

SUSTAINABILITY REPORT - ALTRON TODAY

Altron believes that the collective aim of business and political leaders should involve the achievement of sustainable growth of their businesses and of the economy as a whole.

Mission statement

Altron's mission is:

- to be a leading South African controlled ICT group which offers high-tech products and services of quality to global markets;
- to generate profits and create shareholder value through outstanding customer care;
- to remain dedicated to technological innovation; and
- to continue being committed to the transformation process of South Africa through black economic empowerment initiatives.

We will achieve this through a motivated and loyal team that always:

- places customer service first;
- has mutual trust and respect;
- is totally committed to quality, best practice and the improvement of productivity;
- adheres to the highest standards of integrity;
- aims at achieving excellence in both financial and technological performance; and
- takes pride in what we do and in being part of the Altron group.

Corporate Code of Conduct

Altron is committed to excellence, integrity, professionalism and the growth and development of all its operations. The people of Altron are its most

important asset and are expected to share in the group's values and beliefs, in a manner which demonstrates:

- respect for one another;
- honesty and integrity in dealings, not only with one another, but with all the Altron group's stakeholders;
- confidentiality and discretion in the use of information proprietary to the Altron group;
- avoidance of any conflicts of interest which may interfere with the independent exercise of their judgement in the best interests of the Altron group;
- adherence to all laws and regulations determining the Altron group's legal and moral obligations; and
- fostering a non-racial, non-discriminatory work and business environment in promoting a climate of harmony and tolerance.

The Corporate Code of Conduct has the total commitment of the Altron board which commits the Altron group to the highest standards of behaviour expected by all its stakeholders. In response to the obligations this places on Altron as the controlling shareholder, it retains control over the following:

- policy and strategy;
- key operating standards; and
- acquisitions and disposals.

↑10%

	Feb 05	Feb 04
EMPLOYEES	11 800	10 712

PERFORMANCE IN RELATION TO THE CRITERIA FOR THE JSE SRI INDEX

The JSE Socially Responsible Investment (SRI) Index is the first of its kind in an emerging market. The index showcases those listed companies which achieve the requisite score in relation to a set of criteria that measures triple bottom-line commitment and performance and includes sustainable corporate governance as well as sustainability in terms of policies and performances with regard to the economy, society and the environment.

Both Altron and its subsidiary, Altech, successfully qualified for the Index.



Altron's four core values:

- Customers**
- Innovation**
- Teamwork**
- Accountability**

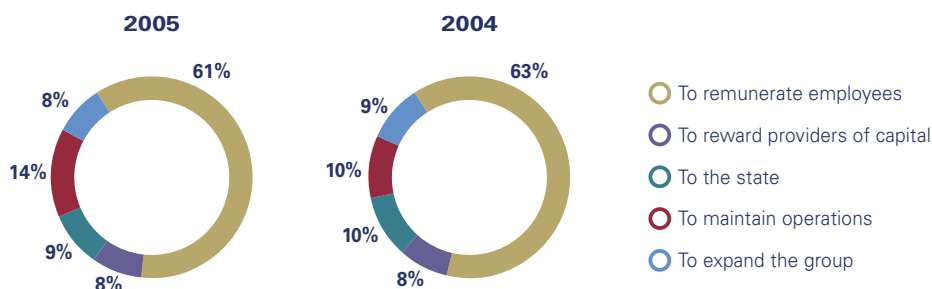
Through Altron's values, we promote:

- Best business practices**
- Environmental concerns**
- Corporate governance**
- BEE and transformation**
- Transparency**
- Consideration of the needs of all our stakeholders**

VALUE-ADDED STATEMENT

Value added is the measure of wealth the group has created in its operations by “adding value” to the cost of raw materials, products and services purchased. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the group for the replacement of assets and the further development of operations.

	2005 R million	%	2004 R million	%
Revenue	12 206		10 045	
Suppliers of material and services	(8 864)		(7 514)	
	3 342		2 531	
Investment income	124		154	
Capital items	114		(5)	
Total value added	3 580		2 680	
Applied as follows:				
To remunerate employees				
Salaries, wages, pensions and other benefits	2 183	61	1 684	63
To reward providers of capital				
Interest on loans	62		26	
Dividend – to ordinary shareholders	143		117	
Dividends to outside shareholders	81		81	
To the state	340	9	255	10
Company taxation	312		232	
Secondary taxation on companies	28		23	
To maintain operations				
Depreciation and amortisation	491	14	263	10
To expand the group				
Net earnings retained – shareholders	257		187	
– outside shareholders	23		67	
	3 580	100	2 680	100



SUSTAINABILITY REPORT - ECONOMIC

Shareholders

One of the group's stated objectives is the enhancement of shareholder value. Both ordinary and participating preference shareholders enjoyed share price appreciation over the past financial year and the dividend was increased by 21%.

