

2006



Staff Safety



Supply Chain



Anti-corruption



Carbon Footprint



Waste Reduction and Recycling



Chemicals and Hazardous Materials

# Corporate Responsibility Report

profile

**Cobham plc** is an international company engaged in the development, delivery and support of advanced aerospace and defence systems in the air, on land, at sea and in space. The Group has five technology divisions and one service division that collectively specialise in the provision of components, subsystems and services that keep people safe, improve communications and enhance the performance of aerospace and defence projects.

## Corporate Responsibility Policy and Aims



Allan Cook, Chief Executive

- **Six focus areas identified**
- **Staff safety – reportable injuries down from 75 to 73**
- **Carbon footprint – energy efficiency improved by 4%**
- **Waste reduction and recycling – 29% of waste recycled**

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### Introduction

Cobham's strategy is to exploit and enhance its leadership in high-technology growth segments of the aerospace and defence markets. This is covered in detail in the Group's Annual Report, which also contains a Corporate Responsibility (CR) summary. This report contains complementary detail and examples of CR in action.

### Policy and Aims

As a global business, Cobham recognises that it has a local and world-wide impact on the environment and society. In striving to achieve its strategy, Cobham recognises that the long-term success of the Group depends on environmentally and socially sustainable development.

Work is ongoing to ensure that CR is an integral part of the Group's strategy execution, embedded into day to day operations and decision making.

To ensure that Cobham's CR effort is focused on areas of greatest impact and that most closely align with the Group's strategy and relevant industry and global initiatives, six focus areas have been identified. These focus areas will be refined in the future to reflect progress and business priorities.

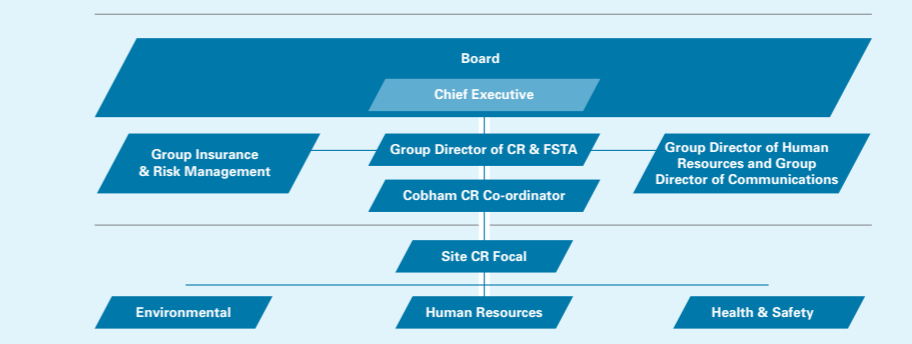
This policy sets out Cobham's aims and commitments and provides the framework for actions to improve the Group's social and environmental performance. The policy and action plans are reviewed at least annually.

The Chief Executive has overall responsibility for CR performance and ensures that the Board takes account of CR issues in the conduct of its normal business and through mechanisms such as the annual risk assessment.

The Group's CR commitments will be implemented through defined action plans at individual business unit level. Progress will be measured, reported and verified using appropriate performance indicators. A Group Director of Corporate Responsibility has been appointed to provide additional focus.

