



2012 United Nations Global Compact Communication of Progress Report



1. Introduction

Altron is pleased to present its 2012 United Nations Global Compact (UNGC) Communication on Progress (COP) report, covering the group's activities for the period 1 October 2011 to 1 November 2012. Altron has been a signatory to the UNGC since 2009, and has been an active participant in various meetings and related initiatives in line with the UNGC principles, in particular through the National Business Initiative (NBI), a local organisation that supports and encourages implementation of among others the UNGC's 10 principles and the United Nations' Millennium Development Goals (MDGs). This document represents our third COP report, and is more comprehensive than any of our previous reports, demonstrating our continued commitment and support towards the UNGC.

We believe that the 2012 COP report not only highlights the importance we place on the 10 principles but will also assist stakeholders to cross reference each of the principles to the various initiatives we have implemented and the progress we have made on each principle to date.

As a publicly listed company on the Johannesburg Stock Exchange (JSE) in South Africa, Altron accepts that we have a responsibility to ensure that our companies operate in a manner that not only strive to be financially sound, but also encourages a high level of transparency, accountability and social and environmentally responsible behaviour. To achieve this, we ensure that our governance and risk management structures identify and where applicable adhere to local and international standards and best practices, including the UNGC.

Although our communication report is mainly focused around the 10 principles, we have also made reference to each of the UN MDG's as part of our overall submission. Altron continues to support the eight MDGs pertaining to poverty and hunger alleviation, access to education, gender equality, improving health for mothers and children, combating HIV/AIDS, protecting the environment and building and/or participating in global partnerships for development. For more detail refer to Section 5 and 6 of this report.

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

- Carbon Disclosure Program (CDP) – 2008 to 2012
- Carbon Disclosure Program Water (CDP W) – voluntary submission in 2011 and 2012
- JSE Socially Responsible Investment (SRI) Index – 2004 to 2012
- Adherence to the recommendations of the King Code of Corporate Governance (King III) for Integrated Annual Report (IAR) – 2010 to 2012

2. Statement of Continued Support

“As Chief Executive of Altron, I welcome the opportunity to reaffirm our commitment to advancing the UNGC principles not only through our direct business activities, but also within our sphere of influence. I believe that it is Altron’s corporate responsibility to uphold the UNGC and its 10 Principles, and that our long-term business success is linked to the integration of environmental, social, and governance issues with corporate management and our day-to-day operations.

As a global player it is in our interest to work together to create a sustainable business economy that supports our shareholders, employees, customers, business partners and communities, in which we operate, supporting the principles of fairness, equality, ethical conduct, transparency and accountability.” - R.E.Venter, Chief Executive (CE), Altron

3. Communication on Progress in Meeting the Expectation of the 10 UNGC Principles

The global compact has presented practical guidelines and has been a great source of inspiration to Altron in our journey to integrate sustainability into our business strategy. With this COP, we confirm that we are actively working towards ensuring that the UNGC and its principles become fully entrenched in our business strategy, culture and day-to-day operations, and that we will continue to seek and participate in collaborative projects that advance the broader development goals of the UNGC and the MDGs. The aim of the COP report is to detail the commitments, actions and progress Altron has made against the 10 principles.

In 2012 Altron developed its first formal sustainability strategy for the group, following a sustainability journey that has come a long way since we first considered diversity and black economic empowerment in the late 1990s. In the mid-2000s we started to develop our sustainability reporting, but as a separate report within our annual report. In 2010 we were one of the first companies in South Africa to make the transition to integrated reporting, bringing sustainability into the core of our business, from strategy through to executive remuneration. This year we have further improved the link between strategy and core business issues by developing our sustainability strategy.

In support of this COP report, Altron has provided the following information:

- Summary of progress toward meeting the expectations of the 10 UNGC Principles (Refer to sections 4)
- Additional information demonstrating Altron’s commitment to addressing the 10 UNGC principles (Refer to sections 5)
- Additional information demonstrating Altron’s commitment to the 8 MDG (Refer to sections 6)
- Altron’s Responses to relevant GRI G3.1 Indicators (Refer to sections 7)

4. Summary of progress toward meeting the expectation of the 10 UNGC Principles

Altron’s social and ethics committee, which was appointed by the Altron board on 24 February 2012, effective 1 March 2012, monitors and oversees those functions as set out in the Companies Act as well as those responsibilities assigned to it by the board including but not limited to Altron’s performance with respect to legislation and codes of best practice, labour and human rights, and the environment.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

The Altron Group has a comprehensive set of policies, procedures and committees to ensuring the protection of Human Rights, where the protection of rights permeates through a number of employee, subsidiary and/or supplier codes and/or agreements. We review our policies annually to ensure that we adequately address issues such as forced and/or compulsory labour, child labour, discrimination and gender equity.

As a signatory of the UNGC, Altron has made a public commitment to the Universal Declaration of Human Rights. While Altron acknowledges that our 'sphere of influence' extends beyond our employee population, the primary focus up until 2011 has been on this critical stakeholder group. In seeking to extend our responsibility to our supply chain, we conducted a human rights survey by e-mail to 221 of our international suppliers. Of the 117 who acknowledged receipt of the survey, 48 responded to our survey. The potential risks identified as part of the survey are summarised in the table below.

Human rights aspects	Risk level	Issues identified
Health and Safety	No risk	Generally well-managed, isolated exceptions
Hours/Wages/Leave	No risk	Generally well-managed, isolated exceptions
Fair Treatment	Low risk	Lack of procedures/policies to capture complaints received amongst less than 10% of suppliers
Community Impacts	Low risk	Generally adequate, but one or two exceptions not setting requirements for impact assessments
Product Stewardship	Moderate risk	Lack of warning signs and product information resulting in 69% of suppliers receiving complaints
Country Risk	Low risk	15% of suppliers operate in high-risk countries
Suppliers' suppliers	Major risk	73% of suppliers have never seen/received the Altron Human Rights and Labour Conditions Policy
Labour	Moderate risk	6% of suppliers indicated that they have made use of child and forced labour. However, they are in compliance with their own national legislation

Altron completed the human rights survey on our international suppliers in February 2012 and are currently addressing potential risks associated with the survey responses. Feedback on these actions will be provided in our next integrated annual report and our 2013 COP report.

Achievements	<ul style="list-style-type: none"> Conducted a human rights survey for international suppliers; Prepared various articles in our company magazines to promote awareness; and Reviewed and where required, updated the following policies: <ul style="list-style-type: none"> ✓ Human Rights and Labour Conditions ✓ Code of Conduct ✓ Code of Ethics
Targets	<ul style="list-style-type: none"> Follow up with suppliers around potential human rights issues identified as part of the human rights survey; and Continue to engage with all stakeholders to promote human rights
GRI Indicators	EC5, LA4, LA6 - LA9; LA13, LA14, HR1 – HR11, SO5, PR1, PR8

Human Rights

Principle 2: Business should make sure that they are not complicit in human rights abuses

Altron adheres to this principle through a combination of policies, procedures and committees ensuring the protection of human rights. In the year under review, we continued to integrate sustainability into our business strategy assisted by our newly-formed social and ethics committee, established on 1 March 2012, and chaired by an independent non-executive director.

The Altron code of ethics clearly lays out aspirational ethical guidelines for everyday events to codify the conduct required by managers, employees and owners in their dealings with one another, customers, suppliers and society at large. In the 2011 financial year we established an ethics office run by the group company secretary. Altron's chief ethics officer is certified with the Ethics Institute of South Africa.

Following the success of the first phase of group-wide ethics training, targeted at executives and managers, Altron has begun rolling out this programme to the remainder of the group's employees. Sessions began in November 2011 with the Bytes group and was extended to Altech and Powertech in early 2012. At present, over 1 300 employees from across the group have attended training.

An ethics climate survey, conducted by Deloitte, evaluated more than 2 300 employees' perceptions relating to fraud, ethical behaviour and conflicts of interest. Ethics reviews are also under way and are expected to be completed in the 2012 financial year.

Altron also continues to implement its whistle-blowing hotline, Tip-Off Tim, providing employees with a safe and anonymous platform to report suspected incidents of fraud and unethical behaviour. During the year under review some 55 contacts were made with the Tip-off Tim anonymous hot line administered by Deloitte. All tip-offs are followed up and where they prove justified, result in full investigations. These 55 contacts resulted in 42 incident reports that were fully followed up and investigated.

