

Responding to change

This report marks the 10-year anniversary for environmental and social reporting in TOMRA. In this year's report we provide both a look back at what we have achieved during the past decade, and a look forward to how we intend to respond to the growing environmental and social challenges facing both our organization and the world around us.



Over the past five years TOMRA has significantly expanded its business beyond its traditional core focus of providing solutions for recovering used beverage containers with deposit. Today, TOMRA provides solutions for material recognition, sorting and compaction within a larger context and toward a much more diverse range of markets.

In expanding the scope of its business, TOMRA is now involved in markets and operations with greater potential risks in terms of environmental and social issues. The Board of Directors has determined therefore that the time has come to establish a permanent board committee with the task of further formalizing and focusing on corporate responsibility issues.

This committee was formally established by the Board of Directors in June 2008. The Corporate Responsibility Committee is chaired by a member of the board with two additional board members. The task of the committee is to assist the Board of Directors in fulfilling the following responsibilities:

- review the Group's corporate governance, environmental, social and ethical practices.
- assess possible risks in these areas.
- determine the Group's policies in these areas.

Our solutions help to recover tens of billions of waste items and significantly reduce CO₂ emissions. In doing so, TOMRA plays a significant role in helping the world recycle and more efficiently utilize its valuable natural resources.

CORPORATE RESPONSIBILITY MILESTONES, 1998-2008

ENVIRONMENTAL ISSUES

Introduced first environmental policy	1998
Adopted first environmental program	1998
Implemented program for environmental audits in R&D and manufacturing units	1998
Started environmental reporting as an integrated part of the annual report	1998
Initiated Life Cycle Assessment (LCA) of used beverage container collection models	1998
Launched R&D "Design for Environment" program	1999
Achieved ISO 14001 certification of R&D and manufacturing units	1999
Introduced environmental guidelines for suppliers	1999
TOMRA included in Dow Jones Sustainability Index	1999
Introduced CSR Policy to replace previous environmental policy	2000
Revised report to show direct and indirect environmental impacts	2000
Strengthened focus on developing more eco-efficient recycling systems as a result of LCA study findings	2001
Introduced TOMRA "R&D Greenbook" as a tool for product development	2002
Launched environmental program for 2002-2005	2002
Introduced reporting of environmental impact per unit of value added	2002
TOMRA included in most major SRI indices (DJSI, FTSE4Good, Ethibel, NAX, Kempen etc.)	2002
Introduced reporting of value distributed to different stakeholders	2004
TOMRA included as one the world's 100 most sustainable organizations by Global 100	2005
Met improvement targets of 2002-2005 environment program	2006
Board approved TOMRA's revised Corporate Responsibility Statement	2006
Included climate change account in corporate responsibility report	2007

SOCIAL & ETHICAL ISSUES

Introduced Living Our Values employee survey	1996
Launched no-smoking policy in all facilities in Norway, The Netherlands and several other markets	2002
Started development of first Code of Conduct	2003
Launched new employee survey in Norway	2006
Introduced measures in North America to address health and safety issues	2006
Board approved TOMRA's revised Core Values	2008

CORPORATE GOVERNANCE

Board approved formal guidelines for Corporate Governance	2003
Established Competition Compliance program	2005
Board approved revised Code of Conduct	2007
Introduced revised policy with routines for personnel with access to inside and other confidential information	2008
Board established a committee for Corporate Responsibility	2008

CORPORATE RESPONSIBILITY GOALS, 2009

Review environmental indicators and set objectives for 2010
Introduce energy saving program in selected markets
Consider goals for avoided CO ₂ emissions through use of TOMRA's technology
Expand TOMRA's principles for supplier conduct
Consider formal membership of a CSR-related initiative
Develop Anti-Bribery policy to supplement TOMRA's Code of Conduct

Environmental Review



ENVIRONMENTAL MANAGEMENT

TOMRA's R&D and manufacturing units, as well as its key manufacturing partners, are certified to both ISO 14001 and ISO 9001. Compliance with these standards requires that procedures and standards are in place to ensure continuous focus on environmental as well as quality issues. The most recent external audit was in October 2008.

Environment

TOMRA is an organization with a clear net positive environmental contribution. Our direct internal environmental impacts are insignificant compared to the indirect external environmental benefits generated by TOMRA's products, services and operations, as shown in the summary presented on page 45.

Energy and carbon dioxide balance

Energy consumption within TOMRA's own operations (total direct energy consumption) amounted to almost 82,000 barrels of oil equivalents in 2008, up 24% versus 2007. The majority of this increase relates to a processing plant in the US which was previously outside the scope of TOMRA's reporting. There has also been improved data capture within transportation.