**Allan Cook**  
Chief Executive  
July 2007

### Structure



	Cobham's Strategy			Industry Links		Key Performance Indicator	2005 Actual	2006 Actual	Targets			
	Focus	Capability	Performance	Sustainable Aviation	Supply Chain 21							
Social	<b>Staff safety</b> Our aim: To provide a safe, healthy work environment.	■	■	■		Reportable injuries per 100,000 employees <sup>1</sup>	677	720	<800	<b>Our aim:</b> <b>To provide a safe, healthy work environment.</b> The achievement of our strategy is dependent on the involvement of our 10,000 employees. Safety across our business activities is of utmost importance. Our Safety, Health and Environment (SHE) policy states our commitment to protecting employees and visitors and applies to all Group business units who must ensure appropriate policies, arrangements and resources are in place to ensure compliance with the Cobham SHE policy requirements.	<b>It is Cobham's policy to:</b> <ul style="list-style-type: none"> <li>■ Provide a safe work environment for all employees</li> <li>■ To comply with all relevant legislation and codes of practice</li> <li>■ Conduct risk assessments</li> <li>■ Provide training to employees and contractors on health &amp; safety matters</li> </ul>	
	<b>Supply chain</b> Our aim: To ensure that our suppliers have appropriate environmental policies and that appropriate minimum standards for working conditions are met.	■		■	■	■	Compliance with Cobham policies	n/a <sup>2</sup>	n/a <sup>2</sup>	>90% by value of suppliers compliant with our policies	<b>Our aim:</b> <b>To ensure that our suppliers have appropriate environmental policies and that appropriate minimum standards for working conditions are met.</b> Our business success depends on the performance of many suppliers across the world. Cobham is committed to working with those suppliers to ensure that they achieve environmental standards similar to our own.	<b>It is Cobham's policy to:</b> <ul style="list-style-type: none"> <li>■ Set standards for the environmental performance of our suppliers</li> <li>■ Set workplace standards for our suppliers, including minimum standards</li> <li>■ Assess our suppliers against the standards and work with them, where necessary, to help them meet the standards</li> </ul>
	<b>Anti-corruption</b> Our aim: To ensure that our business is free of any bribery or corruption.	■	■	■			Allegations of bribery or corruption	Zero	Zero	Zero	<b>Our aim:</b> <b>To ensure that our business is free of any bribery or corruption.</b> Cobham operates in an industry which has, historically, been tarnished by bribery and corruption. Cobham's business can only be successfully sustained in the long term in an environment which is free of bribery and corruption. Cobham is committed to ensuring that our business is conducted in an ethical manner.	<b>It is Cobham's policy to:</b> <ul style="list-style-type: none"> <li>■ Ensure that all business units within the Group adopt a business ethics policy in line with the Cobham standard</li> <li>■ Provide employees with appropriate mechanisms for reporting any concerns they may have in relation to bribery and corruption</li> <li>■ Thoroughly investigate any allegations of bribery or corruption and taking appropriate action</li> <li>■ Participate in the wider debate within our sector on anti-corruption.</li> </ul>
Environmental	<b>Carbon footprint</b> Our aim: To accurately measure our carbon footprint and to seek to reduce our contribution by improving energy efficiency and seeking energy sources that do not contribute to climate change.	■		■	■	MWh/£m	1,965	1,892	1,768 MWh/£m revenue by 2010 <sup>3</sup>	<b>Our aim:</b> <b>To accurately measure our carbon footprint and seek to reduce our contribution by improving energy efficiency and seeking energy sources that do not contribute to climate change.</b> Climate change is the most important environmental challenge facing the world today. The fact that climate change is happening and that it is, in large part, caused by carbon dioxide emissions is largely accepted. Cobham's carbon footprint comprises the energy consumed in our business for heating and lighting and in our manufacturing processes, through transport related exhaust emissions and through the burning of aviation fuel in our aviation operations.	Cobham is committed to reducing our carbon footprint through improving the energy efficiency of our business units and is considering fuel efficiency in our aviation operations wherever possible. <b>It is Cobham's policy to:</b> <ul style="list-style-type: none"> <li>■ Monitor and review the carbon footprint from all of our activities</li> <li>■ Improve the energy efficiency of our buildings and processes</li> <li>■ Participate in the wider debate about the impact of aviation on climate change</li> </ul>	
	<b>Waste reduction and recycling</b> Our aim: To reduce the waste produced at every stage of our products lifecycle and, where waste is produced, to reuse or recycle wherever possible.	■		■	■	■	Tonnes/£m revenue	5.7	5.3	5.7 tonnes/£m revenue by 2010	<b>Our aim:</b> <b>To reduce the waste produced at every stage of our products' lifecycle and, where waste is produced, to reuse or recycle wherever possible.</b> Cobham contributes to the global waste issue by generating waste through its business operations. Not only is this damaging to the environment, it is a business cost. Cobham is committed to reducing the amount of waste disposed of by reusing or recycling wherever possible. Where disposal is inevitable we will do so responsibly.	<b>It is Cobham's policy to:</b> <ul style="list-style-type: none"> <li>■ Minimise the amount of waste produced by our operations</li> <li>■ Reuse or recycle waste wherever possible</li> <li>■ Dispose of waste responsibly</li> </ul>
	<b>Chemicals and hazardous materials</b> Our aim: To ensure that, in the production of our products, we do not adversely affect the health or our employees, neighbours or the environment.	■		■	■		REACH indicators	n/a <sup>2</sup>	n/a <sup>2</sup>	Compliance with REACH	<b>Our aim:</b> <b>To ensure that, in the production of our products, we do not adversely affect the health of our employees, neighbours or the environment.</b> In the manufacture of our products many chemicals and materials are used. As science develops, over time, some of these chemicals and materials are identified as potentially harmful to the environment with impact on people, animals and plants. As a result regulations relating to chemicals and materials is constantly evolving and changing. Cobham is committed to being aware of concerns regarding particular chemicals and materials and to complying with all legislation.	<b>It is Cobham's policy to:</b> <ul style="list-style-type: none"> <li>■ Appropriately store, handle and dispose of all chemicals and hazardous materials</li> <li>■ Identify chemicals and materials used in our products that are, or have the potential to, be of concern</li> <li>■ Work with suppliers and industry to substitute materials and chemicals where there are recognised environmental or health and safety concerns</li> </ul>