Actions	<ul style="list-style-type: none"> • Appointed a Chief Ethics Officer; • Established a social and ethics committee; • Rolled out ethics training to executives and managers; • Conducted an ethics climate survey; • Various articles published in our internal magazines to promote ethics in the company; and • Reviewed and where applicable updated the following policies and procedures: <ul style="list-style-type: none"> ✓ Human Rights and Labour Conditions ✓ Code of Conduct ✓ Code of Ethics
Targets	<ul style="list-style-type: none"> • Continue to roll out the ethics training from middle management to shop floor level employees; • Continue to roll out the ethics climate survey to other operations in the group; and • Ethics reviews are also under way and are expected to be completed in the 2012 financial year.
GRI Indicators	HR1 – HR11, SO5

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Employees in certain of Altron's sub-holding companies belong to unions, with the most significant representation in Powertech and in Altech's manufacturing companies. Unions are not only included in monthly shop steward and safety meetings, but are also represented in transformation and training committee meetings and participate and engage in the development of annual workplace skills plans, approved by both parties.

As expressed in our "Human Rights and Labour Conditions Policy", Altron actively recognises the right of employees to collective bargaining and freedom of association in accordance with all relevant labour legislation. Altron is also committed to facilitating open communication and direct engagement between employees and management in those situations where the right to freedom of association and collective bargaining is restricted under law. Union participation varies from 6% at Bytes to 56% at Powertech. In total 2 769 (26,95%) of the total permanent South African employee base are covered by collective bargaining units.

Wherever employees are represented by unions or through collective bargaining units, Altron maintains constructive relationships with all of our unions, who are afforded consultative and/or negotiating powers on issues of shared interest.

Actions	<ul style="list-style-type: none"> • Engaged with employees via unions and collective bargaining units; • Included unions and collective bargaining units in relevant meetings and committees; and • Reviewed and where applicable updated the following policies and procedures: <ul style="list-style-type: none"> ✓ Human Rights and Labour Conditions ✓ Industrial Relations Policy ✓ Code of Conduct
Targets	<ul style="list-style-type: none"> • Continue to uphold and implement the actions listed above
GRI Indicators	LA4, LA5; HR1 - HR3, HR5, SO5

Labour

Principle 4: Elimination of all forms of forced and compulsory labour

As expressed in our 'Human Rights and Labour Conditions Policy', Altron does not permit any form of forced and/or compulsory labour within our sphere of influence, be it within any of our companies, or within our extensive supply chain, in accordance with all relevant legislation. All employees, including contractors, are sourced from the open labour market, with all employment occurring in the presence of mutually agreed upon labour contracts in accordance with relevant labour legislation. All employees are afforded the freedom to resign at any time.

However, our ability to police our suppliers are based on more implicit expectations than formal policies, which is one of the reasons why Altron conducted a human rights survey of its international suppliers and service providers in 2011/2012. The aim of the survey was to gain insight into the human rights practices of these important business partners, identify areas of weakness and where possible assist companies in bringing their human rights standards in line with those of the company and international best practice.

In the survey conducted, three suppliers identified that they engaged in forced labour. After engaging with the respective suppliers, two of the suppliers confirmed that the survey question was not understood and answered correctly. Subsequently both of them re-submitted a revised survey indicating that they do not engage in forced labour. The third company's supply contract was terminated due to on-going quality issues experience with the supplier. The suppliers contact was terminated before they could provide feedback regarding forced labour allegations. Except for notifying all our group companies not to do any future business with this international supplier, no further action was taken.

Altron is currently looking at engaging with our major suppliers around our four core themes of sustainability of which one is "human capital". As part of this engagement we aim to identify any human rights violations and incidents in our supply chain with the view to guide and if necessary assist these suppliers in address their human rights issues. In addition, Altron will require all suppliers to confirm that they have read and understood the relevant Altron policies and that they subscribe to principles of lawful and ethical business conduct as dealt with in these policies.

Altron continues to review and update the relevant policies to ensure we address and adhere to any legislation regarding forced and compulsory labour.

Actions	<ul style="list-style-type: none"> • Provided our "Human Rights and Labour Conditions Policy" to suppliers; • Conducted an human rights survey among our international supply chain, which included elements of forced and compulsory labour; • Improved awareness among employees on their rights around forced and compulsory labour; and • Reviewed and where applicable updated the following policies and procedures: <ul style="list-style-type: none"> ✓ Human Rights and Labour Conditions ✓ Human Resources and Employment Policy ✓ Code of Conduct
Targets	<ul style="list-style-type: none"> • Continue to uphold and implement the actions listed above. • Continue to develop and implement our sustainability strategy within our supply chain over the next few years.
GRI Indicators	HR1 - HR3, HR7, HR10, HR11, SO5

Labour

Principle 5: Effective abolition of child labour

As expressed in our 'Human Rights and Labour Conditions Policy', Altron does not permit the use of child labour within our sphere of influence, be it within any of our companies, or within our extensive supply chain. Altron actively monitors compliance with the labour legislation in each of the countries within which we operate, and are mindful of the variances in minimum age restrictions.

As per the South African labour law, Altron does not recruit employees under the age of 18. Exceptions could potentially arise, but only in the context of school leavers who participate in vocational training programmes. Again, Altron's ability to police our suppliers is based more on implicit expectations than formal polices, which is one of the reasons why Altron conducted a human rights survey of its international suppliers and service providers in 2011/2012. The aim of the survey was to gain insight into the human rights practices of these important business partners, identify areas of weakness and where possible assist companies in bringing their human rights standards in line with those of the company and international best practice.

In the survey conducted, four suppliers identified that they engaged in child labour. After engaging with the respective suppliers, three of them confirmed that the survey question was not understood and answered correctly. Subsequently all three of them re-submitted a revised survey indicating that they do not engage in child labour. The fourth company's supply contract was terminated due to on-going quality issues experienced with the supplier. The supplier's contact was terminated before they could provide feedback regarding child labour allegations. Except for notifying all our group companies not to do any future business with this international supplier, no further action was taken.

In the future, all Altron suppliers will be required to confirm that they have read and understood the relevant Altron policies and that they subscribe to principles of lawful and ethical business conduct as dealt with in these policies.

Altron continues to improve overall awareness around child labour and where relevant review and update associated policies to ensure we address and adhere to any legislation regarding child labour.

Actions	<ul style="list-style-type: none"> • Provide our "Human Rights and Labour Conditions Policy" to suppliers; • Conducted an human rights survey among our international supply chain, which included elements of child labour; • Improved awareness among employees on their rights around child labour; and • Reviewed and where applicable updated the following policies and procedures: <ul style="list-style-type: none"> ✓ Human Rights and Labour Conditions ✓ Human Resources and Employment Policy ✓ Code of Conduct
Targets	<ul style="list-style-type: none"> • Continue to uphold and implement the actions listed above.
GRI Indicators	HR1 - HR3, HR6, HR10, HR11, SO5

Labour

Principle 6: Elimination of discrimination in respect of employment and occupation

Altron has established itself as a transformation leader in its industries, and is pleased to report the achievement of all transformation goals set out in the “Altron Transformation Vision 2012” strategy. Altron recognises that transformation and elimination of discrimination in respect of employment and occupation, is an on-going process, not an end-point, and with this in mind the company has formulated a new “Beyond Vision 2012” transformation strategy to drive the next phase of transformation.

Altron’s transformation committee (Transcom) plays an integral part in the company’s transformation success. Reporting to the Altron executive committee, Transcom drives the company’s transformation strategy and is guided in this by South Africa’s broad-based black economic empowerment (‘B-BBEE’) legislation, which includes the Skills Development Act and Employment Equity Act, and the Department of Trade and Industry’s Codes of Good Practice (‘dti CoGP’). As per South African legislation, Altron submits to government an annual Employment Equity Report, and includes all relevant statistics within our Integrated Annual Report.

No incidents of discrimination were identified within the past financial year. Altron is committed to the principles of transformation and employment equity in the workplace, and discrimination, of any kind, is explicitly forbidden as per our ‘Human Rights and Labour Conditions Policy’.

Altron continues to improve overall awareness around discrimination and where relevant review and update policies that deal with discrimination and harassment. These policies are available from the human resource departments of the Altron group and on the Altron Intranet.

