

## Sustainability at Nampak

Nampak, as a diversified packaging group, requires that the cluster and divisional management are responsible and accountable for delivering sustainability strategies appropriate to the impact of its own products from an economic, social and environmental perspective.

### Overview

Nampak's sustainability is highly reliant on its ability to produce packaging that benefits all its stakeholders. As such, Nampak has adopted an inclusive approach to sustainability that ties economic, social and environmental elements together to ensure that sustainability is an intrinsic part of the business.



Nampak's value proposition is based on the production of packaging products that contribute to the protection and prevention of product deterioration, such as food and beverages, and also enable easier transportation and handling of goods. Packaging helps give identity to products, promotes product brands and provides key product and safety information. Nampak is mindful that the benefits of packaging have to be balanced with the generation of packaging waste, depletion of natural resources, the efficient use of energy and the company's carbon footprint.



### Sustainability framework

In creating sustainable value for all its stakeholders, Nampak endeavours to:

- Achieve sustainable earnings growth;
- Deliver packaging excellence;
- Ensure that employees are professional, capable, empowered and motivated;
- Assist in empowering and uplifting the communities in which the group operates;
- Contribute meaningfully to the transformation in South African society through the broad-based black economic empowerment (B-BBEE) process;
- Minimise the impact that its products have on the environment;
- Ensure exemplary levels of governance and accountability; and
- Foster sound business ethics and high levels of integrity.

### Sustainability governance

Nampak has a number of governance structures which oversee its

sustainability endeavours. The Nampak board is ultimately responsible for providing supervision, guidance and direction on economic, social and environmental issues that have a potential impact on the reputation and sustainability of the group and its stakeholders. The group's social, ethics and transformation committee and the risk and sustainability committee have been mandated by the board with the oversight of sustainability in the group.

Nampak, as a diversified packaging group, requires that the cluster and divisional management are responsible and accountable for delivering sustainability strategies appropriate to the impact of its own products from an economic, social and environmental perspective. Co-ordination is undertaken at a group level to ensure stakeholder value is created.

Refer to pages 74 and 75 of the corporate governance report for the group's governance structure and page 80 for the social, ethics and transformation committee's core responsibilities as well as pages 79 and 80 for the risk and sustainability committee's core responsibilities.

### Nampak's approach to sustainable packaging

Nampak recognises the role it has to play in providing products and services that minimise their impact on the environment, customers and consumers. The group participates in extensive recycling initiatives and continues to invest significant time and resources into the development of more sustainable products. Through the development of innovative packaging that is lighter and has a higher proportion of recyclable content,

Nampak contributes significantly to the reduction in packaging waste and resource usage. For further information of industry and Nampak specific recycling initiatives, refer to pages 61 to 63 in the environmental performance section of this report.

The development of sustainable packaging is one of the main challenges facing the packaging industry. It progresses with due consideration to environmental efficiencies and recycling, as appropriate packaging of a product can maintain high standards while preventing waste.

Nampak's research and development facility is core to Nampak. Ongoing engagement with industry bodies, employees, customers and suppliers on future packaging requirements ensures that Nampak's product range evolves as alternative solutions become evident and the matters identified by the Sustainable Packaging Coalition (below) are addressed. For further information on Nampak's product and service innovation activities, refer to pages 54 and 55 in the social performance section of this report.

### Sustainable packaging

The Sustainable Packaging Coalition\* defines sustainable packaging as packaging that:

- is beneficial, safe and healthy for individuals and communities throughout its lifecycle;
- meets market criteria for both performance and cost;
- is sourced, manufactured, transported and recycled using renewable energy;
- optimises the use of renewable or recycled source materials;

- is manufactured using clean production technologies and best practices;
- is made from materials healthy in all probable end-of-life scenarios;
- is physically designed to optimise materials and energy;
- is effectively recovered and utilised in biological and/or industrial cradle-to-cradle cycles.

In the coming year, focus will continue to work within the sustainable packaging framework to ensure long-term economic, social and environmental sustainability can be delivered.

\*The Sustainable Packaging Coalition is a US-based industry working group inspired by cradle-to-cradle principles and dedicated to transforming packaging into a system that encourages economic prosperity and a sustainable flow of materials. See <http://www.sustainablepackaging.org>

# Stakeholder engagement

The board has identified eight key stakeholder groupings based on the following: responsibility, influence, proximity, dependence and representation.

## Introduction

Nampak recognises that the sustainability of the business is totally dependent on the successful interactions with its stakeholders. Communicating well and listening to entities or individuals on whom the group has an impact, or who in turn impact on Nampak, is good business practice.

This good business practice is recognised in King III which identifies the need for boards to become more aware of these issues and processes around stakeholder relationships, and to have mechanisms for stakeholder concerns to be brought to their attention.

King III promotes a “stakeholder inclusive model of corporate governance” and recommends that boards “should consider the legitimate interests and expectations of stakeholders other than shareholders on the basis that this is in the best interests of the company and not merely as an instrument to serve the interests of the shareholder.”

## Stakeholder governance and policies

The Nampak board is the ultimate custodian of corporate reputation and

stakeholder relationships in the group. The board determines the group’s key stakeholder groups and Nampak’s stakeholder engagement strategies and objectives.

The board has identified eight key stakeholder groupings based on the following broad relationship categories: responsibility, influence, proximity, dependence and representation. The identified stakeholders are closely related to Nampak’s ability to deliver long-term sustainable performance from an economic, social and/or environmental perspective.

The group’s stakeholder engagement policy sets out the strategies and objectives behind its engagements with material stakeholders. It also sets out the mechanisms that support the various engagement processes through a multi-layered approach making use of many different methods of engagement through all levels of the group.

The guiding principles behind all stakeholder engagements include:

- **Equality** of treatment of stakeholders with appropriate forums in place for stakeholders to put forward their own points of view;

- **Transparent** communication, but within the overall boundaries set by legislative requirements;
- Need for **balance** in presenting both the positive and negative aspects of performance; and
- Presentation of **accurate and relevant information**, with a measured approach to the introduction of assurance on non-financial aspects.

All stakeholders may report matters of concern to “Tip-offs anonymous” which is run independently by Deloitte & Touche on a confidential basis. Details are included in the governance report on page 82 of this report.

## Stakeholder engagement

Nampak engages with its key stakeholders on an ongoing basis in a variety of ways. The table below provides an indication on how Nampak engages with its stakeholders, the preferred outcome of engagements and key objectives as well as the typical forms of engagement that take place.