Financial results presentations are held in May and October of each year, once year-end and interim results are known.

Use of the group's corporate website www.altron.co.za is also made in communicating with shareholders.

A considerable amount of information is available on this website including:

- financial results presentations;
- annual and interim reports;
- media releases; and
- operational news.

Contact details

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Shareholder analysis

as at 28 February 2005

Shareholder spread – ordinary shares

	Number of shareholders	%	Number of shares	%
1 – 500 shares	300	18.56	77 549	0.08
501 – 1 000 shares	289	17.88	249 018	0.26
1 001 – 5 000 shares	639	39.55	1 634 136	1.68
5 001 – 10 000 shares	132	8.17	1 012 174	1.04
10 001 – 50 000 shares	161	9.96	3 743 224	3.85
50 001 – 100 000 shares	34	2.10	2 493 261	2.57
Over 100 000 shares	61	3.78	87 964 753	90.52
	1 616	100.00	97 174 115	100.00

SUSTAINABILITY REPORT - ECONOMIC

Shareholder analysis – ordinary shares*as at 28 February 2005*

	Number of Shareholders	%	Number of shares	% of shares in issue
Holding companies	2	0.12	56 649 124	58.30
Repurchased shares	1	0.06	3 246 469	3.34
Banks	19	1.18	850 329	0.87
Close Corporations	21	1.30	40 952	0.04
Endowment Funds	19	1.18	474 549	0.49
Individuals	1 011	62.56	5 772 980	5.94
Insurance Companies	28	1.73	3 306 041	3.40
Investment Companies	12	0.74	3 241 230	3.34
Mutual Funds	64	3.96	10 706 342	11.02
Nominees & Trusts	248	15.35	1 401 791	1.44
Other Corporations	11	0.68	30 543	0.03
Pension Funds	106	6.56	9 709 904	9.99
Private Companies	69	4.27	1 357 358	1.40
Public Companies	5	0.31	386 503	0.40
	1 616	100.00	97 174 115	100.00

Shareholder spread – participating preference shares

	Number of shareholders	%	Number of shares	%
1 – 500 shares	1 516	51.99	168 816	0.08
501 – 1 000 shares	252	8.64	198 587	0.10
1 001 – 5 000 shares	512	17.56	1 295 597	0.62
5 001 – 10 000 shares	151	5.18	1 159 318	0.55
10 001 – 50 000 shares	245	8.40	6 102 606	2.92
50 001 – 100 000 shares	68	2.33	4 729 602	2.27
Over 100 000 shares	172	5.90	195 044 138	93.46
	2 916	100.00	208 698 664	100.00

Shareholder spread – participating preference shares (continued)

as at 28 February 2005

	Number of Shareholders	%	Number of shares	% of shares in issue
Holding Companies	2	0.07	34 029 256	16.30
Repurchased shares	1	0.03	24 310 492	11.65
Banks	33	1.13	3 042 589	1.46
Close Corporations	30	1.03	92 234	0.04
Endowment Funds	15	0.52	538 302	0.26
Individuals	2 198	75.38	5 900 639	2.83
Insurance Companies	20	0.69	14 071 151	6.74
Investments Companies	19	0.65	12 248 293	5.87
Mutual Funds	98	3.36	45 677 267	21.89
Nominees & Trustees	240	8.23	4 376 740	2.10
Other Corporations	33	1.13	670 072	0.32
Pension Funds	167	5.73	59 081 628	28.31
Private Companies	50	1.71	4 043 258	1.94
Public Companies	10	0.34	616 743	0.29
	2 916	100.00	208 698 664	100.00

Stock exchange performance

as at 28 February 2005

	2005		2004		2003		2002		2001		2000	
	Ordinary	Participating preference	Ordinary	Participating preference	Ordinary	Participating preference	Ordinary	Participating preference	Ordinary	Participating preference	Ordinary	Participating preference
Market value per share (cents)												
– at year end	1 555	1 538	1 105	1 125	820	750	760	755	795	790	695	665
– highest	1 725	1 665	1 150	1 150	900	890	880	845	830	820	920	750
– lowest	1 100	1 099	740	680	740	720	710	700	520	485	600	540
Number of shares traded (000)	18 879	49 903	6 634	23 504	7 604	22 980	5 556	19 576	14 763	33 914	16 152	74 917
Value of shares traded (R000)	254 339	649 083	61 880	199 927	61 542	179 560	44 824	156 886	97 559	201 898	116 036	472 975
Total volume traded as % of total issued shares	19.4	23.9	6.8	11.5	7.8	11.4	5.7	9.9	15.2	17.6	16.6	39.2

