



2012 Responsibility report

REUNERT

REUNERT LIMITED

Social responsibility report

ABOUT THIS REPORT

This report contains additional information to that provided in Reunert's 2012 annual integrated report. Therefore this report should be read in conjunction with the integrated report as well as the GRI Index. This sustainability report is only available online, but can be downloaded as a PDF document.



Reunert Integrated Report and GRI Index

In the prior year material sustainability issues were disclosed throughout the integrated report. We have continued to do so but, based on feedback received from stakeholders, now also provide separate social and environmental reports. It should provide our stakeholders with further insight into our social and environmental issues and the way we manage our businesses.

Although aspects of social and environmental sustainability have been part of the group's operations for many years, the monitoring and reporting of relevant and material data have received significant attention this year. We will continue to improve our processes of data collection and data management.

Sustainability information has not been externally assured. Instead the internal audit function has performed appropriate procedures to assess the completeness and accuracy of the information. In total, 17 of the performance indicators have been tested.

Rm	SOCIO-ECONOMIC DEVELOPMENT		ENTERPRISE DEVELOPMENT		SKILLS DEVELOPMENT	
	2012	2011	2012	2011	2012	2011
CBI-electric	5,3	4,9	18,3	15,4	6,1	3,3
Nashua	7,6	4,9	24,7	20,8	8,6	5,0
Reutech	1,3	0,4	5,5	1,8	2,9	1,2
Other	1,2	0,0	0,0	0,0	0,3	0,6
Total	15,4	10,2	48,5	38,0	17,9	10,1

Reunert is committed to the highest standards of ethical behaviour and places a strong emphasis on promoting awareness of, and compliance with, its code of ethics.

ETHICS

BUSINESS CONDUCT

During the year Reunert began the process of reviewing its values and code of ethics. This process will be inclusive and consultative and feedback from our operations will be taken into consideration when finalising the amended Reunert values and code of ethics in the year ahead.



GOVERNANCE

The Board established Reunert's Social, Ethics and Transformation Committee (Setco) in July 2011 to assist the Board in ensuring that the group is and remains a responsible corporate citizen, and to perform the statutory functions required of such a committee in terms of the Companies Act, 71 of 2008.

The Committee monitors the responsible and sustainable development performance of the group in respect of:

- stakeholder engagement;
- health and public safety, which includes occupational health and safety;
- broad-based black economic empowerment;
- labour relations and working conditions;

- training and skills development of our employees;
- managing the group's environmental impacts;
- ethics and compliance; and
- corporate social investment.

Consumer protection and customer privacy

Our Nashua businesses in particular are subject to the Consumer Protection Act, Act 68 of 2008 (CPA). Even an involuntarily violation of the provisions of the CPA could have serious consequences. Consequently, key employees dealing with consumers receive comprehensive training on the CPA.

Top management is required to sign an annual declaration in which they undertake to inform and educate staff on the provisions of the Act and the rights of consumers. Staff compliance is tested on a random basis. Compliance with the CPA has been tested by Reunert's internal audit function and, where risk areas were identified, corrective steps are being implemented.

No substantiated complaints regarding breaches of customer privacy and losses of customer data have been brought against the group during the year.

Reunert is conscious of the impact that the Protection of Information Bill, once enacted, may have on some of its operations and is considering strategies to manage this.

Political donations

Reunert remains impartial to party politics and does not contribute any funding to political parties, their elected representatives or persons seeking political office. This includes think-tanks, trade unions and other support organisations linked to the creation of or support for political parties, their representatives or candidates for office.

Reunert may contribute, as it deems appropriate, to business institutions and professional bodies that might debate policy issues affecting our business. Setco, the Risk Committee or the Board oversees such contributions, depending on the focus of the specific organisation.

Anti-competitive behaviour

At the date of this report no actions in respect of anti-competitive behaviour, anti-trust or monopolistic practices had been brought against the group. Senior management within each operation is required to sign annual declarations confirming that staff and management have complied fully with competition legislation.

Whistle-blowing function

A whistle-blowing policy is in place that provides employees and suppliers with the opportunity to report alleged unethical practices anonymously.

The programme is managed through Deloitte's independent and externally managed fraud tip-off line, which operates 24-hours a day, 365 days a year. Any wrongdoing such as theft, bribery, anti-competitive behaviour, intimidation, corruption or fraud within Reunert or any of its companies can be reported anonymously, thereby protecting whistle-blowers in the workplace from recrimination and victimisation and encouraging staff to speak out.

All reports are thoroughly investigated and appropriately acted on under the guidance of internal audit and the Reunert executive.

Number: Contacts recorded

Collusion	4
Customer complaints and business conduct (conflict of interest, protection of customer information etc)	32
Human resource related issues including nepotism, sexual harassment, racism)	37

Corruption and fraud

All operations within the group are required to submit monthly defalcation reports. Furthermore, business processes are continuously reviewed and evaluated to identify the risk of potential corruption and fraud. Fraud risk is monitored closely by all our operations and processes are continually improved to curtail and eliminate opportunities for fraud.

No major instances of corruption or fraud were detected in the current year.

HUMAN RIGHTS

Reunert supports the ten principles of the UN Global Compact. As part of its plan for 2013, Setco will assess group-wide information.

We support the human rights principles dictated by the countries in which we operate. The group has a policy of zero tolerance of any form of discrimination based on religious or other beliefs, nationality, gender or race. Harassment in any form towards fellow employees, customers or suppliers is viewed in a very serious light.

In the past year no incidents of human rights violations, child labour, or forced and compulsory labour were reported.

