



Water 2016 Information Request Allied Electronics Corporation Ltd (Altron)

Module: Introduction

Page: W0. Introduction

W0.1 Introduction

Please give a general description and introduction to your organization.

Allied Electronics Corporation Ltd (Altron - Listed on the JSE) through its principal subsidiaries, Allied Technologies Ltd, Bytes Technology Group (Pty) Ltd and Power Technologies (Pty) Ltd, is invested in the telecommunications, multi-media, information technology and power electronics industries. (www.altron.com - the latest integrated annual report www.altron.com/iar2016/)

Altech (100% owned by Altron) is a high-technology Telecommunications, Multi-Media and Information Technology (TMT) solutions group, focused on providing value-added products, services and solutions through the convergence of TMT, driven by market demand. (www.altech.com and www.altrontmt.com)

Bytes (100% owned by Altron) provides a broad range of products, technical skills and specialised services to support enterprise-wide IT infrastructure and telecommunications across southern Africa and in the United Kingdom. (www.bytes.co.za)

Powertech (100% owned by Altron) - is focused on delivering advanced technologies for the creation, management, distribution, storage and use of electricity across industries. The company's core businesses include the reliable delivery of high quality technical equipment, support and engineering expertise to support demanding client requirements across a range of specialist applications. (www.powertech.co.za)

Altron's vision - Our vision is to leverage emerging market dynamics and integrate technology solutions in order to enable sustainable growth.

Altron's mission - Our mission is to make technology accessible to our customers through our heritage, our people, our innovative products and services, our partnerships and our commitment to ethical business practices in order to ensure sustainable growth and financial return.

In practice this means focusing on customer-centric solutions rather than just selling products. It means taking pride in our long-standing South African history and the longevity of our business. It means showing appreciation for the talented people whose loyalty and efforts drive our business. It means continually investing in innovation and adaptation to provide innovative products and services. It means staying at the forefront of technology by partnering with some of the best companies in the world. If we accomplish all of this with ethics and integrity, we believe sustainable growth and financial return will follow, delivering value to our key stakeholders.

W0.2 Reporting year

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

Period for which data is reported

Please explain why you have made the exclusion

Period for which data is reported

Sun 01 Mar 2015 - Mon 29 Feb 2016

W0.3
Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

W0.4
Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

W0.4a
Exclusions

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Certain overseas facilities	Water data was not readily available for certain overseas facilities for the reporting period. Due to the size and the type of facilities, they were deemed not material to the Altron group.
Certain geographies	Water data was not readily available for certain overseas facilities for the reporting period. Due to the size and the type of facilities, they were deemed not material to the Altron group.
Certain water inputs/outputs	Data was not readily available for certain water inputs and outputs, in particular details around recycled, re-used, and water disposal for both local and international operations.

Further Information

Module: Current State

Page: W1. Context

W1.1
Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water aspect	% of sites/facilities/operations	Direct use importance rating	Indirect use importance rating	Please explain
Water quality and quantity		Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important		Access to fresh drinking water is a basic human right and at all our facilities we endeavour to provide necessary access for all our employees. Overall access to drinking water, sanitation, cleaning and water used in production is required.
Sufficient amounts of recycled, brackish and/or produced water available for use	Have not evaluated	Have not evaluated		Only a minority of our operations make use of recycled water during manufacturing processes or closed loop systems.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals-total volumes	76-100	The majority of our facilities report on the total volume of water sourced from primary sources on a monthly basis. However, there are some facilities where volumes cannot be measured due to the billing methodology applied by the landlord - typically a fixed fee per square meter of office space - that includes both electricity and water consumption is applied where facilities are leased or rented.
Water withdrawals-volume by sources	76-100	The majority of our facilities source water directly from municipal water sources as part of the municipal infrastructure where these facilities are located.
Water discharges-total volumes	1-25	Almost all measured sites discharge their water directly through the existing municipal water/sewage infrastructure.
Water discharges-volume by destination	Less than 1%	Discharges are not currently measured across the entire group, as the majority of facilities fall into office or administrative functions. Where discharge does take place - at manufacturing operations - these are managed and measured on site and reported to the head office, in most cases.
Water discharges-volume by treatment method	Less than 1%	Discharges are not currently measured across the entire group, as the majority of facilities fall into office or administrative functions. Where discharge does take place - at manufacturing operations - these are managed and measured on site and not always reported to the head office.
Water discharge quality data- quality by standard effluent parameters	Less than 1%	Discharges are not currently measured across the entire group, as the majority of facilities fall into office or administrative functions. Where discharge does take place - at manufacturing operations - these are managed and measured on site and not always reported to the head office.
Water consumption-total volume	76-100	The majority of our facilities report on the total volume of water sourced from primary sources on a monthly basis. However, there are some facilities where volumes cannot be measured due to the billing methodology applied by the landlord - typically a fixed fee per square meter of office space - that includes both electricity and water consumption is applied where facilities are leased or rented.
Facilities providing fully-functioning WASH services for all workers	76-100	Although not explicitly measured fully-functional Water Sanitation Health (WASH) services are provided to all employees as a basic right and forms part of our health and safety of all our employees and also as part of our corporate responsibility to respect and ensure implementation of the human right to clean water and sanitation. This is the baseline expectation of the UN Guiding Principles for Business and Human Rights.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Consumption Destination (megaliters/year)	Quantity (megaliters/year)	How does this quantity compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	No Surface water is withdrawn.
Brackish surface water/seawater	0	Not applicable	No Brackish surface water/seawater is withdrawn.
Rainwater	0	Not applicable	No rainwater harvesting is currently happening.
Groundwater - renewable	8	Higher	Water withdrawn from borehole (groundwater) increased due to drought experienced during the reporting year.
Groundwater - non-renewable	0	Not applicable	No groundwater (non-renewable) is withdrawn.
Produced/process water	0	Not applicable	No process water is measured.
Municipal supply	360	Lower	Municipal water is the primary source of water for the group and during the year, lower volumes were used due to the drought conditions experienced in South Africa - mainly due to water saving initiatives.
Wastewater from another organization	42	About the same	This remained more or less the same within our manufacturing environments.
Total	410	Much lower	This downwards trend was mainly due to drought conditions and subsequent water restrictions placed on consumers during the reporting period.

