

**ALTRON**ALLIED ELECTRONICS
CORPORATION LIMITEDAltron House • 4 Sherborne Road • Parktown 2193 • Johannesburg • P O Box 981 • Houghton 2041 • South Africa
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18 October 2011

Attention: Global Compact OfficeUnited Nations Global Compact
Two United Nations Plaza
New York,
NY
10017E-mail : globalcompact@un.org**RE : ALLIED ELECTRONICS CORPORATION LIMITED ("ALTRON"):
2011 UN GLOBAL COMPACT COMMUNICATION ON PROGRESS**

As a publicly listed company on the Johannesburg Stock Exchange (JSE) in South Africa, Altron accepts that it has a responsibility to ensure that its sub-holding companies operate in a manner that is not only financially sound, but also encourages a high level of transparency, accountability and social and environmentally responsible behaviour. To achieve this, Altron ensures that its governance and risk management structures identify and adhere to local and international standards and best practices, including the United Nations Global Compact (UNGC).

As a signatory to the UNGC it is again a pleasure for Altron to submit its 2011 UN Global Compact Communication on Progress (COP) report. Contrary to its 2010 submission which was a separate report highlighting feedback on each of the 10 UNGC principles, Altron has, as stated in its 2010 submission, included feedback on the principles in its 2011 Integrated Annual Report available online at: <http://www.altron.com/annual2011/>. Altron believes that this not only highlights the importance it places on these principles but also assists stakeholders to cross reference each of the principles to the various initiatives it has implemented and the progress it has made in respect of each principle.

Although Altron has not made specific reference to each of the UN Millennium Development Goals (MDG) in its 2011 integrated annual report, Altron still attempts to meet the eight MDGs pertaining to poverty and hunger alleviation, access to education, gender equality, reducing child deaths, improving maternal health, combating HIV/Aids, protecting the environment and building and/or participating in global partnerships for development.

In addition to being signatories to the UNGC, Altron actively takes part in the following local and international initiatives:

- Carbon Disclosure Program (CDP) – 2008 to 2011
- Carbon Disclosure Program Water (CDP W) – voluntary submission in 2011
- JSE Socially Responsible Investment (SRI) Index – 2004 to 2011
- Integrated Annual Report (IAR) required by the JSE – 2010 and 2011
- South Africa's New Growth Path (NGP) or "job creation programme" - will be taken into consideration as part of Altron's human capital strategy going forward.



Directors: Dr WP Venter (*Chairman*) RE Venter (*Chief Executive*) RJ Abraham NJ Adami MC Berzack N Claussen PMO Curle* MJ Leeming
Dr PM Maduna BJM Masekela JRD Modise DNM Mokhobo AMR Smith* SN Susman CG Venter PL Wilmot

*British

Secretaries: Altron Management Services (Pty) Limited - AG Johnston



With this letter and through its 2011 integrated annual report, Altron continues to commit its support towards achieving and advancing the UNGC principles not only within its own operations but also within its sphere of influence. This response is designed to provide comprehensive referencing to Altron's actions regarding both the UNGC and the MDG. The GRI index table referenced in Altron's 2011 integrated annual report and attached to this letter, is structured to provide direct links and page references to our responses to the Global Reporting Initiatives (GRI) G3.1 Guidelines as well as each of the 10 UNGC principles.

Altron believes that it is in its best interest to work towards creating a sustainable business economy that supports its shareholders, employees, customers, business partners, suppliers and communities with whom it interfaces. In turn this supports the principles of the UNGC and reinforces the Altron values of fairness, equality, ethical business conduct, transparency and accountability.

We trust that this letter, the attached GRI Index table and Altron's 2011 integrated annual report will provide the UNGC Office with the necessary information to assess Altron's progress in terms of its commitment towards achieving the UNGC principals and the MDG's. However, should the information provided not adhere to the UNGC requirements or should you require additional information about Altron's continued commitment to the UNGC, the MDG's or any of its other sustainability initiatives, please contact Jannette Horn, Altron's Group Sustainability Manager at jhorn@altron.com.