<sup>1</sup>Incidence Rate is the total number of reportable injuries and other occurrences multiplied by 100,000 divided by the average number of employees.

<sup>2</sup> N/A: Not available

<sup>3</sup> From 2007 Carbon footprint will be reported as CO<sub>2</sub>/£m.



**TEAM achieve ISO 14001**

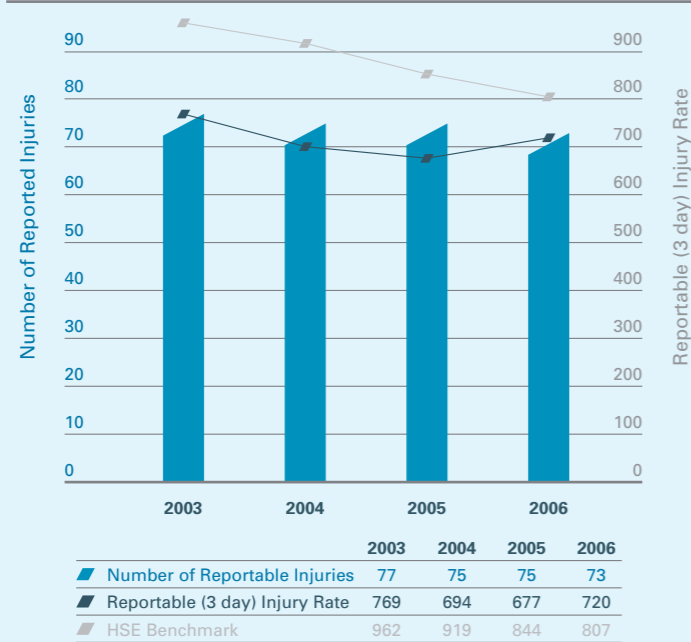
TEAM (Cobham Avionics & Surveillance) successfully achieved accreditation to ISO 14001.

Key members of staff involved were, from left to right: Romain Guerin, Hélène Ediar and Olivier Mahe

**Staff Safety**

- Reportable (three day) Injuries<sup>1</sup> are down from 75 to 73.
- The incidence rate<sup>2</sup> has increased from 677 to 720 injuries per 100,000 employees
- Reduction in the two single highest causes of three day injuries in 2005:-
  - 20% reduction in manual handling injuries
  - 60% reduction in injuries from hand tools
- Accidents due to being struck by a falling object or moving machinery rose from four in 2005 to 11 in 2006, and slips, trips or falls on same level from six to 11.
- Manual handling remains the single highest cause of three day injury (26%), followed by slips, trips or falls on same level (15%), and being struck by falling object, or moving machinery (14%).
- Continuing H&S workshops in the US, attended by a large number of US businesses.
- More detailed information gathered regarding reportable (three day) injuries, allowing us to identify two accident types, repetitive strain, and injury on company business that were responsible for 14% of accidents in total. This will allow us to refine our safety improvement plans.

Staff Safety



**Footnote:**

- 1 Reportable injuries and other occurrences mean work-related accidents, illness or disease resulting in more than three days' absence.
- 2 Incidence rate is the total number of reportable injuries and other occurrences multiplied by 100,000 divided by the average number of employees.

**Progress against 2006 objectives**

**1. Review of Health & Safety Policy & Processes – Complete**

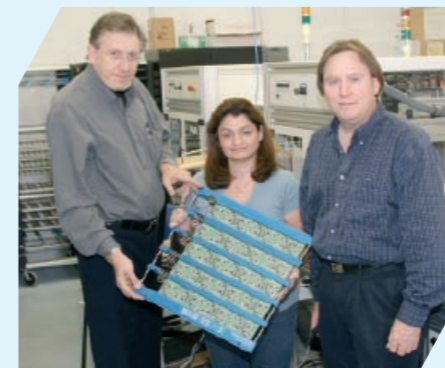
The corporate health & safety policy was reviewed and developed to ensure it meets best practice and reflects the needs of the business. The corporate health & safety policy is now a Safety, Health and Environment policy, which has been issued to all Group business units in the Corporate Framework.