Racial breakdown as % of job category

%	Black male %	Black female %	Total black %
Senior management	18	8	26
Junior management	34	21	54
Semi-skilled	64	18	82
Unskilled	22	77	100
% Full-time employees	34	28	62
Contractors	32	54	86
Temporary staff	40	27	68
Trainees	54	43	96
% Non-permanent employees	35	47	82
% Black employees of total SA and Lesotho employees	34	31	65

TRANSFORMATION

TRANSFORMATION AND EMPLOYMENT EQUITY

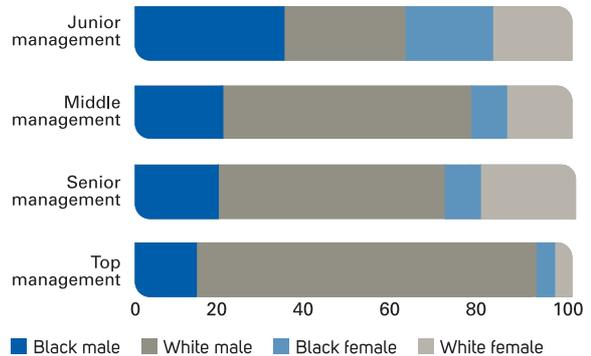
The transformation of our businesses in a fair, equitable, economically sensible and sustainable manner is a strategic imperative. Reunert is committed to identifying, nurturing and developing talent across all race groups to grow the technical and managerial skills on which our future depends.

Regrettably we still have not made sufficient progress in transforming our senior management levels to reflect the environment in which we operate. It is pleasing to report that 54% of our junior management is black and, in time, this will stand us in good stead in providing a pool of talented managers.

To ensure that the group transforms to the levels we aspire to, a qualifying criteria was introduced as part of the short-term incentive whereby bonuses could not be earned if agreed upon targets were not met.

The strong focus on improving BBBEE ratings in our operations and the Board's intention to accelerate the group's transformation process will drive a corporate culture that values diversity.

%: Equity distribution



Social responsibility report *continued*

BBBEE rating per operation

Level	2012 rating	2012 target	2011 rating
CBI-electric: African Cables	2	2	2
CBI-electric: Low Voltage	4	6	8
CBI-electric: Telecom Cables	4	4	6
Nashua Office Automation	4	4	5
Nashua Mobile	3	3	3
Nashua ECN	4	4	4
Nashua Communications	4	4	4
Pansolutions	4	4	4
Quince Capital	3	4	4
Reutech Communications	3	3	4
Reutech Radar Systems	6	6	7
Reutech Solutions	3	4	5
Fuchs Electronics	6	7	8

All companies within Reunert have Employment Equity Committees, which monitor the implementation of employment equity plans that are submitted annually to the Department of Labour.

Social responsibility report *continued*

OUR PEOPLE

Reunert aims to create transparency, provide a fair and competitive workplace, and ensure labour stability and goodwill. In line with our federal management model, each group company is responsible for implementing human resource practices that conform to legislation, industrial collective agreements and company-specific agreements.

As part of its 2013 workplan Setco will monitor the strategies and practices the operations apply, especially with regard to employment equity, labour relations, tuberculosis and HIV/Aids initiatives.

STAFF COMPLEMENT

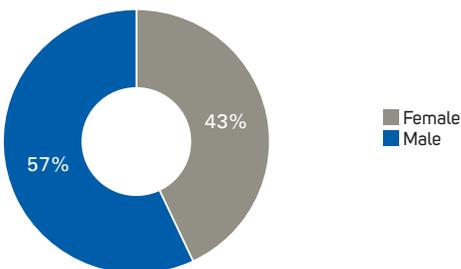
At year-end the Reunert group employed 5 815 (2011: 5 752) full-time employees in South Africa, Lesotho, Australia and the USA. The total payroll cost for the group is R1,7 billion (2011: R1,6 billion), which represents 14,5% (2011: 14,7%) of the group's total revenue.

	2012	2011
Senior management and specialists	1 018	713
Junior management skilled technical and academically qualified workers, supervisors, foremen and superintendents	2 796	2 471
Semi-skilled and discretionary decision-making	897	1 393
Unskilled and defined decision-making	1 050	1 117
Total full-time employees	5 761	5 694
Contract workers	581	223
Temporary staff	202	333
Trainees	56	16
Total non-permanent employees	839	572
Total number of employees in SA and in Lesotho	6 600	6 266
Australia and USA	54	58
Total employees	6 654	6 324

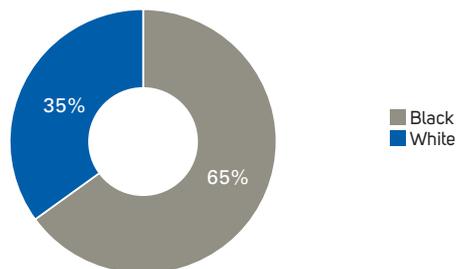
%: Staff turnover

Segment	Turnover
CBI-electric	4%
Nashua	5%
Reutech	2%
Other	2%
Reunert total	4%

%: Gender split



%: Black/white employee split in SA and Lesotho



Social responsibility report *continued***SKILLS DEVELOPMENT**

The development of our people is a strategic imperative for Reunert. In the past year, spending on skills development grew by 78% to R18 million. The group companies provide management development programmes, learnerships, apprenticeship training, internships, practical work exposure, occupational needs and legal compliance training that is relevant to their industries. Going forward much focus will be placed on continued training and building capacity of our black employees.

Training requirements are identified and incorporated into annual workplace skills plans. Each company in the group has its own Skills Development Committee and skills plans are submitted annually.

Company management, employees and, if appropriate, union representatives serve on the committees. Skills development levies are paid to the relevant sector education and training authorities (Setas) under a levy grant scheme.

