

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 that 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 conflict 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
- Fostering a non-racial, non-discriminatory work and business environment in promoting a climate of harmony and tolerance.

Endorsed and guided by the board, the Altron code of corporate conduct commits the 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, Altron retains control over:

- Policy and strategy
- Key operating standards
- Acquisitions and disposals.

Introduction

As the Altron group works towards consolidating its position as a leader in the telecommunications, power electronics and multi-media and information technology sectors. Altron continues to protect the value base of its businesses, in particular its human capital, culture of innovation, strength of relationships with key stakeholders and managing the risks of the group in a proactive manner. As Altron's chief executive Robert Venter remarks in his review on page 22, sustainable growth has indeed become the hallmark of our group as seen in the commendable performances from most group companies. This sustainable growth is underpinned by our values and people and reflected in the care

we take with our customers and our communities – in equal measure.

In line with our globalisation aspirations and best practice in sustainability reporting, Altron is following an incremental approach to reporting on its non-financial (or sustainability) performance. While we have taken cognisance of the Global Reporting Initiative (GRI) version 3 guidelines, and aimed within the context of this report to comply as an application level C reporter, our primary aim is to focus on material issues pertinent to our business. These are discussed in our corporate governance report on page 116, and we describe our approach to dealing with them throughout this sustainability report.

We have in particular sought to report more quantitative data this year, and focused on our key operations in terms of contribution to profit and the risks inherent in their operations, especially where these are manufacturing facilities. The eight subsidiaries on which we report are Bytes Technology Group SA (**Bytes SA**), **Bytes Document Solutions**, Altech Autopage Cellular (**Altech Autopage**), Altech UEC Multi-media Technologies (**Altech UEC**), and **Altech Netstar**, as well as Aberdare Cables (**Aberdare**), ABB Powertech Transformers (**ABB Powertech**), and the Powertech Battery Group (**Battery Group**).



We have also consulted PricewaterhouseCoopers on benchmarking our sustainability reporting against best practice based on last year's report, as well as in the drafting of this year's report content. Areas highlighted for improvement by PricewaterhouseCoopers include reflecting an overarching sustainable development strategy and management system for the group, identifying and reporting on material issues affecting the group, reporting of comparative, quantitative data, while recognising the major challenge of collating information at group level and reflecting adequately the performance of widely diverse operations and divisions.

This report should therefore provide greater detail on how we manage material risks and issues, the challenges we face, and highlight progress.

Challenges

The Altron group of companies is both vast in size and extremely diverse. Our three principal operating groups, Altech, Bytes and Powertech, employ more than 12 000 permanent and non-permanent employees in over 150 companies and associates, varying from manufacturing operations to service providers, on five continents. These businesses are predominantly South African-based,

Highlights

- Good broad-based black economic empowerment (BBBEE) progress coupled with BBBEE partners
- Development of the group's information management system, Everest, facilitates BBBEE reporting
- Focused enterprise development initiatives help to establish some 30 new BBBEE SMMEs
- Innovative learnership programmes are creating a talent pool for the group to draw on
- Over R13.5 million spent on strategic social development initiatives
- Regular internal and external auditing and monitoring of material environmental, health and safety risks, and board oversight
- Altech UEC meets European Union restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and Waste Electrical and Electronic Equipment (WEEE) directives
- Group-wide sustainability information management system implemented

although we do have an increasing international foothold. The challenges in reporting meaningful information, both at a group and operating company level, given our decentralised management approach,

have highlighted the need for us to provide additional guidance on aspects of non-financial performance management and reporting.

Given the potential to impact on the sustainability practices of our suppliers, customers and business partners through our group's sphere of influence, we have begun to examine ways to work with these stakeholders to improve their social,

economic and environmental performance.

This includes, for example, training on health and safety issues of SMMEs, which we have established through our enterprise development programme, and encouraging accreditation to health, safety and environmental standards of our suppliers. We will continue to explore joint approaches with our business partners to address sustainability challenges.