Please acknowledge receipt hereof.

Kind Regards

A handwritten signature in black ink, appearing to read 'Robert Venter', is written over the typed name.

Robert Venter

Chief Executive: Altron

GRI content index

STANDARD DISCLOSURES PART III: Performance Indicators					
GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
EC1		Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Six-year review; Value added statement; Reviews of operations (IAR)	8 – 9; 41; 59 – 91
EC2	7	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Not reported	Information not currently available	N/A
EC3		Coverage of the organisation's defined benefit plan obligations.	Partially	Notes to the annual financial statements (Note 16)	197 – 199
EC4		Significant financial assistance received from government.	Fully	GRI; No financial assistance received from government	97
EC5	1	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not reported	Information not currently available	N/A
EC6		Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Transformation; Preferential procurement; Enterprise development (web)	www.altron.com/annual2011/unabridgedAltron.htm
EC7	6	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Employment equity (web)	www.altron.com/annual2011/unabridgedAltron.htm
EC8		Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	Socio-economic development in unabridged operational reviews, Business conduct in foreign operations (Altech unabridged review) (web)	www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedBytes.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedAltech.htm
EC9		Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not reported	Information not currently available	N/A
EN1	8	Materials used by weight or volume.	Partially	Chief executive's review (IAR)	30

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
EN2	8, 9	Percentage of materials used that are recycled input materials.	Partially	Chief executive's review; percentage of waste recycled is disclosed, not percentage of materials used (IAR)	31
EN3	8	Direct energy consumption by primary energy source.	Partially	Chief executive's review (IAR)	30
EN4	8	Indirect energy consumption by primary source.	Fully	Environmental unabridged operational reviews (web)	www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedBytes.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedAltech.htm
EN5	8, 9	Energy saved due to conservation and efficiency improvements.	Not reported	Energy savings not yet available	N/A
EN6	8, 9	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	GRI; Powertech IST Otokon and Strike Technologies offer solutions for collecting and analysing consumption data (water, electricity). Consequent reductions in energy requirements are not currently measured	98
EN7	8, 9	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	Initiatives listed in sub-holding environmental sections. Reductions achieved not yet tracked. (web)	www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedBytes.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedAltech.htm
EN8	8	Total water withdrawal by source.	Fully	Chief executive's review (IAR); Responsible use of water (web)	31
EN9	8	Water sources significantly affected by withdrawal of water.	Not reported	Original source of municipal water supplies not tracked	www.altron.com/annual2011/unabridgedAltron.htm
EN10	8, 9	Percentage and total volume of water recycled and reused.	Not reported	Not currently available	N/A
EN11	8	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	GRI; No operations in or adjacent to protected areas or areas of high biodiversity	98
EN12	8	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	GRI; No operations in or adjacent to protected areas or areas of high biodiversity high biodiversity	99 www.altron.com/sustainability/biodiversity.pdf