**2. Dissemination of best practice across the Group – On Target**

The Corporate Responsibility and the Loss Prevention audit processes make recommendations to ensure all companies are moving towards best practice. The recommendations become subject to an action plan which is reviewed at corporate level. This objective will continue into 2007, as the corporate extranet system is developed to include a best practice reference resource available to all Group business units.

**2007 Objectives**

Develop corporate intranet system to communicate corporate safety requirements and best practice guides to all Group business units.



**Supply Chain**

Cobham is a founder signatory to the SC21 programme, which was launched in 2006. The programme is coordinated by the Society of British Aerospace Companies (SBAC) and aims to accelerate the competitiveness of the UK aerospace and defence industry by raising the performance of its supply chains.

Cobham also assists in raising the environmental awareness of suppliers in the UK through active membership of the SBAC's Environmental Working Group (EWG), a voluntary industry group which communicates environmental best practice to aerospace companies.

**Objective**

In 2007 the Group will set expected business requirements and performance standards through its supplier quality system

**Hazard Reduction**

As part of a two year hazard reduction plan, ACR Electronics has replaced the use of acrylic coatings with silicone coatings, eliminating the use of aerosols. ACR have also reduced the amount of lead used in ballast.

**Anti-corruption**

In 2006, Cobham joined leading defence companies and trade associations in making a written commitment to promote best practice in combating bribery and corruption. The commitment was part of establishing the UK Defence Industry Anti-corruption Forum with the UK's leading defence companies and Trade Associations. The Forum's aim is to support and promote international initiatives to encourage best practice on anti-corruption and other ethical issues in the sector.

**Cobham "Lean" Networking Event**

Following on from a successful Lean Network Event in the US in the summer at Comant, a similar event was held at Cobham Defence Communications in Blackburn.



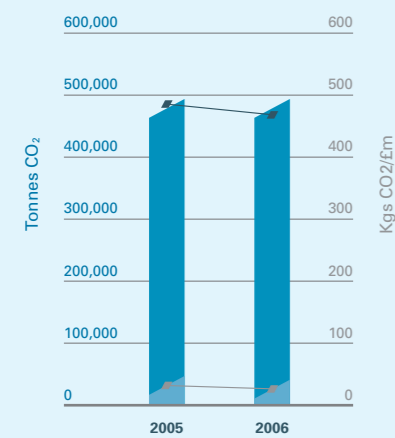
# Corporate Responsibility Performance – Environmental

## Carbon Footprint

Good work across the Group has seen an improvement in overall energy efficiency from 1,965 to 1,892MWh/£m turnover.

- Energy efficiency (excluding aviation fuel) has improved 21%, from 133 to 105MWh/£m turnover.
- CO<sub>2</sub> emissions have reduced by 0.2% from 494,263 to 493,428 tonnes since 2005.
- 92% of carbon emissions are from our flight operations.
- 83% of CO<sub>2</sub> emissions excluding aviation fuel are due to electricity use, 14% gas and 3% heating oil. Energy use and CO<sub>2</sub> data covers fuel for buildings, processes and flight operations. Fuel for transportation of goods and services is not collected at this time.

### CO<sub>2</sub> Emissions



	2005	2006
Aviation fuel	447,012	451,973
Other	47,251	41,455
Total MWh/£m	486	468
Excl aviation fuel MWh/£m	46	39

- An energy efficiency programme for UK companies was launched in December, and aims to improve the energy efficiency of participating UK companies by 5% over 12 months as well as formalising an energy procurement policy to include consideration of green energy.
- Sargent Fletcher Inc (Cobham AR & AME Division, US) achieved a 5% reduction in electricity, gas and water usage in 2006 compared to 2005.
- FR Aviation Ltd, (Cobham Flight Operations & Services Division, UK) has commissioned a Building Energy Management System (BEMS) at their Bournemouth and Teesside sites, which has resulted in a reduction of oil consumption by 34%.
- Micromill (Cobham Avionics & Surveillance Division, UK) have upgraded heating equipment and improved insulation.
- Chelton Ltd (Cobham Antennas Division, UK) has fitted their Chelton Centre throughout with PIR lighting sensors, and fitted all urinals with systemisers to save water.
- Carleton Technologies Inc. (Cobham Life Support Division, US) replaced 6 original HVAC units with new high efficiency units.