Strategy

Altron is striving to achieve sustainable business growth, the drivers of which we have identified as including:

- Becoming the leading telecommunications, power electronics and multi-media, and information technology group in southern Africa and selected international markets
- Preserving our culture of “familiness”
- Continuing to generate superior financial returns
- Continuing to increase our market capitalisation, which represents the public consensus on the value of the company
- Investing in technological innovation through international partnerships
- Committing to transformation and BBBEE
- Attracting, motivating and retaining superior people skills.

Within this context, we are focusing increasing effort on addressing the challenges of sustainable development. Our strategy is to address these challenges by:

- Using our core company resources and competencies

- Addressing material risks, issues and opportunities for our business.

Management of sustainability

The Altron board remains responsible for oversight of the balancing of the group’s economic, social and environmental performance and due consideration of legitimate stakeholder involvement.

Through the risk management committee, a formalised risk management process ensures that potential non-financial risks and opportunities are identified and appropriately managed. Such risks and opportunities vary across our businesses, but include, at a high level, environmental performance, particularly in our manufacturing operations, skills shortages, the impacts of HIV/AIDS, and progress with regard to BBBEE in South Africa. The transformation committee, a subcommittee of the Altron executive committee, drives Altron’s transformation strategy.

Our approach to all we do is based on our corporate code of conduct, which has been implemented and entrenched throughout the group for several years.

A highly visible ethics campaign has been launched to reinforce what Altron

stands for and to foster understanding of the Altron corporate code of conduct among all Altron employees. The Altron code of conduct is endorsed and guided by the boards of Altron, Altech, Bytes and Powertech and commits employees to the highest standards of behaviour.

Altron has also contracted Deloitte Tip-Offs Anonymous to provide an independent hotline through which anyone in the group can report unethical behaviour. This service was rolled out with the full and visible support of the Altron executive committee by the corporate communications team through

poster campaigns, brochures and training sessions. The reporting line is an important tool in both monitoring and stamping out unethical behaviour in the group and has been set up in line with current best practices in this field.

Health and safety, quality and environmental performance is managed as far as possible across the group by way of the ISO 9001, ISO 14001, as well as the OHSAS 18001 management systems respectively. In addition, the group is actively monitoring material issues through regular audits and reporting quarterly on progress to the board.

Janica Nhlapo shows the number to dial for Deloitte's Tip-Offs Anonymous hotline.



An anonymous hotline for reporting unethical behaviour was launched this year.



Quality and environmental management systems, standards and compliance

Business	Environment and quality (ISO)	Health and safety	Other
Altech			
Altech NamITech	9001	OHSAS 18001	EMV (<i>Europay, Mastercard Visa accreditation</i>)
Altech UEC	9001		
Powertech			
Aberdare	9001		BASEC/ISO 9001 compliant
➤ Standford Road	9001, 14001		BASEC/ISO 9001 compliant
➤ Lambda	9001, 14001		
➤ Pietermaritzburg	9001		
➤ Aberdare Network Services	9001		
➤ Edenvale	9001		
➤ Gauteng	9001		
➤ Jet Park	9001		
➤ Alcon Marepha			
ABB Powertech	14001, 18001 9001	OHSAS 18001	
Battery Group	QS 9000 9002 14001		Ford Q1 VDA 6.1 TS 16949s } <i>Motor vehicle industry standards</i>
Crabtree	9001 14001, 18000		
Whiteleys	9001		
Desta Power Matla	9001 14001		
Strike Technologies			
Battery Technologies			SONCAP
Tridonic SA	9001		ENEC (<i>European standard, including VDE and CE marks</i>)
Willard			
➤ Port Elizabeth	14001		Q1 (Ford); QS 9000 (GM)
➤ Industrial	9001		VDA 6 (VW) ISO-TS 16949
➤ Automotive	ISO-TS 16949		



Our group in brief

Altron, through its principal subsidiaries, Allied Technologies Limited, Bytes Technology Group Limited and Power Technologies (Pty) Limited, operates in the telecommunications, power electronics and multi-media and information technology industries.