Investing in learnerships

Learnerships exist throughout the group and are managed by the various companies.

The CBI-electric factory in Elandsfontein has one of the largest tooling design and manufacturing facilities in South Africa. This year six student toolmakers were part of the CBI apprenticeship programme, which also includes four electrician trainees and one millwright. In addition, two female learners are completing an NQF2 plastics injection moulding learnership. Low Voltage recruited eleven electrician apprentices who will attend a technical college for six months during 2013. They will then be placed at electrical contractors for in-service training.

CBI-electric: Telecom Cables has successfully trained 20 trainee foremen as part of a supervisory learnership. Ten of these learners were appointed as foremen. The company continued with its apprenticeship programme and has enrolled eight apprentices in the electrical and mechanical trades.

At Nashua Mobile two learnerships were introduced. Ten employees were enrolled on the financial learnership programme with the S&T School of Accounting Technicians, and 23 learners participated in the business administration learnership through PMI. Ten of the business administration learners were unemployed learners, of which six are ex-Reunert College graduates.

At Nashua Communications, a further 12 employees were enrolled on a certified accounting programme, while ten employees participated in a supervisory development programme. Five employees were enrolled for a management development programme at the Graduate Institute of Management and Technology.

Skills development and employment equity received appropriate attention from Reutech Solutions so as to address the scarcity of skilled technicians and an ageing workforce, which could hamper future growth.

Two Reunert College students were employed while ten employees were registered on learnerships with the MICT Seta. Four black disabled employee learners have been permanently employed.

Reutech Radar Systems enrolled 14 learnership students this year in partnership with the MICT Seta. The learnership programme is delivering a steady stream of well-qualified engineering technicians.

Six engineering students, three of whom are from the Reunert College, are engineers-in-training and work at the African Cables factory in Vereeniging. Trainees are allocated a mentor to oversee their development.

Other training

On average, 100 technicians are trained per year at the Nashua Communications Academy for Professional Training in Midrand. This is one of 17 centres worldwide certified and accredited to provide training on Siemens equipment and software solutions.

Nashua Mobile has increased its spend on both classroom and e-learning training. Their primary focus is to improve customer satisfaction and understand legal requirements such as Rica and the Customer Protection Act. All in all 513 students received training during the year. Early in 2013 a training academy will be established to ensure that all internal and partner-employed staff receive the requisite skills and knowledge to maintain the focus on excellent customer service.

The growing need for skilled engineers and technicians to sustain the building of a dynamic South African radar industry has led Reutech Radar Systems to create a new bursary system. Its first student is completing his second year in BSc Computer Science at the University of Stellenbosch and the intention is to expand this programme in future. The company also provides on-the-job training and skills development for a number of black technicians. Ten students were trained during 2012 with great success and plans are in place to extend this programme next year.

INDUSTRIAL RELATIONS

Reunert upholds freedom of association and the right to collective bargaining. A total of 1 328 workers representing 20% of the total Reunert workforce are union members, the majority of whom work at our manufacturing plants.

In total 50% of CBI-electric's workforce are members of a union, with NUMSA being the largest.

The main agreement of the Iron Steel and Metallurgical Industry governs the engagement between companies and unions. Wages and terms and conditions of employment for scheduled employees are negotiated at bargaining council level. The metal industry is currently in its second year of a three-year agreement and new negotiations will start in 2014.

Reunert participates actively in a recently established industry policy forum with the mandate to simplify the main agreement and to introduce measures to improve productivity and job creation.

Union membership

	September 2012	
	Members	% Total workforce
Union		
NUMSA	662	10%
MEWUSA	50	1%
Solidarity	107	2%
SACWU	9	0%
FAWU	373	6%
LECAWU	41	1%
Other	86	1%
Total	1 328	20%

Social responsibility report *continued*

At plant level, individual recognition or collective agreements govern the relationship between management and the recognised unions. These agreements ensure that disputes and grievances are addressed within a framework of defined rules and procedures. The principle is to resolve disputes and grievances at the lowest possible level before escalating it if necessary. Reunert has, to date, maintained a sound industrial relations record.

In Lesotho a unionised labour force emerged, spurred by FAWU and LECAWU, and embarked on a two-week strike during February 2012. A multi-year wage agreement was signed agreeing to increases of CPI+1%.

RETENTION STRATEGIES

The retention of key skills across all population groups is fundamental to Reunert's sustainability.

Remuneration and rewards are structured to retain key employees. Formal mentorship and coaching programmes exist to ensure that employees develop in line with the desired business culture.

Structured performance management systems are maintained within each company to ensure that employees operate, understand and work in accordance with the objectives of the business strategy and that personal and developmental needs are identified.

REMUNERATION AND EMPLOYEE BENEFITS

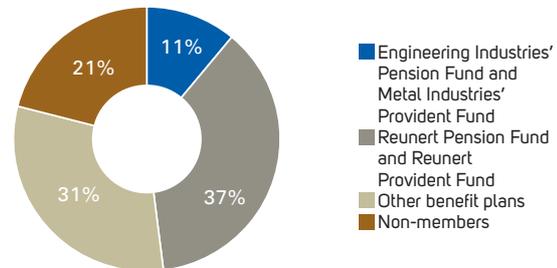
Reunert companies offer employees competitive remuneration. Salary and employee benefits are benchmarked regularly against national surveys and remuneration is structured on the basis of total cost to company.

Contributions to pension and provident funds exceed South African industry norms and 79% of the group's employees belong to retirement schemes. Industrial legislation requires that certain employees be members of designated industry schemes. At year-end 11% (2011: 7%) of the group's employees were members of the Engineering Industries' Pension Fund and Metal Industries' Provident Fund. Total employer contributions for the year to these funds amounted to R7,5 million (2011: R5,4 million).