Stakeholder grouping	Preferred outcome	Key objectives	Forms of engagement
Investors and financial institutions	<ul style="list-style-type: none"> <li>Trust and confidence between the group and its current and potential shareholders and financial institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Provision of timeous, transparent, accurate, and relevant information.</li> <li>Ensuring that the group is fairly valued in the market.</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities to raise questions and seek clarity in structured forums, verbally or written in addition to the annual general meeting.</li> <li>Completion of appropriate public surveys.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Environment which provides a value proposition, which is equitable, fair and addresses employee wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>Embed a culture of performance management.</li> <li>Well trained and developed workforce.</li> <li>Strong adherence to safety, health and environmental work practices.</li> <li>Compliance to applicable laws, regulations and standards.</li> </ul>	<ul style="list-style-type: none"> <li>Access to management and supervisors to raise awareness of issues and opportunities.</li> <li>Written bi-annual newsletters, intranet site, policies, procedures and standards.</li> <li>Access to appropriate training and development programmes.</li> <li>Engagement through recognised trade union structures.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Delivery of world-class packaging solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Business environment which provides: <ul style="list-style-type: none"> <li>Partnerships;</li> <li>Quality products;</li> <li>Competitive pricing;</li> <li>Dependable delivery;</li> <li>Innovative offerings;</li> <li>Customised choice;</li> <li>Ease of doing business; and</li> <li>Service support.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Access to Nampak's research and development team to assist with resolving product queries and product innovation.</li> <li>Meetings, one-on-one discussions, written and verbal communication at all levels in the organisation.</li> <li>Product exhibitions.</li> <li>Customer and consumer surveys.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Relationships that result in consistent supply or quality materials and services.</li> <li>Focused procurement aligned to transformation initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Mutually beneficial contractual arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, one-on-one discussions, written and verbal communication at all levels in the organisation.</li> </ul>
Trade unions	<ul style="list-style-type: none"> <li>Climate of mutual understanding and respect and non-adversarial relationship built between the group, divisions and trade unions that permits transparency and constructive debate on material issues facing the business and its employees.</li> </ul>	<ul style="list-style-type: none"> <li>Regular information sharing and involvement in consultation affecting trade union members.</li> <li>Adherence to the principle of freedom of association.</li> </ul>	<ul style="list-style-type: none"> <li>Negotiated recognition agreements.</li> <li>Consultation forums.</li> <li>Conflict management structures.</li> </ul>
Industry and government associations	<ul style="list-style-type: none"> <li>Constructive and unified engagement on matters affecting industry.</li> <li>Alignment of industry training offerings with general industry requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Regular sharing of permitted information at industry body sessions.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, written and verbal communication.</li> </ul>
Government, parastatals, provincial and local municipalities	<ul style="list-style-type: none"> <li>Engagement on matters which affect the macro economy and industry including environmental and social aspects as well as compliance (such as the South African Revenue Services).</li> </ul>	<ul style="list-style-type: none"> <li>Attendance by executive and senior management at meetings and forums.</li> <li>Compliance with relevant regulation and legislation.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, written and verbal communication.</li> </ul>
Community and civil society	<ul style="list-style-type: none"> <li>Structured social and enterprise development initiatives aligned to communities in which the group operates.</li> <li>Create understanding in the value of packaging and encouragement of recycling.</li> <li>Delivery of packaging that informs consumers.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing engagement with communities on issues which may affect them such as building new factories.</li> <li>Corporate social investment with a specific focus on education, health and welfare and environmental initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, one-on-one discussions, written and verbal communication.</li> <li>Consumer education interventions.</li> </ul>



# 15 million beach buckets...

...could be made with the amount of plastic we recycle each year



Nampak's **eco logical** thinking

# Economic performance

The most fundamental contribution that Nampak makes to the economies in which it operates is through delivering a robust business model supported by sustainable earnings.

The group's economic performance includes the economic value created and distributed by its operations to a

number of its stakeholders. These include: value added taxes collected and paid, employee benefits, distributions

to shareholders, support of local communities (particularly in South Africa) and interest paid to its funders.

## Salient features

	2011	2010	Variance %
Wealth created (R million)	6 614	6 065	9
Corporate Social Investment spend (R million)	13.3	8.9	49
<b>Transformation</b>			
<ul style="list-style-type: none"> <li>B-BBEE rating</li> </ul>	<b>Level 4 contributor</b>	Level 4 contributor	No change
<ul style="list-style-type: none"> <li>Black ownership %</li> </ul>	<b>10</b>	10	No change
<ul style="list-style-type: none"> <li>Enterprise development spend (R million)</li> </ul>	<b>31.9</b>	24.7	29.1
<ul style="list-style-type: none"> <li>Procurement spend with B-BBEE suppliers (R million)</li> </ul>	<b>79.9</b>	62.9	26.9

## Introduction

The group has 65 operations throughout South Africa and operations in a further 20 sites in countries in the rest of Africa. It also has nine operations in the United Kingdom and Ireland. The group employs in excess of 10 400 permanent

employees in these operations worldwide. The group actively invests in the communities in which it operates and is committed to Broad-Based Black Economic Empowerment in South Africa and the active transformation within the business.

## Wealth created and distributed

Wealth created and distributed is set out in the group value added statement. The most fundamental contribution that Nampak makes to the economies in which it operates is through delivering a robust business model supported by sustainable earnings.

## Group value added statement for the year ended 30 September

	2011 R million	2010 R million
Revenue	16 932	18 546
Cost of raw materials	10 329	12 487
Value added	6 603	6 059
Income from investments	11	6
Wealth created	6 614	6 065
<b>Distribution of wealth</b>		
Employees (salaries, wages and other benefits)	3 408	3 814
Government (income tax)	1 757	356
Providers of capital (interest)	163	240
Shareholders (dividends)	543	289
Reinvestment	743	1 366
Wealth distributed	6 614	6 065
<b>Dealings with government</b>		
Gross contributions to government		
Company taxes	202	134
Rates and taxes	26	34
Customs and excise duties	1 266	7
	1 494	175
Less: Cash grants and subsidies	–	–
Other government grants	1	1
Charged against group income	1 493	174
Collected on behalf of government	1 324	1 366

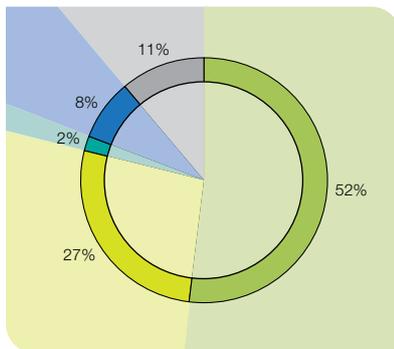
## Broad-based black economic empowerment

Nampak undertakes to continually address any inequalities present with regard to race, gender and disability in its employee base and to accelerate progress through structured skills development programmes and the injection of talent.

