

### Module: Introduction

#### Page: Introduction

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#### 0.1

##### **Introduction**

Please give a general description and introduction to your organization

Reunert Limited is a South African company listed in the industrial goods and services (electronic and electrical equipment) sector of the JSE. The group manages a diversified portfolio of businesses in the fields of electrical engineering, information and communication technologies as well as defence and allied technologies. The group operates mainly in South Africa with minor operations situated in Australia, Lesotho, USA and Zimbabwe. We believe that each of these businesses is capable of meeting the group's objectives for sustainable growth and earnings.

Reunert currently manages three main operating segments:

- CBI-electric: (African Cables, Telecom Cables and Low and Medium Voltage)
- Nashua: (Nashua Office Automation, Nashua Mobile, Nashua Communications, PanSolutions, and the asset financing business, Quince Capital)
- Reutech: (Fuchs Electronics, Reutech Communications, Reutech Radar Systems, Reutech Solutions and RC&C Manufacturing.) Historically, Reutech represented the defence division of Reunert, but over the past few years has successfully launched commercial products, targeting the mining and renewable energy sectors.

##### ***Please note:***

For the purposes of this response (CDP 2013):

- - Only Nashua franchises in which we hold a 51% or more shareholding were included in Scope 1 and 2 data information. The other franchises with a shareholding below 51% have been excluded.
  - For our joint venture company CBI-electric: Abdare ATC Telecom Cables we have captured all data at 50% of actual consumption.
  - Our Cafca operation in Zimbabwe has not been included as it is not consolidated in our financial reporting as the directors believe there is a lack of control as defined in IAS 27 consolidated and separate Financial Statements. The amounts involved are not material to the group.
- *For further clarity please see Reunert company structure diagram attached.*

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#### 0.2

**Reporting Year**

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

**Enter Periods that will be disclosed**

Sat 01 Oct 2011 - Sun 30 Sep 2012

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0.3

**Country list configuration**

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

**Select country**

South Africa

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0.4

**Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

ZAR (R)

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0.6

## Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email [respond@cdproject.net](mailto:respond@cdproject.net).

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

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## Further Information

Reunert group structure

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## Attachments

[https://www.cdproject.net/sites/2013/98/15698/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/Introduction/Reunert group.JPG](https://www.cdproject.net/sites/2013/98/15698/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/Introduction/Reunert%20group.JPG)

## Module: Management [Investor]

### Page: 1. Governance

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#### 1.1

**Where is the highest level of direct responsibility for climate change within your company?**

Individual/Sub-set of the Board or other committee appointed by the Board

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#### 1.1a

**Please identify the position of the individual or name of the committee with this responsibility**

The Reunert social, ethics and transformation committee (Setco) is a statutory and a board sub-committee which has been constituted primarily to perform the functions contemplated in section 72, read with Regulation 43 of the South African Companies Act No 71 of 2008.

The committee monitors the responsible and sustainable development performance of the group. The ultimate responsibility for group environmental and climate change matters rests with the Reunert board. The board has mandated the Setco to institute environmental responsibility. The committee assists the board in ensuring sound corporate governance, improving internal controls and company performance, and acts according to a written terms of reference as approved by the board.

As a statutory committee, Setco reports back to shareholders at the annual general meeting.

1.2

**Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes

1.2a

**Please complete the table**

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Facility managers	Monetary reward	No direct incentives are provided to executive management for the management of climate change issues. However, resource savings targets which includes energy reduction targets are set for line management in our manufacturing operations.
Energy managers	Monetary reward	No direct incentives are provided to executive management for the management of climate change issues. However, resource reductions targets are set for line management in some of our bigger operations that are more energy intensive.
All employees	Recognition (non-monetary)	As energy efficiency initiatives and savings receive more attention and are communicated to employees, employees receive indirect recognition for their participation in the group's efforts. Every employee is regarded a custodian of the environment as described in our Code of Ethics "Protect the environment and our natural resources".

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## 2.1

**Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

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### 2.1a

**Please provide further details**

#### **i) Scope**

Climate change-related issues such as regulatory, customer behaviour changes, reputational and weather related risks are being covered across the following five main risk management methodology categories, where appropriate:

- Strategic
- Business
- Process
- Operational
- Financial and Compliance related risks.

Our risk management process is in accordance with the requirements included in ISO31000 (Risk Management Standard), incorporating climate change risks where appropriate, and are adopted throughout the group.

#### **ii) Company level**

At a company level risks and opportunities, including climate change, are assessed in the following ways:

- Risks are assessed based on their potential impact on the business in accordance with board approved risk tolerance levels ranging from insignificant to catastrophic.
- Risks are further assessed based on the likelihood of them occurring assuming that there are no controls in place.
- Risks are scored in a range from rare to almost certain.
- Internal controls and management interventions are recorded and assessed for each identified risk.
- A control effectiveness rating is assigned to each risk ranging from very effective to ineffective.
- Residual risks are classified as high, medium and low based on their impact and likelihood of occurring, after taking into account the effectiveness of the internal controls in place.
- A residual risk management strategy is then decided upon, being treat, terminate, transfer, tolerate, avoid or exploit (opportunities).