The universe of TOMRA reverse vending machines that are in operation around the world is estimated

to have consumed the equivalent of 57,000 barrels of oil in 2008.

Looking at carbon dioxide emissions, TOMRA continues to report a net avoidance of more than 9 million tonnes. This net CO₂ emission avoidance is a result of the millions of tonnes of packaging waste that was collected and processed by TOMRA's products and services during the past year.

Waste generation

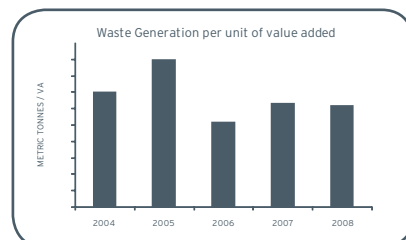
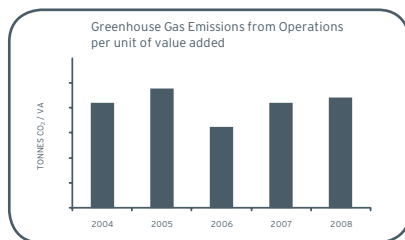
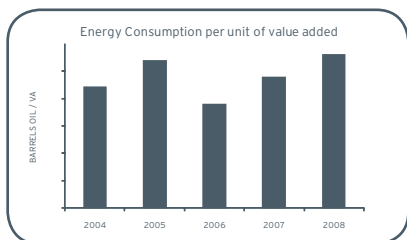
While TOMRA has been busy recognizing, sorting and processing millions of tonnes of waste in a growing number of markets, a certain amount of waste was also generated through day to day operations.

In 2008 around 1,820 tonnes of waste were generated.

Eco-Intensity Indicators

TOMRA uses eco-intensity (unit of environmental impact per value added "VA") as a means of showing environmental performance over time, taking structural and organizational changes into account.

Eco-intensity should be reduced over time as more value is created with reduced associated environmental impact.



CLIMATE CHANGE ACCOUNT

CARBON DIOXIDE EMISSIONS FROM OPERATIONS

TONNES CARBON DIOXIDE	2008	2007
Stationary sources	7,400	100
Heating oil	100	100
Natural gas	0	0
Propane	7,300	0
Purchased grid electricity	3,800	5,500
Norway	0	0
Europe EU25	1,400	1,000
North America	2,400	4,500
Other world average	0	0
Certified low-carbon or renewable	0	0
Transportation	21,200	23,300
Petrol vehicles	4,900	4,800
Diesel vehicles	14,600	18,100
LPG vehicles	800	n/a
Air travel	900	400
Total direct emissions	32,400	28,900
Emission from products during use—phase 47,900		45,900
RVMs owned and operated by TOMRA and customers	47,900	45,900
Total direct and indirect emissions	80,000	75,000

AVOIDED CARBON DIOXIDE EMISSIONS THROUGH PRODUCT USE

TONNES CARBON DIOXIDE	2008	2007
Beverage container collection through RVMs and ARCs¹⁾	2 267,000	2 086,000
Plastic bottles	377,000	347,000
Glass bottles	736,000	677,000
Aluminium cans	1 138,000	1 047,000
Steel cans	16,000	15,000
Packaging material transport and handling²⁾	953,000	951,000
Glass bottles	51,000	55,000
Aluminium cans	771,000	782,000
Plastic bottles, PET	127,000	111,000
Plastic bottles, HDPE	2,000	1,000
Cardboard and fiber	2,000	2,000
Packaging material sorted for recycling from mixed sources, Titech³⁾	5,689,000	5,344,000
Glass	0	36,000
Aluminium	1 316,000	1 298,000
PET	2 113,000	1 849,000
HDPE	530,000	516,000
Fiber	255,000	567,000
RDF (reused as energy)	1 050,000	800,000
Other	425,000	278,000
Reduction of transport due to material compaction, Orwak⁴⁾	611,000	598,000
25 billion tonnes compacted annually	611,000	598,000
Total emission avoidance	9,520,000	8,980,000
Net carbon dioxide emission/ (avoidance)	-9,400,000	-8,900,000

WASTE GENERATION

WASTE GENERATION FROM MANUFACTURING, SALES, SERVICE AND OPERATIONS

TONNES WASTE	2008	2007
Waste generation	1,820	1,745
Paper	30	70
Cardboard	120	80
Plastics	855	870
Wood	145	155
Electric and electronic waste (incl. TOMRA products)	50	40
Expanded polystyrene	0	0
Metal scrap	500	415
Batteries	20	20
Hazardous waste	30	0,2
Unsorted	70	95