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	No surface water is discharged.
Brackish surface water/seawater	0	Not applicable	No brackish or seawater is discharged.
Groundwater	0	Not applicable	Groundwater discharge is not measured.
Municipal/industrial wastewater treatment plant	0	Not applicable	Municipal water discharge is not measured by all of our operations.
Wastewater for another organization	0	Not applicable	Water discharge is not measured accurately.
Total	0	Not applicable	Water discharge is not measured accurately.

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
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Proportion of suppliers	Consumption (megaliters/year)	River basin	Total procurement spend %	Impact indicator	How does this consumption figure compare to the reporting year?	Description of impact	Rationale for this coverage	Length of impact	Overall financial impact	Response strategy	Description of response strategy
410 %					Lower		This downwards trend was mainly due to drought conditions and subsequent water restrictions placed on consumers during the reporting period.				

W1.3
Do you request your suppliers to report on their water use, risks and/or management?

Yes

W1.3a
Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
Less than 1%	1-25	Although engagement with our suppliers across our organisation is of key importance there is currently no specific requirement for the group to measure detailed water consumption patterns in our entire value chain. The group also does not have the necessary infrastructure or resources to look at this specific aspect in totality currently. Once the group starts mapping supply chain risks in more detail this aspect will be addressed in more detail, but for now only the top or key suppliers are monitored with regards to environmental impact, of which water dependence is one element.

W1.4
Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

W1.4a
Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
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Risk assessment procedure	River basin	Impact Coverage indicator	Scale	Impact	Description of impact	Please explain	Length of impact	Overall financial impact	Response strategy	Description of response strategy
South Africa	Not known	Phys-Drought Phys-Increased water stress Phys-Rationing of municipal water supply Reg-Statutory water withdrawal limits/changes to water allocation Rep-Changes in consumer behaviour		Water supply disruption	South Africa experienced one of its severest droughts in recent times and subsequently water supply was regulated by water restrictions - although supply was erratic at times no major impact was experienced in the main city centers of the country in so far as the group has been concerned. Where relevant we adhered to water restrictions as enforced by the local authorities.		12 months	Unknown	Greater due diligence Promote best practice and awareness Water management incentives	In all cases adherence to water restrictions and relevant by-laws was communicated to all of our operations and water saving guidance where provided.

Further Information

Attachments

[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W1.Context/2016 Altron Integrated Annual Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W1.Context/2016%20Altron%20Integrated%20Annual%20Report.pdf)
[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W1.Context/2016 Altron G4 Core.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W1.Context/2016%20Altron%20G4%20Core.pdf)

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
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Method Frequency Assessment procedure	Geographic Coverage Scale	How far into the future Scale are risks considered?	Please explain how these methods are used in your risk assessment Please Comment
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and some suppliers	Water risk is managed through the Altron sustainability program; it includes the identification of all possible water risks at Altron facilities, this is accomplished through environmental and sustainability audits, and the yearly Altron risk assessment program, for the group operations and stakeholders. Water usage is also reported on a monthly basis by all facilities and water use patterns are then analysed by each sustainability coordinator as well as the Altron sustainability department. Should any effluent enter the municipal system at the various facilities this is highlighted by the internal audit department - where necessary relevant permits would have been obtained by the relevant operations. Water risk is identified through the supply chain as it forms part of the Altron Sustainable Supply Chain Program.

