appendices A - E.

2.3.4 An **annual notification letter and a list** of locations that are known to have asbestos-containing construction materials (ACCM) shall be distributed to employees, Real Estate & Facilities and Supply Management by Safety. The documents are also at the Safety website.

The annual letter and list shall be provided to contractors and tenants by Supply Management and Real Estate & Facilities, respectively. Each person who oversees contractors working for ABC or XYZ shall ensure that the documentation has been received by contractors before work begins.

2.3.5 **Proposition 65 warnings** shall be provided to persons who may be exposed above the Proposition 65 "no significant risk level" for asbestos.

- Departments shall provide a warning statement in bid packages, contracts and equipment salvage proposals and to contractors who may be removing pipe with coal tar wrap containing asbestos.

- A company representative shall provide the "Notice of Asbestos Containing Material on Inactive Pipelines - XYZ - Proposition 65 Warning" (Appendix G) to persons who are known and will be digging in the vicinity of abandoned steam pipelines in the downtown _____ public right of way. Refer to Environmental Standard **104.0150/G8736, Proposition 65 Compliance.**

2.4 Inspection and Maintenance

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- 2.4.1 ACM at buildings shall be inspected annually (e.g. self assessment) by a trained employee or an asbestos consultant. Manned, occupied buildings shall be inspected by a representative of Facility Management. Local management is responsible for arranging for inspection of ACM at other sites such as compressor buildings or telecommunication sites. Inspections shall be documented and maintained in a central file at each facility for at least three years. Refer to Environmental Standard **104.0002 /G8705, Environmental Self-Assessment.**
- 2.4.2 ACM shall be maintained in good condition so that no visible damage or release occurs.
- 2.4.3 Where damage to or release from ACM is detected, it shall immediately be inspected by an asbestos consultant, certified industrial hygienist or asbestos inspector to determine what measures are needed.
- 2.4.4 If ACM is newly identified or removed, contact the facility representative and Safety to update the facility's asbestos inventory.
- 2.5 Approved Asbestos Tasks
 - 2.5.1 Due to extensive Cal/OSHA, EPA and other requirements for protecting people and the environment from asbestos, **ABC and XYZ employees may perform only the following approved tasks:**
 - removing less than 100 square feet of asphaltic (coal tar) pipe wrap using non-mechanical hand abatement methods
 - removing asbestos gaskets or packings
 - removing asbestos pole-mounted transformer bolt covers
 - removing asbestos brake pads/shoes and clutch facings
 - sampling suspect asbestos
 - 2.5.2 Safety shall be contacted before work when employees may be exposed to disturbed ACM other than during the approved tasks shown above. Once contacted, Safety will review the work and determine the proper employee protective measures.
- 2.6 Training
 - 2.6.1 Employees and supervisors who may encounter ACM on the job shall be trained using the Safety Lesson Plans or equivalent material.
 - 2.6.2 Employees who may be required to remove ACM and their supervisors shall be trained for the specific task (e.g. pipe wrap removal).

ENERGY COMPANY ASBESTOS MANAGEMENT STANDARD PRACTICE

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- 2.6.3 Training shall be provided to employees before their initial assignment where exposure may occur. Annual refresher training shall be provided to employees and supervisors who remove or handle ACM.
- 2.6.4 Training shall be provided or arranged for employees who inspect facility ACM by Safety.
- 2.7 Agency Notifications before Disturbance of ACM, Demolition or Renovation
 - 2.7.1. Cal /OSHA

Employers whose employees will disturb more than 100 square feet of ACM of more than 0.1 percent asbestos at one job site shall notify **Cal/OSHA** in writing at least 24 hours in advance.
 - 2.7.2. Air Pollution Control District

Contractors who will engage in demolition of load bearing structures or engage in renovation where there is a high probability of disturbing ACM shall notify the local **Air Pollution Control District** in writing at least 10 working days in advance.

Notice of demolition shall be provided whether ACM is absent or present.

Notice of renovation shall be provided to the _____ APCD when the work will exceed 160 square feet of ACM or 260 linear feet of pipe ACM (or 35 cubic feet where the length or area could not be previously measured) and shall be provided to all other Air Pollution Districts when the work will exceed 100 square feet.
 - 2.7.3. Emergency Asbestos Removal

In the event of emergency asbestos removal (e.g. following natural disaster), notify the local Cal/OSHA and Air Pollution Control District offices by telephone and in writing no later than the following working day.
- 2.8. Control of Asbestos Exposures
 - 2.8.1. Employees working with ACM shall follow safe handling procedures to ensure that the Cal/OSHA Permissible Exposure Limit (PEL) is not exceeded and environmental releases do not occur.
 - 2.8.2. Workers shall wear personal protective equipment for approved tasks as described in Appendices A - E.

ENERGY COMPANY ASBESTOS MANAGEMENT STANDARD PRACTICE

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- 2.8.3. No food, beverage, tobacco products or cosmetics shall be consumed in an ACM work area or while wearing protective clothing.
- 2.8.4. Where feasible, plastic sheeting shall be placed on the ground or walking surface in areas where ACM is removed.
- 2.8.5. ACM and asbestos waste shall be adequately wetted when handled or disturbed until it is collected and contained to prevent release of asbestos fibers into the air.
- 2.8.6. Work areas shall be inspected and ACM that has fallen to the ground or floor or is considered waste shall be wetted and placed in leak tight containers.
- 2.8.7. Wetting shall be performed to prevent runoff from the work area. Any runoff from the work area shall be captured and held in containers.
- 2.8.8. Employees shall prevent the spread of asbestos by removing protective garments and decontaminating reusable articles at the work area.
- 2.9. Prohibited Activities
The following asbestos-related activities are prohibited:
 - 2.9.1. Using compressed air to blow off clothing or surfaces
 - 2.9.2. Dry sweeping or brushing
 - 2.9.3. Mechanical abatement
 - 2.9.4. Release of visible emissions
 - 2.9.5. Pulverizing or crushing ACM
- 2.10. Hygiene Methods
Employees handling ACM or exposed to released fibers shall wash their hands and other exposed parts of the body before eating, drinking, smoking or applying cosmetics.
- 2.11. Packaging, Labeling and Transporting Asbestos Waste
 - 2.11.1. The following wastes are defined and managed as hazardous waste:
 - Friable ACM
 - Nonfriable ACM that has been sanded, ground, cut or abraded

ENERGY COMPANY ASBESTOS MANAGEMENT STANDARD PRACTICE

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- Nonfriable ACM that has become friable because it has been crumbled, pulverized or reduced to powder or because its matrix has been disturbed to release fibers
Intact non-friable ACM is not required to be managed as hazardous waste.
- 2.11.2. Asbestos waste must be wetted when handled unless, with prior agency approval, it is collected with a vacuum cleaner with a high-efficiency air purifying (HEPA) filter or equivalent method.
- 2.11.3. Water contaminated with asbestos shall be containerized. Prior to disposal the liquid shall be filtered and tested as required for disposal. Consult with Environmental.
- 2.11.4. Asbestos waste (including debris, coveralls, respirator filters, disposal equipment, plastic sheets, and other asbestos-contaminated articles) shall be adequately wetted and sealed in leak-tight containers at the end of the operation or shift, whichever is sooner, and disposed of as asbestos containing waste material. Acceptable containers include six-mil thickness plastic bags and drums.
- 2.11.5. Bulk wastes (e.g. Transite panels) that will not fit into containers without additional breaking may be sealed in leak-tight wrapping. If a waste is to be placed directly in a trailer or drop box, the trailer or drop box shall be lined with six-mil plastic sheeting. The waste shall be wrapped and sealed with duct tape or other method, and leak-tight secondary containment shall be provided (i.e. bins with secured tops). The containers shall be inspected regularly to ensure they remain leak-tight, and that all ACM or asbestos waste is not exposed at any time to the atmosphere.
- 2.11.6. Bagged asbestos waste should be shipped in its own secondary and lead-tight container without other equipment /materials that may damage plastic bags.
- 2.11.7. Each **container of hazardous waste** also shall have the label below.

Hazardous Waste. State and Federal Law Prohibit Improper Disposal. If Found, Contact the Nearest Police or Public Safety Authority or the California Department of Toxic Substance Control.

Generator's Name _____
Address _____
Manifest Document Number _____

Each container of non-hazardous asbestos waste also shall be labeled as indicated by the approved asbestos disposal facility.