#### **iii) Asset level**

Any climate change risks at an asset level would be assessed in the same way as at company level:

- Risks are assessed based on their potential impact on the business in accordance with board approved risk tolerance levels ranging from insignificant to catastrophic.
- Risks are further assessed based on the likelihood of them occurring assuming that there are no controls in place (for example, flooding of key sites).
- Risks are scored in a range from rare to almost certain.
- Internal controls and management interventions are recorded and assessed for each identified risk.
- A control effectiveness rating is assigned to each risk ranging from very effective to ineffective.
- Residual risks are classified as high, medium and low based on their impact and likelihood of occurring, after taking into account the effectiveness of the internal controls in place.
- A residual risk management strategy is then decided upon, being treat, terminate, transfer, tolerate, avoid or exploit (opportunities).

#### **iv) Frequency of monitoring**

- The risk committee meets at least twice a year.
- Furthermore, all group companies conduct formal risk assessments and operational risk management meetings twice a year.
- The Reunert chief executive, financial director and senior management attend operational risk management meetings.
- Internal audit attends all group risk meetings and facilitates the process.
- In addition to formal risk management meetings, key risks are discussed on a monthly basis at all group company management meetings.
- Prior to 2011 the management of risks was dealt with by the audit and risk committee. The board decided, due to the critical importance of effective risk management, to separate the audit and risk committees.
- The risk committee met twice in the period under review, whilst the audit committee met four times.

#### **v) Determining materiality/priorities**

- Risk mitigation strategies and action plans are developed in line with board approved risk tolerance levels. These strategies would include climate-related risks where appropriate.
- Tolerance levels are established in order to determine the materiality/priorities of risks and opportunities.
- Tolerance levels give an accurate indication of materiality under Reunert's risk management methodology.

#### **vi) Reporting results**

- Risk reporting, which would include any appropriate climate-related risks, follows the risk reviews, and is considered by the risk committee twice a year.
- The day-to-day responsibility for risk management and communication of policies lies with the executives of Reunert and the executives of each operation in the group.
- The board acknowledges its responsibility for the risk management process as a whole, as well as forming an opinion on the effectiveness of this process.
- Management is accountable and reports to the board for designing, implementing and monitoring the process of risk management, as well as integrating it into day-to-day business activities.
- The risk committee includes at least three non-executive directors and the chairman of the audit committee is an ex-officio member. The chief executive and financial director are executive members of the risk committee. The chairman of the risk committee reports back to the board after each risk committee meeting.

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## 2.2

### Is climate change integrated into your business strategy?

Yes

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## 2.2a

### Please describe the process and outcomes

The board recognises its responsibility to conduct and grow the company and its interests in a sustainable manner with due regard to all its stakeholders. During the period under review the board undertook a strategic review of all Reunert's businesses, which included relevant areas on climate change and opportunities that exists within our portfolio of businesses.

The board is supported by its standing committees. In particular three of these board sub-committees consider the different elements of Climate Change and its potential impact within their mandates.

They are the:

1. Audit committee (statutory obligations and reporting requirements which includes sustainability)
2. Risk committee (looking after risk management including regulatory and physical risks); and the
3. Social, ethics and transformation committee (ensuring that the company acts as a responsible corporate citizen, which includes the responsibility to protect our environment and resources)

In the main, climate change strategies were focussed on cost management and extracting efficiencies, risk mitigation as well as business opportunities in the short-to medium term.

Corporate responsibility for climate change was escalated from a senior manager to that of the social, ethics and transformation committee. Even though individual environmental policies existed at the different operations in the group, a group wide environmental policy was approved during the period, placing a more centralised group focus on climate change.

Climate change champions were appointed in all the companies. These individuals were made responsible for data gathering and capturing in their companies. We moved from capturing data on spread sheets to a centralised online data management system which was developed in house.

Reunert's strategic focus to Reduce, Reuse and Recycle was emphasised in communication with employees.

Following growing interest from stakeholders, especially investors in our disclosure of CDP, the monitoring and reporting of relevant and material data have received significant attention this year. We worked closely with the CDP Reporter Services team in the UK to improve our understanding of reporting requirements for the annual CDP and CDP water project.

We will continue to improve our processes of data collection and management.

In the short term (12 months) the focus was on improving reporting requirements as well as energy efficiency driven mainly by increased energy costs.

In the medium to longer term (3-5 years), strategies are mainly focused on research and development and the adaptation of our own product ranges to a lower carbon environment. Some opportunities were identified by business operations to participate in the growing renewable energy sector, eg.

- A key focus area for 2013 is to establish CBI-electric as the local supplier of choice for estimated R18 billion spend on renewable energy roll-out in South Africa.
- Reutech developed a solar tracker and received a first order for 1500 trackers which are being installed in Touws River, Western Cape. Further export opportunities exist for this product.
- We are also looking at product designs and the benefits that our hydraulic magnetic circuit breaker offers due to the use of the energy-efficiency technology, which could provide a competitive advantage.

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2.2b

Please explain why not

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2.3

**Do you engage in activities that could either directly or indirectly influence policy on climate change through any of the following? (tick all that apply)**

Other

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2.3a

On what issues have you been engaging directly?

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
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2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

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2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to influence the position?
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2.3d

Do you publically disclose a list of all the research organizations that you fund?