W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Sporadically not defined	Country	1 to 3 years	Overall Altron is considered has having a relatively low environmental impact and all Altron's facilities are located in well established industrial or commercial zones boundaries where the impact on water basins or catchment areas are considered to be low and fed by municipal infrastructure.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 5 years

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

Water risk is managed through the Altron sustainability program; it includes the identification of all possible water risks at Altron facilities, this is accomplished through environmental and sustainability audits, and the yearly Altron risk assessment program, for the group operations and stakeholders. Water usage is also reported on a monthly or six monthly basis by all facilities and water use patterns are then analysed by each sustainability coordinator as well as the Altron sustainability department. Any effluent that enters the municipal system at the various facilities is monitored as the law requires and all necessary permits are obtained. Water risk is identified through the supply chain as it forms part of the Altron Sustainable Supply Chain Program.

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
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Method	Issues	Choose option	Please explain how these methods are used in your risk assessment
Internal company knowledge Life Cycle Assessment UNEP Vital Water Graphics	Internal Company Knowledge, Life Cycle Management and UNEP Vital Water Graphics	Relevant, included	Given the group's diversity in facilities, a combination of each of the methods selected are referred to internally at operational level. Approaches will vary depending on the function of the facility, i.e. manufacturing vs. administrative or office vs. distribution. At plant level production or manufacturing inputs where water forms part of the manufacturing process will be considered, and the necessary precautions will be taken to ensure a sufficient supply of water for the process - this will usually be in the form of storage tanks, recycling of process water or using water within a closed loop system - all used as a buffer to ensure a continuous flow of water as required. This is especially true for facilities located in areas where water restrictions apply, specifically during seasonal droughts. Internal Company Knowledge - Alternatively, where necessary the biggest impact will be on the supply of water for drinking and sanitation purposes, and here precautions will be taken in terms of storage of water during times of water shortage.

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Water availability and water quality issues are identified and reported by each facility through the sustainability monitoring program.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	All national, provincial and local water regulations are adhered to through the Altron Environmental Management Program which includes regular Legal Environmental Compliance Audits.
Current stakeholder conflicts concerning water resources at a local level	Not relevant, explanation provided	All Altron's facilities are located in well established industrial or commercial zones and do not have any impact on local communities that may lead to conflict concerns.
Current implications of water on your key commodities/raw materials	Not relevant, explanation provided	Currently there is no significant impact of water issues on key commodities/raw materials in the Altron production cycle.
Current status of ecosystems and habitats at a local level	Relevant, included	The impact of all Altron's operations on the surrounding environment is continually monitored through the Altron Sustainability and Environmental Management program which includes the impact of water issues on ecosystems and habitats. A Biodiversity study was completed in 2012 where the impact of operations on ecosystems and habitats were assessed - See attachment
Current river basin management plans	Relevant, included	The impact of all Altron's operations on the surrounding environment is continually monitored through the Altron Sustainability and Environmental Management program which includes the impact of water issues on ecosystems and habitats. A Biodiversity study was completed in 2012 where the impact of operations on ecosystems and habitats were assessed - See attachment
Current access to fully-functioning WASH services for all employees	Relevant, included	Considered a basic human right with all facilities providing clean water for drinking and sanitation purposes.
Estimates of future changes in water availability at a local level	Relevant, not yet included	Has not yet been estimated and quantified.
Estimates of future potential regulatory changes at a local level	Relevant, not yet included	Has not yet been estimated and quantified.

Stakeholder Issues	Choose option	Choose option	Please explain
Estimates of future potential stakeholder conflicts at a local level	Relevant, not yet included		Has not yet been estimated and quantified.
Estimates of future implications of water on your key commodities/raw materials	Relevant, not yet included		Has not yet been estimated and quantified.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Not relevant, explanation provided		Altron's operations are situated in industrial and commercial areas and is not in close proximity to natural habitats.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, not yet included		Has not yet been estimated and quantified.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, not yet included		Has not yet been estimated and quantified.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, not yet included		Has not yet been estimated and quantified.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, not yet included		Has not yet been estimated and quantified.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, not yet included		Has not yet been estimated and quantified.
Other	Not relevant, explanation provided		No other issues identified.