## Progress against 2006 Objectives

The objective for 2006 was to develop a programme to deliver our target of a 10% reduction in consumption (kWh/£m) by 2010. To this end, during 2006:-

- A 4% increase in total energy efficiency was achieved, in line with our five year improvement programme.
- 42% by turnover of the Group's baseline data (2005) was verified by audit to set a firm foundation from which to improve.
- Energy data was analysed to identify target areas for future review.

## 2007 Objectives

- Continue with the roll out of the UK Energy Efficiency Programme, through the selection of Energy Champions at each site who will be coached in energy management techniques, and the delivery of an Energy Awareness Day.
- Develop site action plans to deliver improved energy efficiencies.
- Source more electricity from renewable resources.

## Waste Reduction and Recycling

- Waste generated decreased 4% from 5,770 to 5,563 tonnes between 2005 and 2006.
- The volume of waste generated per £m turnover decreased 7% from 5.7 to 5.3 tonnes/£m.
- Recycling rate has remained high at 29%.
- REMEC installed an ion exchange wastewater treatment system which removes the metal content for recycling and discharges high quality demineralized water which is then re-used. The new system eliminates the requirement for hazardous treatment chemicals, and the heavy metal waste sludge generated by the previous system.
- Cobham Advanced Composites introduced cardboard re-cycling schemes to reduce the volume of waste going to landfill.
- Micromill introduced electronic build files to reduce paper waste, and changed from bottled water to a mains supplied cold/hot water filter machine which has reduced plastic waste.

## Progress against 2006 objectives

The objective for 2006 was to develop a programme to deliver our target of a 10% reduction of waste generated per £m turnover between 2005 and 2010. In 2006, poor performers were identified, and site targets set for improvement.

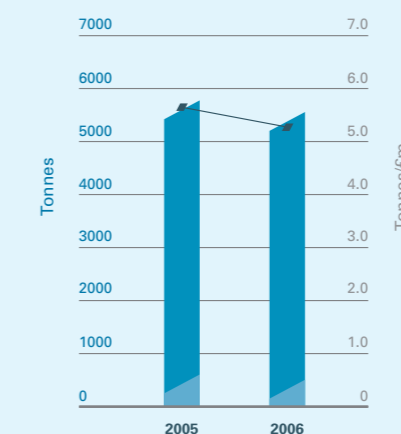
## 2007 Objectives

- Site action plans to be developed to achieve target reductions by 2010.

## Chemicals and Hazardous Materials

- Over 40% of companies by turnover had their hazardous material storage facilities audited. Where a site did not meet best practice, recommendations for improvement were made, requiring a corrective action plan which is subject to review.
- ERA a cross divisional resource provided expert advice to all Cobham companies on requirements and implications of the Waste Electrical and Electronic Equipment Directive and the Restriction of Hazardous Substances Directive, and the new European Chemicals regulation (REACH).

### Waste



	2005	2006
Non hazardous	5163	5053
Hazardous	607	508
Tonnes/£m	5.7	5.3

## Water

- Water consumption increased 6% from 273,432 m<sup>3</sup> to 289,044m<sup>3</sup> due in part to two underground leaks at UK sites.
- The volume of water used to generate £m turnover also increased 5% from 272 to 285m<sup>3</sup>/£m.

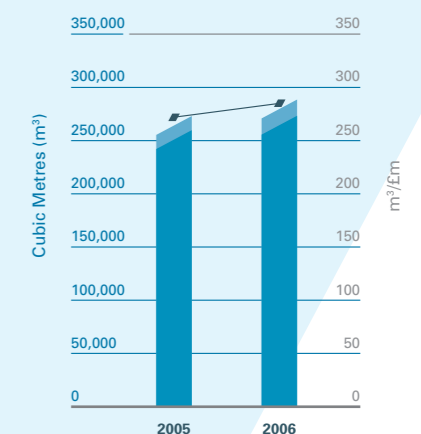
## Progress against 2006 objectives

The objective for 2006 was to develop a programme to deliver the target of a 10% reduction in water consumption per £m turnover between 2005 and 2010. In 2006, poor performers were identified, and site targets set for improvement.

## 2007 Objectives

- Sites to create action plans to achieve targets.