A total of 37% (2011: 38%) of the group's employees are members of the Reunert Retirement Fund, which comprises both the Reunert Pension Fund and Reunert Provident Fund. The Reunert Retirement Fund is a defined contribution plan, apart from death benefits that are paid by the Pension Fund. It is registered in terms of the Pension Funds Act, 1956. The fund was last reviewed by our actuary on 28 February 2010 and found to be in a sound financial position.

Total employer contributions to this fund for the year amounted to R66,9 million (2011: R71,2 million). The remaining 31% (2011: 34%) of the group's total employees, who are not members of the above schemes, participate in ten defined contribution plans. All of these funds are subject to the Pension Funds Act, 1956. Total employer contributions to these funds amounted to R36,9 million (2011: R30,9 million).

%: Employee retirement fund membership



A variety of medical aid schemes are offered so that employees can select schemes that meet their needs and affordability levels.

OCCUPATIONAL HEALTH AND SAFETY

The Reunert group is committed to a safe, healthy working environment in accordance with South Africa's Occupational Health and Safety Act (OHSA).

The chief executive of Reunert appoints managing directors as representatives in terms of Section 16 (2) of OHSA, which sets out their statutory health and safety responsibilities. Senior management is required to confirm their acceptance of this responsibility in writing. Induction programmes, which include health and safety, are provided to new employees, including labourers and contract workers. Regular OHSA committee meetings take place at the companies and training, such as fire fighting and first aid, is conducted as required.

Marsh Africa audits all operations in the group on an annual basis against the OHSA and provides feedback to management on improvements required. Any serious transgressions are escalated to the Risk and the Audit Committees. No material issues were reported this year.

Fatalities

We are pleased to report that no work-related fatalities have been recorded at any of our companies in the past three years.

Lost time injury frequency rate

This is the first year that Reunert is reporting on our lost time injury frequency rate (LTIFR), and we have focused on our manufacturing operations.

LTIFR	%
CBI-electric: Low Voltage	5,46
CBI-electric: Lesotho	0,67
CBI-electric: African Cables	0,99
CBI-electric: Telecom Cables	6,52
Reutech Solutions	6,05
Fuchs Electronics	0,97

Social responsibility report *continued*

Clinics

CBI-electric provides full-time clinics at its three manufacturing plants. These clinics offer basic health assistance to workers and are run by the resident sister or visiting doctor. A range of medical support is available, including screening tests for blood pressure, vision and diabetes. A total of 1 342 workers were treated at these facilities in the past year.

African Cables, based in Vereeniging, will be opening its clinic to the community early next year in partnership with the Department of Health.

Employee wellness

Several of our companies hosted employee wellness days with the assistance of medical aid providers or the Department of Health. Screening tests covered blood pressure, diabetes, cholesterol and vision. Additional tests included screening for tuberculosis and HIV/Aids.

Isolated cases of tuberculosis were identified and are receiving the required attention. Notice has been taken of the number of high blood pressure measurements and precautionary information has been shared with the employees concerned.

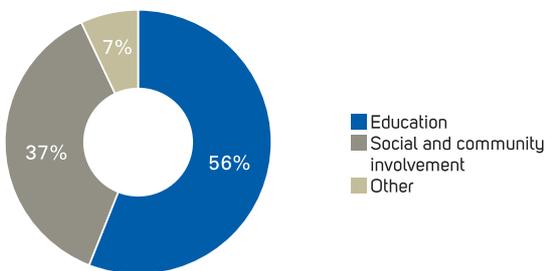
Records show that 400 employees underwent screening for HIV/Aids in the past year. Although estimated prevalence rates are available at some of the companies a conclusive number is not available for the Reunert group. At this stage we believe that HIV/Aids is not having a material impact on our businesses.

In recent years good progress has been made in minimising employees' exposure to hazardous substances and conditions. For example, processes have been improved to minimise exposure to lead, and the use of mercury-based measuring equipment has been phased out.

SOCIO-ECONOMIC DEVELOPMENT

This year Reunert invested R15,4 million (2011: R10,2 million) in socio-economic development in the communities in which we operate. In total 97% of this amount was for the benefit of black beneficiaries. Education, as a national priority, received 56% of this spend. Approximately 37% was allocated to community projects while the balance was spent on sport, health, safety and security, and environmental initiatives.

%: Socio-economic development spend

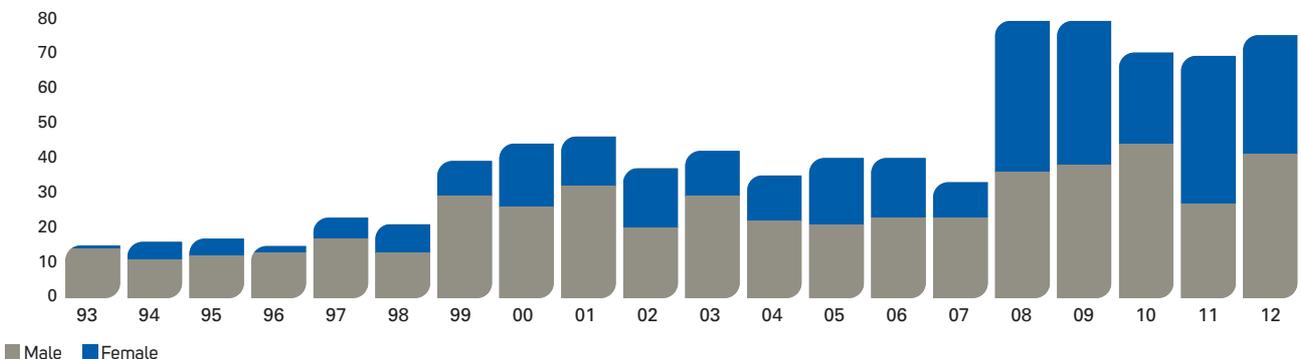


Our socio-economic development is concentrated on two key areas: our flagship project, the Reunert College, and the Nashua Children's Charity Foundation, whose outreach programme has grown significantly over the past year.