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2.3e

Do you fund any research organizations to produce public work on climate change?

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2.3f

Please describe the work and how it aligns with your own strategy on climate change

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2.3g

**Please provide details of the other engagement activities that you undertake**

Reunert is a corporate member of the National Business Initiative which is a voluntary coalition of like-minded companies in South Africa. It focuses amongst other issues, on collective action on climate change. The NBI's approach and role in policy is not a mandated role but a role that demonstrates policy in action. The NBI

also provide support to the government bodies charged with the technical implementation of policy. In addition it acts as the South African partner of the CDP.

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2.3h

**What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Staying up to date with potential regulatory changes in South Africa and accessing the impact on the group and its businesses.

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2.3i

Please explain why you do not engage with policy makers

### Page: 3. Targets and Initiatives

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3.1

**Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?**

No

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3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
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**3.1b**

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
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**3.1c**

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
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**3.1d**

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
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**3.1e**

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

***i) Why not***

- As a group Reunert does not have an overall emissions reduction target. Some of the operations in the group have set their own individual targets per operation or facility. The lack of a group target is partly due to the relatively low energy requirements by the Reunert group and other more material issues that require immediate attention.
- Management is however continually being sensitised around the reduction of carbon emissions and the continued measurement of emissions is contributing to a heightened awareness.

***ii) Forecast***

- In line with global business trends in this area, initiatives are being evaluated and are gaining momentum. Senior management has committed its support to this initiative.
- Accurate data collection and the resultant carbon footprint require prioritisation in order for us to be able to set realistic targets in the future.
- From a forecasting perspective, and if no emission reduction initiatives are implemented, we would expect emissions to increase in line with predicted growth of the company.

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**3.2**

**Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?**

Yes

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**3.2a**

**Please provide details (see guidance)**

The CBI-electric circuit breakers runs at a lower energy power factor than competitive products and thereby does enable reduction in GHG emissions by the end-user of the CBI product range.

Reutech has the capability to supply the following products

- **Solar trackers and mounting**
- **Wind farm radar**
- **Mobile hybrid power plant**

Assumptions and methodology is still being refined and were not available at the time of finalising this report

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### 3.3

**Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)**

Yes

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### 3.3a

**Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings**

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	13	
To be implemented*	2	2.0
Implementation commenced*	3	2.5
Implemented*	5	0.9
Not to be implemented	1	

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### 3.3b

**For those initiatives implemented in the reporting year, please provide details in the table below**

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Energy efficiency: Processes	Installation of heat pumps at CBI Telecom facility in Brits, North West Province	.01	56314	153000	1-3 years
Energy efficiency: Processes	Various operations in the group made good progress with replacing incandescent lighting with LED and more energy efficient solutions. It has not been possible to always determine the exact savings. One major installation was at our CBI-electric factory in Vereeniging resulting in a saving of 667,950 kWh. The project is to be completed in the 2013 financial year and results to be verified by Eskom.	0.8		507000	<1 year
Energy efficiency: Processes	Removal of redundant steam lines at factory in Vereeniging leading to reduction in heat losses. Measurements are not available for this project.				<1 year
Process emissions reductions	Insulation of active steam lines at Vereeniging factory and continued maintenance improvements on steam leaks. New line installed for curing and properly insulated.	0.1	72411		<1 year

### 3.3c

#### What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for low carbon product R&D	Our operations are allocating a portion of their R&D funds towards optimising the energy efficiency of our own products. Certain of our product ranges have also been adopted for inclusion in renewable energy solutions and initiatives such as the solar tracking system for concentrated photovoltaic and concentrated solar power applications.
Employee engagement	As a result of engagement with our employees we have seen a change in behaviour such as switching of computers, recycling of waste and reducing paper consumption. At Reunert Park in Midrand a 19% saving in electricity usage can be ascribed amongst others to changes in employee behaviour such as switching off computer equipment and air conditioners. RRS are now providing a transport service to employees from the train station to the offices reducing transport emissions.

Method	Comment
Financial optimization calculations	Continuous improvement of manufacturing efficiencies. Capital expenditure allocations consider productivity enhancements, including energy efficiency as well as the application of cleaner technologies.
Lower return on investment (ROI) specification	Capex is likely to be approved should a project provide a lower return on investment the highest ROI at the lowest energy usage.
Dedicated budget for low carbon product R&D	Several of our products are geared/could be used in low carbon environment. Future R&D will be geared towards this.

3.3d

If you do not have any emissions reduction initiatives, please explain why not

## Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In other regulatory filings (complete)	2012 Integrated Report, p11, 14, 89	<a href="https://www.cdproject.net/sites/2013/98/15698/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Reunert_IR_2012.pdf">https://www.cdproject.net/sites/2013/98/15698/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Reunert_IR_2012.pdf</a>
In voluntary communications (complete)	2012 Responsibility Report	<a href="https://www.cdproject.net/sites/2013/98/15698/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Reunert_IR_2012.pdf">https://www.cdproject.net/sites/2013/98/15698/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Reunert_IR_2012.pdf</a>