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- 2.11.8 Documents for Transporting Asbestos Waste
 - Transport of less than 10 pounds of asbestos waste from the field does not require shipping papers.
 - Transport of friable asbestos waste from 10 to 2,500 pounds from the field to a consolidation site requires a bill of lading.
 - Transport of friable asbestos waste from a consolidation site to a TSDF or to an approved asbestos disposal facility requires a uniform hazardous waste manifest.
 - Transport of non-friable asbestos waste does not require shipping papers from the field to a consolidation site. Transportation of non-friable asbestos may require special shipping papers to an approved disposal facility.
- 2.11.9 Asbestos waste must be managed as outlined in Environmental Standard **104.087 /G8725, Hazardous Waste Stream Specific: A-N** and Appendices A-E. Also refer to Environmental Standard **104.0030/G8729, Hazardous Waste Shipping**.
- 2.12 Management of Surplus and Contaminated Equipment or Material
 - 2.12.1 The operating organization or facility removing from service equipment or material with ACM is responsible for proper handling as shown in Environmental Standard **104.0155/G8737, Management of Contaminated Equipment & Material**.
 - 2.12.2 Inspect the equipment/materials to determine whether it is a product that can be reused, recycled or sold or if it is a waste to be discarded.
 - 2.12.3 Evaluate the equipment/material through sampling and testing or use of generator knowledge and provide information to Investment Recovery or the approved contractor/vendor. This will ensure that the third party accepts the equipment/material with ACM.
 - 2.12.4 Abate, encapsulate or seal damaged areas of ACM before transport.
 - 2.12.5 Ensure that ACM and encapsulated/sealed areas on pipe or other equipment are intact before and during transport.
 - 2.12.6 Segregate pipe or other equipment with ACM pipe wrap from other equipment to prevent damage or release.
 - 2.12.7 Transport pipe with ACM pipe wrap using a bill of lading.

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- 2.12.8 Recycle or sell equipment/material from point of origin whenever possible.
- 2.12.9 Ensure that surplus sale agreements are completed.
- 2.12.10 Ensure that final disposition is at an approved reuse/recycle/scrap vendor or approved asbestos disposal site.
- 2.12.11 Inspect storage areas where ACM equipment/material is stored (e.g. stored and surplus pipe) periodically. See Company Form 6365 Hazardous Waste / Pipe Storage Area Inspection Log.
- 2.12.12 If it is a waste, see Environmental Standard **104.087 /G8725, Hazardous Waste Stream Specific: A-N**.
- 2.13 Contractors
 - 2.13.1 The employee administering the contract shall ensure contractors who work in or on facilities with ACM have received the Annual Asbestos Notification Letter and the Contractor Safety Notice before the job starts, and any Asbestos Best Management Practices applicable to the project's geographic area.
 - 2.13.2 Company-approved asbestos abatement contractors shall be used when:
 - Asbestos work is other than approved tasks in Section 2.5 (e.g. thermal insulation removal), or
 - Work involves more than 100 square feet of ACM.
 See Appendix F - Table of Pipe Surface Area Equal to 100 Square Feet.
 - 2.13.3 Abatement contractors shall provide written notification to Cal/OSHA at least 24 hours before work begins.
 - 2.13.4 Abatement contractors shall provide written notification to the local Air Pollution Control District at least 10 working days before:
 - Demolition (regardless of absence or presence of ACM)
 - Renovation exceeding the notification threshold of more than 160 square feet of ACM or 260 linear feet of pipe ACM (or 35 cubic feet where the length or area previously could not be measured) for San Diego APCD and more than 100 square feet ACM for other Air Pollution Control Districts
 - Mechanical abatement using methods other than specified in the EPA "Demolition Practices Under the Asbestos NESHAP (September 1992)".

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- 2.13.5 Abatement contractors shall provide written notification to the local Air Pollution Control District no later than the following working day after emergency asbestos removal.
- 2.13.6 Mechanical abatement by contractors is prohibited unless approved in advance by the local Air Pollution Control District or complying with EPA "Demolition Practices Under the Asbestos NESHAP (September 1992)".
- 2.13.7 Contractors are responsible for controlling access to ACM work areas and enclosures. To the extent practical, contractors shall perform asbestos abatement for projects above the notification thresholds in Section 2.13.3 within containment (i.e. isolation enclosures, decontamination units) except for hand abatement activities. Contractors shall prevent release of visible or hazardous fiber concentrations from the work area or abatement enclosure. If an abatement enclosure is breached, the contractor shall mark the affected area, enclose it to the extent practical, and decontaminate as required.
- 2.13.8 Company-approved asbestos consultants shall be used for oversight of asbestos projects done by abatement contractors unless determined otherwise before work by Safety.
- 2.13.9 The acceptable clearance air concentration after contractor asbestos removal/decontamination in an enclosed area is 0.01 fiber/cc or lower. There shall be no visible asbestos contamination at completion of work. If deemed necessary by the asbestos consultant or Safety, additional clearance requirements may be instituted before reoccupancy by unprotected persons. Air monitoring shall be performed by the consultant or Safety.
- 2.13.10 Safety maintains blanket contracts with approved abatement contractors and consultants (industrial hygiene consultants) as shown on the Safety website.
- 2.14 Response to an Asbestos Release Incident
 - 2.14.1 If asbestos fibers are released to air and/or surfaces outside an asbestos removal area and unintentional exposure of persons may have occurred, immediately stop the work that is disturbing ACM and leave the release area.
 - 2.14.2 Close and secure the release area immediately to prevent exposure of others.
 - 2.14.3 Stay at the assembly area until directed on the method and location of personal washing and clothing decontamination or removal.
 - 2.14.4 If hand washing facilities and a HEPA vacuum cleaner or clean clothing are available at the assembly area, exposed persons can begin to decontaminate or change clothing then wash face and hands. Do **not** shake clothing or blow it off with compressed air. Seal contaminated clothing in a plastic bag and

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- label as shown in Section 2.3.1. Areas used for changing and washing shall be controlled so that others are not exposed.
- 2.14.5 The site manager shall be notified immediately about the release. The site manager shall:
 - Call Safety to determine immediate steps needed for protection of employees and others.
 - Arrange for a qualified asbestos abatement contractor and asbestos consultant.
 - Consult with Disability Management Services regarding medical evaluation for exposed employees
- 2.14.6 Agencies shall be notified as appropriate by Safety and in consultation with Environmental Services.
- 2.15 Records
 - 2.15.1 Training records shall be entered into the Corporate Training System by the employee's department or training organization.
 - 2.15.2 Exposure monitoring records shall be provided to each affected employee or their representative within five days of completion of an exposure assessment. These records are typically forwarded by Safety when available.
 - 2.15.3 Safety shall maintain bulk sampling records and employee exposure monitoring records for at least 30 years.
 - 2.15.4 Construction records of the types of materials should be kept for the life of a facility to document the absence/presence of asbestos.
 - 2.15.5 Inspection records of ACM at facilities shall be maintained for at least three years at the department.
 - 2.15.6 The examining physician shall maintain medical surveillance records. Physician reports to the company shall be maintained by Disability Management Services for at least 30 years.
- 3. **RESPONSIBILITIES**
 - 3.1 Supervisors
 - 3.1.1 Ensure employees are properly trained in this standard.
 - 3.1.2 Ensure employee or contractor asbestos work is conducted in accordance with this standard.

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- 3.1.3 Notify employees, contractors and tenants of the presence ACM in work locations.
- 3.1.4 Identify ACM before disturbance or demolition.
- 3.1.5 Ensure that ACM at unmanned facilities such as compressor buildings or telecommunication sites is inspected annually.
- 3.1.6 Ensure that company-approved asbestos abatement contractors are used when:
 - Other than the five approved tasks for employees are performed (e.g. thermal insulation is removed)
 - The project involves more than 100 square feet of ACM disturbance, or
 - Employees' exposure cannot be maintained below the Cal/OSHA PEL
- 3.1.7 Notify contractors under their jurisdiction before they dig in the vicinity of abandoned gas or fuel pipe or steam lines. See Appendix .
- 3.1.8 Ensure that written agency notifications are made by contractors before demolition (regardless of absence or presence of ACM), renovation if the work exceeds 160 square feet or 260 linear feet (or 35 cubic feet where the length or area could not be previously measured) for _____ APCD or 100 square feet for all other Air Pollution Control Districts, and no later than the following working day after emergency asbestos removal.
- 3.1.9 Consult with Safety on tasks not approved or assessed for hazards or projects requiring removal, demolition, or disturbance of asbestos containing materials.
- 3.1.10 Use contractors, certified asbestos consultants, and industrial hygiene consultants qualified by Safety for assessment and removal of asbestos containing materials.
- 3.1.11 Communicate air-monitoring results to employees.
- 3.1.12 Ensure that asbestos waste and surplus or contaminated equipment /material is managed according to environmental standards.
- 3.2 Employees
 - 3.2.1 Complete training for each task.
 - 3.2.2 Report to supervisors all potential ACM not previously identified.
 - 3.2.3 Follow Company procedures for work involving ACM.