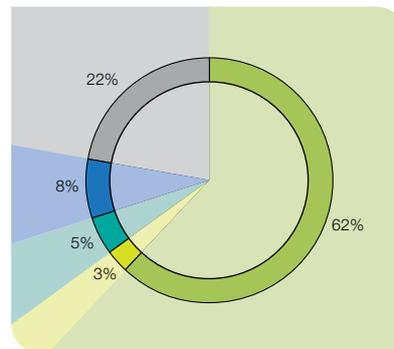
Nampak remains committed to B-BBEE and supports the Broad-Based Black Economic Empowerment Act and the Department of Trade and Industry's codes of good practice and scorecard. Nampak published its original, voluntary B-BBEE Charter in 2004 against which progress is measured. The charter is reviewed and updated in line with legislative requirements and improved targets. The Charter was last updated in 2008.

In its 2011 B-BBEE rating, Nampak achieved its target and retained its Level 4 contributor status. This level provides for 100% of customers spend to be regarded as B-BBEE spend. The target for 2012 is to move to a Level 3 contributor. The certification is provided by the independent rating agency Empowerdex.

2011



2010



● Employees    ● Government    ● Lenders  
 ● Shareholders    ● Reinvestment

## Ownership

Currently approximately 5% of all the shares in the group are held by its black South African management employees. Another 5% is held by a B-BBEE consortium. The consortium comprises:

- AKA Capital, which is chaired by Reuel Khoza, a leading businessman and one of the group's non-executive directors;
- the National African Women's Alliance, which is a grouping of African women with grassroots representation in all nine provinces in South Africa;

- the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPWAWU) which organises the majority of unionised workers in Nampak; and
- the South African Typographical Union (SATU) which is also active in Nampak.

Nampak obtained 16.05 points out of a possible 20 on this element of the scorecard.

### Management and control

Nampak achieved 5.34 points out of a possible 10 points on this element which measures black representation at board and group executive committee levels. Nampak's board currently comprises 7 black members out of 12, three of whom are black women and

the group executive committee has three black members out of nine.

### Employment equity

Nampak achieved 4.84 points in respect of this element of the scorecard out of 15. The key issue facing the South African operations is to increase the black female representation across all job categories and at all levels in the business. Policies and procedures have been structured, with supporting training programmes to ensure that the manufacturing environment is capable of attracting and supporting female recruits.

The group is fully compliant with the Employment Equity Act and the required reports are submitted promptly to the

Department of Labour. Employment equity committees, which include management and labour representatives, are functional in all the South African operations. Divisional Managing Directors, together with the Group Human Resources Director, are responsible for setting of employment equity targets, taking into account the overall group objectives. The group's executive directors' and all management incentives are discounted for non-achievement of these targets.

The status of employment equity amongst the group's management against the 2013 target is shown in the table below. Most divisions achieved their 2011 targets.

### Black/white employee numbers in South Africa

Positions	2013 target		2011		2010		
	% black	% black	Black	White	% black	Black	White
Non-executive directors	67	<b>67.0</b>	<b>6</b>	<b>3</b>	62.5	5	3
Executive directors	50	<b>33.3</b>	<b>1</b>	<b>2</b>	33.3	1	2
Group executive	50	<b>33.3</b>	<b>3</b>	<b>6</b>	33.3	3	6
Divisional managing directors	50	<b>26.7</b>	<b>4</b>	<b>11</b>	11.8	2	15
Senior management	43	<b>27.5</b>	<b>58</b>	<b>153</b>	24.5	52	160
Middle management	53	<b>55.2</b>	<b>280</b>	<b>227</b>	48.2	306	329
Entry level management	53	<b>64.3</b>	<b>261</b>	<b>145</b>	60.0	247	165
Supervisors	75	<b>75.8</b>	<b>2 623</b>	<b>839</b>	76.0	2 817	897
Skilled	90	<b>99.0</b>	<b>3 593</b>	<b>38</b>	98.5	3 111	46
Semi-skilled	90	<b>98.9</b>	<b>542</b>	<b>6</b>	99.3	1 635	10

The percentage of black females has decreased marginally from 16% in 2010 to 15.5% in 2011 as a result of the restructuring in the group.

Nampak's target is to increase the number of disabled people in its employ in terms of its Charter to 3% in 2013 from its current position of 0.89% in 2011 (0.91% in 2010).

### Skills development

Nampak acknowledges the involvement of black people in operational,

professional and executive decision-making as a critical aspect of its B-BBEE strategy and is focused on accelerating this process via structured skills development programmes. Skills development committees are present at all South African operations to drive advancement at an operational level. Nampak achieved a score of 8.99 out of 15 on its scorecard in respect of its South African skills training. The focus for 2012 to improve this score includes an investment in a web-based system

for accurate, real-time reporting on all training initiatives.

In the year under review, training in the major categories set out in the table below was undertaken in South Africa. For more details on the programmes, please refer to the social performance section on pages 48 and 49 of this report.

## Percentage black/black female employees of total candidates trained

Programmes 2011	Target group	Candidates	% black	% Black female
Executive coaching Management Development	Senior operational managers	21	48	10
Programme <sup>PLUS</sup>	Middle management	16	88	38
Tomorrow's Leader Programme	Supervisors and first-line managers	31	65	23
Nampak Sales Acumen Development	Sales managers and representatives	21	62	29
TOPP (Training Outside Public Practice)	Graduates	8	100	75
Graduate Development Programme	Graduates	30	100	50
Manufacturing techniques	Manufacturing and production staff	26	85	4
Business excellence programme	Production and clerical staff	25	96	12
Business presentation skills	Middle management	26	15	12
Negotiation skills	Middle management	7	86	29
Frontline excellence	Reception, secretarial, personal assistants	59	81	8

Nampak South Africa currently provides 53 bursaries for tertiary education of which 100% are for black students. There are 30 male and 23 female students. The bursaries are provided in areas where Nampak is experiencing skills shortages including engineering, science and accounting.

### Preferential procurement

Nampak exceeded its target score in the preferential procurement category of the scorecard when it achieved 17.98 out of a possible 20 points. Out of the total spend for the year under review, Nampak spent 79.92% B-BBEE recognition in value, 10.23% spend was with qualifying small enterprises with turnovers of between R5 million and R35 million per annum and exempt micro enterprises with turnovers of less than R5 million per annum, while 7.99% was with black owned suppliers and 2.15% with black women owned suppliers.

### Enterprise development

Nampak's approach to enterprise development is to assist in the creation of new black businesses by facilitating access to finance, capacity building and skills transfer, where appropriate, and to actively support small black enterprises to enable them to benefit from targeted procurement programmes. Nampak achieved its full points in respect of this element of the scorecard at 15 out of 15.

### Enterprise development example

In 2009, Nampak provided capital of R750 000 to Apple Green Holdings (an environmentally friendly waste management company established in 2007) to encourage and build awareness with the public about the importance of recycling and to prevent recyclable materials from going to landfill. Recycling banks have been strategically placed across a number of offices, office parks and retail outlets where it is convenient for the public to drop off various recyclable packaging materials. These recycling banks are emptied on a regular basis and the materials are sold by Apple Green Holdings to various recyclers, including Nampak. The initial targets have been achieved and the project is now self sustaining.