Publication	Page/Section reference	Attach the document
In voluntary communications (complete)	Corporate Website <a href="http://www.reunert.co.za/carbon_emissions_2012.php">http://www.reunert.co.za/carbon_emissions_2012.php</a>	<a href="https://www.cdproject.net/sites/2013/98/15698/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Reunert%20Responsibility%20Report%202012.pdf">https://www.cdproject.net/sites/2013/98/15698/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Reunert Responsibility Report 2012.pdf</a>

## Module: Risks and Opportunities [Investor]

### Page: 5. Climate Change Risks

#### 5.1

Have you identified any climate change risks (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

#### 5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
RR1	International agreements	Currently, there is no legally binding international agreement that impacts South Africa in relation to a quantitative reduction in emissions. There are also no emission targets within the country but the situation is changing. At COP 17 the South	Increased operational cost	Unknown	Direct	More likely than not	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		African government proposed a 34% reduction by 2020 (and 42% by 2025). It is likely that any commitment from our government will be passed onto the top 100 companies initially in order to meet emissions targets under the agreement.					
RR2	Carbon taxes	Carbon taxes on Scope 1 emissions in the order of a 60% threshold being tax free and thereafter R120 per tonne CO2e (rising 10% to R210 by 2019/20 year) have been included in government discussion papers. It is more likely than not that carbon taxation will be implemented, but some uncertainty of the workings of the climate change tax system (e.g. benchmarks, carbon accounting methodologies) exists. It is thought that the carbon tax will only affect companies with a Scope 1 of 100 000 tonnes CO2e or more. Reunert is well under this threshold however if Eskom is taxed on their Scope 1 emissions it is likely that they will pass this burden on to their customers in the form of higher electricity prices.	Increased operational cost	1-5 years	Direct	Very likely	Low-medium
RR3	Emission reporting obligations	This is very likely to become mandatory under the imminent taxation system. Reunert is currently considering ways of mitigating this risk through addressing carbon management and climate change within the company as well as reporting to the CDP (for both carbon and water) as well as the GRI.	Increased operational cost	1-5 years	Direct	Very likely	Low
RR4	Fuel/energy taxes and regulations	Taxation clearly would have an impact. It would increase distribution costs which would have a direct impact on our operations. However, the risk is currently relatively low.	Increased operational cost	1-5 years	Indirect (Client)	Likely	Low
RR5	Uncertainty surrounding new regulation	There currently remains a great deal of uncertainty around potential footprinting requirements, methodologies, carbon taxing and other regulations which may come out of the Climate Change Response Programme in the future.	Increased operational cost	Unknown	Direct	About as likely as not	Low
RR6	Product efficiency regulations and standards	Companies will need to stay abreast of requirements and standards in the sectors and geographical areas in which they operate	Reduced demand for goods/services	1-5 years	Direct	Likely	Low-medium
RR7	Product labeling regulations and	Companies will need to stay abreast of requirements and standards in the sectors and geographical areas in which they operate	Increased operational cost	1-5 years	Direct	Likely	Low-medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
	standards						

### 5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions

#### i) Financial implications

- **RR1 - 7:** Accurate financial implications have not been quantified.

#### ii) Methods

- **RR1, 2 & 5:**
  - Climate related legislation is being evaluated and responses will be drafted there from.
  - The National Climate Change Response White Paper (October 2011) in South Africa clarified that taxation and energy related legislation is likely to become a reality in South Africa. The potential impact on the Reunert group is currently being considered. Management is remaining abreast of developments and appropriate action will be taken to manage the resultant costs and leverage opportunities.

#### RR3:

- - Data is being captured to enable us to measure Reunert's carbon footprint accurately.
  - This is a continuous process and certain limitations including data integrity are being addressed.
  - We are also reporting to CDP and GRI to assist in managing this risk.

#### RR4:

- We have implemented a number of building and process efficiencies such as
  - CO2 refrigeration implementation, which has a much lower global warming impact than other refrigerant gases
  - Improved steam lines by removing redundant steam lines and insulating active line, thereby reducing heat losses.

- **RR6-7:**
  - Increased awareness of additional climate change requirements will be addressed in the life cycle of products - from design to marketing and distribution.

**iii) Costs**

- **RR3:** Estimated to be approximately ZAR 52,000 for responding to CDP 2013.
- **RR 1,2 & 4-7:** No clear cost available at this stage.

**5.1c**

**Please describe your risks that are driven by change in physical climate parameters**

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PHY1	Tropical cyclones (hurricanes and typhoons)	Severe weather patterns might have an impact on the delivery of products/components within our supply chain	Reduction/disruption in production capacity	Unknown	Indirect (Supply chain)	Unlikely	Low
PHY2	Change in precipitation extremes and droughts	The majority of our operations are based in South Africa which is in a water scarce area. Even though the operations are not water intensive, the business is reliant on the supply of water to continue with operations.	Reduction/disruption in production capacity	Unknown	Direct	Unlikely	Low-medium

**5.1d**

**Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions**

**(i) the potential financial implications of the risk before taking action;**

- **PHY1-2**

- - No clear cost available at this stage.

**(ii) the methods you are using to manage this risk;**

- PHY1
  - Identifying alternate suppliers
- PHY2
  - Additional storage tanks, rain water harvesting, improved water management systems

**(iii) the costs associated with these actions**

- No clear cost available at this stage.