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- 3.2.4 Wear personal protective equipment and clothing as required.
- 3.2.5 Report any incidents or concerns to their supervisors.
- 3.2.6 Report any health symptoms that may be related to asbestos exposure or use of respirators and protective equipment.
- 3.3 Safety Department
 - 3.3.1 Provides Company-wide asbestos program oversight
 - 3.3.2 Provides technical assistance and exposure assessments during projects involving ACM.
 - 3.3.3 Maintains an inventory of known ACM locations and provides annual notification to employees, contractors, and tenants.
 - 3.3.4 Maintains bulk sampling records and employee exposure records for at least 30 years.
 - 3.3.5 Develops asbestos training and information as needed.
 - 3.3.6 Assists supervisors with the collection of bulk samples of suspect ACM for laboratory analysis where Safety determines there is a need or benefit over other resources.
 - 3.3.7 Provides list of SEU qualified asbestos abatement contractors and industrial hygiene consultants.
- 3.4 Environmental Services
 - 3.4.1 Develops environmental standards for asbestos emissions control and asbestos waste management.
 - 3.4.2 Provides technical assistance and regulatory guidance on work operations that involve asbestos emissions to air, water or soil or generated asbestos waste. Aspects typically involved are waste labeling, packaging, storage, transportation, disposal and record keeping.
 - 3.4.3 Provides technical assistance on management of surplus and contaminated equipment or materials that may contain asbestos containing materials.
- 3.5 Engineering Analysis Center and Environmental Analysis Laboratory
 - 3.5.1 Collect samples of other than thermal or surfacing material or floor tile

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- 3.6 Real Estate & Facilities
 - 3.6.1 Performs annual inspection of ACM at manned/occupied buildings.
 - 3.6.2 Distributes to tenants the annual asbestos notification letter.
 - 3.6.3 Receives and forwards to Safety annual notification letters from owners of buildings having ACM.
- 3.7 Supply Management
 - 3.7.1 Ensures that contracts and purchase documents prohibit the purchase of asbestos products from vendors or use of asbestos products by contractors.
 - 3.7.2 Distributes the annual asbestos notification letter to contractors.

4 DEFINITIONS

- 4.1 Asbestos – naturally-occurring fibrous silicate minerals identified as chrysotile, actinolite, anthophyllite, crocidolite, cummingtonite (amosite) grunerite-rebeckite.
- 4.2 Asbestos-containing material (ACM) – material having more than one percent (1%) asbestos.
- 4.3 Demolition – removal or destruction of a facility’s load-bearing structure and related handling operations.
- 4.4 Friable ACM– ACM that when dry may be crumbled, pulverized or reduced to powder by hand pressure.
- 4.5 Permissible Exposure Limit (PEL) – the Cal/OSHA maximum allowable employee exposure (without protection) to an airborne concentration.
 - 0.1 fiber per cubic centimeter of air (0.1 f/cc) as an eight hour time weighted average (TWA)
 - 1.0 f/cc as a 30 minute average (Excursion Limit)
- 4.6 Regulated ACM – friable ACM, nonfriable ACM that will be or has been subjected to sanding, grinding, cutting or abrading, or nonfriable ACM that has a high probability of becoming or has become crumbled, pulverized, or reduced to powder by the forces expected to act on the material during demolition or renovation.
- 4.7 Renovation -- Disturbance, modification or removal of a facility’s components, including the stripping or removal of regulated ACM from a facility component, except the removal of load-bearing structures. Removal of subterranean pipelines is

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considered “renovation” by the EPA unless coupled with other activities where load-bearing structures are removed.

5 REFERENCES

- 5.1 California Code of Regulations (CCR), Title 8, Section 1529, Construction Safety Orders, Asbestos
- 5.2 CCR, Title 8, Section 5208, General Industry Safety Orders, Asbestos
- 5.3 CCR, Title 8, Section 5203, Carcinogen Report of Use Requirements
- 5.4 CCR, Title 8, Section 341.15. Certification of Asbestos Consultants and Site Surveillance Technicians
- 5.5 CCR, Title 22, Section 66261.24. Characteristic of Toxicity
- 5.6 California Business and Professions Code (B&PC) Sections 7058.5 – 7058.6 Asbestos Contractors
- 5.7 California B&PC Sections 7180 - 7189.7 Asbestos Consultants
- 5.8 California Health and Safety Code Sections 25915 - 25919.7. Notification
- 5.9 Code of Federal Regulations (CFR) Title 40 Part 61. Subpart M National Emissions Standards for Hazardous Air Pollutants - Asbestos
- 5.10 FR Title 40 Part 763.86. Sampling
- 5.11 California Regional Air Pollution/Quality District Rules – Asbestos
 - Mojave Desert AQMD - CFR Title 40 Part 61.140
 - San Joaquin Valley APCD - CFR Title 40 Part 61.140
 - San Diego APCD – Rules 361.140 - 361.156
 - Santa Barbara APCD - CFR Title 40 Part 61.140
 - South Coast AQMD - Rule 1403
 - Ventura County APCD - Rule 62.7
- 5.12 SEU Asbestos Training Materials (Subject/Course ID)
 - Asbestos Overview for Gas Operations Employees (HAZMAT 222)
 - Asbestos Overview for Electric Operations Employees (HAZMAT 223)
 - Asbestos Overview for Fleet Maintenance Employees (HAZMAT 224)
 - Asbestos Overview for Facility and Project Management (HAZMAT 225)

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APPENDIX A

REMOVAL OF ASPHALTIC (COAL TAR) PIPE WRAP

Wear eye protection and gloves that can be disposed of after pipe wrap removal. Coveralls and shoe covers are recommended. A half-face air-purifying respirator with P100 (high-efficiency particulate air) filters may be required where visible release of fibers or dust occurs.

1. Assume all pipe wrap contains asbestos unless proven otherwise by lab analysis. An approved asbestos contractor shall remove the pipe wrap if more than 100 square feet is to be disturbed.
2. Place six-mil plastic sheet (polyethylene) under pipe where wrap will be removed.
3. Adequately wet pipe wrap to be removed with a fine spray of water with a wetting agent (e.g. leak detection solution) or encapsulant.
4. Remove fibrous layers using brass hammer and scraper. Keep wetting the wrap, especially fibrous or dusty layers if they separate. Use a scraper to remove remaining material.

Note: Do not use any powered tools or mechanical equipment to remove pipe wrap. Do not weld, grind or brush metal pipe before all pipe wrap and contamination are removed.

5. Wet removed pieces of wrap before placing them in a 6-mil plastic disposal bag.
6. Wet debris on the plastic sheet. Spray and clean reusable tools with disposable rags or wipers. Carefully fold up plastic with debris and wipes and place into labeled disposal bag.
7. Remove used disposable protective gear inside out and place in disposal bag.
8. Tie or tape closed each full disposal bag creating a leak-tight seal. Store in a protected area away from traffic, pedestrians, work operations, or weather. Double bag if torn or split.
9. Transport the disposal bag to the base or district. A shipping document is not required for the transport of up to 10 pounds of non-hazardous asbestos waste from the field to the work center or between Company facilities.
10. Place in a designated 55-gallon drum or sturdy, covered storage container (e.g. 30-gallon plastic trash can lined with a plastic bag). Containers of intact, nonfriable ACM do not require labeling. If the pipe wrap has been rendered friable during removal or could release fibers during handling or transport, manage the material as hazardous waste and label the drum or storage container and plastic liner.

*Danger
Contains Asbestos Fibers*

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*Avoid Creating Dust
Avoid Breathing Asbestos Fibers
Cancer And Lung Disease Hazard*

11. When a drum is full or not in use, it shall be sealed. If another storage container is used and full, the plastic liner shall be tied or taped to enclose single-thickness bags and removed from the temporary container for off-site disposal.
12. The labeled drums or bags shall be transferred to a company consolidation site (e.g. Pico Rivera, Miramar) or to a company-approved asbestos disposal site. Shipment of non-hazardous asbestos waste shall be accompanied by a bill of lading. The generating facility retains the No. 2 copy of the bill of lading for three years. Shipment of hazardous waste shall be accompanied by a hazardous waste manifest and sent to facilities licensed to accept asbestos hazardous waste.

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APPENDIX B
REMOVAL OF ASBESTOS POLE-MOUNTED TRANSFORMER BOLT COVERS

Wear eye protection and gloves.