REUNERT COLLEGE

The Reunert College continues to be an integral component of our investment in education and youth development. Established in 1993, it offers a bridging programme for students from previously disadvantaged communities, with the primary focus being to develop talent in the disciplines of science, mathematics and accounting.

Number: Student intake at Reunert College



The shortage of suitably qualified students remains a risk to South Africa's future competitiveness and economic growth.

Students must be under 21 and South African residents. There are two campuses, one in Alrode and one in Boksburg. The majority of students are drawn from underprivileged communities in those areas.

In its 20 years of existence 757 students have successfully completed their matric through the college, which is registered as an examination centre with both the Gauteng Department of Education and the Independent Examination Board.

A ratio of one teacher to every seven students ensures individual attention and has contributed to an average pass rate of 98% over the College's 20 years in existence. The ratio of male to female students is approximately 55% and the average enrolment age is 19. This year 61 black students wrote their matric exams.

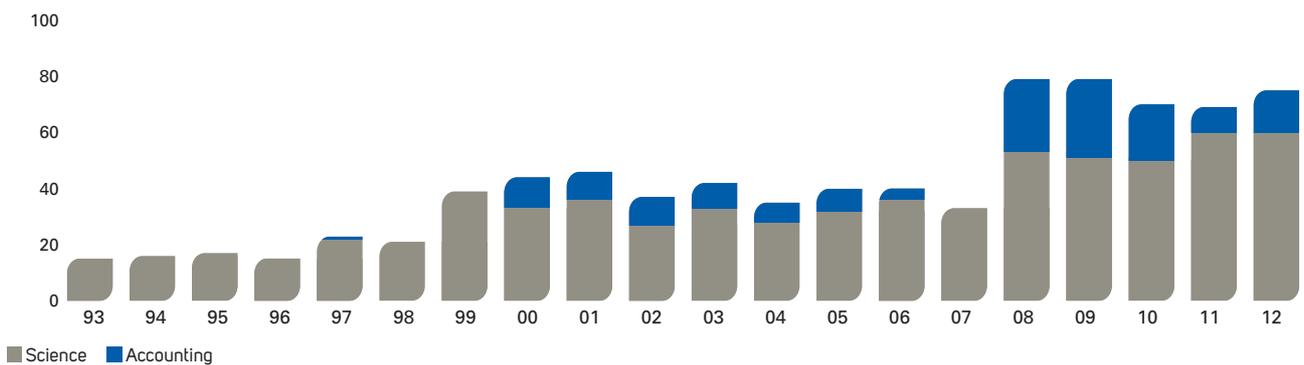
The Reunert College is funded by contributions from companies within the Reunert group, while the Zenex Foundation and the JSE are external sponsors. In the past year the contribution from these organisations totalled R4,8 million.

The preparedness of students entering the College is concerning. The dropout rate of 20% is being closely monitored and a mentorship programme has been introduced to offer guidance in respect of life skills and personal issues. In future potential students will be assessed on test marks, interviews and references from their previous schools.

After successfully rewriting their matric exams, top students are eligible for a Reunert bursary. Students whose study direction will benefit the group are given preference. Fifty-five black bursars are currently studying at universities or technical colleges in Gauteng and KwaZulu-Natal.



Area of specialisation at Reunert College



NASHUA CHILDREN’S CHARITY FOUNDATION

The Nashua Children’s Charity Foundation originated as a charity project in 2003, largely as an HIV/Aids initiative to support township schools. It has grown steadily over the last nine years and today the Foundation is a registered non-profit company that supports 49 charities and an average of 7 500 children nationwide providing some 75 000 meals per month.

The aim of the Foundation is to assist other registered not for profit organisations who support orphans and indigent and vulnerable children. Each charity that applies for support is visited and their needs assessed. The Foundation shies away from the bigger charities that receive funding from other sources. Some of the Nashua companies have adopted specific charities and are building relationships with these organisations.

In the past year, Nashua’s investment in the charities more than doubled, from R2 million in 2011 to R4,3 million this year. This figure includes purchasing the food, cleaning material and toiletries for these charities as part of its sustainable living projects. Over and above this, donations in kind of over R1 million were received and distributed to the beneficiaries of the Foundation.

Social responsibility report *continued*

Earlier in the year the Nashua Children's Charity Foundation received an Empowerdex civil society organisation certificate providing assurance that 95% of the beneficiaries are black. The Foundation is in the process of registering as a public benefit organisation in terms of Section 18A of the Income Tax Act, which will allow contributions to be tax deductible.

The Foundation has four components – sustainable living, education, building projects, events and outings. Its approach is to provide for identified needs of the beneficiaries rather than cash donations.

Sustainable living	Education	Building projects to help make homes habitable	Events and outings
<ul style="list-style-type: none"> • Food • Cleaning material • Toiletries 	<ul style="list-style-type: none"> • School stationery • Uniforms • Transport • Daycare and pre-school equipment 	<ul style="list-style-type: none"> • Alterations, additions and renovations • Provision of beds, mattresses, linen, fridges and stoves 	<ul style="list-style-type: none"> • Children are taken to Gold Reef City, Sun City, and the zoo • Shopping excursions • Activities around Mandela Day

The Foundation's philosophy is that by making a difference now in the lives of young, underprivileged children, they are laying the foundation to give them a better start in life.