Actions	<ul style="list-style-type: none"> • Developed a new “Beyond Vision 2012” transformation strategy; • Appointed a Chief Ethics Officer; • Established a social and ethics committee; • Rolled out ethics training to executives and managers; • Conducted an ethics climate survey; • Various articles published in our internal magazines to prevent any form of discrimination; and • Reviewed and where applicable updated the following policies and procedures: <ul style="list-style-type: none"> ✓ Human Resources and Employment Policy ✓ Human Rights and Labour Conditions ✓ Code of Conduct ✓ Code of Ethics
Targets	<ul style="list-style-type: none"> • Continue to uphold and implement the actions listed above; and • Roll out the new “Beyond Vision 2012” transformation strategy.
GRI Indicators	EC7, LA2, LA13, LA14, HR1 - HR4, SO5

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

The precautionary approach to identifying and managing environmental risk is at the heart of Altron's environmental policies, procedures and newly formulated sustainability strategy. Our commitment in producing an annual sustainability report, in the form of our Integrated Annual Report, is predominantly based on Altron's understanding of ever-increasing stakeholder expectations for effective environmental management.

During the year we continued our journey towards becoming more carbon efficient, guided by our carbon management strategy and climate framework which is led by our new dedicated sustainability department. Climate change is managed as part of the risks affecting the sustainable development of our group and is a standing item on all risk management committee meeting agendas. The risk committee comprises the chief executives ('CE') and senior executives from the various sub-holding companies, as well as non-executive directors and various group managers. We have appointed key individuals at board level to represent and provide feedback on the group's sustainability agenda.

In response to the imminent threats posed by climate change and increased pollution, Altron has, over the last few years, increased its understanding of environmental issues, and made a strong commitment to reduce its environment footprint. We focus on lowering our carbon footprint, improving energy efficiencies, reducing pollution and harmful emissions, responsibly managing waste and ensuring the responsible use of water.

The most evident business case for environmental responsibility is that it reduces our exposure to a number of risks and should result in cost reductions throughout the group. Direct financial risks arise from the proposed South African carbon taxation legislation, the potential for fines relating to non-compliance with environmental legislation, damage to operations and business disruptions that could result from physical environmental changes associated with climate change. In addition, responsible environmental management protects us from reputational risk and the risk of losing customers and industry partners, particularly in the international marketplace.

Actions	<ul style="list-style-type: none"> • Summited our third CDP submission; • Took part in our second voluntary Water CDP submission; • Determined a new baseline for environmental targets; • Set new three year reduction targets for water, waste and carbon; • Conducted our third internal "environmental workshop"; • Participated in the draft G4 guideline process; • Developed a group sustainability strategy that is aligned with the company's four core strategic objectives; • Continue to conduct internal environmental legal compliance audits; • Reviewed and updated our SHE policy; and • Reviewed and updated our Climate Change Framework.
Targets	<ul style="list-style-type: none"> • Finalise our water and waste management strategy during 2012/2013; • Review and revise environmental targets where necessary; • Review and update our sustainability manual to align it with our new strategy and commitments going forward; • Continue to take part in CDP reporting; and • Increase overall awareness of the group's sustainability agenda through articles, site visits, audits and road shows.
GRI Indicators	EC2, EN26, EN30, SO5

Environment

Principle 8: Undertake initiatives to promote greater environmental responsibility

In recent years Altron has made significant strides towards establishing a robust environmental management culture by embedding environmental sustainability policies, systems and practices into the business. This is an on-going and continuously evolving journey towards environmental sustainability.

In 2009 we adopted a group-wide policy for safety, health and the environment. This was followed by a carbon management strategy and associated climate change framework in 2010. Through a process of continual improvement and stakeholder requirements, our operations now achieve a variety of environmental certifications, including ISO14001, ISO9001 and OSHAS18001, amongst others.

In order to drive the adoption of environmental responsibility at all levels within the group, we included environmental performance (carbon emissions only) as a key performance indicator for our executive management in 2010 and continued to do so in 2011. In 2012, the commitments have been increased in that management's performance bonuses will now be directly linked to Altron's three year environmental reduction targets for waste, water and carbon emissions.

In 2011 Altron established a dedicated sustainability department responsible for driving and managing the group's environmental performance and monitoring our impacts and environmental initiatives.

We began measuring aspects of our environmental footprint in 2007 and each year a wider range of elements is added to the baseline. We continue to improve the consistency, accuracy and integrity of data and their sources, as well as increasing the depth of our measurements. Data collected in 2009/2010 were used to set our first baseline for monitoring our environmental performance. This baseline has been used over the last two years to track and monitor our environmental efforts. As part of our on-going environmental monitoring and improvement process, we identified a number of significant inaccuracies in the 2010/2011 data submissions, rendering trend comparisons of doubtful value.

We will therefore be using the 2011/2012's environmental results to set a new (revised) baseline against which to measure Altron's future environmental performance. To add another layer of control, Altron also conducted an independent third party assurance audit on our 2011/2012 environmental management data with specific focus on a number of key environmental indicators that are important to Altron's environmental commitments going forward.

Not only is Altron committed to continuous improvement in our environmental performance, as reported in our Integrated Annual Report, but our attempts to educate our employees, customers and suppliers, through our internal magazine, screensavers, workshops and events, further demonstrates how we intend to use the knowledge we gain at the operational level to inform positive change throughout our sphere of influence.

Actions	<ul style="list-style-type: none"> • Summited our third CDP Report; • Took part in our second voluntary Water CDP submission; • Determined a new baseline for environmental targets; • Set new three year reduction targets for water, waste and carbon; • Conducted our third internal "environmental workshop"; • Implemented a monthly reporting process that facilitates trend analysis, allowing us to identify and address potential areas of inaccuracy as soon as they occur; • Reviewed and updated our SHE policy; • Continue to conduct internal environmental legal compliance audits;
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	<ul style="list-style-type: none"> • Reviewed and updated our Climate Change Framework; • Included environmental targets as part of our executive teams performance management structure; and • Developed a group sustainability strategy that is aligned with the company's four core strategic objectives.
Targets	<ul style="list-style-type: none"> • Conduct our second biodiversity study in 2012/2013; • Review environmental reduction targets and trends annually; • Continue to take part in CDP reporting; • Continue to improve and expand our sustainability data capturing system; • Increase overall awareness of the group's sustainability agenda through articles, site visits, audits and road shows; • Investigate carbon 'off-set' programmes and CDM projects to reduce our carbon footprint; and • Continue to roll out and implement the automation of data capturing wherever possible.
GRI Indicators	EN1 - EN30, SO5, PR4

Environment

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Although not applicable across all product and/or service lines, the development and diffusion of environmentally-friendly technologies is often at the forefront of our future-minded thinking. The increased global focus on environmental responsibility, and in particular on climate change, also opens up business opportunities for the group. Climate change increases the demand for low carbon and energy efficiency products, services and solutions, such as those already offered by businesses within our Powertech group. The clean development mechanism ('CDM') framework offers financial incentives for voluntary emissions reduction projects – opportunities the Altron group is well positioned to exploit.

One such product offering, in the form of an energy metering solution has been developed by Strike Technologies, a company within the Powertech stable. In conjunction with the metering solution a solution from a sister company, Powertech IST, known as Silk™ that collects meter data over cellular phone networks from the energy meters, processes this information and delivers easy to read reports via the Internet. With this information, users are able to identify opportunities to reduce their overall electricity consumption, eliminate 'peak clipping', where overloaded circuits draw excessive power, and/or allow users the opportunity to shift electricity consumption to 'off-peak periods' when the cost of electricity is lower due to reduced demand. To date 16 facilities within the Altron group have implemented the Silk™ system.

With the cost of electricity rapidly rising, and water soon to follow, the decision to develop and/or adopt energy-and-water-wise solutions is most frequently based on our continuous push towards financial efficiency and waste minimisation. In addition to being an important part of environmental responsibility, greater energy and water efficiencies are a social and business imperative. South Africa continues to feel the effects of constrained power supply and the national energy utility has called on all South African citizens and companies to reduce electricity consumption for the mutual benefit of all.