### Water



	2005	2006
Mains water	260,251	273,668
Abstracted water	13,181	15,376
m <sup>3</sup> /£m	272	285

## Micromill's Environmental Improvement Programme

Micromill has installed more efficient boilers, improved insulation, replaced water bottle dispensers for a mains supply system, and has moved to an electronic build file reducing paper waste.



### Building Management System

FR Aviation (CFOS) completed installation of its building management system in February 2006. The system has resulted in a reduction of oil consumption by 34%.



### Water Savings at REMEC

REMEC installed a new plating line and closed loop waste water system. The new installation has resulted in a reduction in water of 3000 gallons per day.

From left to right: Eddie Triana, Rick Marino, Bob Schrader, Charles Braithwaite, Jesus Galvan, Mary Townsend and Ed Bartek



# Corporate Responsibility Performance – Our Employees



## University of York Schaffner-Farnell EMC award

David Atkey, Principal EM Engineer at ERA Technology, won the annual University of York Schaffner-Farnell EMC award which recognises original work in the field of EMC (electromagnetic compatibility) phenomena.



## Long Service at Cobham Defence Communications

In August 2006 four employees of CDC who have each contributed over 40 years of continuous service to the Blackburn site were presented long service awards.

From left to right John Lewis, Brian Sellars, Veronica Newell, Allan Cook, Peter Mercer, Steve Collier



## NVQ level 3 for European Antenna Employees

Sonia Ewbank and Beki Richardson completed their courses in eight months, which is an excellent timescale and showed considerable effort.

## Employment

In 2006, Cobham employed an average of 10,049 people on five continents, in six divisions. There are major population centres in the UK, continental Europe, the USA and Australia.

The Group is committed to personal and professional development. The Group Director of Human Resources is responsible for the design and implementation of a Human Resource strategy which supports Cobham's overall business goals and objectives. The Group Director of Human Resources reports directly to the Chief Executive.

## Diversity & Equality

The Group's employment policies include a commitment to equal opportunities regardless of sex, race, colour, nationality or ethnic origin, disability, and other forms of discrimination. With regard to employees who become disabled, the policy is to take all reasonable steps, including retraining, to ensure that they can remain in employment wherever practicable.

## Employee Relations

The Group encourages employee participation and consultation at all levels through in-house newsletters, company announcements and team meetings.

## Employee Retention

Cobham seeks to retain high quality employees. Long Service Awards have continued as a well established means of recognising employees' contribution to Cobham's success

## Pensions

During the period the Group made normal contributions to its defined benefits schemes of £1.9m in excess of the current service costs as assessed under IAS 19. The 2006 Pension Simplification regulations and Age Discrimination regulations came into force in 2006 and as a result, appropriate amendments were made to the Cobham UK Pension Plans.

Cobham Choice, the new salary sacrifice benefit scheme was introduced to Cobham plc, FR Aviation Ltd and Flight Refuelling Ltd from April 2007. Members of the pension plans are able to make their contributions via Cobham Choice. This enables members to benefit from national insurance savings.

Within the US, a project is underway to review the pension 401k arrangements offered across the companies to identify whether a US wide 401k benefit would be more advantageous for the US business units and employees.

## Employee Development

Employee development and training is key to ensuring our employees reach their full potential. Employees are encouraged to take advantage of available and relevant training programmes as well as opportunities for advancement. In 2006, 93% of employees received training of one kind or another.

Training programmes across the Group have continued to help improve processes and to raise standards of performance and customer satisfaction programmes included:-

- **European Antennas Ltd**  
Carried out follow-up analysis to review the success of training.
- **Omnipless (Pty) Ltd**  
Are using Adult Basic Education and Training (ABET), to take their Operators through literacy training to the level of grade 10.
- **REMEC**  
Have developed new hire training and engineering training programs with additional supervisory training modules and formalised safety training.
- **Carleton Technologies Inc**  
Have "partnered" with expert sources to ensure employees understand principles of 6s/Lean thinking before going onto the shop floor or working in the office areas.

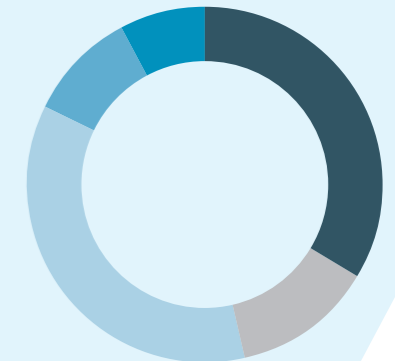
- **DTC Communications Inc**  
Has instituted a trainer guideline assessment for internal trainers.
- **Spectronic**  
Have implemented an "Introduction Plan" for new employees, and carried out Management training.
- **Kevlin**  
Have taught employees how to handle stress and respect differences, along with how to remain healthy with ergonomics training.
- **Sargent Fletcher Inc**  
Provided selected employees with software training.
- **Seatel Inc**  
Have carried out Material Management Classes.