More details of charities supported can be found at <http://www.nccf.co.za>



MEMBERSHIP DONATIONS

Reunert has donated R250 000 to the National Business Initiative. This money is allocated against the NBI's college industry partnerships programme.

For the past three years the group has also supported Business Against Crime and contributed a total of R750 000 over this period.

OTHER

For a number of years CBI-electric: Low Voltage has made contributions to the engineering faculties of the Durban University of Technology, the University of Pretoria and the University of Witwatersrand. This year their contribution amounted to R1,8 million.

CBI-electric: Telecom Cables made a R279 000 grant to the University of Johannesburg Centre of Excellence and assisted lower-salaried employees by paying R214 000 towards bursaries for their children.

Nashua Mobile continued its 15-year relationship with the Reagile Primary School in Tembisa, and amongst others contributed R166 000 for psychological services at the school as well as text books and trolleys.

A total of 1 560 trees were planted by Trees for Africa in the Gauteng province, funded by R10 donations from Nashua Mobile for every customer who changed to receiving electronic statements.

Reutech Radar Systems focuses on education and this year it supported a second year BSc Computer Sciences student at the University of Stellenbosch (US). Reutech has supported the University of Stellenbosch for the past eight years, and this year donated another R30 000 to the US Sunstep programme that targets science teachers and their learners.

Companies such as Pansolutions and Reutech Solutions donated products such as closed circuit television equipment to the Harry Gwala and Tlakula Secondary Schools at a cost of R365 000.

Environmental report

In the past year the group has made significant progress in communicating its environmental impact, culminating in this report to stakeholders.

The Reunert Board took stewardship of environmental affairs and approved a group-wide environmental policy. Environmental champions have been appointed at all our operations.



For our environmental policy go to www.reunert.co.za

ENVIRONMENTAL MANAGEMENT SYSTEMS

Two companies in the group, CBI-electric: African Cables and Nashua Communications have, for a number of years, been ISO 14001 certified. Two more companies finalised their ISO audit process this year. At the end of 2012 CBI-electric: Telecom Cables received its ISO 14001 accreditation while Nashua Office Automation, including Nashua Kopano and Quince Capital, should be certified by the end of January 2013. Reutech Radar Systems has set itself a target of obtaining ISO 14001 accreditation by the end of 2013.

Consequently, a significant proportion of the group's operations will comply with an internationally recognised environmental management system.

CLIMATE CHANGE

Whilst no material environmental or climate change risks were identified within the group a number of potential risks were noted in our CDP submission which we are monitoring. However, a number of opportunities exist for Reunert to offer its products and services to a growing renewable energy industry.

Reutech is positioning itself to not only participate in future South African renewable energy feed-in tariff (Refit) programmes, but to exploit viable opportunities in other alternative energy programmes abroad.

PRODUCT DEVELOPMENT

Reunert aims to become the local supplier of choice for the estimated R18 billion South African spend on renewable energy to be rolled-out in future.

Reutech Radar Systems has partnered with Soitec, a well-established supplier in the renewable energy industry, to supply 1 500 solar trackers for a large concentrated photovoltaic (CPV) power plant near Touws River in the Western Cape. Once completed, this plant will be the largest CPV power plant in the world. The trackers are robust and highly accurate – a significant achievement considering that each tracker is 105m². With the signature of power purchase agreements concluded the first project will kick off in 2013.

Reutech Renewables is looking at additional opportunities that might exist in this growing sector.

At CBI-electric the introduction of energy-efficient Panasonic airconditioning products and the planned introduction of heat-pump technology during 2013 will complement our existing solutions' offering to the industrial and commercial markets.



Environmental report *continued***CARBON DISCLOSURE**

During the year under review we worked closely amongst others with the CDP Reporter Services team in the UK to improve our understanding of reporting requirements for the annual Carbon Disclosure Project (Investors) and CDP Water. Reunert significantly improved its carbon disclosure score from 41% in 2011 to 83% this year.

For the period 1 October 2011 to 30 September 2012, the total measured Scope 1, 2 & 3 emissions accounted for 145 442 tonnes of CO₂e.

CO ₂ e tonnes	2012	2011
Scope 1	10 535	7 957
Scope 2	56 575	56 000
	67 110	63 957
Scope 3	78 332	*

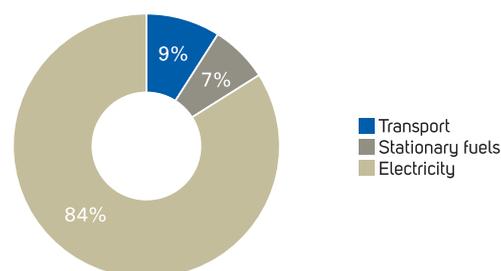
* Previous information not sufficient to compare.

The breakdown of results is as follows:

Scope 1 & 2:

- Reunert's activities for Scope 1 & 2 emissions accounted for a total of 67 110 tonnes of CO₂e.
- The largest contribution from these emissions was electricity (Scope 2) which accounted for 84,3% of total measured Scope 1 & 2 emissions.
- CBI-electric contributed the vast majority (70,6%) of Scope 1 & 2 emissions.