Actions	<ul style="list-style-type: none"> • Identified and encouraged environmental initiatives through the "Altron Green Awards" • Summited our third CDP Report; • Took part in our second voluntary Water CDP submission; • Determined a new baseline for environmental targets; • Set new three year reduction targets for water, waste and carbon; • Conducted our third internal "environmental workshop"; • Implemented a monthly reporting process that facilitates trend analysis, allowing us to identify and address potential areas of inaccuracy as soon as they occur; • Continue to conduct internal environmental legal compliance audits; • Included environmental targets as part of our executive teams performance management structure; and • Developed a group sustainability strategy that is aligned with the company's four core strategic objectives.
Targets	<ul style="list-style-type: none"> • Identify key areas to implement new technologies through our own products and services; • Review environmental reduction targets and trends annually; • Continue to take part in CDP reporting; • Continue to improve and expand our sustainability data capturing system; • Increase overall awareness of the group's sustainability agenda through articles, site visits, audits and road shows; • Continue to engage with all relevant stakeholders around future environmental requirements and product specifications; and

	<ul style="list-style-type: none">• Continue to roll out and implement the automation of data capturing wherever possible.
GRI Indicators	EN2, EN5 - EN7, EN10, EN18, EN26, EN27, EN30, SO5

Anti-Corruption

Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery
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The group code of conduct commits all employees to the highest standards of behaviour, setting out the behaviour expected of all employees in their dealings with the group's stakeholders. A detailed code of conduct is included in the Altron group policy manual and outlines Altron's philosophy. Altron's anti-corruption and economic crime policy also came into effect in July 2011, setting out guidance on preventing and dealing with corruption, fraud and other illegal acts.

Altron has a zero-tolerance approach to those that engage in corruption, fraudulent or illegal acts in the conduct of its business. Concerns around fraudulent or illegal activity can be reported:

- through the company's 'Tip-Off Tim' anonymous whistle-blower hotline, administered by Deloitte;
- directly to a secure, confidential e-mail address at the ethics office;
- to Altron's internal audit department; or
- to the relevant sub-holding group security officers.

The company's vulnerability and risks associated with bribery and corruption are regularly reviewed by the Altron risk management committee, especially in the light of its operations in countries identified as high-risk environments for bribery and corruption, including Kenya, Lesotho, Mozambique, Nigeria and Uganda. Another risk area monitored closely is the company's involvement in various government contracts that may require government licensing.

Altron's compliance framework rests on the company's comprehensive set of policies. These are regularly updated to reflect governance best practice and the evolving legal environment. All group companies and employees are obliged to comply with these policies. This compliance policy is integrated and aligned with Altron's other material policies and business efforts, and compliance or non-compliance with the policy is regularly appraised by the Altron risk management committee. Altron's corporate compliance policy focuses on ten fundamental principles of business conduct, which includes the following:

- No anti-competitive behaviour;
- No corruption;
- No inappropriate risks for human health and the environment;
- No insider trading;
- No deception;
- No discrimination;
- No infringement of others' intellectual property rights;
- No conflicts of interest;
- No misinformation; and
- No breach of laws.

Initiatives are in place to counter-act risks of fraud, bribery and corruption and we are working at improving the visibility of these matters throughout the group. Last year we embarked on an ethics campaign, co-ordinated through the ethics office, focusing on group values, ethics and appropriate behaviour, thereby fostering a workplace culture of being ethical. Staff completed interactive web-based ethical surveys and signed declarations confirming that they had attended ethics training and undertake to be ethical in all their business dealings. Further training on The UK Bribery Act and the Foreign Corrupt Practices Act forms a standing agenda item on all group companies' risk management agendas. In compliance with the requirements of the Altron Competition Law policy, directors and senior managers throughout the group completed and signed annual declaration forms acknowledging that they have read and understood our policy not to engage in any anti-competitive behaviour. An agenda item in this regard has been added to the agendas of board meetings throughout the group.

Further, all Altron suppliers will be required to confirm that they have read and understood the relevant Altron policies and that they subscribe to principles of lawful and ethical business conduct as dealt with in these policies.

Altron reported the following corruption information as part of their 2012 IAR.

- theft increased from 52 to 65;
- hijackings decreased from eight in the previous year, to two;
- break-ins, increased from four to nine;
- armed robberies increase from five to 11;
- fraud, theft and other dishonest incidents increased from 76 in the previous year to 94 this year
- no donations were made to political parties during the year under review;
- no judgements, damages, penalties, or fines were recorded and/or levied against any group company, directors, officers or employees during the period under review for non-compliance with any legislation; and
- no incidents of contraventions of Altron's competition law policy or the Competition Act were reported.

During the year under review some 55 contacts were made with the "Tip-off Tim" anonymous hot line administered by Deloitte compared to 70 in the previous year. All tip-offs are followed up and where they prove justified, result in full investigations. These 55 contacts resulted in 42 incident reports (35 last year) that were fully followed up and investigated.

As the actions of a single employee can affect the reputation of the entire Altron group, all employees and partners are required to maintain the highest ethical standards to ensure that the group's business is conducted in a way that in all reasonable circumstances is beyond reproach.


Actions	<ul style="list-style-type: none"> • An ethics climate survey, conducted by Deloitte, evaluated more than 2 300 employees' perceptions relating to fraud, ethical behaviour and conflicts of interest; • All employees receive ethics training as a function of their induction as a new employee, and regular re-education occurs via poster campaigns and 'Profile' articles; • Continue to promote and run our anonymous tip-off line "Tip-off-Tim; and • During the past three years Altron has issued the following new and/or revised policies: <ul style="list-style-type: none"> ✓ Policy on human rights and labour conditions; ✓ Corporate compliance policy; ✓ Code of ethics and corporate code of conduct; ✓ Sexual harassment and employer's vicarious liability policy; ✓ HIV/Aids policy; ✓ Altron group policy manual; ✓ Succession planning policy; ✓ Safety, health and environment policy; ✓ Climate change framework; ✓ Sustainability manual; ✓ Anti-corruption and economic crime policy; ✓ Gifts and entertainment policy; ✓ Declaration of interest policy; ✓ Whistle-blowing guidelines policy; ✓ Non-executive directors travel and expenses policy; ✓ Competition law policy; and ✓ Altron records management policy.
Targets	<ul style="list-style-type: none"> • Continue to uphold and implement the actions listed above; • Ethics reviews are also under way and are expected to be completed in the 2012 financial year; • Continue to monitor and implement changes to legislation around corruption, fraud and bribery; • Ensure all relevant policies, procedures and frameworks are reviewed and update if and when required; • Roll out the ethics climate survey to other operations in the group; and


	<ul style="list-style-type: none">• Continue to roll out and promote Altron's policies around anti-corruption behaviour.
GRI Indicators	SO1; SO3 - SO6

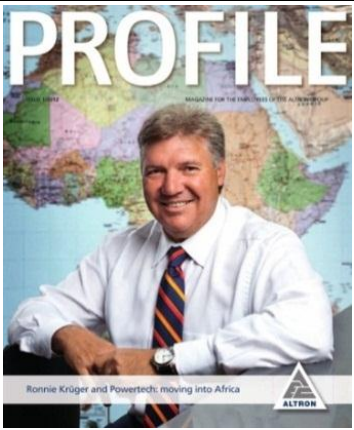
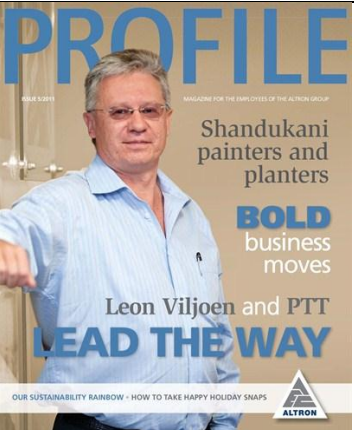
5. Additional Information Demonstrating Altron's Commitment to the UNGC 10 Principles

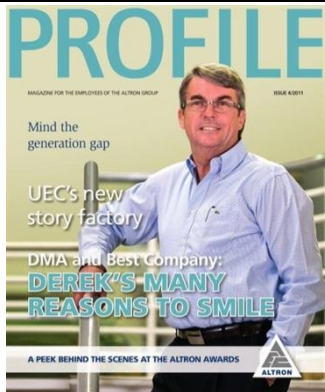

In addition to the above actions and commitments, Altron continues to promote the various principals and MDG's through its internal publications including "Profile", "Powerflash" and "Altech Talk". The following relevant articles were included in these publications for the year under review. More details on each of the articles also refer to

http://www.altronprofile.co.za/profile_archive.htm

Profile	Article	Description	UNGC Principal	UN MDG
 <p>Issue 3/2012</p>	1. "A woman of distinction"	A women who heads up a training company sounds like a pretty standard fare. Except that neither Madelise Grobler nor Bytes People Solutions confirm to stereotypes. Promoting women empowerment and the fact that Altron promotes gender equality.		3
	2. "Real transformation does not equal number crunching"	What does the ideal Altron environment of sharing and learning for all employees look like? A place where the best skills, talent and above all, attitude are nurtured, irrespective of gender or race, is where we are headed in the Beyond 2012 strategy.		3
	3. "Equipped for the future"	The first 30 women to have completed and end-user computer training programme under the auspices of the Progressive Women's Movement of South Africa (PWMSA), recently celebrated their success.		3
	4. "The change for all to see"	Altron's corporate social investments form an integral part of its commitment to our BBBEE. Shandukani is the first group-wide flagship project involving all 150 operations within the group. The public/private partnership program brings high-tech health and research facilities to a community marked by above-average rates of HIV and infectious diseases and ensure that vulnerable women and children have access to expert medical care and treatment on their doorstep.	1	4,5,6 and 8