ENERGY CONSUMPTION

ENERGY CONSUMPTION IN MANUFACTURING, SALES, SERVICE AND OPERATIONAL PROCESSES

BARRELS OIL EQUIVALENT	2008	2007
Stationary sources	21,200	300
Heating oil	100	300
Natural gas	0	0
Propane	21,100	0
Purchased grid electricity	8,200	9,300
Norway	2,300	2,700
Europe EU25	2,200	1,700
North America	2,500	4,800
Other world average	0	0
Certified low-carbon or renewable	1,200	100
Transportation	52,500	56,400
Petrol vehicles	13,300	12,900
Diesel vehicles	34,300	42,600
LPG vehicles	3,100	n/a
Air travel	1,800	900
Total direct energy consumption	81,900	66,000
Products during use—phase	57,400	55,000
RVMs owned by TOMRA and customers	57,400	55,000
Total direct and indirect energy consumption	139,300	121,000

NOTES

Emission factors are based on Greenhouse Gas Protocol (www.ghgprotocol.org), and 'Waste Management Options and Climate Change' (ec.europa.eu/environment/waste/studies/pdf/climate_change.pdf).

1. Beverage container collection through RVMs and ARCs.

Carbon dioxide savings are calculated based on the total number of beverage containers collected through TOMRA's over 60,000 RVM and ARC installations; more than 30 billion units annually. All glass beverage containers are assumed to be non-refillable, which gives a significantly lower assumed weight. The split between packaging types is based on beverage consumption data and TOMRA estimates. The full benefit of collecting and recycling the beverage containers into new material, versus landfill, is included in the calculation.

2. Packaging material transport and handling

The carbon dioxide saving is based on the tonnage of beverage container material transported and handled by TOMRA in USA. The full benefit of collecting and recycling beverage containers into new material, as opposed to landfill, is included in the calculation, meaning that some of the saving is also included under 'Beverage container collection through RVMs and ARCs'.

3. Packaging material sorted for recycling from mixed sources, Titech

Estimated material throughput in Titech installations is used in the calculation of avoided carbon dioxide emission. The full benefit of sorting materials and recycling into new is included in the calculation.

4. Reduction of transport due to material compaction, Orwak

It is estimated that the installed base of ORWAK Group products can compact around 85 million tonnes of material daily, reducing both transport kilometers and fuel usage each year. This is estimated to save over 45,000 transport movements and 700,000 liters of fuel each day. This calculation does not take into account the carbon dioxide benefit of material recycling.

The provision of information on carbon dioxide emission avoidance is illustrative only, and intended solely as an aid to illustrate the benefit to society generated by the TOMRA Group. The above information does not constitute a full Life Cycle Analysis. The methodology and assumptions used in calculating carbon dioxide avoidance are available upon request.

Our Values

Our core values – Innovation, Passion, and Responsibility – provide the framework for the exciting future we can create for TOMRA. Through innovative thinking, passion for bringing our ideas to life, and showing responsibility in all that we do, we will fulfill our promise of helping the world recycle.



INNOVATION

- › Open-minded
 - › Creative
 - › Aiming for continuous improvement
- We always want to be one step ahead
 - We want to understand our customers' needs and are open to new perspectives
 - We aim to bring good ideas to life

PASSION

- › Committed
 - › Enthusiastic
 - › Engaged
- We have an inner drive that makes us strive for excellence
 - We are driven by the power of enthusiasm
 - We build team spirit to reach common goals

RESPONSIBILITY

- › Honest
 - › Accountable
 - › Predictable
- We want to be responsive, trustworthy and proactive in our actions
 - We aim at delivering quality
 - We take full responsibility beyond what is expected

TOMRA amended its Core Values in 2008, and a program for implementation of the amended values has been rolled out across the organization.

HUMAN RESOURCES

		2008	2007	2006	2005	2004	2003	2002
Number of employees	#	2 110	2,040	2,022	1,906	1,824	1,972	1,976
Female employees	%	19	20	18	19	17	17	20
Female managers	%	22	19	17	17	16	16	18
Ethnic minority employees	%	29	32	35	34	33	33	21
Reportable injuries	#	153	167	116	153	178	178	253

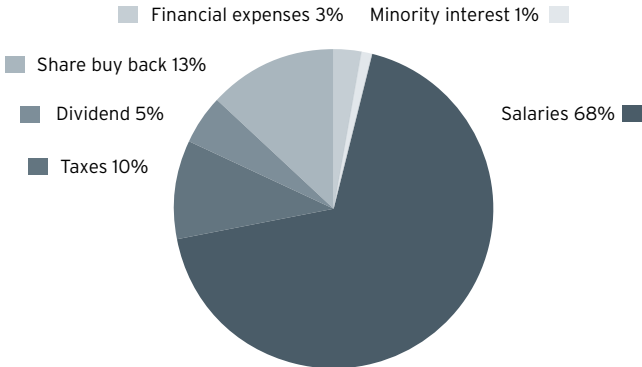
Supplier Conduct Guidelines

After having environmental guidelines for suppliers since 1999, TOMRA has now chosen to introduce broader supplier guidelines which also cover social and ethical issues. The revised supplier guidelines will come into effect during 2009.