SUSTAINABILITY REPORT - ECONOMIC

Public and non-public shareholders

as at 28 February 2005

	Ordinary shares			Participating preference shares		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
Public	1 605	34 135 115	35.13	2 903	146 133 124	70.02
Non-public	11	63 039 000	64.87	13	62 565 540	29.98

Major shareholders holding 2% or more of the company's listed ordinary shares

as at 28 February 2005

Name of shareholders	Ordinary	
	Number of shares	%
Biltron (Pty) Limited	30 478 076	31.36
Perrington Investments (Pty) Limited	26 171 048	26.93
Old Mutual Life Assurance Company SA Limited	3 679 112	3.79
Altron Finance (Pty) Limited	3 246 469	3.34
Dr WP Venter	2 641 639	2.72
Public Investment Commissioner (SA)	2 285 500	2.35
Investment Solutions	2 237 981	2.30
Liberty Group	2 105 384	2.17

Major shareholders holding 3% or more of the company's listed participating preference shares

as at 28 February 2005

Name of shareholders	Participating preference	
	Number of shares	%
Biltron (Pty) Limited	30 392 400	14.56
Altron Finance (Pty) Limited	24 310 492	11.65
Public Investment Commissioners	14 917 764	7.15
Nedcor (Holdings & Funds)	14 398 269	6.90
Old Mutual Group (Holdings & Funds)	13 975 722	6.70
Allan Gray (Holdings & Funds)	12 381 540	5.93
Liberty Group (Holdings & Funds)	10 893 025	5.22
Transnet Pension Fund	9 340 928	4.48
Investment Solutions (Holdings & Funds)	6 684 146	3.20

The above information was supplied by the company's registrars.

SUSTAINABILITY REPORT - SOCIAL INVESTMENT

Black economic empowerment

South African business leaders have often been criticised for lacking the requisite awareness of the social and political setting in which they are expected to run profitable businesses.

Given the current political vibrancy of South Africa, this could be viewed as a weakness which, if not addressed, will be reflected on the bottom line of companies.

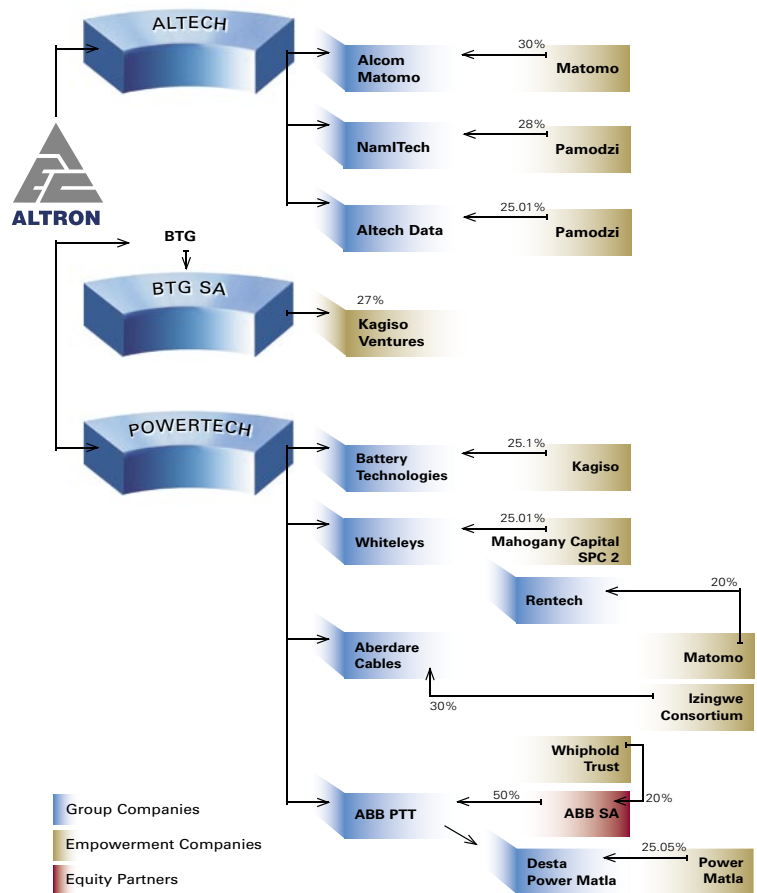
It is these realities of South Africa’s democracy that have led to Altron’s pioneering work in formulating a home-grown vision for the group aimed at guiding it through the country’s process of transformation towards the year 2010.

It is, furthermore, Altron’s belief that the collective aim of business and political leaders should involve the achievement of sustainable growth of their businesses and of the economy as a whole, as well as the redistribution of the proceeds of that growth across society so as to achieve, amongst other things, a maximum level of skills and participation in the economy.