Profile	Article	Description	UNGC Principal	UN MDG
 <p>Issue 2/2012</p>	5. "IST Otokon Product of the year"	Powertech IST Otokon was awarded the Energy Project of the Year 2011 by the Soother African Association for Energy Efficiency (SAEE).	8 and 9	8
	6. "Hang onto who you are"	Altron encourages employees to make use of their whistle blower initiate called Tip-off Tim. Should any employee be aware of identity theft or any other fraud in the workplace, they should report it to Tip-off Tim.	10	-
	7. "A scheme to lean on"	The Altron Group Disability Scheme's purpose is to provide a disability benefit to an eligible member who has become or is disabled while in the employment of the group.	6	-
	8. "Altech answers the anti-poaching call"	At the end of March this year, Altech Alcom Radio Distributors and its channel partner Lazer Communications, bolstered the Pilansberg National park's existing anti-poaching systems and initiatives with a donation of the latest communication technology. With a collective value exceeding R300 000, the donation consisted of 18 motorola MOTOTRBO digital two-way radios, tow dispatcher units and a repeater.	7 and 8	7
	9. "Mirror, mirror on the wall, who's the greenest of us all?"	Altech UEC has taken up the "climate change" call by Altron, by embarking on a comprehensive waste management strategy that is set to make it the "greenest" company in the Altech stable, if not the Altron Group.	7, 8 and 9	7
	10. "Women on an ICT mission"	In 2011, the Progressive Women's Movement of South Africa (PWMSA), Bytes People Solutions and the Media, advertising, Information and Communication Technologies Sector Training Authority (MICT) Seta agreed to train 180 young women in ICT in six municipalities in and around Gauteng.		3

Profile	Article	Description	UNGC Principal	UN MDG
 <p>Issue 1/2012</p>	11. "Second in Sustainability"	In 2011, Altron was named runner-up in the "excellence in Sustainability" category of the Anglo American Suppliers Awards. The category recognises outstanding achievements that support Anglo's commitment to sustainable development.	8 and 9	8
	12. "Can whistle-blowing blow up in my face"	Altron encourages employees to make use of their whistle blower initiative called Tip-off Tim. Where management or the Altron Group Ethics Officer believes that the whistle blowers safety is threatened, it will investigate and may introduce measure to prevent any problems.	10	-
	13. "BDS volunteers cook 15 000 meals"	In lieu of the usual year-end function, volunteers at Bytes document Solutions, packed 15 000 meals for "Stop Hunger Now", an international hunger relief organisation.		1 and 8
	14. "1+1+PTT = infinite possibility"	Powertech Transformers currently funds the mathematics and science development of teachers at 10 schools in rural KwaZulu-Natal and 360 of their pupils		
	15. "A lasting legacy in David's name"	Marjorie Redshaw, the wife of late David Redshaw, donated R35 000 from the David Redshaw Book Fund to Aganag Sechaba, an NGO that supports deserving students tertiary education.		2
 <p>Issue 5/2011</p>	16. "We do not paint by numbers"	Too often people believe sustainability = green. This is not the case with Altron. Our approach is not about formulas and pre-conceived ideas; our journey is about looking at what makes a vibrant and colourful company, covering all areas of the business.	7, 8 and 9	7
	17. "Hot topic"	Facilitated by Bytes People Solutions, the talking happened in the Code of Ethics awareness sessions. Between February and March, 531 delegates from all levels of management participated in these Ethics Dialogues.	10	-
	18. "Painters and Planters change healthcare in Hillbrow"	On Arbor day, a group of volunteers from each of the public/private partners descended on Shandukani to plant trees and paint one of the completed outside walls. Shandukani is one of the largest non-hospital based clinics of this type in South Africa.	1	4,5,6 and 8
	19. "A decade of golfing for good"	Bytes Technology Group hosted its 10 th annual corporate golf day in an attempt to raise funds for charity. This year		1, 2, 4 and 6

Profile	Article	Description	UNGC Principal	UN MDG
		over R350 000 was been donated to the Ikhola Community Services, a centre which gives hope to abandoned and orphaned children who have been infected or affected by HIV/AIDS.		
 <p>Issue 4/2011</p>	20. "High tea, laughter and gifts at Bytes Women's Day"	More than 150 women attended the second annual Bytes Women's Day at the Bytes Conference Centre in August. Bytes is South Africa's most empowered ICT group and boasts a 25% female staff complement.	6	3
 <p>Issue 3/2011</p>	21. "Winning the skills battle one learnership at a time"	In September 2009, Matome Motloutsi signed up for a contact centre team leader NQF Level 4 learnership with Bytes People Solutions. Today he has a permanent job at one of the leading ICT outsourcing companies in the country.	6	2
	22. "Technology and the feminine touch"	Altech Swisttech does not have a specific policy to appoint women, but Yanesh says that the company is fortunate to have quite a few female members on the team. This is in line with promoting our BBBEE initiative.	6	3
	23. "One green step at a time"	Altron first measured its carbon footprint in 2010. The 2011 picture, as reported in our annual report, shows great strides on the path to sustainable energy use.	7, 8 and 9	7
	24. "A new home brings new hope"	Altech donated R527 000 to the Villa of Hope in support of an M-Net Cares initiative. The money was used to refurbish one of the houses on the property and to sponsor the tertiary education of Reagan Leeuw, one of the children at the home.	1	1, 2, 4 and 6
	25. "Full steam ahead for our flagship"	Altron's corporate social investments form an integral part of its commitment to our BBBEE. Shandukani is the first group-wide flagship project involving all 150 operations within the	1	4,5,6 and 8

Profile	Article	Description	UNGC Principal	UN MDG
		group. The public/private partnership program brings high-tech health and research facilities to a community marked by above-average rates of HIV and infectious diseases and ensure that vulnerable women and children have access to expert medical care and treatment on their doorstep.		
Other publications and internal magazine articles	26. "Learning without limits"	As part of the company's BBBEE drive, Aberdare engaged eight disabled black women on a team leader learnership with dedicated and qualified mentors to coach and support each of them.	6	2, 3
	27. "Altech Netstar Backs the Put foot Rally"	Altech Netstar backed Team RiskAfrica's participating in the second annual Put Foot Rally travelling through 6 southern African countries to promote awareness around rhino poaching and poverty in the regions.	7 and 8	7
	28. "Altech support association with wheelchairs and blankets"	Altech believes it is imperative to make a difference in people's lives which lead to Altech donating wheelchairs and blankets to the Zamani Disabled People's Organisation in Kwa-Zulu Natal.	6	-
	29. "Altech ISIS goes green"	Altech ISIS has always been as eco-friendly as possible. Now the company has shrunk its environmental footprint even more with a new recycling initiative introduced by the management of the building in which the company offices are located.	7 and 8	7
	30. "Altech participates in the global earth hour challenge"	On 31 March 2012 Altech operations together with 6950 cities and town in 152 countries around the world switched off their lights as part of their participation in the earth Hour Challenge.	7 and 8	7
	31. Signing the new SHERQ policy"	Aberdare Cables recently signed off their new SHERQ policy that reinforces their company's belief in designing and manufacturing quality cables in a safe and environmentally friendly way.	7	7
	32. "Even scrap is reworked efficiently"	Reducing the volume of scrap cable is an on-going activity for the Aberdare team in Pietermaritzburg. The PMB team has introduced systems which provide metrics to measure and manage scrap.	7 and 8	7
	33. "What is fresh in the green corner?"	Altron sets its first 3 year environmental reduction targets and releases its first sustainability manual.	7 and 8	7