1. Assume all asphaltic black, dark gray or dark green bolt covers contain asbestos.
2. Carefully pry under each corner of an asbestos bolt cover with a screwdriver to loosen the nails. Do not strike or crush the cover with a hammer or other object.

Note: If the bolt cover is dry and likely to flake, wet it with Leak-Seek spray or another wetting agent and cover it with a plastic bag during loosening and removal.
3. Use a plastic bag to enclose the cover and pull it off of the pole. Tie the bag in a knot or tape it closed.
4. Prevent rupturing of the bag or cover when transferring it to the ground or truck. Do not throw bolt covers on the ground at work sites.
5. Transport the bag to the district and place in the drum designated for "Non-hazardous Asbestos Waste" (also used for gas pipe wrap).

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APPENDIX C
MAINTENANCE OF ASBESTOS VEHICLE BRAKES AND CLUTCHES

Wear eye protection and disposable gloves that also protect against solvents or liquids used. Place a catch basin under the brake assembly to avoid splashes and spills.

1. Place a catch basin under the brake assembly to avoid splashes and spills.
2. The reservoir shall have water containing an organic solvent or wetting agent. Control the flow of liquid to flood the brake assembly and prevent the asbestos-containing brake dust from getting airborne.
3. Allow the solution to flow between the brake drum and brake support before the drum is removed.
4. After removing the brake drum, thoroughly wet the wheel hub and back of the brake assembly to suppress dust.
5. Thoroughly wash the brake support plate, brake shoes and brake components used to attach the brake shoes before removing the old shoes.
6. In systems using filters, wet the filters when full with a fine mist of water, then removed and placed immediately in an impermeable container labeled and disposed of properly.
7. Clean up immediately spills of asbestos-containing solution or any asbestos-containing waste and dispose of properly.

Dry brushing during low pressure/wet cleaning operations and use of compressed air are prohibited.

Optional Method for Facilities where no More than Five Pairs of Brakes or Clutches are Inspected, Disassembled, Reassembled, and/or Repaired per Week:

1. Use a spray bottle, hose nozzle, or other implement capable of delivering a fine mist of water or amended water, or other delivery system capable of delivering water at low to thoroughly wet the brake and clutch parts. Then wipe brake and clutch components clean with a cloth.
2. Place the cloth in an impermeable container, label, and then dispose of properly. Clean up immediately spills of asbestos-containing solution or any asbestos-containing waste and dispose of properly.

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APPENDIX D
REMOVAL OF ASBESTOS-CONTAINING GASKETS AND PACKINGS

Wear eye protection and disposable gloves.

1. Assume fiber-containing gaskets and packings contain asbestos unless documentation proves otherwise.
2. Place 6-mil sheet plastic below the equipment to catch pieces if they fall.
3. Spray the gasket or packing with a wetting agent during equipment disassembly as it is exposed and during removal to prevent fiber release.
4. Use a tool with a sharp blade to separate or scrape the gasket or packing from its sealing surface. Keep the gasket wet.
5. Use a wetted rag or paper towel to clean the surface of any residue.
6. Do **not** use any power tool (e.g. grinder, sander, wire wheel, chipping gun), forceful manual methods (e.g. hammering) or compressed air that shreds, pulverizes or crumbles the gasket. If the gasket or packing cannot be removed with the above methods, consult with Safety. An asbestos abatement contractor may be needed to perform the work.
7. Place the gasket or packing, disposable gloves and cleaning materials in a plastic bag and seal. Dispose of in asbestos waste container.

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APPENDIX E
SAMPLING SUSPECT ASBESTOS-CONTAINING MATERIAL

Wear eye protection and disposable gloves during sampling. Wear a half-face air-purifying respirator with P100 high-efficiency filters and disposable coveralls when sampling friable materials or nonfriable materials that may become friable or release fibers during sampling. Wear head and/or shoe covers if either may be contaminated during sampling.

1. Shut down any mechanical systems or equipment that may spread or release fibers. Do not disturb the material any more than is needed to take a small sample.
2. Place a 6-mil plastic sheet on the floor below the area to be sampled if fallout may occur.
3. Wet the material using a fine mist of wetting agent (containing a few drops of detergent) before taking the sample.
4. Carefully cut a piece from the entire depth of the material using a small knife, corer, or other sharp object. Place the small piece into a clean container (e.g. plastic vial or high-quality resalable plastic bag). Tightly seal the container after the sample is in it.
5. Use a damp paper towel to clean up sampling tools and material on the outside of the container or around the area sampled.
6. Label the container with an identification number, sample location, type of material, facility and date to clearly state when and where the sample was taken.
7. Seal the sampled area with patching compound or a small piece of duct tape to prevent fiber release.
8. Place all sample containers in another container (e.g. box, envelope or second resalable bag) to transport and submit to an accredited laboratory for analysis.
9. Carefully dispose of the 6-mil plastic sheet, disposable gloves, and any contaminated materials in a plastic bag and manage as asbestos waste.

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APPENDIX F
TABLE OF PIPE SURFACE AREA EQUAL TO 100 SQUARE FEET

Diameter	Maximum Linear Feet
1"	384
2"	192
3"	127
4"	96
6"	63
8"	50
10"	38
12"	31
16"	23
20"	19
22"	17
24"	15
26"	14
30"	12
34"	11
36"	10

Surface area in square feet = $\frac{\text{pipe diameter in inches} \times 3.14 \times \text{pipe length in feet}}{12 \text{ inches}}$

APPENDIX G
NOTICE OF ASBESTOS CONTAINING MATERIAL ON INACTIVE PIPELINES

XYZ COMPANY
PROPOSITION 65 WARNING

Project: _____ Date: _____

Underground pipelines, used many years ago to convey steam through certain portions of downtown _____, still remain in some public rights-of-way. Most of these pipelines lie approximately ten feet below street level. You may encounter these pipelines in the course of the excavation work proposed for your project.

Asbestos-containing materials will be found on these steam pipelines and their associated facilities. Asbestos is a substance known to the state to cause cancer.

You should transmit this warning to all individuals who will be present during excavation activities for your project.

Corporate social responsibility report

It is the aim of Tomkins to achieve, over time, best-in-class social, environmental and ethical standards in all of its businesses.

The Board and management of Tomkins recognise the important part that the Group and its businesses play in the communities in which they operate, their responsibilities and their impact on social, ethical and environmental matters.

In recognising these responsibilities, Tomkins is mindful of its obligations to its shareholders, employees and customers to provide products and services that customers are prepared to buy, whilst continuing employment opportunities and providing an acceptable return to shareholders.

Within this framework, Tomkins has taken a number of initiatives that have advanced these principles. These include lean manufacturing which has seen, amongst other things, cost-savings through a reduction in the use of raw materials, levels of waste and use of energy, together with an improvement in health, safety and environmental performance in many of the Group's facilities. In the design, engineering and production of the Group's products, consideration is given to the environmental impact of the manufacture and use to which such products are put. The Board of Tomkins encourages such policies within its businesses.

This report sets out a summary of the work the Group has undertaken during the year consistent with the principle of continuous improvement, and highlights the main achievements.

Socially Responsible Investment
It is the aim of Tomkins to achieve, over time, best-in-class social, environmental and ethical ("SEE") standards in all of its businesses, and progress continues to be made, particularly in the areas of health, safety and environment ("HSE"). In support of the Group's HSE policies and procedures, an HSE database is under development that will streamline the process for data collection, storage and reporting with multi-user access to track HSE performance as well as the ongoing HSE audit process. It will have two significant benefits: it will assist in expediting the resolution of outstanding audit findings, and will free-up skilled audit staff so they can conduct more on-site audits, at the same time as minimising the time spent on administrative functions.

The Board regularly takes account of the significance of SEE matters and how these impact the Group's businesses and value. The Board ensures that appropriate and effective systems are in place to manage significant risks. This manifests itself in a number of ways. At the quarterly business reviews conducted by senior management, the significant risks facing each business are considered and strategies to mitigate these risks are discussed and agreed. Periodically, the Board receives a summary of the Group Risk Profile that sets out the most important risks facing the Group and its businesses, which may have an impact on the short, medium and long-term value of the Group. These risks cover a whole range of issues including pricing pressures, growth, investment, currency exposures, products, strategies for developing countries and any failure adequately to identify and manage significant environmental, health and safety issues. Each of the risks is assessed for its impact on profit and cash flow, the likelihood of its occurrence, and the scope for mitigation or reduction of the risk. The risks are kept under review until they are either wholly mitigated or no longer represent a significant risk to the Company and its short and long-term value.