## 2007 Objective

In 2006, Cobham made a commitment to a Group approach towards talent management in the UK. This will allow strategic recruitment of young people including graduates, a year in industry, summer placements and the apprenticeship programme.

In 2007 candidates for the graduate and apprentice programmes will be recruited as a Group resource which will give them exposure to a broader range of development opportunities through a structured development programme which will include placements at various locations in the UK.

## Employment by Region



Region	2006
ROW	773
Australia	988
North America	3605
Other EU	1302
UK	3381

## Employment by Division



Division	2006
Other Activities	698
Flight Operations & Services	1718
Life Support	1019
Defence Electronic Systems	1855
Avionics & Surveillance	2082
Antennas	1917
Air Refuelling & Auxiliary Mission Equipment	760



James Pearce, Mal Hammans (Head of EW Operations), Gordon Page (Chairman, Cobham plc)

science  
museum

SSAFA FORCES  
Help

YOUNG  
ENGINEERS  
Talent • Skills • Enterprise

At the Group level Cobham directs its community support at national campaigns. Priority is given to causes directly supporting the achievement of educational, engineering and scientific objectives, related to the development of a responsible, sustainable aerospace and defence industry.

The Group is also a corporate sponsor and partner of the Soldiers, Sailors, Airmen and Families' Association (SSAFA), Forces Help, The Science Museum, Royal Academy of Engineering and Young Engineers.

#### Alan Cobham Flying scholarship

James Pearce, a student from Dorchester, Dorset, UK was the winner of this year's Alan Cobham Flying Scholarship. As part of his prize, James had the opportunity to fly onboard an FR Aviation Falcon 20 aircraft on the 'Thursday War' when company aircraft participate in Air Warfare training exercises for the Royal Navy. Exercises include electronic warfare, threat simulation and target towing. After his flight, James met Cobham Chairman Gordon Page, and toured FR Aviation's Bournemouth facility.

Group business units are encouraged to engage with local communities.

#### Pierson Scholarship Program DTC

Ten college-bound children of DTC Communications' employees received \$1,000 from the Pierson Scholarship Program set up by the retired President to show his appreciation to the employees of DTC for their hard work and devotion to the company during his tenure.



#### School Business Partnership Award 2006 awarded to Cobham Advanced Composites

Cobham Advanced Composites received the School Business Partnership Award 2006 for its work with Redbourne Upper School, Ampthill, Bedfordshire to build the bodywork and chassis for a 24 volt electric powered endurance car. Testing speed, endurance and strategic battery consumption, the winning team is the one covering the greatest distance in the six-hour race.



The Redbourne Greenpower racing team at a recent event at Bedford.



Teenagers in Australia's Outback getting involved in sport with Cobham support.



Children from the Youth Cancer Trust enjoying a day out.

#### Cobham Flight Operations and Services (Australia)

Cobham Flight Operations and Services in Australia invests in the communities it serves, through a national corporate responsibility program. Activities include:

- Financial support for the Clontarf Foundation, which aims to improve the life skills of indigenous teenagers in Australia's outback through involvement in sport.
- Donation of a 70-seat jet aircraft and flying costs for a "Flight For Sick Kids" day on behalf of child cancer charities.
- Financial support for a local hospital in the remote north coast community of Horn Island, on the far northern tip of Australia, where National Air Support maintains a surveillance base for the Australian Border Protection Command.
- Sponsorship of a not-for-profit foundation researching and protecting dolphins in the Port River in Adelaide, site of Cobham Flight Operations and Services Australia's national headquarters.

#### Flight Refuelling Cares

Employees from Flight Refuelling have been getting involved with Bournemouth & Poole Cares, a scheme aimed at encouraging local companies and their staff to make a difference in the community. The employees benefit by developing skills such as leadership, planning and communication.

Flight Refuelling teams have taken a group of children from the Youth Cancer Trust for a day out skirmishing and a visit to a water park, followed by lunch and a film.

Volunteers also spent the day helping the gardener tidy up the grounds to ensure that the residents of the James Burns House enjoy the garden.



Volunteers from Cobham helped to tidy up the grounds for physically disabled residents of James House in England.