Profile	Article	Description	UNGC Principal	UN MDG
Other publications and internal magazine articles	34. "Altech playing it part in saving Africa's water resource"	Altech promotes and supports the Pula device. This device is a quick and easy way to save water by just attaching the devise to taps and shower heads at home and at work.	7 and 8	7
	35. Altech UEC south Africa lays claim to being the greenest company in the Altech group"	Altech UEC has taken up the "climate change" call by Altron, by embarking on a comprehensive waste management strategy that is set to make it the "greenest" company in the Altech stable, if not the Altron Group.	7 and 8	7
	36. "Powertech Batteries lead the market"	Willard Batteries' "Go Green, go Willard" campaign encourages customers to bring their scrap batteries fro recycling.	7 ,8 and 9	7
	37. "Arrow Altech distribution partners with the University of Johannesburg"	The University of Johannesburg was grateful for the exceptional support their received from Arrow Altech Distribution as the company sponsored many of the electrical systems on the "Solar Car Challenge", from micro-processors and computers to actual wiring and telemetry systems.	9	-
	38. "Altech Netstar protects and promotes science and technology in KZN"	The ScienCentre, a non-profit organisation received an outreach vehicle and mobile science laboratory from the Department of Science and Technology and Altech sponsored the installation and subscription costs of the Cyber-sleuth unit for this vehicle.	-	2
	39. "Altech AutoPage Cellular gives the Aphiwe Centre a perfect first birthday present"	Altech Autopage Cellular is continuing its close relationship with the Aphiwe Centre by making a large donation of shoes, blankets, toys and clothes to the multipurpose community centre.	-	1, 2, 6
	40. "Altech supports orphaned children with R527 000"	Altech has donated R572 000 to the Villa of Hope children's' home in Eldorado Park in support of an M-Net Cares initiative. The donation includes funds for refurbishment and a tertiary education bursary for one of the children at the home.	-	1, 2
	41. "Caring for a lost generation"	Recently Altech donated R200 000 towards the Oasis Haven, a children's home that takes care of abandoned and neglected children and places them with approved families.	-	1, 2, 6
	42. "Altech donates R600 000 to Soweto Kliptown youth Project"	Altech has donated R600 000 to upgrade facilities at the Soweto Kliptown Youth Centre (SKY). The money was used to establish a new dining room area, equip a technology	-	1, 2

Profile	Article	Description	UNGC Principal	UN MDG
Other publications and internal magazine articles		room and provide a girls dormitory and bathroom facility.		
	43. Powertech supports “Avril in caring for Sinethemba’s Children”	Aberdare Cables and other companies in the area noticed Signoria’s dedication and were inspired to help her. With their assistance and public donations a second home was renovated for Sgnoria to use to support and look after homeless children in her community.	-	1, 2
	44. “The ABC’s of loving safely – STI condom week”	The Aberdare wellness team supported the STI condom week in February 2012. This initiative is done to promote safer sex to help prevent unwanted pregnancies, and the spread of sexually transmitted infections including HIV/AIDS.	-	6
	45. “Teaming up with Ethekewini Municipality to up-skill students”	Ethekewini Municipality has embarked on a continuous development and training programme aimed at uplifting and up-skilling student in order to address the growing skills shortage in the electrical industry. Aberdare relished the challenge and offered a comprehensive two-day tutorial on electric power cable.	-	2
	46. “Blankets to warm bodies and harts”	TIS recently donated blankets to 110 Grade R learners at Thuthuka Primary School in Tembisa, as part of their BBBEE initiative.	-	4
	47. “Here’s to the next three years”	The long standing partnership between the Altron group and the Nelson Mandela Metropolitan University (NMMU) was recently renewed and extended for three more years.	-	2 and 8
	48. “Hockey unlocks new horizons”	Bytes Connect recently sponsored 20 under privileged children to participate in a hockey skills programme arranged by non-profit organisation, Future Families.	-	6

6. Additional Information Demonstrating Altron's Commitment to the MDG

Millennium Development Goals (MDG)	Altron's Millennium Development Goal (MDG) Progress	References to examples
MDG 1: Eradicate extreme hunger & poverty	Corporate Social Investment (CSI) focus areas within the Altron Group are heavily weighted towards education, including primary education and HIV/AIDS projects. Direct investment in projects to alleviate hunger is not a significant part of the strategy, or annual budget, but is a consideration for the application of funds from within discretionary budgets and in some cases supported by our group companies	Refer to the following articles in Section 5 of this report: 13; 19; 24; 39-43
MDG 2: Achieve universal primary education	At present, Altron does not record the breakdown of our CSI expenditure according to developmental focus areas, but a significant portion of the group's funding is directed towards educational upliftment, particularly at the secondary and primary school levels. In addition, all three of our sub-holding companies, Altech, Bytes and Powertech invests heavily in the upgrading of educational facilities, the education of pupils as well as the wellbeing of pupils through feeding schemes and the supply of basic needs.	Refer to the following articles in Section 5 of this report: 15; 19; 21; 24; 26; 38-43; 45; 47
MDG 3: Promote gender equality & empower women	Over and above Altron's explicit commitment to South Africa's constitution, including its expectations of gender and racial equality, Altron is committed to ensuring that gender and/or racial profile is never even perceived as a barrier to success. Gender and racial equality challenges were some of the core issues addressed in our 'Vision 2012', strategy. With the implementation of the strategy completed a year ahead of schedule, we believe that most of our challenges are currently managed and/or under control. Altron continues to monitor and address equality issues in our new "Beyond 2012" project.	Refer to the following articles in Section 5 of this report: 1-3; 10; 20; 22; 26
MDG 4: Reduce child mortality	Altron is well aware of the need to attend to the health and welfare of 'at risk children' in the communities in which we operate. Based on our evaluation of needs, and Altron's ability to make a meaningful contribution to development, CSI within the Altron Group is heavily weighted towards supporting educational and HIV/AIDS projects, especially where expecting mothers and children are concerned. Although direct investment in projects that seek to <i>only</i> reduce child mortality is not part of Altron's Group CSI strategy, however child mortality, by default, is addressed through Altron's flagship project, the Hillbrow Clinic. Over the past few years Altron contributed to a community-based HIV/AIDS clinic in the impoverished Hillbrow area of Johannesburg. In partnership with Vodacom and the Gauteng Department of Health, this project is designed to positively affect mother-to-child transmission of the HI-Virus to unborn children, thus hopefully having a direct impact on the maternal health of mothers as well as infant and/or child mortality.	Refer to the following articles in Section 5 of this report: 4; 18; 19; 24; 25; 46

Millennium Development Goals (MDG)	Altron's Millennium Development Goal (MDG) Progress	References to examples
MDG 5: Improve maternal health	<p>As stated above, Altron's CSI strategy is focussed primarily on education and HIV/AIDS. As such, direct investment in projects that seek to <i>only</i> improve maternal health is not a core focus of Altron's Group CSI strategy. However, it is both our assumption and hope that by focusing our efforts on uplifting communities through education, a material spin-off from our investments will be communities that are better supported and educated, and thus better prepared to manage their overall health and well-being.</p> <p>In addition the Altron's flagship project, the Hillbrow Clinic, is designed to positively affect mother-to-child transmission of the HI-Virus to unborn children, thus hopefully having a direct impact on the maternal health of mothers as well as infant and/or child mortality.</p>	Refer to the following articles in Section 5 of this report: 4; 18; 25
MDG 6: Combat HIV/AIDS, malaria and other diseases	<p>Although HIV/AIDS has always been a priority area within our CSI strategy, our commitment to helping combat HIV/AIDS was stepped up significantly in 2009. During our 2010 financial year, Altron entered into a partnership with Vodacom, one of South Africa's main cell phone operators and a key Altron business partner, and the Gauteng Department of Health, to spend R28 million over a 3-year period, of which 50% will come from the Altron Group, to develop a community-based HIV/AIDS clinic in the impoverished Hillbrow area of Johannesburg. The clinic was officially opened in July 2012 and feedback to date is extremely positive.</p> <p>Because of the significance of HIV/AIDS in the South African context, other diseases such as malaria and tuberculosis (TB) are not afforded similar investment consideration. However, CSI project proposals are considered against a set of criteria that include whether or not at least a secondary impact will be on the health and welfare of the communities in which we operate.</p>	Refer to the following articles in Section 5 of this report: 4; 48; 19; 24; 25; 39; 41; 44; 48
MDG 7: Ensure environmental stability	<p>The Altron Group has formally measured and monitored its environmental impacts, to the extent of providing performance data within our annual reports, starting with our first sustainability report in 2004. However, our approach to environmental management has recently taken serious steps toward what we would consider 'best practice' within the South African context.</p> <p>In 2010 Altron produced their first Integrated Annual report and started up their Sustainability Department that is responsible for monitoring water, waste and carbon data, ensuring compliance to relevant legislation and implementing international guidelines and best practice. In 2011 Altron developed their first Sustainability Manual and linked carbon reduction targets to their executive team's performance bonuses. In 2012, Altron restated their environmental base line data after three years of improving and updating data capturing systems, set new 3 year environmental reduction targets and again linked these targets to the executive team's performance bonuses. In addition the sustainability department developed the group's first "Sustainability Strategy" and is in the process of development a sustainable "supply chain" strategy for the group going forward. Altron remains committed to improving their overall environmental footprint.</p>	Refer to the following articles in Section 5 of this report: 8; 9; 16; 23; 27; 29-36