Other important areas where SEE issues are taken into account include major capital expenditure proposals considered by the Board, where operating businesses are required to take account of, and report on, SEE matters where there is any potential impact. The Business Risk Assurance group has included in its overall business risk assurance

Tomkins

process specific requirements to examine and assess SEE matters in its list of responsibilities. The results of the work of the Business Risk Assurance group are reported quarterly to the Audit Committee, which, in turn, reports to the Board.

Code of Conduct and Ethics & Human Rights Policy
Tomkins' Code of Conduct and Ethics ("the Code") and Human Rights Policy form the basis on which uniform standards are applied across the Group in all countries where the Group operates.

Code of Conduct and Ethics
The Code sets out a series of policies and principles of conduct to be followed by all Tomkins' companies and applies to all Directors, officers and employees, all of whom are expected to conduct Company business with integrity and in compliance with the laws of the countries in which they operate. The Code covers a number of important areas including competing fairly and complying with anti-trust and competition laws, employee health and safety laws and environmental laws. It also reaffirms Tomkins' commitment to fair treatment of all employees, ethical and lawful behaviour and sets out some general principles, which are important in dealing with suppliers and customers, and with governments and government agencies. The Code emphasises the importance of employees protecting the Company's intellectual property. Any waivers to the Code require the approval of the Board and will be published on the Company's website. During the year, no waivers have been either sought or granted.

Human rights
Tomkins' Human Rights Policy has established a number of principles that are applied across the Group to all companies, no matter where they operate. These principles cover anti-discrimination, employee rights (in the areas of health and safety, wages and working hours), prohibition of child labour and social responsibility (covering environmental, impact and community relations). Employees are expected to maintain the highest standards in conformity with the principles.

A copy of the full text of the Code (in several languages) and the Human Rights Policy can be found in the corporate governance area on Tomkins'

website or a printed copy is available by application to the Company Secretary at the Company's registered office. From time-to-time, the Board reviews the Code and Human Rights Policy to ensure that they reflect best practice. During the year, a paragraph was added to the Code setting out Tomkins' "whistleblowing" procedure.

Verification
Senior management throughout the Group are required to confirm annually that they and their businesses have complied with the principles set out in both the Code and Human Rights Policy and to report any breaches. For 2004, no breaches were reported by any of the operating businesses.

Adherence to the Code and the Human Rights Policy
The Board does not believe that an independent external process of verification is required at this time, but will keep this under review.

Health, Safety and Environment
The priority and importance placed by the Board and management of Tomkins on HSE matters is driven by a belief and experience that our commercial success and HSE performance are compatible objectives. It was because of the importance placed on HSE matters that the Health, Safety and Environment Committee was formed by the Board in January 2003.

In recognising its responsibilities to its employees and the communities in which Tomkins operates, the Group's approach to health, safety and the environment is one of continuous improvement. Key to the maintenance of the standards the Group sets for itself is the work of the Health, Safety and Environment Committee of the Board and a supporting team of specialist professionals ("HSE team") operating throughout the Group. They have been active in guiding operating businesses to achieve the highest internationally recognised standards including Occupational Health and Safety Assessment Series (OHSAS) 18001 and ISO 14001 or equivalent. The OHSAS standard has been created to allow companies to develop systematic controls relating to their health and safety risks and to seek external accreditation of the HSE management system.

Policy, Objectives and Compliance
The intention of Tomkins' HSE policy is to provide a safe and healthy workplace for all employees and



to minimise the impact of the Group's operations on the environment. We are committed to the highest HSE standards consistent with regulatory requirements and best management practices. The Group's businesses are required to operate their facilities consistent with this commitment. All employees have a part to play in that commitment and they are encouraged and expected to do so.

The Group's policies and objectives are translated by management into specific action plans for each operational site. All business groups are encouraged to set realistic HSE targets and objectives within their annual business plans in order to pursue a strategy based on continuous performance improvement. The HSE activities of individual businesses in the Group are monitored by the HSE team which carries out regular performance audits. The audit reports arising are provided to management who are responsible for correcting any deficiencies that come to light as a result of the audit and a summary is provided to the HSE Committee. At every quarterly business review with senior management, an analysis of incidents of industrial accident and environmental exposure is considered and discussed.

The Tomkins Annual Bonus Incentive Plan for management is focused on a sharing of a proportion of Group after-tax profits after deduction of a charge for the cost of capital. An intrinsic feature of the Group's ability to generate sustained value is the need to maintain high standards of HSE controls in all operating businesses worldwide. There is much evidence that actions to improve standards of HSE are frequently financially beneficial to the Group. Furthermore, high standards of HSE are often

85%
92

Corporate social responsibility report



Directors and the Chief Executive and normally meets at least four times a year. In 2004, there were meetings and inspections at Balsareny, Spain; Pontarlier, France; Siloam Springs, Arkansas; Iolua and Atlacomulco, Mexico. Meetings always take place at one of the Group's facilities and normally form part of a two-day programme during which the Committee will, where possible, visit more than one site. Site visits enable the Committee to gain an understanding at first hand of HSE activities of business units and the issues facing them. This process allows the Committee to maintain a strong and continuing overview of the way the Group's HSE policies and objectives are being implemented.



Amongst the Committee's responsibilities is the determination on behalf of the Board of the framework or broad policy and objectives in the areas of HSE and to propose any amendments to existing policies and objectives for approval by the Board. The Committee has formal terms of reference which can be found in the Corporate Governance section of the Company's website. The Committee reports regularly to the Board on its activities, which assists the Board in making informed decisions about the businesses of the Group, particularly relating to any proposed new investment in manufacturing facilities and the HSE implications thereof. The quarterly reports received by the Committee also highlight current areas of HSE focus and improvement and any event or potential breach of regulatory requirements. Any potentially serious breach is communicated immediately to the Chief Executive and the Committee. This enables the Committee to monitor fully the compliance record of each business unit and ensure corrective action is taken in a timely manner. Of the environmental deficiencies found by regulators or discovered during audits in 2004, the substantial majority related to reporting deficiencies. On health and safety, the majority of the Occupational Safety and Health Administration ("OSHA") citations and informal inquiries were resolved very quickly.

Ventilation
The Health, Safety and Environment Committee receives detailed quarterly reports from the HSE team on the current status of all matters which require attention, including a description of what action has been taken to address those matters and the timetable to completion. The adoption of international or comparable internal standards, tailored to the individual requirements of a growing number of operating businesses, increases the Committee's confidence in the effectiveness and accuracy of the reporting systems and procedures.

Health, Safety and Environment Committee
The Committee plays a key role in the Group's HSE activities and is comprised of two non-executive

risks to which the Group could become exposed if an acquisition proceeded. In addition, a review is made of an acquisition candidate's environmental management systems, relationships with regulatory officials and general level of respect and care shown for the environment. In the due diligence process, health and safety is also a key area for which a full review is undertaken including the level of compliance with all applicable laws and regulations. Environmental due diligence was performed at all acquired facilities during the year to ensure that no outstanding remedial obligations were assumed unless properly defined and reserved and that any compliance issues were properly identified prior to acquisition and addressed promptly. Where necessary, an indemnity is sought from the vendor to cover any potential liabilities, but it is possible that a potential acquisition would be rejected if the HSE risks were considered to be too high. Tomkins may require a vendor to undertake health, safety or environmental improvements before a transaction is concluded.

HSE highlights
Work has continued during the year to build an integrated approach to the Group's HSE activities. This has been supported by the development of Tomkins' HSE intranet website which is available to the Group's HSE community. It offers a wide range of information and assistance in many important areas including training. The HSE database mentioned earlier in this report is expected to be fully operational in the second half of 2005.

Two major HSE conferences were held during the year for Tomkins Group HSE professionals: one in Europe (Vaal, The Netherlands) and the other in North America (Nashville, Tennessee). They provided a forum in which experiences could be shared and issues of common interest could be discussed. The conferences also provided opportunities for training and bringing practitioners up to date with changes in HSE rules, regulations and laws. An Asian/Australian HSE meeting is also planned for 2005. Tomkins has continued to encourage operating businesses to seek accreditation to internationally accepted standards.

The emphasis on training continues to remain an HSE priority with a whole range of programmes provided to employees, from basic plant-based programmes to the more advanced training for HSE professionals.

Tomkins

Work has continued during the year to build an integrated approach to the Group's Health, Safety and Environment activities.