Other examples of successful enterprise development initiatives include:

- Mthembu Tissue, owned by an ex-Nampak employee, Theminkosi "General" Mthembu, which supplies bathroom tissue to Nampak Tissue. This is considered as Nampak's most successful initiative to date.

- Naledi Recycling, Unicorn Recyclers, Khoma-Khoma Waste, Inhloso Contract, Proven Again Trading & Projects and Ikageng Paper Collection who all supply waste paper to Nampak Tissue.
- Ssserious Marketing, who sell and distribute various Nampak products to small – medium entrepreneurs, including to some Nampak Divisions.

Through its commitment and initiatives aimed at addressing South Africa's packaging solid waste stream, Nampak is providing seed capital and capacity building for collection and recycling. Nampak is continuously evaluating opportunities to create economic value and to develop potential markets for used packaging, which in turn will encourage collection, job creation and business opportunities.

### Socio-economic development

Nampak scored 5 points out of a possible 5 points on its corporate social investment spend, which is strategically focused on Education (70%), Health and Welfare (15%) and the Environment (15%). For details of the projects and expenditure, refer to pages 51 to 54 of the social performance report.

### Indirect economic benefits

Immeasurable economic value is created by Nampak's packaging products through the protection and prevention of deterioration of food and beverage products, thereby considerably reducing the waste of scarce resources.

# Social performance

Nampak recognises that its employees are key differentiators in achieving the group's strategy and provide the group with a sustainable competitive advantage. Thus Nampak is committed to identifying, attracting and retaining the correct calibre of employees with appropriate skills to deliver business results.

Nampak's social influence as well as its corporate social investment endeavours impacts a large number of stakeholders, including its employees and the communities in which it operates.

## Nampak's employees globally

Nampak recognises that its employees are key differentiators in achieving the group's strategy and provide the group with a sustainable competitive advantage. Thus Nampak is committed to identifying, attracting and retaining the correct calibre of employees with appropriate skills to deliver business results.

## Staff complement

Nampak employs over 10 400 permanent employees worldwide with the greater part

being based in South Africa where the headquarters and the majority of the operations are based. The headcount has reduced in South Africa and Europe largely due to the disposal of non-core businesses during the reporting period. Structures have been aligned to support the group's strategy of growth into the rest of Africa.

The sale of Tubs and Disaki Cores & Tubes, after negotiations with the trade unions and employees affected, excluded a transfer under section 197 of the Labour Relations Act of 1995, as amended. Approximately 128 employees received retrenchment packages, however most of these employees were re-employed by the new business owners on revised terms and conditions of employment.

The sale of L&CP was concluded with full section 197 provisions and all employees were accommodated by the new owners.

The transactions for the Cartons Europe businesses and Interpak Books were concluded on a sale of shares basis which resulted in existing employment terms and conditions remaining in place.

The group internal audit function was outsourced to Ernst & Young with full section 197 provisions in December 2011.

The group Freight Forwarding and Clearing function was closed and most employees were retrenched, while some were absorbed in the divisions.

## Employee numbers by region

Region	2011			2010		
	Permanent	Temporary	Total	Permanent	Temporary	Total
South Africa	8 833	1 605	10 438	9 793	1 638	11 431
Rest of Africa	1 054	408	1 462	995	232	1 227
United Kingdom	588	55	643	512	50	562
<b>Total</b>	<b>10 475</b>	<b>2 068</b>	<b>12 543</b>	<b>11 300</b>	<b>1 920</b>	<b>13 220</b>

Within the total number of employees in South Africa:

- 19.61% are female;
- 320 females hold managerial positions; and
- 79 employees are disabled, 2 of whom occupy managerial positions.

Within the total number of employees in the United Kingdom and Ireland:

- 10.54% are female,
- 16 females hold managerial positions; and
- there are no disabled employees.

## People development and talent management

Continued focus is placed on the identification, development and retention of people to make certain that the group has appropriate leadership and specialist talent. Succession planning reviews are conducted regularly by the group executive committee and divisional boards to identify employees with potential for advancement. Management training programmes are reviewed annually to ensure that the content is aligned with the group's strategic requirements.

The details of the current programmes are included in the table opposite.

### Programmes

#### Leadership development

##### Executive Coaching

This programme is aimed at senior operational managers who have long-term potential for general and executive managerial positions.

##### Management Development Programme <sup>PLUS</sup>

The programme focuses on leadership development of high potentials at a senior operational management level.

##### Tomorrow's Leader Programme

The programme centres on supervisory staff development where potential to fill operational management roles in future is identified.

##### Nampak Sales Acumen Development

This programme is addressing technical sales skills within the broadened view of packaging solutions selling. The programme is aimed at high potential sales representatives and managers to fill key senior key account management roles.

##### (TOPP) Training Outside Public Practice

Nampak is participating on SAICA's TOPP programme. The programme is aimed at training prospective Chartered Accountants in Nampak through the Financial Management route. Students are employed on three- to five-year contracts.

##### Graduate Development Programme

The programme runs for two years and focuses on introducing new graduates to the Nampak group. It is aimed at addressing the skills shortage in engineering, finance and accounting, information technology and marketing. During the programme, young graduates are placed in jobs at divisions and complete an academic course involving individual and group assignments. Successful candidates are offered permanent employment in the group. The retention rate in this programme is a competitive 60%.

##### Manufacturing Techniques

The programme is aimed at supervisory and middle operational managers to build technical capabilities on world-class manufacturing and contains improvement techniques.

##### Business Excellence Programme

This programme concentrates on developing skilled employees with leadership potential who may not have had the educational opportunities in the past.

##### Business Presentation Skills

This programme aims to enhance the presentation and engagement skills of managers in all disciplines across the business.

##### Negotiation Skills

This programme is aimed at developing skills in engagement with stakeholders in all disciplines across the business.

##### Frontline Excellence Programme

This programme assists frontline employees with knowledge of the business as well as how to interact with different stakeholders.

**Investment in training and development by region**

Region	2011 R million	2010 R million
South Africa	50.1	59.5
Rest of Africa	2.4	2.0
United Kingdom	4.5	2.9

In addition to the programmes mentioned on the previous page, training extends to a range of occupational health and environmental training courses, as well as industrial relations, code of conduct and business ethics, productivity improvement, health and safety, first aid and fire-fighting.

Staff spent an average of five days or forty hours per annum in training in South Africa. A total of 5 824 employees attended training in South Africa. Staff spent an average of 6.5 days or 52 hours per annum in training in the United Kingdom. Training is provided in the rest of Africa to meet operational requirements. Two employees attended management programmes in South Africa.

All management, team leaders and supervisory employees are currently subject to annual performance reviews using a standard performance management system.