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
EN13	8	Habitats protected or restored.	Fully	GRI; No operations in or adjacent to protected areas or areas of high biodiversity	99 www.altron.com/sustainability/biodiversity.pdf
EN14	8	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	GRI; Potential biodiversity impacts will be evaluated if and when Altron acquires new operations or moves to alternative sites	99 www.altron.com/sustainability/biodiversity.pdf
EN15	8	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	GRI; No operations in or adjacent to protected areas or areas of high biodiversity	99 www.altron.com/sustainability/biodiversity.pdf
EN16	8	Total direct and indirect greenhouse gas emissions by weight.	Fully	Chief executive's review (IAR) Environmental unabridged operational review (web)	31 www.altron.com/annual2011/unabridgedAltron.htm
EN17	8	Other relevant indirect greenhouse gas emissions by weight.	Not reported	Not currently available	N/A
EN18	7, 8, 9	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partially	Initiatives listed (Reducing Altron's carbon footprint) reductions achieved not yet tracked, abridged operational review (IAR); environmental unabridged operational reviews (web)	59 – 91 www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
EN19	8	Emissions of ozone-depleting substances by weight.	Not reported	Altron does not produce material quantities of ozone-depleting substances	N/A
EN20	8	NOx, SOx, and other significant air emissions by type and weight.	Not reported	Altech UEC produces negligible levels of SOx, NOx and other air emissions	N/A
EN21	8	Total water discharge by quality and destination.	Not reported	Not currently available	N/A
EN22	8	Total weight of waste by type and disposal method.	Fully	Usage of materials and handling waste, abridged operational reviews (IAR); environmental unabridged operational reviews (web)	59 – 91 www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
EN23	8	Total number and volume of significant spills.	Fully	No significant spills occurred during the year under review; GRI	99

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
EN24	8	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	GRI; Altron does not transport, import, export or treat hazardous waste (web)	99 www.altron.com/annual2011/unabridgedAltron.htm
EN25	8	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Fully	GRI; No operations in or adjacent to protected areas or areas of high biodiversity	99
EN26	7, 8, 9	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	GRI; Responsible management of the product lifecycle. Extent of impact mitigation not currently measured	100 www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
EN27	8, 9	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Environmental unabridged operational reviews (web); Responsible management of the product lifecycle (reported for Altech and Powertech only)	www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
EN28	8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	GRI; No significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations in the year under review	100
EN29	8	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Fully	GRI; No significant impacts of transporting products, goods and materials and members of the workforce outside of that reported in the carbon footprint	100
EN30	7, 8, 9	Total environmental protection expenditures and investments by type.	Not reported	GRI; Minor spills at Powertech Transformers and Willard Batteries. Costs not quantified	100
LA1		Total workforce by employment type, employment contract, and region.	Fully	Human capital (web)	www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
LA2	6	Total number and rate of employee turnover by age group, gender, and region.	Fully	Chief executive's review (Human capital) (AR); unabridged operational reviews (web)	27 www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
LA3		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Partially	Chief executive's review; benefits listed, not provided by operation (IAR)	26
LA4	1, 3	Percentage of employees covered by collective bargaining agreements.	Fully	Reported at operational levels in unabridged operational reviews (web)	www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
LA5	3	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not reported	Information not currently available	N/A
LA6	1	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Fully	Abridged operational reviews (IAR); unabridged operational review (web); Health and Safety representatives elected across all businesses, so 100% of workforce represented.	59 – 91 www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
LA7.	1	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	Abridged operational review (IAR); unabridged operational reviews (web); injuries, occupational diseases, lost days and fatalities reported at operational level. Absenteeism reported for Altech only.	59 – 91 www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
LA8	1	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Reported in unabridged operational reviews (web)	www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
LA9	1	Health and safety topics covered in formal agreements with trade unions.	Not reported	Not available	N/A
LA10		Average hours of training per year per employee by employee category.	Not reported	Not available	N/A
LA11		Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially	Chief executive's review (IAR) Human capital; Skills attractions, development and retention; Skills development; unabridged operational reviews (web)	22 www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
LA12		Percentage of employees receiving regular performance and career development reviews.	Fully	Abridged operational review (IAR); unabridged operational reviews (web); injuries, occupational diseases, lost days and fatalities reported at operational level. Absenteeism reported for Altech only.	www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
LA13	1, 6	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	Directorate; Executive committee; Chief executive's review (IAR); Human capital in unabridged operational review (web)/(Age groups and regions not disclosed)	14 – 16; 22 – 33 www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm www.altron.com/annual2011/unabridgedBytes.htm
LA14	1, 6	Ratio of basic salary of men to women by employee category.	Partially	Reported for Powertech and Altech (full web reports)	www.altron.com/annual2011/unabridgedAltech.htm www.altron.com/annual2011/unabridgedPowertech.htm
HR1	1, 2, 3, 4, 5, 6	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not reported	Not available	N/A
HR2	1, 2, 3, 4, 5, 6	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not reported	Altron is planning a human rights survey of foreign operations that have been identified as a potential risk during the 2012 financial year.	N/A
HR3	1, 2, 3, 4, 5, 6	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not reported	Not available	N/A
HR4	1, 2, 6	Total number of incidents of discrimination and actions taken.	Fully	GRI; No incidents of discrimination reported during the period under review	102
HR5	1, 2, 3	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	GRI; No operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	102
HR6	1, 2, 5	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Fully	Chief executive's review (IAR); Human rights and fair labour practices (web)	22 – 33 www.altron.com/annual2011/unabridgedAltron.htm