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Not relevant, explanation provided	Altron operations do not have a direct or indirect impact on water risk associated with customers.
Employees	Relevant, not yet included	Will be included in risk assessments in the future.
Investors	Relevant, included	Investors are provided with feedback on all environmental and water issues through Altron's Integrated Reporting. Investors are included in the Stakeholder Engagement process that forms part of the Sustainability Management Program at Altron.

Stakeholder	Choose option	Please explain
Local communities	Not relevant, explanation provided	Altron operations do not have a direct or indirect impact on water risk associated with communities currently.
NGOs	Not relevant, explanation provided	Altron operations do not have a direct or indirect impact on water risk associated with NGO's currently.
Other water users at a local level	Not relevant, explanation provided	Altron operations do not have a direct or indirect impact on water risk associated with other water users currently.
Regulators	Relevant, included	Altron operations are continually audited for environmental legal compliance which includes any water use permits or effluent discharge permits.
River basin management authorities	Relevant, included	Altron operations are continually audited for environmental legal compliance which includes any water use permits or effluent discharge permits.
Statutory special interest groups at a local level	Not relevant, explanation provided	Currently there are no interest of stationary special interest groups at local level.
Suppliers		Suppliers are included in the Altron Sustainable Supply Chain Management Program which includes water risk assessment.
Water utilities/suppliers at a local level	Relevant, not yet included	Water utilities/suppliers have not yet been included in risk assessments but may be in the future if specific issues concerning utilities/suppliers would arise.
Other	Not relevant, explanation provided	No other stakeholders identified.

Further Information

Attachments

[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W2.ProceduresandRequirements/Altron's Water Management Policy_1.pdf](https://www.cdp.net/sites/2016/97/597/Water%2016/Shared%20Documents/Attachments/Water2016/W2.ProceduresandRequirements/Altron's%20Water%20Management%20Policy_1.pdf)
[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W2.ProceduresandRequirements/2016 Altron Social Ethics Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%2016/Shared%20Documents/Attachments/Water2016/W2.ProceduresandRequirements/2016_Altron_Social_Ethics_Report.pdf)

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations and supply chain

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

Country	River basin	Proportion of facilities exposed to water risk	Proportion of total operations (%)	Comment
South Africa	Vaal (WMA)	50	61-70	The majority of the group's facilities are located with the Gauteng province which is serviced by the Upper Vaal WMA. This area is also exposed to acid water seepage from mining operations
South Africa	Berg-Olifants (WMA)	5	6-10	Only a small number of office & administrative facilities are located within the Western Cape area, around Cape Town. This area is prone to water restrictions due to seasonal droughts.
South Africa	Mzimvubu-Tsitsikamma(WMA)	2	6-10	The group's two largest manufacturing operations are located in Port Elizabeth which are serviced by Mzimvubu to Keiskamma WMA. This area is prone to water restrictions due to seasonal droughts.
South Africa	Pongola-Umzimkulu (WMA)	1	6-10	Another large manufacturing operation is located near Durban, and exposed to potential water restrictions, again due to seasonal droughts.

A further concern is the potential impact of acid mine drainage and seepage into the water table which could have a significant impact on water resources, especially in the Gauteng and Mpumalanga provinces.

The impact that the consistency in electricity supply and infrastructure maintenance have on the guaranteed supply on water to our facilities is of great concern to the group and its direct and indirect impact on the country as a whole.

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
South Africa	Vaal (WMA)	50	61-70	The majority of the group's facilities are located with the Gauteng province which is serviced by the Upper Vaal WMA. This area is also exposed to acid water seepage from mining operations
South Africa	Berg-Olifants (WMA)	5	6-10	Only a small number of office & administrative facilities are located within the Western Cape area, around Cape Town. This area is prone to water restrictions due to seasonal droughts.
South Africa	Mzimvubu-Tsitsikamma(WMA)	2	6-10	The group's two largest manufacturing operations are located in Port Elizabeth which are serviced by Mzimvubu to Keiskamma WMA. This area is prone to water restrictions due to seasonal droughts.
South Africa	Pongola-Umzimkulu (WMA)	1	6-10	Another large manufacturing operation is located near Durban, and exposed to potential water restrictions, again due to seasonal droughts.