**Bursary scheme, tertiary grants, apprentices and learnerships**

The company draws bursars in appropriate fields, with emphasis on selection from Nampak-partnered schools and communities, to provide a supply into the Graduate Development Programme.

Nampak currently has 281 registered apprentices and learnerships in its various South African divisions, down from 359 in 2010. This is due to the

disposals of businesses as well as the restructuring initiatives that have taken place during the year.

The plastics division in the United Kingdom and Ireland have seven apprentices.

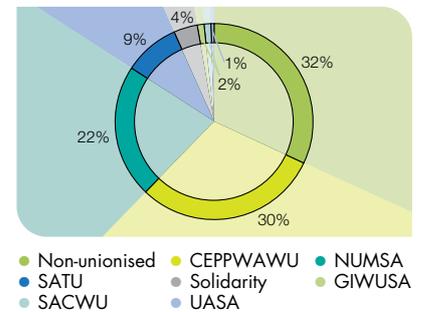
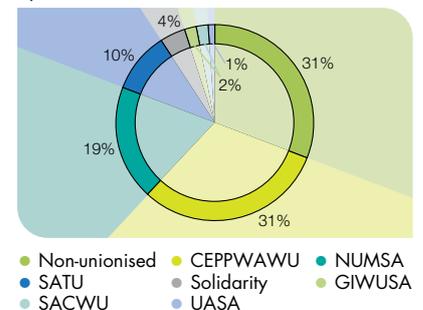
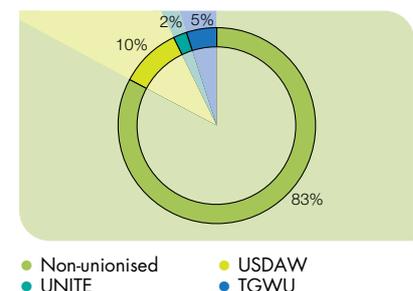
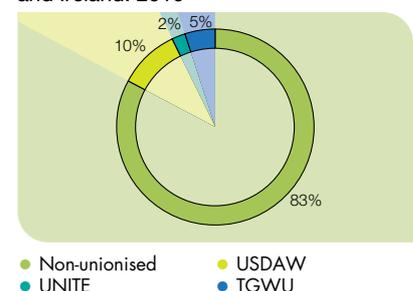
At least six months operational training was provided by Bevcan in South Africa to its employees who now work in Angola. Various operational training is provided to employees in the rest of Africa and some employees attend the managerial courses in South Africa.

Since 2001, the South African divisions have received funds totalling R84 million from the Department of Labour as a proportion of the skills development levy from the Fibre Processing and Manufacturing Sector Education and Training Authority (formerly the Media, Advertising, Printing, Publishing and Packaging Sector Education and Training Authority).

**Employee relations**

The South African divisions have a variety of participative structures at different levels for dealing with issues which affect employees. These include national framework agreements with all three major trade unions, namely Chemical Energy Paper Printing Wood Allied Workers Union, the National Union of Metalworkers of South Africa and South African Typographical Union, as well as plant based agreements with Solidarity, the General Industries Workers Union of South Africa, the South African Chemical Workers Union and United Associations of South Africa. Collective bargaining mechanisms, safety committees, employment equity and skills development committees, and other participative forums are operational within the South African divisions.

Collective labour and voluntary recognition agreements exist within the plastic operations in the United Kingdom and Ireland with the Union of Shop Distributive and Allied Workers, Unite the Union and Transport and

**Number of non-unionised and unionised employees in the South African operations: 2011****Number of non-unionised and unionised employees in the South African operations: 2010****Number of non-unionised and unionised employees in plastics in United Kingdom and Ireland: 2011****Number of non-unionised and unionised employees in plastics in United Kingdom and Ireland: 2010**

General Workers Union. These structures are designed to achieve good employer and employee relationships through effective sharing of relevant information, the identification and resolution of conflict as well as consultation by management with employees.

Most wage settlements in the group were achieved without industrial action of any kind in 2011, except for the metals, rigid plastics and glass divisions in South Africa which were all affected by a two-week industry strike in mid-July.

In 2006, Nampak and Union Network International (UNI), a global union representing workers in the graphical and services sectors, which brings together over 900 different unions and over 15.5 million members, signed a Global Agreement on the respect and promotion of International Labour Standards. The agreement sets out the guiding principles by which UNI and Nampak complement existing workplace and national agreements in order to secure fundamental human rights, including the prohibition of child labour and discrimination. Focus is also placed on ensuring appropriate working conditions.

All employee grievances raised were satisfactorily resolved during the reporting period.

### Benefits

Full time employees have access to a range of benefits in line with benefits in the local jurisdictions. These include benefits such as medical insurance, retirement funding, employee assistance programmes, educational assistance and awards for long service.

Employees in South Africa may apply for educational assistance for their children's primary and secondary school education where they are burdened with financial hardship and are unable to pay school fees at the commencement of the school year. Management considers assistance towards school fees for employees earning below a certain wage level for a period of one year and thereafter encourages individual personal savings to meet future school fee commitments. Educational assistance is provided on a case by case basis in the plastics division in the United Kingdom and Ireland.

### Retirement briefings

Written communication is regularly sent to all members of pension and provident funds. Regular feedback sessions on

the performance in the retirement funds, together with any changes to rules or legislation are held with employees. Retirement counselling sessions are provided where required for groups of retirement fund members who are within five years of retirement.

### Labour rights

It is Nampak's policy not to tolerate any form of unfair discrimination, inhumane treatment, forced or child labour, harassment or intimidation in the workplace. Group standards and policies are in place and training is provided to prevent unacceptable behaviours. Disciplinary action is taken when required.

### Creating a healthy and safe workplace

#### Occupational Health and Safety

The group complies with the Occupational Health and Safety Act or similar legislation in the respective countries. Safety, health and environment committees are in place at factories to assess and reduce the impact on the environment of manufacturing activities and to ensure the safety of employees.

	Target 2012	Actual 2011	Target 2011	Actual 2010
Work related fatalities	zero	1 contractor	zero	1 contractor
Number of reportable injuries	Average of 14 per month	Average of 14 per month	Average of 20 per month	Average of 22 per month
Disabling injury frequency rate <sup>1</sup>	1.24	1.24	1.50	1.65

Note 1: Lost-time injury frequency rate per 200 000 man hours worked.

During 2009, the South African occupational health practitioners attended two-day workshops where they were trained on the standard operating procedures to be used at Nampak Clinics. Issues included: processing injury-on-duty claims in accordance with the Compensation of Occupational Injuries and Diseases Act, fitness for working, the process for thorough hazard identification and risk assessment, and the associated medicals were covered. This was followed-up during 2010 with training which focused on occupational legal compliance. During this reporting period, the group focused on ensuring legal compliance in the South African occupational health clinics and each clinic was audited at least twice during the year to ensure the correct standards were being maintained. In addition, there has been a strong combined focus by risk and occupational health practitioners to improve the on-boarding process of new employees with regards to health and safety.