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
HR7	1, 2, 4	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	Fully	Chief executive's review (IAR); Human rights and fair labour practices (web)	22 – 33 www.altron.com/annual2011/unabridgedAltron.htm
HR8	1, 2	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Not reported	Not available	N/A
HR9	1, 2	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	No incidents of violations involving rights of indigenous people reported in the period under review (web)	www.altron.com/annual2011/unabridgedAltron.htm
SO1	10	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Not reported	Not available	N/A
SO2		Percentage and total number of business units analysed for risks related to corruption.	Not reported	Not available	N/A
SO3	10	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Not reported	Not available	N/A
SO4	10	Actions taken in response to incidents of corruption.	Fully	GRI content index; Chief executive's review (IAR); unabridged operational reviews (web)	94 – 103; 22 – 23 www.altron.com/annual2011/corporategovernance.htm
SO5	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	Public policy positions and participation in public policy development and lobbying.	Not reported	Not reported	N/A
SO6	10	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Online governance report (web)	www.altron.com/annual2011/corporategovernance.htm
SO7		Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Fully	Legal report (web)	www.altron.com/annual2011/corporategovernance.htm
SO8		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	GRI; No significant fines and non-monetary sanctions for non-compliance with laws and regulations during the year under review (web)	103 www.altron.com/annual2011/corporategovernance.htm

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
PR1	1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	Reported for Powertech (Customer rights and protection) (web)	www.altron.com/annual2011/unabridgedAltron.htm www.altron.com/annual2011/unabridgedPowertech.htm
PR2		Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	GRI; No incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during the year under review	103
PR3		Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Not reported	Not available	N/A
PR4	8	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Fully	GRI; No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling were reported during the year under review	103
PR5		Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Strategic themes and material issues overview; Operational reviews (IAR); Customer relationships (web)	42 –57; 59 – 91 www.altron.com/annual2011/unabridgedAltron.htm
PR6		Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not reported	Not available	N/A
PR7		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	GRI; No incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship were reported during the year under review	103

GRI Indicators	UN Global Compact Principle*	Description	Reported	Reference	Page Reference
PR8	1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	GRI: No substantiated complaints regarding breaches of customer privacy and losses of customer data were received during the year under review	103 www.altron.com/annual2011/unabridgedAltron.htm
PR9		Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	GRI: No significant fines for non-compliance with laws and regulations concerning the provision and use of products and services were incurred during the year under review	103

IAR = Integrated Annual Report

FC = Front Cover, **IFC** = Inside Front Cover, **BC** = Back Cover, **IBC** = Inside Back Cover

The unabridged Altech Operational Review is available at: www.altron.com/annual2011/unabridgedAltech.htm

The unabridged Powertech Operational Review is available at: www.altron.com/annual2011/unabridgedPowertech.htm

The unabridged Bytes Operational Review is available at: www.altron.com/annual2011/unabridgedBytes.htm

The unabridged Altron Group Operational Review is available at: www.altron.com/annual2011/unabridgedAltron.htm

The unabridged Altron Corporate Governance Report is available at: www.altron.com/annual2011/corporategovernance.htm