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**5.1e**

**Please describe your risks that are driven by changes in other climate-related developments**

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OR1	Reputation	The investment community is expressing a growing interest in non-financial information which includes carbon management / climate change. The risk lies in neglecting major environmental issues such as climate change and our adaptation to these changes.	Reduced stock price (market valuation)	6-10 years	Direct	Unlikely	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OR2	Changing consumer behaviour	As environmental issues become more prevalent in consumer decision-making processes, so the importance of acting as an agent for environmental protection increases. Any negative perceptions created around our company and brands would have a negative impact.	Reduced demand for goods/services	Unknown	Direct	Unlikely	Low
OR3	Changing consumer behaviour	Obsolete or reduced demand for our product ranges: As the climate change space develops, companies in the Reunert stable will continuously assess if their products should be adapted. Products have been identified which contributes to lower carbon emissions.	Increased capital cost	1-5 years	Direct	Likely	Low
OR4	Uncertainty in social drivers	Job insecurity and poverty could demand higher attention than addressing climate change issues	Wider social disadvantages	6-10 years	Indirect (Supply chain)	About as likely as not	Medium

## 5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

### i) Financial implications

- **OR1 & 2:** The share price is driven by many different factors that it is extremely difficult to quantify what the impact of no or low activity on carbon management/climate change can have on the market valuation of the company or the impact on our reputation as a company. However, it is fair to say, that in an environment where energy costs are set to increase in excess of CPI, resultant costs require management to protect margins and shareholder value.
- **OR3:** Without research and capital investment into understanding and acting on this risk, Reunert will be somewhat vulnerable to the risk of increasing obsolete product ranges, which in turn will have a negative impact on the company.
- **OR4:** Less resources might be made available to address climate change in the face of social unrest which will demand higher and immediate attention

- The above risks have not yet been quantified.

## ii) Methods

- **OR1 – 3:**
  - These risks are being managed by stakeholder engagement and in initiatives to reduce Reunert's emissions.
  - The Group is also focused on accurate measurement of our carbon footprint.
  - Reunert continues to report to the Carbon Disclosure Project (CDP) on an annual basis.
  - Increasing awareness around the importance of research and development of *future-aware* products and services.
  - All of these considerations assist the Group in understanding its reputational risk when it comes to sustainability issues/risks in general.
- **OR4:** Increased awareness of driving forces of social unrest, unemployment and poverty and the tipping point

## iii) Costs

- **OR1 – 4:** It is not possible to quantify costs as any costs incurred are currently included in other budgets as part of stakeholder engagement processes, R&D and increasing Reunert's engagement and actions on sustainability.

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### 5.1g

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

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### 5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

### 5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

## Page: 6. Climate Change Opportunities

### 6.1

**Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply**

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

### 6.1a

**Please describe your opportunities that are driven by changes in regulation**

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
RO1	Carbon taxes	The proposed carbon tax and subsequent emission reporting obligations in South Africa are likely to drive emission reductions within the company and across the Group. This would be likely to reduce operational costs from energy use although actual figures are uncertain at this stage.	Reduced operational costs	1-5 years	Direct	Very likely	Low-medium
RO2	Fuel/energy taxes and regulations	Efficiencies are a priority at Reunert. With impending carbon tax and the increasing cost of electricity, this is likely to increase and further reduce emissions and costs for the business. We intend to keep this high on the agenda to ensure we maximise this opportunity to cut costs and drive our	Increased demand for existing products/services	Unknown	Direct	More likely than not	Low-medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		services, product design and sales.					

#### 6.1b

**Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions**

##### **i) Financial implications**

###### **• OR1 & OR2:**

o The carbon tax is likely to be significant enough to drive emissions savings within the business and, therefore, we have highlighted taxation as an opportunity to reduce our emissions, our tax and, over time, our operational costs associated with emissions.

o RO1 & 2, seem inextricably linked to Reunert although emissions savings through reductions is an issue we have pursued from a cost saving perspective at this stage, but can now also be seen in the light of emissions reductions going forward.

o Final details on how carbon taxes will be applied are still uncertain (eg per legal entity or as per total group). Financial implications have not been officially quantified in this reporting period.

##### **ii) Methods**

###### **• OR1&2:**

o Currently, we are keeping abreast of the imminent legislation and discussions relating to it. We realise there is uncertainty as to the exact numbers, but what appears almost certain is the fact that a carbon tax will come into force in South Africa in 2015.

##### **iii) Costs**

• OR1 & 2: The costs have not been quantified for this reporting period but would include staff time and emission reduction initiatives .

#### 6.1c

**Please describe the opportunities that are driven by changes in physical climate parameters**

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PHYO1	Change in temperature extremes	Some of our products in CBI-electric and in Reutech have been developed to operate in extreme weather conditions, which potentially could lead to increased demand for these products.	Increased demand for existing products/services	>10 years	Indirect (Supply chain)	About as likely as not	Low

#### 6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

##### i) Financial implications

- **PHYO1:**
  - Financial implications before taking action have not been officially quantified in this reporting period.

##### ii) Methods

- **PHYO1**
  - Research and development will include the possibility of using or adapting current products in climate change related environments such as circuit breaker technology that operates in extreme temperature environments

##### iii) Costs

- **PHYO1:** The costs have not been quantified for this reporting period but would include ongoing research and development and staff time to explore future applications.