The group’s Black Economic Empowerment (BEE) strategy may, therefore, be seen as a contribution towards an economy that is based on fair and equal opportunities for all the people of South Africa. The various BEE transactions and partnerships concluded during the past year, as well as the sterling progress made in terms of the stated BEE objectives, clearly reflect Altron’s commitment to the terms of its BEE transformation vision for the year 2010.

This commitment is further evident through the group’s active involvement and support of the development of the ICT Charter Working Group which is chaired by Adv D Mpofu, Group Executive Director: Corporate Affairs

Altron BEE structure



SUSTAINABILITY REPORT - SOCIAL INVESTMENT

Black economic empowerment continued

The Altron Transformation Vision 2010, an internal BEE policy document, which includes a group scorecard with set targets for Black Economic Empowerment on an annual basis until the year 2010, was officially launched during the year under review.

The Vision 2010 document is the first enterprise “charter” to be published by a company in the ICT sector. The Altron Transformation Vision 2010 was launched at a gala event in Johannesburg hosted by the Altron group and attended by captains of industry, the group’s BEE partners, government officials and top customers.

The group’s BEE strategy is modelled on the government’s broad-based BEE strategy and is also in alignment with the draft ICT Charter and the guidelines provided by the charters of the group’s customer base.

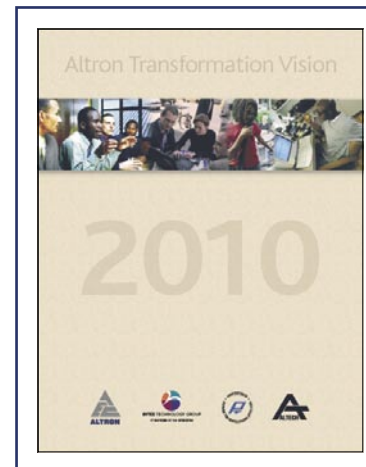
Under the guidance of Altron’s Chief Executive, Robert Venter, the group’s top executive management team took the lead two years ago to devise a strategy for commitment and implementation of the principles of BEE throughout the group.

Since then, all the companies within the Altron group have worked together to compile a comprehensive policy manual which covers each of the broad-based BEE pillars, namely, equity ownership, management and control, affirmative procurement, skills development, employment equity, enterprise development and corporate social investment (CSI).

With regard to equity empowerment at ownership level, the group is focusing on creating anchor

partners in its three main group companies where the following BEE partnerships have been formed:

- Powertech with Izingwe through Aberdare Cables;
- Altech with Pamodzi through NamITech and Altech Data; and
- BTG with Kagiso through BTG SA.



This structure allows value to be added at an operating level, especially in terms of the delivery on issues such as employment equity, skills development and career planning, affirmative procurement and customer relations.

The year under review also saw the commencement of the implementation of the transformation process throughout the group. The implementation is being facilitated by the various company transformation committees under the guidance of the Altron Transformation Committee, chaired by Adv D Mpofu. This committee spearheads the transformation process in our group through the BEE practitioners in the various companies.



BEE STRATEGY

The group's BEE strategy is modelled on the government's broad-based BEE strategy and the draft outlines of the ICT Charter.

Considerable progress has been made in terms of the installation of a measurement system for the group on its BEE performance. The measurement of performance is one of the biggest challenges with regards to BEE scorecards and reporting, especially in a group consisting of more than 150 companies and close to 12 000 employees.

During the year under review research into various systems has led to the selection of an electronic group information system, named Everest.

It is a dedicated system that provides a business intelligence platform for the capturing, storing and consolidation of meaningful, updated and

auditable information that is required to populate a scorecard grid.

A dedicated BEE steering committee has been formed representing the various group companies. It is the task of this committee to compile the functional specifications for the BEE database which will be the platform for measurement purposes.

The system application will cover the main BEE streams, namely equity ownership, management and control, affirmative procurement, skills development, employment equity, enterprise development and CSI. The objective is to have the first on-line scorecard in place by the second half of 2005.

SUSTAINABILITY REPORT - SOCIAL INVESTMENT

Corporate Social Investment

The strategic approach to Corporate Social Investment (CSI) in the Altron group during the past year has resulted in CSI becoming an integral part of the group's mainstream activities, an important component of the BEE scorecard for the group's internal transformation and a cornerstone of the group's corporate accountability and governance programme.

During the period under review, the Altron CSI Policy and Implementation Guidelines, which were designed to provide the group with the necessary guidelines in terms of CSI according to the BEE scorecard parameters, were implemented throughout the Altron group. A CSI workshop for group companies was held to discuss the implementation of the policies and the guidelines on an operational level. Issues such as a central database, measuring and reporting were also discussed.

Altron's main CSI focal areas remain education and training with the emphasis on bridging the digital divide.