# Corporate Responsibility

## Reporting Scope – Methodology and Verification

This is Cobham's fourth Corporate Responsibility report, and covers the financial year 2006. Each year the data collection and reporting systems have been improved. This year, the questionnaires were revised to give data on solvent emissions, as suggested by UK government's Department of Food and Rural Affairs (DEFRA)'s Reporting Guidelines for UK Business - Environmental Key Performance Indicators, and to give more detailed information on causes of reportable (three day) injuries.

### Reporting Scope

The environmental data published in this report covers 96% by turnover of Cobham's wholly owned subsidiaries. These sites represent the diverse activities carried out by the Group, including manufacturing, assembly, sales, design and flight operations.

Carbon footprint data includes energy use for premises and processes including flight operations. Other fuel use such as transport of employees or products is not currently included. Joint ventures are not included.

### Reporting Principles and Methodology

Cobham's reporting principles are based on clear definitions, common understanding, and direct measurements where reasonably practicable. Where it is not possible to directly measure a Key Performance Indicator, estimates have been made.

Data is collected annually, with environmental data being normalised using turnover (sales) figures, to calculate efficiencies. Any data errors identified by the internal audit programme, or through continual improvement of monitoring systems, are corrected in the totals for the relevant reporting year. Data is reconciled to account for disposals and acquisitions, and changes in the foreign exchange rate.

Energy conversion factors have been sourced from the DEFRA Guidelines for company reporting on Greenhouse Gas Emissions (2005), and the UNEP Guidelines for Calculating Greenhouse Gas Emissions for Business and Non-commercial Organisations (July 2000). Waste volume to weight conversion factors were sourced from DEFRA's Environmental Reporting Guidelines for Company Reporting on Waste (2000).

### Organisation for Data Collection and Consolidation

A set of questionnaires have been developed, and are reviewed annually to ensure it continues to address the Group's key impacts, the UK government's Department of Food and Rural Affairs' Reporting Guidelines for UK Business - Environmental Key Performance Indicators, and the Sustainable Aviation Strategy commitments. The questionnaire is issued to all business units.

Health & Safety, Environmental and Human resource representatives at each business unit complete and return the relevant questionnaire. The data is then checked and consolidated at Group level.

### Verification

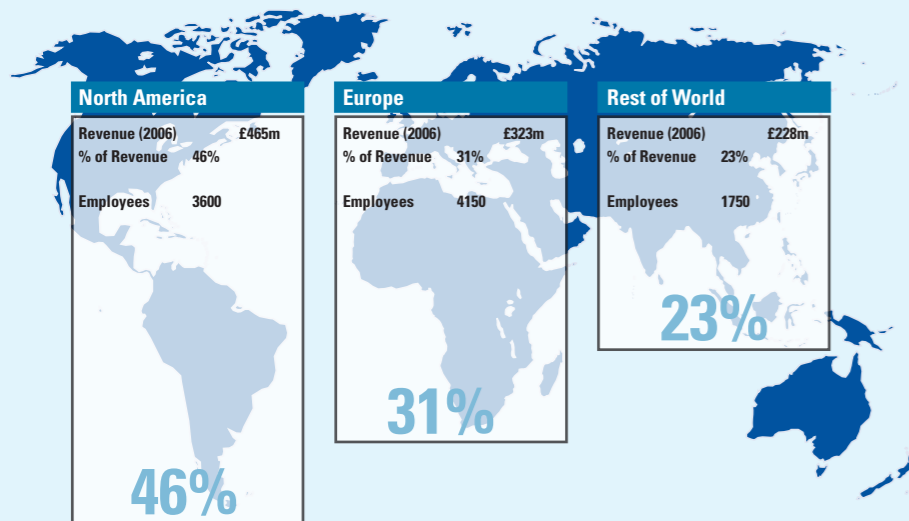
Cobham is committed to providing reliable information regarding its Corporate Responsibility performance. An internal audit programme began in 2004, checking compliance with corporate standards, monitoring systems and raw data. During 2006, 23 business units, representing 42% of the Group by turnover, across the UK, Europe and the US were subject to the verification process. Any data errors identified are corrected in the totals for the relevant reporting year. Business units are required to provide an action plan to address any recommendations for improvement, the action plans are subject to regular review at Group level.

### Feedback

Cobham has made all efforts to report its Corporate Responsibility performance fully and transparently. Your opinion on this report is welcome, along with any suggestions on how it might be improved. Please send any comments to [CR@cobham.com](mailto:CR@cobham.com)



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