Most of the occupational nurses who needed to upgrade their qualifications from a certificate to a diploma to meet the requirements of the South African Nursing Council Circular 01/2010 have done so during the year. The balance will complete their required qualifications during 2012.

Nampak Wiegand Glass achieved OSHAS certification during 2011.

In South Africa the following operations are working towards certification in 2012: Bevcan Epping, Bevcan Mobeni, Bevcan Rosslyn, Bevcan Springs, Flexibles Pinetown, Flexibles Ndabeni.

Eight of the plastics plants in the United Kingdom and Europe will achieve certification during November 2011.

### Employee Assistance Programmes (EAP)

Nampak provides its staff and their immediate families with an independent programme to assist with personal and work-related problems through referral to appropriate external facilities, such as clinics, hospitals, community resources, childcare facilities, lawyers, psychologists and social workers. The EAP service is confidential, free and voluntary. Employees, whose work performance has been negatively affected by personal difficulties, may also be referred to the EAP programme by their immediate superior.

### HIV/Aids

During the year, the South African operations decided to adopt SANS 16001 (HIV management system) as the guideline. The comprehensive health risk assessment survey results have been received by all operations. The key issues have been identified and programmes are being implemented where appropriate. Training of wellness committees is taking place and line managers and supervisors are being trained to identify and deal with incapacity, especially related to HIV/Aids. Ongoing peer education programmes are in place and employees are offered the opportunity to test for HIV status in the occupational health clinics and at special wellness days. In the rest of the group HIV/Aids is managed on a case by case basis.

### Risk Control Standards

The Nampak Group Risk Control Standards cover facilities in South Africa, the United Kingdom as well as Cartons & Labels Nigeria, Corrugated Swaziland and Liquid Botswana. Willis

SA Limited, Nampak's insurance and risk management partner, provides assurance over the implementation of the standards, which includes an annual visit by Willis to each operation. Divisions also conduct their own self-audits on the risk control standards which are then subject to a peer audit by Nampak's risk control practitioners and a selective (one per division) verification audit by Willis before providing the assurance. The Plastics operations in the United Kingdom and Ireland have implemented a tailored health and safety audit system to comply with their insurance requirements. The Bevcan and Closures divisions are NOSA certified.

Elsewhere in Africa, the Lagos State Environmental Protection Agency in Nigeria requires health, safety and environmental audits of Nampak on a bi-annual basis. Accredited consultants Fatmahal Environmental Services Limited also perform monthly checks.

### Corporate social investment

Nampak's primary focus under its corporate social investment strategy is contributing towards the development of selected communities located near its factories in the areas of education, health and welfare and the environment. These activities are largely directed towards the youth, with general support of communities through donations to various hospices and other charities.

The second principle aligns enterprise development and corporate social investment to initiatives which improve collection and recycling opportunities for its packaging products. Through the various programmes, the group aims to assess, manage and enhance the positive impacts of its operations on local communities.

The group has a target of allocating up to 1% of its profit after tax to corporate social investment. During 2011, nearly R13.3 million was spent in the following categories:

Category	Expenditure 2011 R million	Expenditure 2010 R million
Education	6.2	5.0
SABC education	2.5	n/a
Health and welfare	2.2	2.3
Environment	2.2	1.4
Various charities	0.2	0.2
	<b>13.3</b>	8.9

## Education

During the year under review, Nampak spent R8.7 million on education initiatives.

Bursaries were awarded to the value of R2.8 million. The bursary scheme, which has been operating successfully for many years, provides assistance to high-potential learners for continuing education at tertiary institutions. Being a manufacturing organisation, the allocation of bursary funds is mainly to those learners who are studying towards science, engineering and accounting degrees. Wherever possible, employment opportunities identified within the group are offered to successful bursary holders. A total of 53 (up from 42 in 2010) bursars are currently involved in the scheme. The group was able to award additional bursaries during 2011 due to the additional contribution received from Bevcan's "Every-Can-Counts" campaign.

In addition, R105 000 was donated to Thuthuka Bursaries in support of three students studying for accounting degrees. Thuthuka is a project co-ordinated by the SA Institute of Chartered Accountants in order to increase the number of Black accountants in the country.

Nampak's school partnering programme is now in its ninth year. The schools chosen for this initiative are carefully selected and are in areas close to the group's South African factories where it is likely that employees' children will attend. Funds are spent on upgrading and equipping libraries, employing qualified librarians, administrative infrastructure, science laboratories, security and providing opportunities for teachers to enhance their skills and improve their own qualifications and bursaries for top students in mathematics, science and accounting. In addition, Nampak establishes and upgrades sports facilities in consultation with the school governing bodies.

The current partnered schools are:

- Lethulwazi Secondary School in Vosloorus, Gauteng
- Amogelang High School in Soshanguve, Gauteng
- Lebohlang High School in Boipatong, Gauteng
- Swelihle High School in Umlazi, KwaZulu-Natal
- Nkumbulo High School, Kwa-Thema, Gauteng
- Belhar High School in Belhar, Western Cape
- Luhlaza High School in Khayelitsha, Western Cape

As the facilities become established less funding is required by the schools and a maintenance position is adopted. Nampak appoints a school champion who is a Nampak employee for each school who is responsible for engaging with the headmaster, teachers and school governing bodies on a regular basis. These sessions provide an opportunity for feedback and also ensure that the programmes are adding value in the correct areas.

The ultimate goal is to provide career opportunities for learners within the group either directly from school or through further education support. The criteria for awarding bursaries to candidates from the Nampak partnered schools are in line with general bursary application evaluation with particular focus on academic performances during their final matric year in mathematics, science and accounting as well as the potential of such student for a future management position within Nampak. Three bursars who had completed their studies joined the group during 2011. This brings the total number of students from Nampak's partnered schools employed to date to 15.

The group plans to continue its involvement by growing the number of schools partnerships as funding allows.

## SABC Matrics Uploaded Show

As a result of Bevcan's "Every-Can-Counts" campaign, the SABC received R2.5 million to develop the educational content that is broadcast on their daily Matrics Uploaded show. These programmes focus on preparing grades 10, 11 and 12 for final examinations, with special emphasis on the areas of mathematics and science.

## Eco-Schools

The WESSA/WWF Eco-Schools programme is a whole school environmental development programme which helps schools to build their capacity to respond to environmental issues, by maximising the use of the environment as a learning tool through the national curriculum.

Nampak has supported the programme from a national perspective from when it was started in 2003 for six successive years. At the end of 2010 Nampak has once again committed to support South Africa's only nationally schools-based environmental education programme which is now into its 9th year.