- In this area the group has been extremely active and one of its biggest projects has been the Altron/BTG Multimedia Centre at the Isikhumbuzo School in Orange Farm donated by and built through the combined efforts of the companies within the Altron, Bytes Technology Group (BTG), Powertech and Altech groups.

Together with significant support and funding from Altron, technology provided by Altech, electrical installations via companies within Powertech,

donations and help from Aid Africa, Incredible Connection, Microsoft and MTN, the Isikhumbuzo High School at Orange Farm received 38 new top-of-the-range computers, all networked with enhanced multimedia capability. BTG is also responsible for the maintenance of the computers and network infrastructure.



In addition to the physical hardware, software, networking components, a projection screen and projector installed at the school, BTG has also contributed significantly by providing carpets, computer desks, security systems, one hundred chairs, as well as a UPS and upgraded electricity input to the facility.

During the past six months the project team of the Altron/BTG Multimedia Centre assisted with the co-ordination and agreement among stakeholder groups in Orange Farm, such as JAM and the CSIR, to promote community involvement and use of the centre.



NEW PROJECTS

One of the biggest projects has been the Altron/BTG Multimedia Centre at the Isikhumbuzo School in Orange Farm. Above is CE Robert Venter teaching a pupil to use the Internet.

Aberdare Cables launched the "Making a difference" project in KwaZulu-Natal where food is distributed to "child-headed" households.



SUSTAINABILITY REPORT - SOCIAL INVESTMENT

Corporate Social Investment continued

- As an Altron and BTG group project, BTG is currently busy with a similar multimedia centre at Langa High School in the Langa township of Cape Town. The school has some 1300 learners. The project is being managed by BTG Cape Town and will be officially opened during the second half of 2005.
- Another example of investment in bridging the digital divide is NamITech, a company within the Altech group that has adopted the Boikanyo Primary School in Garankuwa, north of Tshwane and is assisting with a computer centre for the learners and the staff. To date, five computers have been donated and a sum of R74 000, which was raised at the NamITech Annual Golf Day, has been donated and set aside to fund the computer centre. A further R150 000 sponsorship has been set aside to equip the computer room and train the relevant staff with an additional 47 computers to be donated to the school during 2005.
- On a tertiary level, Bytes Document Solutions (BDS) is a key donor of the Centre for Text Technology (CTextT), North West University. The research centre concentrates on bridging the divide in South Africa in terms of multilingualism and diversity.
- In KwaZulu-Natal, Altech company, UEC Multi-Media, started a winter school for the introduction of computers skills to science learners at a science and career centre in Richard's Bay to create an awareness of the benefits of Mathematics and Science at school level.



Other CSI focal areas include: job creation programmes that fall outside of our value chain; community development and support programmes (including HIV and Aids); conservation and environment programmes, and the arts, culture and sports.

We believe that CSI projects should be aligned with the vision and mission of the business.

One example of such a project is the Altech F1 X 2 South African Grand Prix. During the past financial year Altech was the main sponsor of this event, spending R4 million. All profits from this sponsorship, which amounted to almost R6 million, have since been presented to former President Nelson Mandela for his Children's Fund and to Unite Against Hunger.



Through the Altech F1 x 2 SA Grand Prix R6 million was donated to the Nelson Mandela Children’s Fund and Unite Against Hunger.

TRANSFORMATIONS

Aberdare Cables is building a new administration block, additional classrooms and a new library at Charles Duna Primary School.

Another major project that commenced this year was initiated by Aberdare Cables in New Brighton, Port Elizabeth. The name of the school is Charles Duna Primary which has about 1000 learners and 29 educators and is one of the oldest schools in the area. Aberdare Cables is building a new administration block to create space for additional classrooms and a library.

The cost of the project is more than half a million rand, but Aberdare Cables has also approached E.P. Brick and Voltex to become partners in the project. The contractor appointed in this project comprises 100% historically disadvantaged individuals and is utilising the local community to complement its core staff. The project is intended to be handed over at the end of June or early in July 2005.

Wherever possible, CSI projects are implemented in such a manner that will ensure the long-term viability of the project. During the year under review investments were made in a wide variety of projects throughout the group in identified focal areas. The emphasis in many of these projects has been on education and training.

Listed below are a few examples of the many CSI projects undertaken and supported throughout the group.

- BDS continued to assist their two “Xerox” schools with the building of a tennis court and assistance with salaries for additional educators.
- Aberdare Cables in Cape Town continued its partnership with the Kids Foundation to assist learners from poor families and disadvantaged communities in the Western Cape to receive educational and training opportunities.
- Altron companies are actively involved in terms of community HIV/Aids awareness campaigns. Two examples are Willard Batteries which is involved with the SA Community Aid Re-Education Trust in rural Eastern Cape, and Bytes Communications Systems which is involved with the Good News HIV/Aids Training Programme of high school learners in the south of Johannesburg.