#### 6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OO1	Reputation	Investors are increasingly using non-financial results to inform their investment decisions. By incorporating good carbon management and understanding our risks (and opportunities) Reunert believes its reputation amongst its investors, shareholders, employees and customers is likely to improve, with positive impacts for the sustainability of the company as a whole.	Increased stock price (market valuation)	6-10 years	Direct	More likely than not	Low-medium
OO2	Changing consumer behaviour	Consumer awareness of climate change related issues is increasing rapidly. Many of the products we manufacture (circuit breakers) and distribute (office equipment) are leading the way in low energy usage. With increased demand for these kinds of products we believe we are well-placed to deliver sustainable, low carbon options going forward.	Increased demand for existing products/services	1-5 years	Direct	Likely	Low-medium
OO3	Other drivers	Product development: South Africa is likely to have increasing requirements for energy from renewable sources over, at least, the next 10 - 15 years. Certain products such as our solar tracker system developed by Reutech are used for CPV applications and other renewable energy technologies.	New products/business services	1-5 years	Direct	Likely	Low-medium
OO4	Other drivers	Product supply: Eskom has indicated a requirement of 300 MW wind generated power over the next five years. Other providers' requirements for wind generation in South Africa are estimated at 1500 MW until 2016. Our companies will provide energy cables to satisfy this demand. Further potential includes installation and ongoing maintenance of some of the plants.	Increased demand for existing products/services	Current	Direct	Virtually certain	Medium

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

i) Financial implications

- **OO1:**
  - The financial implications are linked to the resources required to embed carbon management into Reunert.
  - Resources include aspects such as time, expertise and possible better data capture and management systems.
  - Actual figures for these resources have not been quantified at this stage
  - Contribution to revenue and operating profit is not being publicly disclosed
- **OO2 – 4:**
  - The financial implications for these are linked to product and the delivery of the market-demanded product which is likely to be linked to a lower carbon economy.
  - The implication for business in taking this opportunity is growth in the business through increased demand for current products as well as those in the design / development phase.
  - It is possible that these implications grow, with access to global markets that are following similar changes in demand due to climate change being a global environmental challenge.

## ii) Methods

- **OO1, 2 & 3:**
  - Addressing emissions, risks, vulnerabilities and opportunities in relation to climate change is moving up our agenda as a Group.
  - Reunert is committed to reducing our impact and being part of the solution when addressing environmental issues and challenges.
  - Climate change permeates a number of issues such as water availability, human health, poverty etc. and Reunert believes that it is part of our responsibility as a company operating in 2012/13 to ensure minimum damage and maximum protection and assistance to the environment and social spheres within which we do business.
  - Part of this is in Reunert's commitment to reducing emissions and providing some low-carbon options/products to help other reduce their impact through our products and services. Some examples include the solar skills development and tracking systems developed by Reutech as well as energy efficient circuit breaker technology at CBI-electric
  - Reunert also foresees that climate change issues will become more important to our stakeholders (customers, clients, investors etc.).
  - Reunert will keep abreast of these issues and will align it with our business sustainability strategies to optimise the changing attitudes, demands and expectations of stakeholders across the board.
- **OO2 – 4:**
  - The way Reunert is managing these opportunities is in line with Reunert's business strategy of being focussed on product development and supply as well as the high level of service excellence we aim to achieve.
  - Reunert will closely follow the changing developments from a global climate change perspective as well as market trends in the renewable energy sector.
  - These methods are how we as a Group are future-proofing ourselves for a low-carbon future – a future where Reunert has the ability to develop and supply the products of the low carbon economy.

## iii) Costs

- **OO1 – 4:** An investment of approximately ZAR2,5 million has been made into some solar initiatives but mostly, the costs have not been quantified and are all currently absorbed into an existing budget.

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6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

---

6.1i

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

## **Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]**

### **Page: 7. Emissions Methodology**

---

7.1

**Please provide your base year and base year emissions (Scopes 1 and 2)**

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Thu 01 Oct 2009 - Thu 30 Sep 2010	9224	59151

## 7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## 7.2a

If you have selected "Other", please provide details below

## 7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)

Gas	Reference
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)

#### 7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
Diesel/Gas oil	2.6769	kg CO2e per litre	DEFRA, 2012
Motor gasoline	2.3144	kg CO2e per litre	DEFRA, 2012
Liquefied petroleum gas (LPG)	1.5326	kg CO2e per litre	DEFRA, 2012
Natural gas	2.01	Other: kg CO2e per kWh	DEFRA, 2012
Electricity	0.99	metric tonnes CO2e per MWh	Eskom Annual Report, 2012 (South Africa)
Electricity	0.8517	metric tonnes CO2e per MWh	Australian National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1), published 2012.
Electricity	0.57967	metric tonnes CO2 per MWh	DEFRA, 2012 (Annex 10: Overseas Electricity)
Liquefied petroleum gas (LPG)	0.23012	Other: kg CO2e per kWh	DEFRA 2012

#### Further Information

- It was decided to use the 2009/10 year as the baseline. Scope 2 emissions were measured for first time in 2009/10 period During 2008/09 only Scope 1 was measured and therefore made comparisons impossible.
- Scope 1 and 2 emissions from 2009/10 and 2010/11 were adjusted and updated using more recent and accurate data from those years as well as current emission factors in order to make comparisons between the years more relevant.
- The electricity emission factor for South Africa was applied to Lesotho sites.