Millennium Development Goals (MDG)	Altron's Millennium Development Goal (MDG) Progress	References to examples
MDG 8: Develop a global partnership for development	<p>It is assumed that this is not a goal that could be discussed in any context outside of Altron's commitment to participate in global discussions and/or debates regarding development, including paying attention to stated commitments to meet the MDGs and UNGC, Carbon Disclosure Projects, and JSE SRI Index expectations.</p> <p>Altron participates in various industry and national discussions regarding development themes throughout the year, and wherever possible engage in partnerships to meet specific development objectives (e.g., the partnership with Vodacom and the Gauteng Department of Health to create a central Johannesburg HIV/AIDS clinic, as discussed above).</p>	<p>Refer to the following articles in Section 5 of this report: 4; 5; 11; 13; 18; 25; 47</p>

7. GRI Indicator Progress Report

The table below represents our progress towards meeting reasonable performance expectations with respect to the ten principles of the UNGC, with a reference column linking the relevant GRI G3.1 Guidelines to each of the 10 principles. The cross-references between the 10 UNGC principles and the GRI G3 Guidelines were taken from “Making the Connection: The GRI Guidelines and the UNGC Communication on Progress”, a document provided by the UNGC to assist with the development of a COP aligned to the guidelines

http://www.unglobalcompact.org/docs/communication_on_progress/Tools_and_Publications/Making_the_Connection_Final.PDF

GRI 3.1 Indicators	UNGC*	Web reference and guiding notes	Reporting status	Navigation notes and IAR page number(s)
Strategy and analysis				
1.1		Chairman's statement	Fully reported	<ul style="list-style-type: none"> Chairman's statement (p28) Chief executive's statement (p32)
1.2		Our strategy and material issues Organisational overview	Fully reported	<ul style="list-style-type: none"> Determining our materiality (p6-9) Sustainable business strategy diagrams (p4-5) Stakeholder engagement (p7-8) Non-financial headlines (p14-16) Operational overviews (p42-53)
Organisational profile				
2.1		www.altron.com	Fully reported	<ul style="list-style-type: none"> Front cover and throughout the report
2.2		Organisational overview	Fully reported	<ul style="list-style-type: none"> Group structure (p20-21) Operational overviews (p42-53)
2.3		Organisational overview	Fully reported	<ul style="list-style-type: none"> Group structure (p20-21) Operational overviews (p42-53)
2.4		Contact us Corporate information	Fully reported	<ul style="list-style-type: none"> IBC** Global footprint (p26-27)
2.5		Organisational overview	Fully reported	<ul style="list-style-type: none"> Global footprint (p26-27)
2.6		Organisational overview Full governance report	Fully reported	<ul style="list-style-type: none"> IFC** Group structure (p20) B-BBEE structure (p21)
2.7		Organisational overview	Fully reported	<ul style="list-style-type: none"> Global footprint (p26-27) Group structure (p20-21) Operational overviews (p42-53)
2.8		Financial performance Financial headlines Financial statements Human capital	Fully reported	<ul style="list-style-type: none"> Financial headlines (p10) Six-year financial review (p12) Contribution per subsidiary (p11) Value added statement (p101)
2.9		Chief executive's statement	Fully reported	<ul style="list-style-type: none"> Chief executive's statement (p32) Operational overviews (p42-53)
2.10		Organisational overview	Fully reported	<ul style="list-style-type: none"> Group awards (p18-19)
Report parameters				
3.1		Scope and boundaries	Fully reported	<ul style="list-style-type: none"> Reporting parameters (p1)
3.2		Scope and boundaries	Fully reported	<ul style="list-style-type: none"> Report navigation (IFC**)
3.3		Scope and boundaries	Fully reported	<ul style="list-style-type: none"> Reporting parameters (p1)
3.4		Corporate information	Fully reported	<ul style="list-style-type: none"> IBC***
3.5		Report navigation Guidelines Our integrated approach Stakeholders engagement	Fully reported	<ul style="list-style-type: none"> Linking strategy to core business issues (IFC**) Frameworks, codes and standards guiding our report (p1) Our integrated approach diagram (p4-5) Deriving our materiality
3.6		Scope and boundaries	Fully reported	<ul style="list-style-type: none"> Reporting parameters (p1)

GRI 3.1 Indicators	UNGC*	Web reference and guiding notes	Reporting status	Navigation notes and IAR page number(s)
				• Boundaries (p1)
3.7		Scope and boundaries	Fully reported	• Boundaries (p1) • Group structure (p20)
3.8		Scope and boundaries	Fully reported	• Reporting parameters (p1) • Boundaries (p1) • Group structure (p20)
3.9		Scope and boundaries External relationships	Fully reported	• Comparability note 1 (p1) • GRI content index (p 1) • Frameworks, codes and standards guiding our report (p1) • Additional performance indicators (p71-72)
3.10		Scope and boundaries External relationships	Fully reported	• Comparability note 1 (p1) • Reporting parameters (p1) • Boundaries (p1)
3.11		Scope and boundaries	Fully reported	• Comparability note 1 (p1) • Reporting parameters (p1) • Boundaries (p1)
3.12			Fully reported	• GRI content index (p1)
3.13		Assurance letter	Fully reported	• Assurance (IFC**)\n• Assurance letter (p74-75)
Governance, commitments and engagement				
4.1		Full governance report • The Altron board	Fully reported	• Corporate governance overview – the Altron board, and board committees (p77-78)
4.2		Full governance report • Evolution and allocation of Altron leadership responsibilities	Fully reported	• Corporate governance overview – the Altron board (p77)
4.3		Full governance report • Composition of the board	Fully reported	• Corporate governance overview – the Altron board (p77)
4.4		Full governance report • Engagement with stakeholders	Fully reported	• Our integrated approach – diagram (p4 – 5) • Determining materiality (p6-9)
4.5			Fully reported	• Remuneration report (p81-90)
4.6		Full governance report • Conflicts of interest	Fully reported	Web report
4.7		Full governance report • Composition of the board; and • Nomination committee	Fully reported	• Board of directors (p22-23) • Executive committee (p24) • Corporate governance overview – nomination committee (p79)
4.8		Full governance report • Codes and policies	Fully reported	• Corporate governance overview – corporate ethics (p77)
4.9		Full governance report • Social and ethics committee	Fully reported	• Determining materiality (p6-9)
4.10		Abridged corporate governance report and Full governance report • Social and ethics committee	Fully reported	• Determining materiality (p6-9)
4.11		Full governance report • Risk management committee	Fully reported	Web report
4.12		Full governance report • Introduction	Fully reported	• Frameworks, codes and standards guiding our report (p1) • GRI content index (p1) • Corporate governance overview (p77)
4.13		Full governance report • Introduction	Fully reported	• Determining materiality (p6-9) • Stakeholder engagement (p7-8)