SUSTAINABILITY REPORT - SOCIAL INVESTMENT

Corporate Social Investment continued

Employee involvement in CSI

Employee participation in the upliftment and development of communities forms part of the internal "Alix Cares" programme. It is through this participation that many of the group projects and programmes are sustained and successfully completed. One example is the staff's involvement in the multi-media centre in Orange Farm where a contingent of voluntary staff helped to clean the rooms, paint the windows, lay the carpets and make the blinds.

The staff CSI programmes offer the benefit to employees of experiencing the personal reward that comes from serving in a community. It is also a motivational opportunity to assist in the building of brand and company loyalty.

One of the examples of staff involvement in CSI is at our Aberdare Cables factory in Pietermaritzburg, where a project called "Making a Difference" was recently launched. The company's Transformation Action Team (TAT), which comprises members from management, union and employees, co-ordinates the programme whereby money, food and various other items are collected for distribution to "child-headed households" in the Nxamalala district in the Edendale Valley. In certain instances, children as young as 10 years old run these households in the absence of parents who have passed away due to HIV/Aids and other terminal illnesses and diseases.

Working together with various community-based structures, Aberdare Cables committed themselves to helping the people of this poverty-stricken area who are in desperate need of assistance. Due to sponsorship from Aberdare Cables and donations from a large number of concerned employees and suppliers, food parcels are distributed to households representing 488 children.

Looking ahead, Altron remains firmly committed to its group-wide targets in terms of its CSI programme as outlined in Altron's Transformation Vision 2010 document.

With regard to the designing of a measurement policy for CSI in respect of the overall transformation mandate, it was agreed that a 1% pre-tax profit guideline (including monetary and non-monetary contributions) should be used in relation to the company's overall CSI policy, irrespective of the beneficiaries. The respective sub-holding companies will reserve the right to determine the final figures based on the previous year's results and forecasts for the immediate future.

It was furthermore agreed that, in line with the Altron Transformation Vision 2010, at least 80% of the budgeted amount will be spent on BEE-related CSI projects. The Transformation Committee's measurement will be based on the second figure. An internal BEE information platform is currently under construction and it is envisaged that this system will be in place during the latter half of 2005.

STRATE Charity Shares Initiative

The STRATE Charity Shares Initiative entails the distribution of proceeds from donated cash and shares to a broad base of approved charitable organisations. Shareholders willing to participate in the programme and thereby dispose of odd-lot holdings in a manner that will benefit South African charities, can contact STRATE Charity Shares toll free on 0800 202 363 (+27 11 870 8207 if outside South Africa) or on charityshares@computershare.co.za.

HIV/Aids is one of the focal areas of the human resources function throughout the Altron group.



HIV/Aids has become one of the focal areas of the human resources function throughout the Altron group. Due to the decentralised approach and the diversified nature of the businesses and operations in the group, the development and implementation of HIV/Aids policies falls within the operational domain at group company level.

HIV/Aids

HIV/Aids is one of the key challenges facing South African society and business today. While statistics from the Department of National Health and Population Development reflect only those cases reported voluntarily to the department, it is nevertheless alarming and clearly demonstrates

the extent of the pandemic facing the country, labour and business.

HIV/Aids has, therefore, become one of the focal areas of the human resources function throughout the Altron group. Due the decentralised approach and the diversified nature of the businesses and operations in the group, the development and

SUSTAINABILITY REPORT - SOCIAL INVESTMENT

HIV/Aids continued

implementation of HIV/Aids policies falls within the operational domain at group company level.

Copies of the various HIV/Aids policies are available on request from the human resources departments throughout the group. In principle all the HIV/Aids policies carry the same core values and fundamental principles which are:

- 1) Non-discrimination against any employee, ex-employee (retired or terminated) or potential employee – based on race, gender, tribe, creed, sexual orientation or state of health/disability.
- 2) Consistent and equitable treatment of all employees, according to the maxims of both procedural and substantive fairness.
- 3) Accountable, legitimate and consistent dealings with all cases relating to disability, potential disability or disability propensity.
- 4) Confidential, sensitive and compassionate handling of any incidents in the interests of the employee's human and legal rights.
- 5) Justifiable, realistic and defensible management of the consequences of HIV/Aids for all employees; an approach which is consistently used when dealing with any other potentially life-threatening disease.
- 6) Pro-active and balanced handling of HIV/Aids which is both socially responsible and economically sound.



In the Bytes Technology Group, for instance, HIV/Aids awareness material is included in all induction courses. Consistent HIV/Aids communication programmes are also in place throughout the operations and include monthly staff e-mail messages on trends, developments and the impact of HIV/Aids in the workplace. The provision of antiretroviral treatment is delivered through well-established medical aid schemes.