57.6%



Altech is a high-technology Telecommunications, Multi-media and Information Technology (TMT) solutions group, focused on providing value-added products, services and solutions through the convergence of TMT, driven by market demand. Altech is committed to the pursuit of globalisation through excellence in all its chosen operations and will continue to relentlessly pursue its ambition to be a leader in every sphere in which it operates, while at the same time empowering and enriching its stakeholders.

Telecommunications and Wireless Communications:

in association with:



Multi-media and Electronics:

Information Technology:

57.7%



Bytes Technology Group ("Bytes") provides a broad range of products, technical skills and specialised services to support enterprise-wide IT infrastructure and telecommunications across Africa and in the United Kingdom. Bytes provides skilled services throughout Africa and the United Kingdom.

Bytes Technology Group South Africa (Bytes SA)

in association with:

in association with:



Bytes Technology Group – International Operations:

100%



Power Technologies has through organic growth, exports and acquisitions become one of the largest Power Electronics and Telecommunications groups in southern Africa. Core businesses include cable and cable accessories, transformers, batteries and DC power systems, as well as electrical accessories. With high business ethics, empowerment, multi-skills and an unrestricted knowledge base, Powertech strives to be totally customer-centric and through world-class products and services make customers more competitive in a networked world.

Power Electronics:

in association with:



Telecommunications:

Altech Autopage Cellular, Altech Supercall Cellular, Altech Mobile Direct, Altech Mobile Express	<i>Sales, distribution and services provision for cellular network operations</i>
Altech Netstar	<i>Stolen Vehicle Recovery business</i>
Altech Alcom Matomo and Altech Alcom Radio Distributors	<i>Design, installation and project management of Motorola radio systems</i>
Altech UEC Multi-media Technologies, Altech MediaVerge Solutions, Altech 3CTV, Altech Global Decoder Logistics	<i>Design and manufacture of satellite and terrestrial digital set-top box decoders</i>
Altech Arrow Altech Distribution	<i>Distribution of a range of professional electronic components and products</i>
Altech Card Solutions, Altech Data, Altech Cardtronic, Altech NamITech, NamITech West Africa, Altech Isis, Altech Isis France	<i>Telecommunications middleware, payment systems and solutions, secure solutions and smartcard technologies</i>

Bytes Document Solutions, Bytes Communication Systems, Bytes Specialised Solutions, Bytes Managed Services, Bytes People Solutions, Bytes Outsource Services, Bytes Systems Integration, Digital Healthcare Solutions and Bytes Conference Centre.	<i>Exclusive southern African distributor of Xerox products and services. Premier business partner and South African distributor of Alcatel voice communication and data solutions. Exclusive South African distributor of NCR products for ATMs and a provider of Data Warehousing, CRM services and support. Managed services and repairs for PC workspace products. Classroom and e-learning systems for IT professional training. IT and business process outsourcing services. Networking, hardware, software, storage, services, software integration, SAP and management consulting, Microsoft certified solutions provider. Delivery of transaction switching services, practice management and informatics solutions to the healthcare industry.</i>
Bytes Technology Group (UK), Bytes Botswana, Bytes Namibia, Bytes Mozambique, Bytes Mauritius, Xclusive Solutions, Vantage Business Systems.	<i>Systems integration, Microsoft certified solutions provider, document management services, specialised equipment services, network solutions and maintenance.</i>

Aberdare Cables, Alcobre (Portugal), ABB Powertech Transformers, Desta Power Matla, Powertech Batteries, Powerbat (Namibia), Dynamic (UK), Tridonic SA, Crabtree Electrical Accessories SA, EPC, Strike Technologies, Whiteleys, Yelland Control, Powertech Calidus, Aberdare Mozambique, Swanib Cables.	<i>Medium and low-voltage power cables, power and distribution transformers, automotive batteries and DC power systems, lighting control gear, electrical accessories.</i>
Cables de Comunicaciones (Spain), TIS, CBI electric Aberdare ATC Telecom Cables, Battery Technologies, Rentech, Aberdare products, ATC.	<i>Metallic cables and accessories, data cable systems, standby power and rectifier systems, solar systems.</i>