With over 1 000 schools participating and in excess of 500 000 learners and 30 000 educators, the programme has a fantastic track record over its almost 10 year history, winning the *Mail & Guardian* Greening of the Future awards in 2009 and 2010 as well as numerous other awards such as the Climate Change Hero Awards for 2011.

The programme's innovative "change framework" teaches a new generation of consumers and leaders how to be part of the solution to our environmental challenges, rather than part of the problem. Promoting environmental education and awareness for conservation, biodiversity protection, food security and climate change adaptation are key focus areas. Schools follow a seven-step process that is then acknowledged with an eco-schools award and ultimately the international green flag of environmental excellence.

Carefully aligned with the national curriculum and responsive to new developments in the curriculum, the programme was adapted for South Africa at the Environmental Education and Sustainability Unit at Rhodes University as part of a peer-reviewed research process and is monitored by

a steering committee represented by senior members of the Department of Basic Education (DBE), the South African National Biodiversity Institute (SANBI), WWF, and the Department of Environmental Affairs (DEA). Implemented in South Africa by WESSA, the programme is part of the international Foundation for Environmental Education (FEE) which now has members in 51 countries around the world. It is one of the fastest growing environmental education programmes globally.

### Eco-schools with Nampak's partnered schools in Gauteng

Funding from Nampak has registered four secondary schools in Gauteng on the Eco-school programme. Each school is different in terms of their context and environmental challenges but all have been working hard throughout the year to make a happier, healthier and greener school.

Healthy living was the theme selected by Nkumbulo Secondary School which started this process by planting fruit trees during Arbor week to create an orchard.

Initial audits revealed litter to be a dilemma for the remaining three schools, which Lebohang Secondary addressed through an anti-litter poster campaign and school clean-up day. Lethulwazi and Amogeleng Secondary are turning their waste into something positive by embarking on a recycling campaign with the support and facilities provided by Nampak Recycling. This will not only improve their environment but also generate funds to plough back into the school. The recycling programmes are driven by learners who have become environmental ambassadors for their schools and provide a great lesson in entrepreneurship. Competitions linked to anti-littering/recycling were run by all three schools in a range of categories, with some great prizes as motivation.



## Health and welfare

### Thembaletu (Our Trust) initiative

This assistance programme, facilitated by Nampak Tissue, manufacturers of Cuddlers disposable nappy brand, supplies specially branded disposable nappies to carefully chosen privately funded Aids orphanages. During 2011, almost 1.7 million nappies were donated.

### Hospices

Nampak donated R594 000 to six hospices around the country for their work in caring for terminally ill people, including some of Nampak's employees and family members.

## Environment

### Animal proof dustbins

Nampak's support for waste disposal systems in the Kruger National Park dates back to 2006 when it supplied the first animal proof dustbins at a cost of R70 000. The bins were installed in Skukuza through a project driven by the Honorary Rangers. The initial bins did not provide for separation of waste and recycling. South African National Parks, the Honorary Rangers and Nampak worked together to design a new prototype of animal proof dustbin that provided for separation of recyclables from other waste. The redesigned high quality steel bins were piloted at Skukuza with an initial 150 bins installed at a cost of R800 000 in 2010. The trials have been successful and there have been no instances of baboons in the camp during the year. The bin's design has now been patented and an additional 286 bins were installed in the southern area camps during 2011 at a cost of R1.3 million. The long-term objective is to provide these bins in all South African National Parks camps and to develop an appropriate material recycling sorting facility to ensure increased recycling of packaging materials used at Skukuza.



## Product and service innovation

Nampak's research & development department (R & D) has an impressive 65-year track record, and is at the forefront of its field, standing amongst the global leaders in packaging science and technology. It provides the group's customers with an impressive value-added service, delivering packaging products that improve living standards and lifestyles.

The skills set comprises a highly trained team of 30 scientists and 15 technologists utilising the latest state-of-the-art analytical and design tools. These experts have a formidable knowledge of material science, chemical analysis, food science and microbiology. They are backed by an extensive database compiled from decades of experience and case studies. This provides Nampak and its customers with the expertise to package their products in a way that enables them to gain a significant value-added advantage over the competitors.

Shifts in consumer attitude are researched in focus groups, by both Nampak and its customers, to enable R & D to keep pace with changing consumption trends. An innovation process and subsequently a specific innovation room has been established at R & D for Nampak divisions and customers to consider product advancements and designs.

Nampak aims to increase recyclability of packaging, believing this to be a more sustainable solution than biodegradability. Packaging extends the shelf life of products, but increased awareness of waste drives a trend to reduce perceived "over-packaging". This requires constant innovation from Nampak's various divisions.

## Metals

Investigations into light-weighting both the two-piece and three-piece food can have resulted in a further reduction in can weights during the year. R & D continues with physical performance tests such as panelling and top-load of experimental light-weighted cans. Testing of lighter steel from international suppliers is continuous and various steel suppliers have been approved to supply Nampak. This initiative, which was born out of a cost-saving exercise, will result in significant resource conservation in the near future.

## Lacquer system for metal packaging

Nampak R & D was successful in developing and patenting a printing technique on internal food can ends which can be used for promotional/marketing/competition purposes. This development is also compliant with local and international food safety regulations.

## Paper

Constant work is done to establish new or different sources of raw material as potential recyclable waste paper, including identification of paper that is currently unsuitable for recycling.

Nampak Corrugated division has increased the portion of recycled paper in its board and has used all the board produced by the brown paper mill at Rosslyn in its products. Research continues to be conducted on strength tests between recycled and virgin material to determine an optimal level of recycled content. Alternative technologies to wax impregnation and coating are evaluated whenever it becomes available to ensure that more paper can be recycled.

R & D works very closely with our paper divisions to identify suitable international pulp and paper board suppliers for our diversified paper-based product range.

The cartons plants have aligned their purchasing strategies so that they are able to participate in the Forestry Stewardship Council Chain of Custody certification, which tracks certified material through all successive stages of manufacturing and distribution, from the forest to the consumer. This enables Nampak to meet customer requirements and to provide end-users of products with assurance that they are environmentally friendly.

## Plastic

Light-weighting of PET bottles is being driven by Petpak, and R & D has measured carbonation retention and the physical properties to check their conformance with customers' standards. This exercise supports the introduction of a range of lighter bottles from 2011.

The group is monitoring the ongoing debate on the issue of biodegradable plastics for packaging. As long as biodegradable plastics are not regarded as a viable option due to their potential contamination of the recyclable plastics waste stream, the group is promoting resource conservation and recycling initiatives. There is a constant drive to increase the percentage of recycled PET in new PET bottles.

The Nampak R & D plastic laboratory is also involved in numerous testing and developments to improve the barrier properties on a range of plastic materials for food and beverage products. This includes the use of various oxygen scavenging materials.