Another example of the work currently undertaken at operational level throughout the group is an extensive HIV/Aids programme implemented by NamITech in the Altech group. This programme, which is continually being monitored and maintained by Epicentre, involves voluntary peer educators undergoing training. These volunteers are responsible

Voluntary counselling, testing and treatment are available insofar as HIV/Aids is concerned.

Another example of the work currently undertaken at operational level throughout the group, is an extensive HIV/Aids programme implemented by NamITech in the Altech group.

for the continued education of employees in the areas or departments in which they operate. Voluntary counselling, testing and treatment is available from the NamITech Clinic and is conducted by an occupational health nurse who has also been trained in terms of HIV/Aids counselling, testing and treatment.

The programme culminated in a Voluntary Counselling and Testing (VCT) campaign, managed by Epicentre, at the end of 2004. Overall 91.1% of employees were tested and the low prevalence of the disease at NamITech was ascribed to various factors including the

successful peer education programme; staff attendance of peer education sessions; free condom distribution; consistently informing and educating employees; VCT Programme (Clinic); the available support structure and STI Management (Clinic).

Employee Assistance Programme (EAP)

Altron management acknowledges the impact that personal challenges and difficulties have on a staff member’s work performance. In some instances, staff members require assistance in dealing with problems and the sooner these issues are identified and treated, the better the chances of rehabilitation and recovery. At an operational level in certain of our companies, these challenges and difficulties are dealt with through an Employee Assistance Programme (EAP) that is aimed at improving the well-being of all staff members and includes:

- an on-site clinic;
- family planning assistance; and
- staff facilities.

SUSTAINABILITY REPORT - SOCIAL INVESTMENT

Environmental

A safe and healthy working environment is a constitutional right of every person and the management of all the Altron group companies recognise that the long-term future of their operations depends upon the health, safety and security of all employees as one of their most valuable assets. The responsible use and management of our natural resources forms part of this management commitment. The necessary policy and systems are in place to ensure that our product manufacturing and production facilities are undertaken in an environmentally friendly way without any negative impact in terms of waste disposal or pollution.

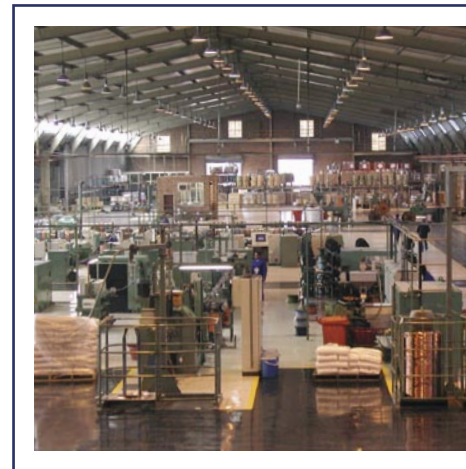
The implementation of a formal environmental management reporting system throughout the group was commenced and was developed to comply with the reporting requirements of the JSE Socially Responsible Investment (SRI) Index for which both Altron and Altech have qualified annually since its inception.

Regular audits are conducted by Altron's Internal Audit Department as well as by an accredited external consultant and these audit reports are submitted for review to the various sub-committees and/or boards, including that of Altron, on a quarterly basis. Some of the issues reported on include: water usage and discharge; land usage; solid and hazardous waste output and disposal; gaseous emissions; biodiversity; major environmental violations; safety and security; prosecutions and fines; accidents and incidents.

During the period under review, no prosecutions were brought against any company of the group for the contravention of any environmental laws.

Safety, health and environmental

Through its various business Risk Management Committees the group has, during the year under review, placed significant focus on safety, health and environmental (SHE) issues as these form an integral part of our key business objectives. In this regard Altron is committed to legal compliance as well as



cost-effective improvements in SHE performance in order to achieve a high level of SHE performance at both a corporate and operational level.

Safety regulations are adhered to stringently on all sites within the group in order to maintain the highest level of safety and, in this regard, compliance in terms of the Occupational Health and Safety Act is used as the benchmark and is reported on quarterly at board meetings throughout the group.

A Risk and Safety Policy is in place at operational level throughout the group covering health and safety representatives; occupational injury; disease and accidents; first aid; fire procedures; and record keeping and training.

Regular audits are conducted by Altron's Internal Audit Department as well as by an accredited external consultant.

CLEANER ENVIRONMENTS

High standards of housekeeping at Lambda Cables.



An external, independent consultant is retained by the group to monitor, measure and report on SHE issues and compliance throughout the group.

ISO Certification

Group operations, particularly those within Powertech, have ISO 14001 certification which requires that an Environmental Management System be implemented and maintained, together with clearly defined roles and responsibilities including but not limited to: procedures for monitoring and measuring; procedures for training, guidelines and awareness; emergency plans; objectives and targets; audit and review; and corrective and preventive actions.