W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
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Country	River basin	Financial reporting metric	Proportion of chosen metrics that could be affected within the river basin	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Vaal (WMA)	% global revenue	71-80		The majority of the group's facilities are located with the Gauteng province which is serviced by the Upper Vaal WMA. A further concern is the potential impact of mine acid mine drainage and seepage into the water table which could have a significant impact on water resources, especially in the Gauteng and Mpumalanga provinces. The impact that the consistency in electricity supply and infrastructure maintenance have on the guaranteed supply on water to our facilities is of great concern to the group and its direct and indirect impact on the country as a whole.						

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
		Physical-Climate change		SA is a water stressed country. Climate change could lead to a further decline in the availability of water resources and operations will be vulnerable to fluctuating water availability. The major overall effect of reduced water						As the group's operations are located in an area where water is considered a scarce resource, Altron recognises that water availability may, in future, be constrained as a result of increasing industrial and community pressure on water supply; therefore water resources need to be conserved.

Country	River basin	Risk Driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Vaal (WMA)	Physical-Declining water quality Physical-Drought Physical-Inadequate infrastructure Physical-Increased water scarcity Physical-Increased water stress Physical- Pollution of water source Physical-Rationing of municipal water supply Physical-Seasonal supply variability/Inter annual variability Regulatory-Higher water prices Regulatory-Mandatory water efficiency, conservation, recycling or process standards Regulatory-Poor coordination between regulatory bodies Regulatory-Poor enforcement of water regulation Regulatory-Regulatory uncertainty Regulatory-Statutory water withdrawal limits/changes to water allocation Reputational-Inadequate access to water, sanitation and hygiene	Higher operating costs	availability is the pressure it places on integrated water balances at Altron's operations (particularly manufacturing and industrial operations). Water costs could be impacted by between 20 – 30%, directly affecting the group's revenue in water stressed regions. Pollution of the water supply will cause facilities to have to invest in their own water cleaning facilities. This will lead to an increase in operational cost. Acid mine drainage and its impact on the water supply for Johannesburg and the surrounding areas is expected to have an impact on the availability and quality of potable water. This could lead to a further decline in the availability of	4-6 years	Probable	Low-medium	Alignment of public policy positions with water stewardship goals Cost increase management through regulated tariff-setting process Engagement with public policy makers Engagement with suppliers Establish site-specific targets Infrastructure investment Infrastructure maintenance Promote best practice and awareness Water management incentives	Unknown - not determined or quantified	Going forward Altron will look to become an active participant in matters relating to water management in its areas of operation. This could be done through a number of means including raising awareness and training employees and local communities, as well as continuous dialogue with local, regional and national government water departments. In developing a group water strategy, Altron intend to look at water use reduction initiatives and look at water supply vulnerability. Currently Altron is involved in: Water saving awareness programs, Water efficiency

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										programs, Leadership, environmental compliance, Water reuse at some production facilities, and Water technology initiatives
South Africa	Mzimvubu-Tsitsikamma(WMA)	Physical-Climate change Physical-Declining water quality Physical-Drought Physical-Inadequate infrastructure Physical-Increased water scarcity Physical-Increased water stress Physical- Pollution of water source Physical-Projected water scarcity Physical-Rationing of municipal water supply Physical-Seasonal supply variability/Inter annual variability Regulatory-Higher water prices Regulatory-Increased difficulty in obtaining permits/operations Regulatory-Mandatory water efficiency, conservation, recycling or process standards Regulatory-Poor coordination between regulatory bodies Regulatory-Poor enforcement of water regulation Regulatory-Regulation of discharge quality/volumes leading to higher	Higher operating costs	SA is a water stressed country. Climate change could lead to a further decline in the availability of water resources and operations will be vulnerable to fluctuating water availability. The major overall effect of reduced water availability is the pressure it places on integrated water balances at Altron's operations (particularly manufacturing and industrial operations). Water costs could be impacted by between 20 –	Current-up to 1 year	Probable	Medium-high	Alignment of public policy positions with water stewardship goals Cost increase management through regulated tariff-setting process Engagement with public policy makers Engagement with suppliers Establish site-specific targets Infrastructure investment Infrastructure maintenance Increased investment in new technology Promote best	Unknown - not determined or quantified	Research into water cleaning technologies and water monitoring programs. In developing a group water strategy, Altron will look to become an active participant in matters relating to water management in its areas of operation