There were many notable health and safety achievements throughout the Group during the year, and the five summarised below are representative of those achievements:

- at Lasco Fittings, no lost time accidents have been recorded across the whole company since October 2002;
- at the Gates PT Balsareny facility, a range of plant-wide safety measures, including training, root cause analysis, improved lighting and elimination of unsafe behaviour, has led to a reduction in recorded incidents of 85%;
- at Dexter Axle's Carrollton facility, one of the production lines has been remodelled, to incorporate various ergonomic improvements, including lowering/tilting shelves for ease of accessing parts, and the addition of anti-fatigue mats and lift tables;
- at Stant, accident frequency rates have been reduced by 63.8 per cent and severity rates have been reduced by 98.4 per cent, both since 2001; and
- at Gates Singapore, employees have been encouraged to "live healthier" through a range of activities including "Gates Fruit Days", no-smoking days and keep-fit days. Similar activities have taken place in Gates Australia and other "fitness" initiatives were made available to employees in many facilities.

A large number of awards were received by our operating businesses from local, regional and national organisations, reflecting the attainment and maintenance of high standards in health and safety throughout our facilities.

There are numerous examples throughout the Group where changes to processes can yield environmental, health and safety and financial benefits in one operation. As an example, changes to more efficient lighting installations with longer bulb life can improve plant lighting and also bring reductions in energy use and costs. These lighting units can also be disposed of as general refuse, unlike the metal halide fixtures which contain

mercury and require a licensed waste hauler for disposal. A total of 19 of our facilities are working with third parties on lighting efficiency projects which have both an environmental and health and safety gain for the businesses.

Environment and Environmental Management Systems
At the end of 2004, 92 of the Group's 140 facilities had adopted an Environmental Management System ("EMS"), of which 65 facilities were ISO 14001 accredited (2003: 42). A further nine facilities are currently ISO certified but not registered. A further 18 facilities have alternative EMSs in place (these facilities have implemented fully functional EMSs that were not based on the ISO 14001 Outline but achieve similar results and are not intended for ISO certification); the remainder of the facilities (except those facilities opening or closing during 2005) are expected to achieve ISO 14001 Compliant Status in 2005 (these facilities are implementing an ISO 14001 EMS but have not undergone a formal registration audit).

There were a number of notable environmental achievements during the year where targets were either met or exceeded, and, by way of example, some are summarised below:

- recycling and waste reduction efforts have been made in a large number of our facilities with notable results achieved under their HSE Excellence Model by the Gates facilities in Dandenong, Australia, Salt Lake City, Utah, Brantford, Ontario, Gent, Belgium, Florence, Kentucky, Langenfeld, Germany, Nowra,

Australia; Meyzieu, France; Nevers, France; Iola, Kansas; Erembodegem, Belgium; Galesburg, Illinois; Greenville, South Carolina; Rockford, Illinois; Jacare, Brazil; Singapore, Rayong, Thailand; Dumfries, Scotland; Nara, Japan; Suzhou, China; Toluca, Mexico; Balsareny, Spain and Columbia, Missouri;

- Philips Products has extensive re-cycling activities at its facilities covering metal scrap, vinyl, glass, cardboard, water, plastic wrap and inkjet cartridges;

- at Standard-Thomson Corporation, reduction in scrap generation and raw material use, inventory reduction and Total Preventative Maintenance have led to less downtime, chemical consumption, waste generation and energy consumption;

- at Lasco Bathware, concentrators are being installed at most of their facilities in response to the maximum available control technology ("MACT") requirements but goes further. MACT requires the reduction of a defined (high) percentage of volatile organic compounds ("VOC") emissions within the plant. Lasco determined that the best technology to achieve these reductions, while maintaining product quality and improving the health and safety of employees, was capture and incineration. The concentrator uses the thermal energy of the captured VOCs to accomplish the incineration rather than requiring natural gas or other forms of energy to attain incineration temperature, which is wasteful and creates emissions of its own; and



Corporate social responsibility report

Tomkins recognises its responsibilities to the wider community in which businesses operate to provide balanced and targeted charitable assistance.

At Gates Power Transmission, Dumfries, the emissions control system from the fabric coating process continues to show increased benefits through increased steam production from waste heat and reduction of energy input to the power plant. The target of being able to absorb a new production line's entire power requirements without increase of energy usage has been exceeded with an overall reduction of power consumption achieved.

There are a number of continuous improvement projects run by operating businesses which continue to yield year-on-year gains in environmental and financial performance.

Targets, facts and figures

All of the businesses have established a range of HSE Key Performance Indicators ("KPIs") within their current business plans to monitor and assess HSE and environmental performance on an ongoing basis. The Health, Safety and Environment Committee monitors the KPIs on a regular basis to ensure that HSE focus and continuous improvement in performance are being delivered by all business groups. Business risk assurance audits are conducted by Tomkins' own professionals together with the site management teams, to ensure that processes and controls are in place to maintain compliance with Group policy and the applicable local and national HSE legislation. Examples of the KPIs used include incident/accident and severity rates, raw material wastage and energy consumption per applicable production

unit, and compliance with Tomkins' health, safety and environment policy and local environmental legislation.

Trends on accidents within Tomkins' manufacturing plants and distribution facilities are measured using OSHA standards, since the majority of the Group's operations are based in North America. Taking Gates Corporation, which is broadly representative of the majority of the Tomkins Group, the accident rate and the resulting lost days, and the severity rate are tracked in all individual facilities. In 2004, as part of the Gates HSE Excellence Model, a target incident rate of 2.0 (meaning 2 reportable incidents per 100 workers) was set. The outturn for the incident rate for the year was 2.24 (2003: 3.68) – a reduction of over 39 per cent during the year and marginally above the target. The target severity rate (average number of lost workdays per incident) is zero and for 2004 it was 24.32 (2003: 30.46) – a reduction of over 20 per cent during the year and has continued to decline since 2001. Non-Gates businesses also experienced an improvement in these KPIs during the year. The results were affected by the performance of businesses acquired in recent years, but improvements in their performance are expected in the next few years.

At present, waste generation is measured in all Gates facilities as part of the HSE Excellence Model. In addition, this data is collected monthly for European, Asian & Australian operations, as well as the majority of North American operations.

Over time, aggregation of such measurements will increase to cover more of the Group. However, there is no reason to believe that the results achieved in these regions are not indicative of the rest of the Tomkins Group. Actual tonnes of total waste and waste to landfill are tracked. Waste is defined as "any goods being shipped off-site for either disposal or for other beneficial use besides the intended original end-product function", that is, any non-saleable good or product. Waste volume is then compared to net production volume (tonnes of good product manufactured and shipped to warehouse or to customers or, for distribution centres, tonnes of product shipped). Due to the significant amount of waste inherent in some production processes (e.g. grinding dust of belts, or swarf in hose coupling production), for the purpose of evaluation, waste indices are calculated as a percentage of net production. This enables performance to be benchmarked. The "Total Waste Index" is rated as tonnes of total waste per tonne of net production. The "Landfill Waste Index" is rated as tonnes of waste to landfill per tonne of net production. Indices calculated from the aggregated data for 2003 and 2004 show a total waste reduction of 5.9 per cent with a reduction in landfill waste of 30.1 per cent. Since land-filling is the worst method of waste disposal, the focus on reduction has been on this, while at the same time not losing sight of total waste reduction. The target is to show continuous year-on-year reduction of waste. Once the Group has "waste" as a KPI measurement worldwide, specific percentage improvement targets will be set. Energy consumption data is also aggregated for many operations of Gates, but no detailed analysis is yet available.

Community affairs

Tomkins has well-established guidelines that determine the nature of organisations to which support is given. Tomkins recognises its responsibilities to the wider community in which its businesses operate to provide balanced and targeted charitable assistance. The charities given assistance cover a wide range of activities including health and welfare, education, civic and community projects, culture and the arts. Tomkins prefers to spread its charitable giving over many smaller local charities that usually do not have

COMPANY'S ENVIRONMENTAL, HEALTH, AND SAFETY EXCELLENCE INITIATIVE

FACILITY EVALUATION PROGRAM PROTOCOL AND PROCEDURES

September 25, 1997

Revised 6/16/98

Revised 2/9/99

Revised 12/10/99

Revised 03/02/06

FACILITY EVALUATION PROGRAM PROTOCOL AND PROCEDURES

OBJECTIVE

The objective of Company's Environmental, Health, and Safety Excellence Initiative ("E3I") is to ensure each operating facility is maintaining good EH&S compliance, has sound EH&S practices and programs and has adequate resources available to maintain EH&S compliance on an on-going basis. The guiding principles of Company's Environmental, Health, and Safety Excellence Initiative include the following three elements:

Evaluation of each plant to verify environmental compliance

Education of employees to enhance environmental awareness

Equip each site to continuously improve its environmental management.

The first step of the Initiative consists of a Facility EH&S Evaluation. This guidance outlines the protocols and procedures for conducting such an Evaluation. It is anticipated that Facility EH&S Evaluations will be an iterative process, designed to continuously assist each facility in maintaining environmental compliance and improving environmental programs.