GRI 3.1 Indicators	UNGC*	Web reference and guiding notes	Reporting status	Navigation notes and IAR page number(s)
		• Memberships		• Corporate governance overview (p77)
4.14		Stakeholders engagement	Fully reported	• Stakeholder engagement (p7-8)
4.15		Stakeholders engagement	Fully reported	• Determining materiality (p6-9) • Stakeholder engagement (p7-8)
4.16		Stakeholders engagement Human capital Products and services External relationships Full governance report • Engagement with stakeholders	Fully reported	• Determining materiality (p6-9) • Stakeholder engagement (p7-8)
4.17		Report navigation Stakeholders engagement Human capital External relationships Full governance report • Shareholder and investor dialogue	Fully reported	• Determining materiality (p6-9) • Stakeholder engagement (p7-8) • Our integrated approach – diagram (p4-5)
Economic performance indicators				
EC1		Financial Financial performance Financial statements	Fully reported	• Value-added statement (p101) • Six-year financial review (p12-13) • Operational overviews (p42-53)
EC2	7	External relationships • Environment: the business case for responsible environmental management	Partially reported	• Additional performance indicators (p71-72) • Our integrated approach – diagram (p4 - 5)
EC3		Human capital • Employee benefits	Partially reported	• Investing in our biggest asset our people (p60 -64)
EC4		Not relevant	Fully reported	Altron did not receive any financial assistance from the government in the last reporting period
EC5	1	Not reported	Not reported	Not reported
EC6		Human capital	Fully reported	Web report
EC7	6	Human capital • Transformation • Altron group workforce profile	Fully reported	Web report
EC8		Human capital	Partially reported	• Additional performance indicators (p71-72)
EC9		Not reported	Not reported	No information currently available
Environmental performance indicators				
EN1	8	Not reported	Not reported	Not reported
EN2	8, 9	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72)
EN3	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72)
EN4	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72)
EN5	8, 9	Not reported	Not reported	Not reported
EN6	8, 9	External relationships Products and services • Environmental	Fully reported	• Lead through innovation (p65-67) • Additional performance indicators (p71-72)
EN7	8, 9	External relationships • Environmental	Partially reported	• Additional performance indicators (p71-72)
EN8	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72)

GRI 3.1 Indicators	UNGC*	Web reference and guiding notes	Reporting status	Navigation notes and IAR page number(s)
EN9	8	External relationships • Environmental	No reported	Original sources of municipal water supplies not tracked
EN10	8, 9	External relationships • Environmental	Partially reported	• Additional performance indicators (p71-72)
EN11	8	External relationships • Environmental	Fully reported	No operations in or adjacent to protected areas or areas of high biodiversity were identified within the Alton group
EN12	8	External relationships • Environmental	Fully reported	No operations in or adjacent to protected areas or areas of high biodiversity were identified within the Alton group
EN13	8	External relationships • Environmental	Fully reported	No operations in or adjacent to protected areas or areas of high biodiversity were identified within the Alton group
EN14	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72) Potential biodiversity impacts will be evaluated if and when Altron acquires new operation or moves into alternative sites
EN15	8	Not reported	Fully reported	No operations in or adjacent to protected areas or areas of high biodiversity were identified within the Alton group
EN16	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72)
EN17	8	Not reported	Fully reported	Altron does not produce significant volumes of other indirect greenhouse gas emissions
EN18	8, 9	External relationships • Environmental	Partially reported	• Additional performance indicators (p71-72)
EN19	8	External relationships • Environmental	Fully reported	Altron does not produce material quantities of ozone depleting substances
EN20	8	Not reported	Not reported	Altron does not produce significant volumes of NO, SO or other significant air emissions
EN21	8	Not reported	Not reported	Altron does not record this at the moment
EN22	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72)
EN23	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72) Altron did not report any significant spills in the reporting period
EN24	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72) Altron does not transport, import, export or treat hazardous waste
EN25	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72) No operations in or adjacent to protected areas or areas of high biodiversity were identified within the Alton group
EN26	7, 8, 9	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72) • Lead through innovation (p65-67)
EN27	8, 9	Not reported	Not reported	Altron does not report on this at the moment
EN28	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72) No significant fines and non-monetary

GRI 3.1 Indicators	UNGC*	Web reference and guiding notes	Reporting status	Navigation notes and IAR page number(s)
				sanction for non-compliance with environmental laws and regulations were identified in this reporting period
EN29	8	External relationships • Environmental	Fully reported	• Additional performance indicators (p71-72) No significant impacts of transporting products, good and materials and members of the workforce were reported
EN30	7, 8, 9	Not reported	Not reported	Not reported
Labour practices and decent work performance indicators				
LA1		Human capital • Altron group workforce profile	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA2	6	Human capital • Staff retention • Human capital indicator table	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA3		Human capital Financial statements	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA4	1, 3	Human capital • Employee engagement	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA5	3	Not reported	Not reported	Not reported
LA6	1	Human capital • Health and safety	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA7	1	Human capital • Health and safety • Human capital indicator table	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA8	1	Human capital • HIV/Aids	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA9	1	Not reported	Not reported	Not reported
LA10		Human capital • Human capital indicator table	Fully reported	• Investing in our biggest asset – our people (p60-64) Average training spend per employee is reported (in Rs)
LA11		Human capital	Partially reported	• Investing in our biggest asset – our people (p60-64)
LA12		Human capital • Performance reviews and career development • Human capital indicator table	Fully reported	• Investing in our biggest asset – our people (p60-64)
LA13	1, 6	Human capital • Altron group workforce profile	Fully reported	• Investing in our biggest asset – our people (p60-64) • Altron group workforce profile
LA14	1, 6	Human capital • Ratio of basic salary of women to men by employee category • Human capital indicator table	Fully reported	• Investing in our biggest asset – our people (p60-64) • Ratio of basic salary of women to men by employee category • Human capital indicator table
LA15		Not reported	Not reported	Not reported
Human rights performance indicators				
HR1	1, 2, 3, 4, 5, 6	Not reported	Not reported	Not reported
HR2	1, 2, 3, 4, 5, 6	External relationships • Human rights	Partially reported	• Additional performance indicators (p71-72)

GRI 3.1 Indicators	UNGC*	Web reference and guiding notes	Reporting status	Navigation notes and IAR page number(s)
HR3	1, 2, 3, 4, 5, 6	External relationships • Human rights	Partially reported	• Additional performance indicators (p71-72)
HR4	1, 2, 6	External relationships • Human rights	Fully reported	• Additional performance indicators (p71-72)
HR5	1, 2, 3	External relationships • Human rights	Fully reported	• Additional performance indicators (p71-72)
HR6	1, 2, 5	External relationships • Human rights	Partially reported	• Additional performance indicators (p71-72)
HR7	1, 2, 4	External relationships • Human rights	Partially reported	• Additional performance indicators (p71-72)
HR8	1, 2	Not reported	Not reported	Not reported
HR9	1, 2	External relationships • Human rights	Fully reported	• Additional performance indicators (p71-72)
HR 10	1, 2, 4, 5	Not reported	Not reported	Not reported
HR 11	1, 2, 4, 5	Not reported	Fully reported	No grievances related to human rights were filled, addressed or had to be resolved in the year under review
Society performance indicators				
SO1	10	Not reported	Not reported	Not reported
SO2		Full governance report External relationships • Risk related to corruption	Fully reported	Web report
SO3	10	Full governance report	Partially reported	Web report
SO4	10	Full governance report	Partially reported	Web report
SO5	1-10	Full governance report	Fully reported	Web report
SO6	10	Full governance report	Fully reported	Web report
SO7		Full governance report	Fully reported	Web report
SO8		Full governance report	Fully reported	Web report There were no significant fines and non-monetary sanctions for non-compliance with laws and regulations during the year under review
SO9		Not relevant	Fully reported	Altron does not believe any of its operations have significant potential or actual negative impacts on local communities
SO10		Not relevant	Fully reported	Altron does not believe any of its operations have significant potential or actual negative impacts on local communities
Product responsibility performance indicators				
PR1	1	External relationships • Clients and customers	Fully reported	• Build and maintain strategic alliances and key partnerships (p68-70)
PR2		Products and services Human capital • Health and safety	Fully reported	No incidents of non-compliance with regulations and voluntary codes concerning health and safety impact of products and services were reported during the year under review
PR3		Not reported	Not reported	Not reported
PR4	8	Products and services	Fully reported	No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling were reported during the year under review
PR5		Products and services • Clients and customers	Fully reported	• Build and maintain strategic alliances and key partnerships (p68-70)

GRI 3.1 Indicators	UNGC*	Web reference and guiding notes	Reporting status	Navigation notes and IAR page number(s)
PR6		Not reported	Not reported	Not reported
PR7		Not reported	Fully reported	No incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorships were reported during the year under review
PR8	1	External relationships • Clients and customers	Fully reported	Web report
PR9		External relationships • Clients and customers	Fully reported	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

* UNGC = United Nations Global Compact Principles

** lfc = Inside front cover

*** lbc = Inside back cover