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
		<p>compliance costs</p> <p>Regulatory-Regulatory uncertainty</p> <p>Regulatory-Statutory water withdrawal limits/changes to water allocation</p> <p>Reputational-Inadequate access to water, sanitation and hygiene</p>		30%, directly affecting the group's revenue if water stressed regions.				practice and awareness Water management incentives		
South Africa	Berg-Olifants (WMA)	<p>Physical-Climate change</p> <p>Physical-Declining water quality</p> <p>Physical-Drought</p> <p>Physical-Inadequate infrastructure</p> <p>Physical-Increased water scarcity</p> <p>Physical-Increased water stress</p> <p>Physical- Pollution of water source</p> <p>Physical-Projected water scarcity</p> <p>Physical-Projected water stress</p> <p>Physical-Rationing of municipal water supply</p> <p>Physical-Seasonal supply variability/Inter annual variability</p> <p>Regulatory-Higher water prices</p> <p>Regulatory-Regulatory uncertainty</p> <p>Regulatory-Statutory water withdrawal limits/changes to water allocation</p> <p>Reputational-Inadequate access to water, sanitation and hygiene</p>	Higher operating costs	In the National Development Plan 2030, the establishment of a national water-resources infrastructure agency is proposed. This agency is to address water resource management on a decentralised basis, with the involvement of local stakeholders. At this stage it is still unclear how these agencies would function and what would be the potential impact on Altron's water requirements going forward.	Unknown	Probable	Low-medium	<p>Alignment of public policy positions with water stewardship goals</p> <p>Cost increase management through regulated tariff-setting process</p> <p>Engagement with suppliers</p> <p>Establish site-specific targets</p> <p>Infrastructure investment</p> <p>Infrastructure maintenance</p> <p>Increased capital expenditure</p> <p>Increased investment in new technology</p> <p>Promote best practice and awareness</p> <p>Water management incentives</p>	Unknown - not determined or quantified	In developing a group water strategy, Altron will look to become an active participant in matters relating to water management in its areas of operation.

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Olifants(WMA)	Physical-Climate change Physical-Dependency on hydropower Physical-Drought Physical-Ecosystem vulnerability Physical-Flooding Physical-Inadequate infrastructure Physical-Increased water scarcity Physical-Increased water stress Physical- Pollution of water source Physical-Rationing of municipal water supply Regulatory-Higher water prices Regulatory-Increased difficulty in obtaining withdrawals/operations permit Regulatory-Mandatory water efficiency, conservation, recycling or process standards Regulatory-Poor coordination between regulatory bodies Regulatory-Poor enforcement of water regulation Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs Regulatory-Regulatory uncertainty		Sourcing of raw materials, specifically copper mined in the Mpumalanga area can be negatively affected due to severe weather events, or even through the primary resource supplier loosing its water licence. To the group's cable manufacturing companies this could have a significant financial impact and would delay production due to sourcing from alternative suppliers.	1-3 years	Unlikely	Medium-high	Engagement with suppliers Greater due diligence Supplier diversification	Up to R1 billion (ZAR) per annum in supplier spend.	Revision of business continuity planning is taking place in order to identify necessary steps in mitigating risk which could include alternative suppliers and increase in the stocking of key components and materials.

Country or region Country	Opportunity River basin	Risk Regulatory-Statutory water withdrawal limits/changes to water allocation Regulatory-Unclear and/or unstable regulations on water allocation and wastewater discharge Reputational-Community opposition Reputational-Inadequate access to water, sanitation and hygiene Reputational-Litigation	Strategy to realize opportunity Potential impact	Description of impact	Timeframe	Estimated timeframe Likelihood	Magnitude of potential financial impact	Please explain Response strategy	Costs of response strategy	Details of strategy and costs

Further Information

Attachments

[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W3.WaterRisks/Altron's Water Management Policy_1.pdf](https://www.cdp.net/sites/2016/97/597/Water%2016/Shared%20Documents/Attachments/Water2016/W3.WaterRisks/Altron's%20Water%20Management%20Policy_1.pdf)

Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
South Africa	Cost savings Improved water efficiency	Utilise marketing material to communicate initiatives externally and internally. Altron intend to incorporate a roadmap for active water management into the water management strategy and water management plan. This will be done through our water & waste workshops, and setting of reduction targets.	1-3 years	Altron sees a reputational advantage being gained if water conservation and water management are successfully integrated into business operations. This effect may translate to profit should clients and customers value products that have been created with minimal impact on water supply. In addition, Altron believes that there are cost savings associated with active water management (reduction in water use and water reuse/ recycling), although these cannot yet be quantified.

Country Facility reference number	Opportunity Cost savings	Country	River basin	Strategy to realize opportunity Facility name	Total water withdrawals (megaliters/year) at this facility	Estimated timeframe How does the total water withdrawals at this facility compare to the last reporting year?	Please explain Please explain
Company-wide	Ensuring supply chain resilience Improved water efficiency			In 2011 Altron started to engage with its stakeholders in one-on-one meetings to identify any potential environmental risks. This approach will allow for the identification of water risks, among others, with initial focus on internal operations and a long term focus on supply chain. Altron intends to examine the sustainability of its supply chain through further engagement with key suppliers and to understand their risk in terms of resource dependence, including water, in the near future.		1-3 years	Altron is currently busy with its Sustainable Supply Chain Program, relating to environmental and sustainability risks. Through on going communication and engagement Altron plans to identify any potential water related risks within its supply chain.