Facility EH&S Evaluations are designed to protect Company's legal interests and minimize potential liability. As such, the Evaluations will be conducted under attorney-client privilege. All documents and reports prepared in conjunction with the Evaluation will be maintained by the Director of Environmental, Health and Safety. Documents will be distributed only to those individuals with need to know the results of the Evaluation in order to ensure that prompt action is taken to correct any findings discovered as a result of the Evaluation.

FUNCTION OF AN EFFECTIVE EVALUATION PROGRAM

The EH&S evaluation program is a periodic, systematic, documented, objective, verified and independent review of a facility management and its operations related to meeting EH&S requirements. The evaluation will accomplish the following:

- o Verify compliance with EH&S requirements;
- o Evaluate the adequacy and effectiveness of EH&S management systems already in place; and
- o Identify potential compliance risks from materials and operating practices.

For this EH&S evaluation program to be most effective, the following performance-oriented elements are necessary:

1. Explicit top management support for EH&S evaluations and commitment to follow-up on the evaluation findings.
2. An ongoing EH&S evaluation function independent of plant activities.
3. Adequate team staffing and training.
4. Explicit objectives, scope, resources and frequency of the evaluation program.
5. A process that collects, analyzes, interprets and documents information and includes quality assurance procedures that are sufficient to achieve the evaluation objectives.
6. Specific procedures to promptly prepare candid, clear and appropriate written reports on evaluation findings, corrective actions, and schedules for implementation.
7. Specific procedures to track and report the progress of open evaluation findings and their associated action plans to top management and to verify that each of the findings has been addressed.

SCOPE

EH&S evaluations may take many forms, ranging from a multi-media review of all aspects of EH&S and related activities to a single-media or single safety program area review, focusing on any one specific area which may be of particular importance to a facility. Federal, State and local laws and regulations will be covered in the review. Because the evaluation program is designed to be iterative, it is anticipated that a single evaluation may not be sufficient to cover all relevant EH&S programs. However, the scope of each evaluation should be detailed in the report prepared in conjunction with the evaluation, so that subsequent evaluations can be conducted in areas not covered previously.

Some U.S. Laws and Regulations Covered:

- Occupational Safety and Health Act
- Mine Safety and Health Act
- Clean Air Act (CAA)
- Clean Water Act (CWA)
- Resource Conservation and Recovery Act of 1976 (RCRA)
- Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA)
- Emergency Planning and Community Right-to-Know Act of 1986 (SARA)
 - Section 313, Toxic Release Report
- Toxic Substances Control Act (TSCA)
 - Title I, Section 6(e), Polychlorinated Biphenyls (PCB's)
 - Title II, Asbestos Hazards Emergency Response
 - Section 5, Premanufacture Notification (PMN) Rules
 - Section 8, Reporting and Retention of Information
 - Section 12, Export Notification
- Safe Drinking Water Act (SDWA)
 - Part C, Protection of Underground Sources of Drinking Water
 - Part E, Section 1445, General Provisions, Records and Inspections
- DOT Hazardous Materials Regulations
- State and Local Environmental, Health, and Safety Laws

- Corresponding Regulations to the above laws

GENERAL GUIDELINES (FRAMEWORK) FOR AN EH&S EVALUATION**PRE-EVALUATION ACTIVITIES**

Preparation for each evaluation covers a number of activities including selecting the review site and evaluation team members, developing an evaluation plan which defines the technical issues and time scope, and obtaining background information on the plant and criteria to be used in evaluating programs. The intent of these activities is to minimize time spent at the site and to prepare the evaluation Team Members to operate at maximum productivity throughout the on-site portion of the evaluation.

1. Scheduling

An annual evaluation schedule will be maintained by the Company ENVIRONMENTAL, HEALTH AND SAFETY Coordinator. The schedule will be based on process complexity, raw material/finished product utilized, location, regulatory jurisdictions, age and condition of facility, follow-up on previous evaluations, staffing and EH&S awareness at the facility. The schedule will also be flexible enough to allow for periodic follow-up evaluations.

2. Plant EH&S Profile

A Plant EH&S Profile will be established for each operating facility and will contain the following information:

- * General Site Information
- * Site Program and Organizational Structure
- * Site Process Information

A standard level of detail (process description) about each location's manufacturing operations, materials used (raw, recycled and off-grade materials), products, intermediate and by-products made, wastes and emissions generated. The profile will include permit summaries and conditions, control equipment utilized, safety processes in place, past and forecast production summaries, latest emissions inventory, regulatory report summaries, and location organizational chart.
- * Permit/Regulatory Information Specific to the Site

A compilation of laws and regulations specific to the locality in which the plant resides, the activities conducted at the plant and the location's EH&S history.

3. **The EH&S Compliance Evaluation Team**

A. General Team Makeup

The team will have experience and training in areas appropriate to the specific evaluation being conducted. Specific areas include the environmental laws and regulations, safety and/or industrial hygiene related laws and regulations, manufacturing operations and processes, knowledge of environmental control technologies, environmental and plant management systems, scientific disciplines needed to identify potential problems, and an understanding of industrial environmental and/or safety programs. Some team members may be included for additional development in selected area(s). The team will act under the guidance and direction of Director of Environmental, Health and Safety, who will assist the Team in coordinating all activities related to the Evaluation.

B. The E3I Team Leader

Each evaluation team will have a Team Leader to assign tasks to Team Members, insure proper preparation and training of Team Members, coordinate team activities and develop the final report. Typically, the E3I Team Leader will maintain an ongoing relationship with the evaluated facility and work with the facility to address each of the Evaluation's findings. At times it may be necessary to assign a new E3I Team Leader due to balancing need versus availability. The Company ENVIRONMENTAL, HEALTH AND SAFETY Coordinator is responsible to assure that E3I demands are balanced with availability of voluntary participants.

C. The Team Members

Team Members will include one, two or three additional personnel as needed, who have expertise in the applicable laws, regulations, management systems, and/or facility processes. Team Members may come from Corporate EH&S or other Company facilities in the same or different business groups. Ideally, the background of Team Members should include at a minimum:

- * An understanding of basic evaluation procedures, and the experience and training to apply it to particular assignments;
- * A working knowledge of regulations, criteria, and standards, along with technical training and experience, appropriate to the scope of the evaluation;
- * Investigative skills and the ability to gather information through good interviewing and verification techniques along with the ability to make astute observations.

The Director of Environmental, Health and Safety will be a Team Member for consultation on legal issues and will review the preliminary findings and final report.

D. Team Member Training

EH&S evaluations will be carried out by company employees, or when necessary, independent consultants, who have knowledge and are adequately trained and independent of the facility that is being assessed.

4. **Planning the Evaluation - (Team Leader)**

Select Team Members and arrange for their availability. Assign media responsibilities (for example, who is responsible for safety, air or waste issues).

Schedule the evaluation with the concurrence of the facility management and other review participants.

Prior to evaluation, establish contact with site management to explain the evaluation process and procedures and arrange for adequate work facilities. Review information needed for use during the evaluation and assure that all needed information is readily available.

Prior to an evaluation, prepare a "Facility Profile" and "Pre-Evaluation Questionnaire" for completion with the assistance of site personnel. The questionnaire is structured to collect key operational and specific regulatory information in all of the topic/media areas. It will provide a fairly thorough snapshot of the facility conditions. The questionnaire will

also prepare the facility for the evaluation, helping them identify the regulatory issues which the evaluation will address.

Prior to the evaluation, issue the completed "Pre-Evaluation Questionnaire" to the Team Members. This will ensure the evaluation team will have an understanding of the facility that is accurate and complete.

Prior to the evaluation, advise the Team Members of the priority topic areas, if any, to focus on for the specific facility. Priority topics will be based on the facility's operations, complexity and regulatory jurisdiction.

Prior to the evaluation, provide the Team Members with the applicable State and local laws and regulations.

Prior to the evaluation, provide Team Members with any pertinent safety requirements including protective equipment requirements.

ON-SITE ACTIVITIES

The primary objective of the on-site visit is to verify compliance and to evaluate EH&S management systems and practices. This is accomplished by visual inspections, records review, and interviews. The evaluation activities will include the following steps:

Opening Interview

Opening interview with the facility manager and staff to include:

- * Description of the evaluation objectives;
- * Description of the procedures and personnel needed;
- * Schedule of events;
 - Site overview and detailed process review
 - Facility tour
 - Records review
 - Follow-up interviews

- Close-out interview

- * Arrangement for document availability and copying;
- * Discussion on the facility's safety requirements.