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

---

8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO<sub>2</sub>e

10535.46

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8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO<sub>2</sub>e

56574.58

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8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Fugitive emissions	Scope 1	Difficulty in gathering information due to inexperience and insufficient information provided by suppliers. Fugitive emissions are however not regarded as a significant contributor in the majority of operations.

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 10% but less than or equal to 20%	Data Gaps Metering/ Measurement Constraints Data Management	Data gathering has improved significantly as this is our third reporting year. We have decreased our uncertainty from 40%-50% down to 20%-30% last year and now 10%-20% this year. We are continuing to increase our accuracy of data capture in order to increase overall accuracy and confidence of our Scope 1 emissions. Even though third party verification or assurance has not been obtained, Reunert's internal audit team was involved in verifying the information. Internal audit also provided assurance to the board that "based on the information audited, nothing has come to internal audit's attention that would indicate that the non-financial information disclosed in the integrated report is materially	Less than or equal to 2%	Metering/ Measurement Constraints	As with Scope 1, we have limited resources available to gather and verify information. However, we believe our accuracy levels to be relatively high due to improved data capturing and improved billing from municipalities and land lords. Human error with data capturing is addressed with sample audits and trend analysis. As with Scope 1, even though third party verification or assurance has not been obtained, Reunert's internal audit team was involved in verifying the information. Internal audit also provided assurance to the board that "based on the information audited, nothing has come to internal audit's attention that would indicate that the non-financial information disclosed in the integrated report is materially incorrect".

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
		incorrect". We have however left the uncertainty here relatively high because we have not yet begun measuring refrigerant gases and we are uncertain as to their significance.			

**8.6**

**Please indicate the verification/assurance status that applies to your Scope 1 emissions**

No third party verification or assurance

**8.6a**

**Please indicate the proportion of your Scope 1 emissions that are verified/assured**

**8.6b**

**Please provide further details of the verification/assurance undertaken, and attach the relevant statements**

Type of verification or assurance	Relevant standard	Attach the document

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8.6c

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission
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8.7

**Please indicate the verification/assurance status that applies to your Scope 2 emissions**

No third party verification or assurance

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8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

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8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Attach the document
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8.8

**Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

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8.8a

Please provide the emissions in metric tonnes CO2

**Page: 9. Scope 1 Emissions Breakdown - (1 Oct 2011 - 30 Sep 2012)**

---

9.1

**Do you have Scope 1 emissions sources in more than one country?**

No

---

9.1a

Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e

---

9.2

**Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)**

By business division

---

**9.2a**

**Please break down your total gross global Scope 1 emissions by business division**

<b>Business division</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>
CBI-electric	5977.71
Nashua	4019.99
Reutech	523.0
Other	14.26

---

**9.2b**

**Please break down your total gross global Scope 1 emissions by facility**

<b>Facility</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>	<b>Latitude</b>	<b>Longitude</b>
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**9.2c**

**Please break down your total gross global Scope 1 emissions by GHG type**

<b>GHG type</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>
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9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
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9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)
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**Further Information**

Scope 1 emissions in Lesotho, USA and Australia are not included in this footprint. It is thought that they will be relatively small, however, we will endeavour to include it in future.

**Page: 10. Scope 2 Emissions Breakdown - (1 Oct 2011 - 30 Sep 2012)**

---

10.1

**Do you have Scope 2 emissions sources in more than one country?**

Yes

---

10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
South Africa	56480.33	57050.84	68.93
Australia	84.05	98.69	0
United States of America	10.20	17.59	0

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## 10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

---

### 10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
CBI-electric	41434.83
Nashua	8387.02
Reutech	5572.76
Other - group property portfolio & admin	1179.98

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### 10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)
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10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)
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10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)
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---

### Further Information

The CBI-electric factory based in Lesotho's emissions have been included under South Africa

### Page: 11. Energy

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11.1

**What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

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**11.2**

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	46669.61
Electricity	57167.12
Heat	0
Steam	0
Cooling	0

---

**11.3**

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	6463.43
Motor gasoline	16100.56
Liquefied petroleum gas (LPG)	2285.62
Natural gas	21820

---

**11.4**

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
Non-grid connected low carbon heat, steam or cooling, generation owned by company	69	The photovoltaic solar panel system that was implemented in 2010 at Reunert Park in Midrand has generated 68 933 kWh in the past year culminating in a 2% saving on coal-generated electricity at the site.