Further Information

Attachments

[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W4.WaterOpportunities/2016_Altron_Integrated_Annual_Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W4.WaterOpportunities/2016_Altron_Integrated_Annual_Report.pdf)

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	South Africa	Other: All South African affected basins	South Africa - facilities	374.86	Lower	Due to drought experienced during the reporting year, withdrawals have been much lower.
Facility 2	Spain	Not known	Spain - facilities	11.31	Lower	Decrease in manufacturing and subsequent water consumption.
Facility 3	Botswana	Not known	Botswana - facilities	8.3	Higher	Better focus on data capturing and reporting of water data.
Facility 4	Lesotho	Not known	Lesotho - facilities	7.11	Higher	Better focus on data capturing and reporting of water data.
Facility 5	Portugal	Not known	Portugal - facilities	7	About the same	No significant difference in water consumption reported.
Facility 6	Namibia	Not known	Namibia - facilities	0.73	About the same	No significant difference in water consumption reported.

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Total water withdrawals (megaliters/year) at this facility	Produced/process water	How does the total water withdrawals at this facility compare to the last reporting year?	Municipal water	Wastewater from another organization	Please explain
Facility 7		United Kingdom	Not known	UK - facilities		0.31		Much lower			Better focus on data capturing and reporting of water data.
Facility 8		Mozambique	Not known	Mozambique - facilities		0.27		Lower			Better focus on data capturing and reporting of water data and lower manufacturing.

Further Information

Attachments

[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W5.FacilityLevelWaterAccounting\(I\)/2016_Altron_Integrated_Annual_Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W5.FacilityLevelWaterAccounting(I)/2016_Altron_Integrated_Annual_Report.pdf)

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	0	0	2.98	0	0	329.56	42.32	The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers. In addition water is also sourced from groundwater and other organisation's waste water.
Facility 2	0	0	0	0	0	0	11.31	0	The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers.
Facility 3	0	0	0	0	0	0	8.30	0	The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers.

Facility reference number	Facility number	Fresh surface water	Brackish surface water/seawater	Total water discharged (megaliters/year) at this facility	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	How does the total water discharged at this facility compare to the last reporting year?	Produced/processed water	Water from municipal?	Water from another organization	Please explain Comment
Facility 4	0	0	0	0	0	0	0	0	7.11	0		The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers.
Facility 5	0	0	0	4.70	0	0	0	0	2.31	0		The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers. In addition water is also sourced from groundwater.
Facility 6	0	0	0	0	0	0	0	0	0.73	0		The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers.
Facility 7	0	0	0	0	0	0	0	0	0.31	0		The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers.
Facility 8	0	0	0	0	0	0	0	0	0.27	0		The majority of the group's facilities are located in industrial or commercial zones and supplied primarily through municipal utility providers.

W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	0	About the same	Currently not measured.
Facility 2	0	About the same	Currently not measured.
Facility 3	0	About the same	Currently not measured.
Facility 4	0	About the same	Currently not measured.
Facility 5	0	About the same	Currently not measured.

Facility reference number	Total water discharged (megaliters/year)	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 6	0	About the same	Currently not measured.
Facility 7	0	About the same	Currently not measured.
Facility 8	0	About the same	Currently not measured.

W5.2a
Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	0	0	0	0	0	Currently not measured.
Facility 2	0	0	0	0	0	Currently not measured.
Facility 3	0	0	0	0	0	Currently not measured.
Facility 4	0	0	0	0	0	Currently not measured.
Facility 5	0	0	0	0	0	Currently not measured.
Facility 6	0	0	0	0	0	Currently not measured.
Facility 7	0	0	0	0	0	Currently not measured.
Facility 8	0	0	0	0	0	Currently not measured.

W5.3
Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	374.86	Lower	Due to severe drought conditions experienced during this reporting period, water consumption has been lower compared to previous periods.
Facility 2	11.31	About the same	No significant difference in water consumption reported.
Facility 3	8.3	Higher	Better focus on data capturing and reporting of water data.
Facility 4	7.11	Higher	Better focus on data capturing and reporting of water data.
Facility 5	7.00	About the same	No significant difference in water consumption reported.