TOMRA'S ECONOMIC IMPACT

Since 2004 TOMRA has reported the value distributed to different stakeholder groups. In the term "value distributed," we include the value added which was generated in the reporting year as well as any extraordinary distribution of value previously generated such as extraordinary dividends and share buy-back programs.

The majority of value added generated by TOMRA is redistributed to; employees in the form of salary, shareholders in the form of dividends and share buy-back, and societies in the form of taxes.



Value distributed 2008
(Value added, dividend and share buy back)

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE REPORTING

The report is included in the annual report. TOMRA has established a code of conduct for managers within the Group.

BUSINESS DESCRIPTION

TOMRA's scope of business and strategy is established in the bylaws, and is described in further detail in the annual report and on the web site.

EQUITY AND DIVIDENDS

All material recommendations are fulfilled.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

All material recommendations are fulfilled. No material transactions between the company and related parties that require a third party evaluation have taken place during 2008.

FREELY TRADED SHARES

There are no trading restrictions on the company's shares.

GENERAL MEETINGS

All material recommendations are fulfilled.

NOMINATION COMMITTEE

All material recommendations are fulfilled.

CORPORATE ASSEMBLY AND BOARD OF DIRECTORS

All material recommendations are fulfilled. Board members appointed by the shareholders are deemed to be independent.

THE BOARD OF DIRECTORS' ACTIVITIES

The Board has established the following committees; audit, compensation, nomination and corporate responsibility.

RISK MANAGEMENT AND INTERNAL CONTROL

All material recommendations are fulfilled.

REMUNERATION OF THE BOARD OF DIRECTORS

All material recommendations are fulfilled.

REMUNERATION OF THE EXECUTIVE MANAGEMENT

All material recommendations are fulfilled.

INFORMATION AND COMMUNICATION

All material recommendations are fulfilled.

TAKEOVERS

All material recommendations are fulfilled.

AUDITOR

All material recommendations are fulfilled.

CORPORATE GOVERNANCE

At TOMRA, corporate governance is defined to include those processes and control features which have been established to protect the interests of TOMRA's shareholders and other stakeholders such as employees, suppliers and customers. TOMRA's Corporate Governance Policy has been approved by the Board of Directors and is available on TOMRA's corporate website (www.tomra.com).

Values, code of conduct and quality systems

Responsibility, Passion, Innovation. These three elements stand at the center of TOMRA's value structure, representing the core values of the corporation. We consider these principles to be of vital importance for the success of our organization and the basis for the way we conduct ourselves as we strive to achieve our business goals. TOMRA has also developed and implemented an internal code of conduct which sets out key principles for employee behavior when representing TOMRA.

TOMRA's quality and environmental management systems are based on the international ISO 9001 and ISO 14001 management systems standards. All units within the Technology division of Tomra Systems have been certified according to these standards. This ensures that our internal systems and procedures are aligned with international "best-practice" and that responsibility and authority for all important tasks is appropriately allocated.

Corporate governance policy

TOMRA has implemented a corporate governance program in accordance with the Norwegian recommendation for corporate governance ("Norsk anbefaling til eierstyring og selskapsledelse"). On the left is a short summary with references to the chapters in the recommendation dated 4th December 2007, focusing on any discrepancies between TOMRA's practices and those recommended.

Principles for remuneration of Group Management 2008-2009

The guiding principle is that remuneration and

other employment terms for Group Management shall be competitive to ensure that TOMRA can attract and retain skilled personnel.

Salary should include both a fixed and a variable part. The fixed salary should reflect the individual's area of responsibility and performance over time. The variable salary should not exceed 55% of the fixed annual salary and should be based on the achievement of specific performance targets by TOMRA Group and/or the respective manager's unit.

The performance goals for the CEO are determined by the Board of TOMRA. Goals for the other Group Management Members are determined by the CEO. The goals may be related to financial targets, such as operating profit, or other performance related objectives.