**Page: 12. Emissions Performance**

**12.1**

**How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?**

Increased

**12.1a**

**Please complete the table**

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	0.3	Decrease	CBI-electric decreased electricity consumption due to more energy efficient methods implemented
Divestment	0		
Acquisitions	0.8	Increase	Nashua ECN acquisition included for 12 months vs 4 months in prior period. Extrapolation has been applied.
Mergers	0		
Change in output	0		
Change in methodology	2	Increase	Employee reimbursed travel included under Scope 1.
Change in boundary	1.6	Increase	0.1% due to Australian & USA electricity emissions being included for first time. Improved data received from Nashua franchises (50%+ownership). It was assumed that the remaining 1.5%

Reason	Emissions value (percentage)	Direction of change	Comment
			difference to make up to 4.9% increase is down to the franchises as it was difficult to calculate this exactly.
Change in physical operating conditions	0.8	Increase	Reutech saw a 10.5% increase in its Scope 2 emissions, mainly due to productivity/volume increase.
Unidentified	0		
Other	0		

## 12.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000005754	metric tonnes CO2e	unit total revenue	1.7	Decrease	Revenue increased by 6.9% from FY2011 to FY2012 whereas emissions only increased by 4.9% in FY2012.

## 12.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
11.54	metric tonnes CO2e	FTE employee	2.7	Increase	FTE (2012: 5815) increased by 1% compared to previous year (2011: 5752) mainly due to acquisition of radio business. emissions increased by

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
					more than 1% therefore the intensity increased.

#### 12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.21	metric tonnes CO <sub>2</sub> e	square meter	11.6	Increase	Reduced square metre (2012: 312 558m <sup>2</sup> ) vs (2011: 332 573m <sup>2</sup> ) due to more accurate allocation, despite inclusion of additional properties.

### Page: 13. Emissions Trading

#### 13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

#### 13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
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13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

13.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

13.2a

Please complete the table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose, e.g. compliance
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Page: 14. Scope 3 Emissions

14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	72935.03	72 835.03 Includes embedded emissions in raw materials used and in the pumping of municipal water. Amounts of materials such as paper, aluminium, steel, galvanised steel and PVC were recorded, and the relevant emission factors applied. Emission factors were taken from DEFRA 2012 and for Paper from Mondi Business Profiles (2010). Municipal water taken from municipal accounts was recorded in kilolitres and an emission factor of 0.925 kg CO <sub>2</sub> e per kilolitre of water applied. This emission factor is from Friedrich, Pillay & Buckley 2007 "The use of LCA in the water industry and the case for an environmental performance indicator." Water SA, Vol. 33	100%	
Capital goods	Relevant, not yet calculated	0			
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, not yet calculated	0			
Upstream transportation and distribution	Relevant, not yet calculated	0			
Waste generated in operations	Relevant, calculated	4537.22	Various waste types are recorded in kgs and then converted to tonnes and the relevant emission factor applied. Municipal and Commercial waste emission factors were taken from the Australian National Greenhouse Accounts (Department of Climate Change and Energy Efficiency), 2008 (Schedule 1), published 2012. All other waste emission factors were taken from DEFRA 2012, using the open or closed loop recycling emission factor.	100%	
Business travel	Relevant, calculated	960.09	Business Travel includes emissions from rental vehicles and flights. Rental vehicle emissions were provided as grams of CO <sub>2</sub> e by the rental car company. Flights were grouped by length and class and the appropriate DEFRA 2012 emission factor applied. Flights with a distance below 3700km were considered short haul, and above 3700km considered long haul. An uplift factor of 9% was applied to all flights.	100%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Employee commuting	Relevant, not yet calculated	0			
Upstream leased assets	Not relevant, explanation provided		Leased assets (buildings) where included in Scope 1 and 2		
Investments	Not evaluated	0			
Downstream transportation and distribution	Relevant, not yet calculated	0			
Processing of sold products	Relevant, not yet calculated	0			
Use of sold products	Relevant, not yet calculated	0			
End of life treatment of sold products	Relevant, not yet calculated	0			
Downstream leased assets	Relevant, not yet calculated	0			
Franchises	Relevant, not yet calculated	0			
Other (upstream)	Not relevant, explanation provided	0			We do not have any other upstream sources
Other (downstream)	Not evaluated	0			

## 14.2

**Please indicate the verification/assurance status that applies to your Scope 3 emissions**

No third party verification or assurance

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14.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

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14.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Attach the document
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14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

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14.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in output	33.1	Increase	More complete information
Waste generated in operations	Change in output	6.8	Increase	More complete information captured. More recycling of paper and card waste by businesses in the group.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Emissions reduction activities	8.3	Decrease	Water (embedded CO2e) - reduction in water usage. 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.

#### 14.4

**Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)**

Yes, our suppliers

#### 14.4a

**Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success**

Certain suppliers were contacted requesting information on services/goods supplied. This was the first year of engagement and happened late in the year. Larger service providers who are already completing their own Carbon footprints were geared to and could provide accurate data. However, some of the data received was unusable. We are continuing with our engagement process, focusing on suppliers.

It is not possible to supply the % of total spend, but it is low.

#### 14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
10		This is our first year reporting on Scope 3. Due to no centralised procurement system and limited internal resources it is difficult to analyse the proportion of total spend.

#### 14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	We are currently making use of supplier's supplied data to calculate our carbon footprint.
Stimulating innovation of new products	Working with partners on more energy efficient or lower carbon product offerings

#### 14.4d

Please explain why not and any plans you have to develop an engagement strategy in the future

**Module: Sign Off**

**Page: Sign Off**

Please enter the name of the individual that has signed off (approved) the response and their job title

Carina de Klerk  
Investor Relations and Communications Manager

CDP 2013 Investor CDP 2013 Information Request