Facility reference number	Highest level of direct responsibility for water issues (megaliters/year)	Water aspect- How do results compare to the last reporting year?	Frequency of briefings on water issues	What standard and methodology was used? Please explain	Comment
Facility 6	0.73	About the same		No significant difference in water consumption reported.	
Facility 7	0.31	Much lower		Better focus on data capturing and reporting of water data.	
Facility 8	0.27	Lower		No significant issues in water consumption reported.	

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	No external verification of data took place during the reporting period.
Water withdrawals- volume by sources	Not verified	No external verification of data took place during the reporting period.
Water discharges- total volumes	Not verified	No external verification of data took place during the reporting period.
Water discharges- volume by destination	Not verified	No external verification of data took place during the reporting period.
Water discharges- volume by treatment method	Not verified	No external verification of data took place during the reporting period.
Water discharge quality data- quality by standard effluent parameters	Not verified	No external verification of data took place during the reporting period.
Water consumption- total volume	Not verified	No external verification of data took place during the reporting period.

Further Information

Attachments

[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W5.FacilityLevelWaterAccounting\(II\)/2016 Altron Social Ethics Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W5.FacilityLevelWaterAccounting(II)/2016%20Altron%20Social%20Ethics%20Report.pdf)
[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W5.FacilityLevelWaterAccounting\(II\)/2016 Altron Integrated Annual Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W5.FacilityLevelWaterAccounting(II)/2016%20Altron%20Integrated%20Annual%20Report.pdf)

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled - twice per year	Reporting on performance against water reduction targets are reported on bi-annually to the Altron Board.

W6.2

Is water management integrated into your business strategy?

Influence of water on business strategy

Please explain why this content is included
Please explain

Yes

W6.2a

Please choose the option(s) below that best explain how water has positively influenced your business strategy

Influence of water on business strategy

Please explain

No measurable influence

Due to potential risks within the supply chain mitigation of water risks need to be factored in - especially where key components for products are sourced from countries prone to water related risks.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy

Please explain

No measurable influence

Due to potential risks within the supply chain mitigation of water risks need to be factored in - especially where key components for products are sourced from countries prone to water related risks.

W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content

Please explain why this content is included

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes	Please explain why this content is included
Publicly available Company-wide Performance standards for direct operations Performance standards for supplier, procurement and contracting best practice Commitment to customer education Incorporated within group environmental, sustainability or EHS policy Acknowledges the human right to water, sanitation and hygiene			Company-wide - Even though the group has a relatively low environmental impact, we do believe that we need to continue to look at conserving our natural resources, including water. We therefore continue to explore methods of conservation, storage, rehabilitation and recycling of water within our operations where economically feasible. We have set three year water reduction targets and encourage water efficiencies and water saving initiatives. The group's water management strategy is currently in draft and will be submitted during the course of this year to the board for approval, and subsequently it will be implemented across the group. Human right/EHS policy - all our employees have a human right to clean water for drinking and sanitation purposes.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
0	0	This aspect is not measured.

Further Information

Attachments

- [https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W6.GovernanceandStrategy/Altron's Water Management Policy_1.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W6.GovernanceandStrategy/Altron's%20Water%20Management%20Policy_1.pdf)
- [https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W6.GovernanceandStrategy/2016_Altron_Social_Ethics_Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W6.GovernanceandStrategy/2016_Altron_Social_Ethics_Report.pdf)
- [https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W6.GovernanceandStrategy/Altron Climate Change Framework 2015.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W6.GovernanceandStrategy/Altron%20Climate%20Change%20Framework%202015.pdf)

Page: W7. Compliance

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
W7.1						
Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?						
No						

Further Information**Attachments**

[https://www.cdp.net/sites/2016/97/597/Water 2016/Shared Documents/Attachments/Water2016/W7.Compliance/2016_Altron_Social_Ethics_Report.pdf](https://www.cdp.net/sites/2016/97/597/Water%202016/Shared%20Documents/Attachments/Water2016/W7.Compliance/2016_Altron_Social_Ethics_Report.pdf)

Page: W8. Targets and Initiatives**W8.1**

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets only

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Absolute reduction of water withdrawals	Cost savings	Altron aims to reduce its total water consumption by approximately 2.5% per year over the next three years.	% reduction of water sourced from municipal supply	2014	2018	10%

Further Information**Module: Linkages/Tradeoff****Page: W9. Managing trade-offs between water and other environmental issues****W9.1**

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

No

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Mr. AG Johnston	Group Company Secretary	Business unit manager

W10.2

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No

Further Information

CDP: [D][-,][D2]