%: Scope 1 & 2

**Scope 1 and 2 emissions**

Tonnes CO ₂ e	Scope 1		Scope 2		Total	% of total Scope 1 & 2
	Company-owned/ controlled transport	Stationary fuels	Electricity			
CBI-electric	1 499	4 479	41 435		47 413	70,6%
Nashua	4 009	11	8 387		12 407	18,5%
Reutech	506	17	5 573		6 096	9,1%
Other	14	-	1 180		1 194	1,8%
Total	6 028	4 507	56 575		67 110	100,0%

Scope 3

- Scope 3 accounted for the largest proportion of total measured emissions (53,9%) and totalled 78 332 tonnes CO₂e.
- The largest contribution to Scope 3 emissions was from the embedded emissions from the production of materials used by Reunert such as aluminium and steel. These emissions accounted for 49,9% of total measured emissions and a significant 92,6% of Scope 3 emissions.
- CBI-electric contributed the vast majority (98,5%) of Scope 3 emissions.

The 4% increase in our total Scope 1 and 2 carbon emissions is mainly due to broadening our scope to include Australia and the USA operations for the first time, greater disclosure by our Nashua franchises and the inclusion of employee reimbursed travel under Scope 1.

Our data collation processes have been improved by enhancing our processes and tools, including migrating to an in-house developed database, which has significantly improved the quality of the information we have collected. We are using the Greenhouse Gas Protocol for emission calculations and, with the help of independent external consultants, calculated the group's global carbon footprint for the 2012 financial year.

Our environmental data is not externally verified, but the internal audit team has tested seven of the 24 environmental GRI performance indicators against which we are reporting.

GHG type breakdown (Scope 1 and other direct emissions only)

GHG Type	Tonnes	Tonnes CO ₂ e
CO ₂	10 498	10 498
CH ₄	0,6	13
N ₂ O	0,1	25

Intensities breakdown

2012	Revenue Rm	Tonnes CO ₂ e per Rm Revenue	Full-time equivalent employee (FTE)	Tonnes of CO ₂ e per FTE	Area in m ²	Tonnes of CO ₂ e per m ² (Area)	kWh/m ² /year ¹
CBI-electric	3 634	13	2 262	21	220 266	0,22	190
Nashua	7 218	2	2 664	5	50 542	0,25	169
Reutech	806	8	845	7	28 403	0,21	198
Other	4	306	44	27	13 347	0,09	89
Reunert	11 662	6	5 815	12	312 558	0,21	183

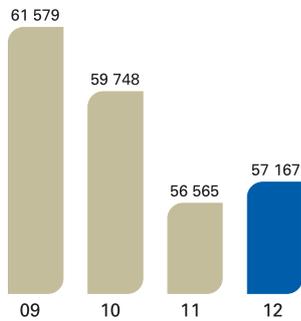
¹ This metric establishes an energy use per area.

ELECTRICITY CONSUMPTION

Electricity produced by Eskom is still our primary source of energy. Total electricity consumption showed a marginal increase of 1% and includes business growth via acquisitions and increased production volumes.

The optimal usage of natural resources continued to be a focus area. A group-wide register to track energy efficiency projects has been instituted and will be monitored as part of the CDP reporting process.

MWh: Electricity used



ENERGY EFFICIENCY PROJECTS

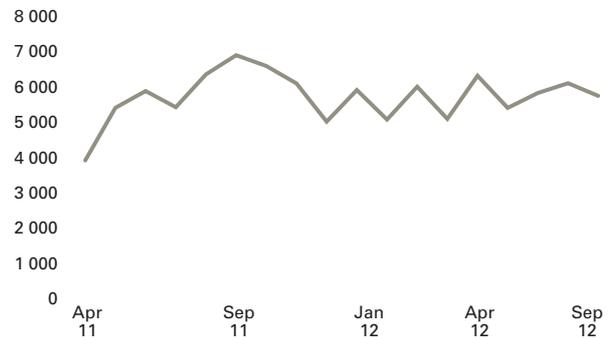
Initiatives to improve energy efficiencies have continued in the group, with the most progress once again being made at our energy cables operation in Vereeniging. Energy efficient lighting is being installed and will result in 667 950 kWh of annual electricity savings and, although this is small as a percentage of total consumption, it aggregates to overall savings. In the past year redundant steam lines have been decommissioned and the remaining lines properly insulated, resulting in a saving of heat losses. Further energy efficiency improvements have been identified and will be rolled out in the next year.

At Reunert Park in Midrand a 19% saving in electricity usage can be ascribed to changes in employee behaviour such as switching off computer equipment and air conditioners. A project to start replacing light bulbs with energy saving units, installing relay switches for after hours, and the installation of motion sensors in some of the conference rooms also contributed to these savings. Further reductions are possible as more buildings in the park are upgraded over time.

The photovoltaic solar panel system that was implemented in 2010 at Reunert Park has generated 68 933 kWh in the past year culminating in a 2% saving on coal-generated electricity at the site.

CBI-electric: Telecom Cables used the opportunity to install heat pumps when they upgraded the ablution facilities in Brits. Further projects have been identified and are currently under review.

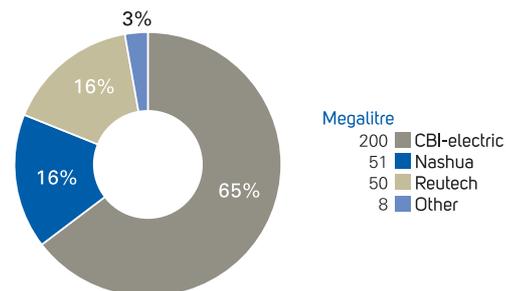
kWh: Solar power generated at Reunert Park



WATER

Reunert does not use significant amounts of water at any of its production facilities. All our units use potable water provided by local municipalities and none of our water is drawn from any recognised Ramsar wetland or nature reserves in South Africa. Some of our companies are investigating harvesting rainwater at their facilities. Total water usage including borehole water measured 310 402 kilolitres.