Facility Review

After the opening interview, the facility provides an overview of facility operations to the entire team. Process operations are described in some detail, the order typically parallels the flow of raw materials and intermediate products towards subsequent processes and the final product(s). During these discussions, waste streams and respective management procedures and related control equipment should be identified. Emphasis should be on raw materials used, waste streams produced and internal control systems utilized, and any areas with particular safety concerns.

Facility Tour

Next, a site tour is conducted to obtain an overall "feel" of the facility and to identify areas for further evaluation. All Team Members will make the general plant tour of the manufacturing processes keeping in mind such things as confined spaces, machine guarding, personal protective equipment, raw materials, products, intermediate or by-products, production rates and cycles, spillage or other emissions, housekeeping, floor drains/outlets, waste products, waste minimization, waste mixing/dilution, recent or anticipated modifications.

The general plant tour should also include areas of waste management, treatment, and disposal. Major items of importance include waste spillage/leaks/discharges, regulated and unregulated waste, physical condition of pollution control equipment, units out of service, operation and maintenance issues, diversions, bypasses and overflows, emergency response capabilities, safety, secondary containment, waste residuals management, general housekeeping, a review of the surrounding area to identify if there are any non-permitted discharges, and self-monitoring procedures.

Evaluate and Document Management Control Systems

At this time, the Team Members subdivide into assigned media or program area groups and begin process inspections to verify the

information presented and to identify "missing" details. The evaluation of the facility's environmental programs will be obtained through:

- * Review of files and records. This may include inspection or OSHA logs, monthly, quarterly and annual documents, operating reports, self-monitoring procedures and data, spill clean-up reports, injury reports and investigations, manifests, notifications/certifications, emergency response plans, training records, etc. The review should identify whether:
 1. The facility has prepared and maintained the necessary documents;
 2. The documents contain all necessary information;
 3. The documents have been prepared on time;
 4. The documents have been distributed to all necessary parties; and
 5. Document information is consistent by cross-checking of information recorded on more than one document.
- * Interviews/discussions with facility personnel. Good interviewing techniques should be employed so that the necessary information can be clearly and accurately obtained from the facility personnel.
- * Detail Findings. Checklists may be used as a reminder of what needs to be asked or examined and to help remember the basic regulatory requirements.
- * Review of facility policies, resources, programs and procedures (personnel training, equipment, available expertise, etc.). The review should determine whether the necessary EH&S operating procedures exist to maintain regulatory compliance and verify that these operating procedures are being followed and documented.
- * Historical performance records. Evaluate the facility EH&S systems and procedures against the pertinent environmental statutes to determine if all regulatory requirements have been addressed.
- * Field inspections of facilities and operations. Each Team Member should make at least one tour of specific areas to address compliance status with

the particular regulatory program they are responsible for and to make detailed observations and verifications.

Sampling will not usually be performed during the review due to time constraints, but recommendations may include sampling to provide information needed to complete an item or to provide documentation.

Evaluation**Findings**

As frequently as necessary, the Team Members and facility personnel will assemble to review notes, discuss preliminary findings and assess the strengths and weaknesses of the facility's EH&S management systems and internal controls.

Report Findings to the Facility

On the last day of the evaluation, at the "Close-out Interview", the results of all findings will be reviewed in detail with the facility manager and facility staff by the entire team.

It is highly recommended for the plant manager to attend the "Close-out Interview." An invitation to the "Close-out Interview" will also be given to the Division Business/Manufacturing Manager.

Team Members will submit their draft summary fact sheets, recommendations, completed checklists, all working notes, and all computer generated files to the E3I Team Leader for use in compiling the draft and final evaluation reports. These records will be forwarded to Director of Environmental, Health and Safety for file retention with the final evaluation report.

Post Evaluation Activities

The Final Evaluation Report will be clear, concise, factual, and thorough. It will set forth all the areas that the evaluation team did and did not cover, and set forth findings and observations in an impartial and factual manner. All appropriate levels of management will be informed of the findings and updated as to their progress toward a timely closure. This approach ensures that all affected parties will work together to implement corrective action plans.

1. Draft Report Preparation, Review and Approval

The E3I Team Leader will be responsible for compiling the draft reports from the Team Members into a comprehensive draft final report. The format for the report is specified below.

The E3I Team Leader will then submit the draft final report to Manager, Regulatory Affairs for review. After the draft final report is reviewed and

edited by the Manager, Regulatory Affairs, it will be submitted to for approval by the Director of Environmental, Health and Safety. After approval by the Director, the report will be distributed, still as a draft, to the facility manager for final comment. Upon allowing sufficient time for facility review, and revising the draft if appropriate, the Director will distribute the final report.

All working notes and backup information will be maintained by Director of Environmental, Health and Safety for three months following the issuance of the final report at which time the notes and backup information will be destroyed.

The final report should be issued as expeditiously as possible, but in no case more than 6 weeks after the completion of the review.

2. Report Format

The Final Evaluation Report will include:

- * Introduction/Purpose and Scope of Evaluation
- * Evaluation Team Overview
- * Site General Information
- * Site Programs and Organizational Structure
- * Site Process Information
- * Permit/Regulatory Information
- * Summary of Findings and Recommendations
 - Findings are significant items that include compliance matters or environmental conditions that require prompt action.
 - Recommendations are items that when implemented, will materially improve the soundness of EH&S compliance programs and the facility EH&S infrastructure and performance.
- * Listing of the Site's Best Practices

EH&S Reporting Procedures

3. Report Distribution

The Final Evaluation Report may be distributed by Director of Environmental, Health and Safety as follows:

- Business Group Vice President and General Manager
- Site Manager
- E3I personnel designated to assist the plant in follow-up of evaluation findings and recommendations.

4. Follow-up on Recommendations

A written and agreed-to Action Plan is to be prepared by the Plant Manager and E3I Team Leader. The Action Plan should include the date of completion expected and responsibilities for each of the "findings". The Plant Manager and E3I Team Leader will identify the resources that are necessary in addition to normal plant and business resources, and will coordinate with the Company Manager of Environmental Affairs to assure the designation of adequate resources.

Within 4 weeks of the report distribution, the Plant Manager will forward the action plan to his Group Vice President with a copy to John Doe, Company's Environmental, Health and Safety Coordinator, for entering into the "Tracking Closure Report." This report will be maintained and distributed as necessary and will identify all "open" items, to the facility management, Business Group Management and Director of Environmental, Health and Safety. John Doe should be copied on all status reports on the Action Plan items.

An item will be considered "completed" for the tracking Closure Report when the facility management report so indicates. All items reported as "completed" will be verified as "closed" by the E3I Team Leader during the next facility visit. Verification will be reported to the Company Environmental, Health and Safety Coordinator.

I. Purpose

This procedure applies to all facilities worldwide and is intended to assure Corporate EH&S awareness of all EH&S issues having a potential impact on Corporate liability.

II. Procedure

The following items should be reported to Corporate EH&S by the next business day:

Events that have the potential to negatively impact the environment, health or safety of our employees, customers, or neighbors and/or require reporting outside the Corporation.

All exceedances or contraventions of a permit or other limitation or condition applicable to our operations.

Copies of agency/authority correspondence and/or inspection reports that contain an apparent compliance deficiency.

All injury/illness & all lost-time cases that are reportable to any agency/authority.

All industrial hygiene personnel exposure monitoring, noise monitoring and biological monitoring results that are greater than an applicable regulatory standard.

That a facility has been contacted by news media, environmental groups, or the authorities about EH&S issues.

The Corporate Director, EH&S will assure legal involvement for significant issues.

Tomkins

Health, Safety and Environment Policy Statement

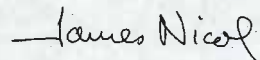
Tomkins plc and its affiliates are committed to conducting their business with care for the health and safety of all employees and with respect for the environment. This will be achieved by pursuing a health, safety and environment ("HSE") strategy that will help reduce accidental risk and minimise the environmental impact of its global operations.

All Tomkins operating companies will ensure compliance with the applicable health, safety and environmental legislation. In addition, such companies will develop and implement action plans with the objective of achieving continuous improvement in HSE performance, which will be systematically reviewed and monitored by management. Furthermore, the Board of Tomkins will regularly review HSE activities to ensure attainment of continuous improvement.

HSE initiatives will focus on:

- Reducing employee injury and illness rates
- Minimising waste generation and preventing pollution
- Reducing energy consumption
- Procuring raw materials from sustainable sources
- Improving the awareness and training of employees in the HSE best practice

Within the overall context of corporate social responsibility, the Board of Tomkins is committed to ensuring that HSE activities remain a key company performance indicator and that all companies and employees comply with HSE regulations.



Chief Executive Officer

January 2005

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