The CEO's remuneration package, and any adjustments thereof, are agreed between the CEO and the Chairman of the Board and approved by the Board of TOMRA. The remuneration packages for the other Group Management members, including adjustments of these, are agreed between the CEO and the respective manager, reviewed by the Compensation Committee and finally reviewed by the Board of TOMRA.

No new option programs will be established in 2009, neither for managers nor employees of TOMRA. However, a share saving program has been introduced where managers and employees within the Group can invest in TOMRA shares at a discounted price, under the assumption that the shares are kept and employment continued for a given period of time.

In 2006 a Long Term Incentive Plan (LTIP) was implemented for Group Management members and other key personnel within TOMRA. For Group Management members, the LTIP is tied to the achievement of profit growth by the Group. Potential earnings under the LTIP are capped. The LTIP was established and approved by the Board of TOMRA and the Compensation Committee

monitors the plan to ensure it is implemented in line with the mandate and objectives.

In addition to fixed and variable salary, other benefits such as company car, health insurance, interest- and installment free loans, newspaper and telephone might be provided. The total value of these benefits should be moderate and only account for a limited part of the total remuneration package.

There should be no special pension plans for Group Management members as they participate at the same terms as other employees in the company in which they are employed, except where pension plans had been established before TOMRA acquired an entity and the Group Management member was party to the plan at the date of acquisition.



The notification period for Group Management members should be three to six months, excluding US based members where fixed length assignments might be established.

The CEO should be entitled to 12 months' severance pay. Other automatic severance pay or post employment arrangements for Group Management members should not exceed 24 months.

A detailed account of the remuneration of each member of Group Management, including the LTIP, is found in disclosure note 13.

The 2009 principles and guidelines for management remuneration have not changed materially

from those approved by the annual general assembly in 2008, for the calendar year 2008. The policies and principles applied during 2008 have been in line with the established guidelines.

Internal Control Environment and Risk Management Systems

The Board is ultimately responsible for TOMRA's systems of internal control and for reviewing their effectiveness. Responsibility for individual areas of control has been allocated through the CEO down to the respective member of Group Management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

A process for identifying, evaluating and managing the significant risks faced by the Group has been established. The process used by the Board and the audit committee to review the effectiveness of the systems of internal control includes the following:

- Reviewing the work-plans of the external and internal audit teams.
- Considering reports from management and internal and external auditors on the systems of internal control and any identified control weaknesses.
- Discussing with management the actions taken to address identified problem areas.

The Audit Committee includes three board members and the Chairman of the Board receives minutes from each Audit Committee meeting.

The main features of the risk and control framework are outlined below:

Risk Management

The Board is responsible for approving the Group's strategy, its principal markets and the level of acceptable risk. It has established risk management processes to identify the key risks facing the business and ensure those risks are managed effectively.



Control Environment

An organizational structure with defined levels of responsibility and delegation of authority to appropriately qualified management has been established. A chart of authority documents each level of authority throughout the organization. Matters reserved for the Board are clearly defined and appropriate authorization limits and reporting procedures have been implemented.

Information and Communication

The Group has routines for planning and financial reporting. Budgets are approved annually by the Board and actual results compared with budget and prior periods, including management's written comments, are reviewed monthly by the Board. In addition, strategic business initiatives and investment spending plans require Board approval.

Control Activities

Internal control procedures have been tailored to the requirements of individual business activities. Controls in areas with significant risks include clear guidelines for delegation of authority, segregation of duties, and requirements for regular reporting and reviews.

The Audit Committee assists the Board in overseeing the process for identifying, evaluating and managing risks, considering internal and external audit reports, and reviewing the Group's financial statements.

Monitoring Systems

Line management is responsible for the operation of internal control routines and these routines are subject to independent review by internal audit and, where appropriate, by the Group's external auditor and external regulators. The reports of all these bodies on internal control are reviewed by the Audit committee on behalf of the Board. The Audit Committee ensures that, where necessary, appropriate corrective action is taken.

Internal audits are performed by the Group Controller and the Group Accounting manager

and in their role as internal auditors, they report directly to the audit committee. The internal audit team carries out independent assessments of risk and the adequacy of related internal controls within the Group. Findings and recommendations for strengthening the control framework are agreed with local management and the implementation of agreed changes is monitored by the internal audit team. The Audit Committee reviews internal audit coverage and performance and considers significant findings and recommendations. The internal audit team has unrestricted access to all records, personnel and property of the Group to collect such information as is necessary for the performance of its work.

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the Group's systems of internal control for 2008 and up to the date of approval of the financial statements. As might be expected in a group of this size and complexity, a small number of internal control irregularities occurred during the period under review. These were identified on a timely basis and appropriate actions have been taken. None of these irregularities in internal control resulted in any material losses which require disclosure.

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