Ml: Water consumption



Environmental report *continued*

CBI-electric consumed 194 296 kilolitres of water this year and uses closed-loop cooling systems where specialists manage the water quality. At African Cables this water is recycled up to 10 times a day and at CBI-electric: Telecom Cables up to seven times a day. The water is treated with rust inhibitors, biocides and other chemicals to make it suitable for process water that comes into contact with machine components, product and employees. It is not suitable for drinking although the standard is above the minimum requirements imposed by the local councils.

African Cables improved recycled water usage by 10% after a water-oil separator was placed at the impregnating plant. This separator used to pump to the sewer but is now recycling water back to the closed cooling water system. Recycled water comprises 2% of total water usage.

The Brits plant recycled 18% of water consumed in 2012. Specialists are contracted to verify water recycling and water systems monthly. A closed-loop system ensures that there is no water discharge. Approved, accredited suppliers are contracted to dispose of hazardous and non-hazardous waste materials.

Water used in Fuchs Electronics' chemical processes is tested, treated and neutralised before being returned to the sewer system. Water quality is monitored by the local municipality and fully conforms to standards in terms of pH, heavy metals, suspended solids and treatment method. Effluent tanks are used for the removal of solids.

Municipal water consumption

kl	2012	2011	2010	2009
CBI-electric	194 296	206 383	217 219	225 034
Nashua	51 143	21 830	32 507	28 457
Reutech	47 968	57 727	35 264	53 229
Other	8 597	4 449	31 905	3 744
Total	302 004	290 389	316 895	310 464

Improved measurements on boreholes showed a total usage of 8 398 kl (2011: 3 268 kl) groundwater. In the past estimates were used on some of the boreholes.

WASTE MANAGEMENT

The group made good progress on its recycling measures with the roll-out of environmental management systems and easier accessibility to more waste management services.

Typical waste streams that are recycled include different grades of paper, cardboard, metal, by-products from production and plastic. There is increasing awareness of the importance of recycling among employees and staff are encouraged to bring electronic waste such as batteries and electronic equipment to work for recycling.

At CBI-electric, improvement teams are tasked with reducing process waste and scrap. Process scrap is stripped and sorted into various components and, where possible, PVC and bedding-grade materials are reused. Metals are partially recycled on-site or sold for recycling to preapproved waste partners.

Most unused documents are shredded and made available for recycling. The majority of companies now dispose of defective or obsolete electronic equipment in an environmentally friendly way.

HAZARDOUS MATERIALS

Hazardous waste produced is minimal and is collected and either recycled or disposed of by approved suppliers under controlled conditions by experts, and is included in risk management assessments. A fluorescent tube crusher has been installed at Reunert Park.

In recent years good progress has been made in minimising employees' exposure to hazardous substances and conditions. For example, employees' exposure to lead has been minimised and the use of mercury-based measuring equipment has been phased out.

At CBI-electric all hazardous materials are disposed of at approved sites and safe disposal certificates are filed. Hazardous materials include compound-contaminated PPE, contaminated cleaning rags, solvents, fluorescent tubes, paint and oil containers or drums, rubber drive belts and waste laboratory chemicals.

Health care waste generated at the clinics is disposed of by approved contractors and will include pathological waste, infectious waste and sharps, as well as chemical waste.

CBI-electric: Low Voltage adheres to RoHS, the European directive on the restriction of hazardous substances such as lead and cadmium in electrical and electronic equipment. Together with RoHS, the company follows the Waste Electrical and Electronic Equipment Directive (which sets targets for the collection, recycling and recovery of manufactured goods.) All products comply with local safety standards. Products hold safety approvals from Australia, European Union, Russia, Ukraine, China, Japan, Canada and the United States.

Nashua Office Automation has implemented systems to separate and recycle different components wherever possible. Further solutions are being explored to find an environmentally friendly method of discarding the last remnants of toner left in cartridges.

Environmental report *continued*

Nashua Communications uses its ISO 14001 accreditation to manage and drive recycling processes. End-of-lifetime products are dismantled into their component parts and disposed of by a verified electronic waste contractor with the required certificates. During the financial year a total of 3,5 tonnes of e-waste was recycled.

Worldwide e-waste in particular is an area of growing concern and we will explore more ways of partnering with clients and suppliers to find responsible solutions as part of our product supply management.

Waste management

kg	Disposal method	Total
Non-hazardous waste		
Commercial and industrial waste	Landfill & recycle	525 102
Waste of electric and electronic equipment (WEEE)	Recycle	30 778
Paper		
Brown grades (incl. cardboard)	Recycle	10 940
White grades	Recycle	36 966
Mixed grades	Recycle	107 882
Plastic		
Other plastics	Recycle	617 747
Glass	Recycle	1 607
Metals		
Ferrous	Recycle	744 757
Non-ferrous	Recycle	1 351 785
Other		6 000
Hazardous waste		
Mercury-containing waste		
Solid waste containing mercury		1 079
Waste oils		
Waste oils	Treat	13 475
Oil contaminated waste	Treat	82 510
Health care risk waste		
Pathological waste	Treat	30
Infectious waste and sharps	Treat	55
Chemical waste	Treat	11
Other		
Miscellaneous		626

REGULATORY REQUIREMENTS

Reunert complies with all regulatory requirements in the areas in which it operates. In the past year no significant chemical, oil or fuel spills were reported that could have a negative impact on the surrounding environment. Neither were any fines or legal actions brought against the group for non-compliance with any environmental laws and regulations in the review period.

LOOKING AHEAD

On balance, our operations manage their environmental impact diligently. We will continue to critically review products and processes to minimise our environmental impact as well as to reduce and recycle waste wherever possible.