SUSTAINABILITY REPORT - SOCIAL INVESTMENT

Environmental continued

Internally, the operations maintain aspects and impact registers as well as monthly audits which are reviewed by external auditors.

NamiTech, an Altech company, has been awarded ISO 9001 certifications and has also conformed to Visa, MasterCard and VeriSign specifications and standards. UEC Multi-Media (UEC), another company in the Altech stable, complies with the requirements of ISO 14001 Environmental Management Systems. The environmental issues for UEC include factory processes, waste management and product design.

The Aberdare Cables Standford Road plant in Port Elizabeth received its ISO 14001 certification on 26 April 2005 while Aberdare Cables, Markman, received its ISO 14001 certification in 2004. Moreover, all Aberdare sites (Standford Road, Markman, Lambda, Pietermaritzburg, Raytech, Edenvale, Gauteng, Aberdare Cables Jet Park, Alcon Marepha) are ISO 9001 listed and the Gauteng and Standford Road plants are also BASEC/ISO 9001 compliant, and registered. In terms of the Aberdare Cables programme for ISO 14001 implementation it should be noted that the Aberdare Cables, Pietermaritzburg site is currently engaged in compiling the necessary procedures for certification and should be ready for the initial assessment by SABS in June 2005.

ABB Powertech Transformers is ISO 14001, 18001, and 9001 certified. In the Industrial Group, Crabtree is an ISO 9001 accredited company and is currently incorporating 14000 and 18000 into their system. Whiteleys is in the process of implementing ISO 9001, which is expected to be completed and awarded by July or August 2005. DPM is also ISO 9001 compliant and working towards ISO 14000 compliance.

Strike, another Powertech company, is ISO 9001 registered through DEKRA, an internationally recognised authority, based in Germany. Tridonic SA has ISO 9001 certification as well as the European ENEC mark, which includes the VDE and CE marks. In the Battery Group, the Port Elizabeth Willard site is ISO 14000 accredited, Industrial is ISO 9001 rated, and Automotive received the ISO-TS 16949; Q1 (Ford); QS 9000 (General Motors) and VDA 6 (VW and BMW) accreditation.

Operator and staff training are ongoing requirements of the above certifications. New and existing employees are consistently undergoing specific training in terms of their work-related skills.

Waste management

Waste management projects on the manufacturing and operational level in the group include the separate disposal of hazardous waste; the transport, storage or trading of this waste; the recycling and reclamation of waste materials, and the auditing of the legal compliance of contracted waste disposal companies.

For those operating companies that handle hazardous chemical substances (hazchem), the highest level of housekeeping standards is required which standards must prevent fire, spillage, ingestion and contamination. In terms of hazchem monitoring, daily checks take place and waste disposal happens offsite and is conducted through reputable waste disposal contractors whose certification is verified.

During the period under review, a factory in the Battery Group in Port Elizabeth underwent considerable modification to address emissions of pollutants being discharged into the atmosphere. These pollutants included acid vapour and lead dust. Liquid acid effluent is the subject of considerable attention and considerable capex

has been spent on ensuring these emissions are neutralised and managed within legal requirements.

NamlTech's manufacturing process is toxin free. Waste material that cannot be recycled is disposed of using specialist waste disposal companies which all comply with environmental best practices. Water is no longer used in any part of the manufacturing process and an electricity-saving project is being implemented.

The process that has the largest environmental impact at UEC is the soldering process, which results in lead waste. The waste is disposed of according to strict regulations and disposal is

OPERATIONAL ACTIVITIES

The operational activities in the Altron group do not impact on biodiversity, protected or sensitive areas, heritage sites, fresh water resources or related ecosystems.



Operator and staff training are ongoing requirements of the ISO certifications.

conducted by contractors who have supplied UEC with proof of their compliance with water and waste by-laws and the National Environmental Management Act of 1998 (as amended). In order to comply with EC requirements, UEC has implemented a programme according to which lead will be removed from the soldering process by 2006. All other waste material generated during the manufacture of UEC's decoders is recycled.

UEC require that, in terms of its product design, only recyclable packaging material be used and have also, during the year under review, installed a modern water-based paint plant to eliminate usage of harmful solvents in traditional oil-based paints.

For the remainder of Altron's non-manufacturing operations, the environmental effects are managed as far as possible. The electricity that is consumed is limited to use for lights and computers and other office equipment. Water consumption is for drinking purposes and toilet facilities. Both these resources are monitored. No ground water is drawn for any of Altron's operations. The operational activities in the Altron group do not impact on biodiversity, protected or sensitive areas, heritage sites, fresh water resources or related ecosystems.

GRI Content Index

A table detailing the references in the annual report to each element of the GRI Content, by section and indicator, appears on pages 103 to 109.