Nampak Plastics United Kingdom have developed a lightweight milk bottle. For further details refer to page 60.

## Compliance of packaging-chemical migration

Together with suppliers and customers, R & D is monitoring local and

international regulatory environment for changes which may impact on packaging compliance for food contact materials.

## Product stewardship

Hazard Analysis Critical Control Point (HACCP) is an internationally recognised, systematic and scientific approach to the identification and control of hazards in food preparation, processing, manufacturing and use to ensure that the food is safe to consume. Altogether twelve South African plants operate according to the HACCP procedures. They are audited annually by the South African Bureau of Standards to verify conformity. In addition, the five corrugated operations and Flexible Pinetown run the AIB (American Institute of Bakers) programme, which incorporates the HACCP programme.

The Plastics plants situated in the United Kingdom that produce packaging for foodstuffs conform to the British Retail Consortium Institute of Packaging standard, which is held and required by all the major retailers and brand owners.

Nampak Wiegand Glass and Cartons & Labels, Epping and Denver are ISO 22000 certified. Sacks division achieved certification by the end of 2010. ISO 22000 for food safety management ensures integrity of the food supply chain. DivFood Vanderbijlpark is planning implementation during 2012.

## Quality

Nampak holds ISO 9001:2001 Quality Management System certification at 56 of its operations globally. Fulfilment of this international standard effectively provides assurance about the quality, safety and reliability of Nampak's products.

# Environmental performance

Nampak's environmental policy states its commitment to operating as an environmentally responsible company, and its belief that the integrated actions of its operations to conserve natural resources and protect the environment make business sense.

## Overview

Nampak falls within the JSE sustainability index as a medium impact company on the environment. Its major impacts come in the form of the use of raw material it purchases (such as paper, board, tin plate, aluminium and various forms of plastic), the non-renewable source of electricity that is consumed which produces the bulk of its associated scope 2 CO<sub>2</sub> emissions in South Africa and the management of post-consumer waste, reuse and recycling.

## Policy

Nampak strives to create packaging that is balanced in terms of providing product protection and preservation, is cost-effective, creates maximum consumer appeal with appropriate product information and at the same time takes into account environmental responsibility.

Nampak's environmental policy states its commitment to operating as an environmentally responsible company, and its belief that the integrated actions of its operations to conserve natural resources and protect the environment make business sense.

Nampak undertakes to ensure that any potentially harmful impacts of its processes and products on the environment are minimised by:

- considering the environment in all business decisions and actions;
- promoting environmental awareness, both internally and externally, including through proactive communications with stakeholders;
- continuously improving its internal environmental performance, measured by regular internal environmental audits where ISO 14001 certification is not in place;
- establishing internal controls which recognise legislated standards and practices as minimum requirements; and
- providing the necessary financial and human resources to give effect to its environmental policy.

Nampak is committed to complying with the law in all of its operations and beyond to minimise its risks and impacts by developing robust and documented systems to measure, monitor and communicate its environmental performance both within its operations and to the broader community. Consequently, an

environmental management system based on the ISO 14001 standard has been adopted within the group.

Internal environmental assessments conducted during 2011 have not identified any significant environmental impacts that required special attention.

In South Africa, ISO 14001 certification is currently held by DivFood Mobeni and Flexible Pinetown. In addition, the following operations achieved certification during 2011: Bevcan Epping, Bevcan Mobeni, Bevcan Rosslyn and Bevcan Springs, Closures Epping, Flexible Ndabeni and Nampak Wiegand Glass.

Closures Mobeni, Corrugated Pinetown and DivFood Vanderbijlpark and Nampak Tissue (nine operations) are on target to receive certification during 2012.

The Liquid plastics divisions will commence implementation in six of their major manufacturing sites during 2012, as well as at Elopak. The standards will be implemented at the smaller liquid plastics sites, but certification will not be sought.

Corrugated Wadeville, Corrugated Paper Mill, DivFood Paarl and the two Cartons and labels gravure plants will also commence implementation during 2012.

In Europe, seven of the plastics plants are ISO 14001 certified, with the one site having just been recommended for certification in 2012. Implementation will progress in due course at the newly acquired site.

Once the standards have been achieved in the major South African operations,

implementation will commence at the related material manufacturing sites in the rest of Africa.

### Climate change

#### Key risks and opportunities

Climate change represents both risks and opportunities for Nampak. For a holding company as diverse as Nampak, with interests in paper, glass, metals and plastics, and with 91 manufacturing sites, Nampak facilities are susceptible to risks ranging from shortages of resources, severe weather events to logistics interruptions.

As a packaging supplier, Nampak is indirectly exposed to the same risks and opportunities as its customers. These are assessed and deliberated with customers at divisional level as the risks and opportunities could be different across the packaging material types. The major opportunities and risks are set out in the table below.

Environmental trends	Resultant opportunities and risks	Nampak's response
Shifts in agriculture	<ul style="list-style-type: none"> <li>Changes in crop yields as well as ocean currents impacting on fish supplies and the associated packaging demands.</li> <li>Increased quality control requirements on products to prevent spoiling.</li> </ul>	<ul style="list-style-type: none"> <li>Development of innovative packaging solutions to meet changing conditions.</li> </ul>
Higher temperatures	<ul style="list-style-type: none"> <li>Increased demand for beverages resulting in increased demand for packaging.</li> </ul>	<ul style="list-style-type: none"> <li>Nampak's beverage canning, polyethylene terephthalate (PET) and glass bottling, closure and labels divisions would benefit from an increase in demand.</li> </ul>
Resource shortages	<ul style="list-style-type: none"> <li>Increase focus on recycling.</li> <li>Innovative packaging solutions to meet changing conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Light-weighting, recycling and other opportunities to reduce resource usage.</li> <li>Increased recyclable content and/or recyclability of products.</li> </ul>
Shifts in consumer attitude towards more sustainable, less energy-intensive products	<ul style="list-style-type: none"> <li>Products with a low carbon footprint.</li> <li>Increased recyclability of products.</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives to manufacture products for entities exporting to the European Union (EU).</li> <li>Innovative offerings through the group's significant research and development capability.</li> </ul>

Nampak's research and development department consistently works on light-weighting, recycling and other opportunities to reduce resource usage and to increase recyclable content and/or recyclability of its products to address the resource shortage risk. The current projects are set out in more detail in the product service innovation section on pages 54 and 55 of this report.

Shifts in consumer attitude towards more sustainable, less energy-intensive products presents a business opportunity as Nampak manufactures several products that can help businesses and consumers exporting to the European Union (EU). Nampak's significant research and development capability offers opportunities for the company to respond to a changing consumer attitude and regulatory environment, as it allows Nampak to capitalise on movements in consumption patterns driven by environmental awareness.

### Nampak has adopted a dual approach to climate change

The first approach is to establish a Nampak specific carbon footprint using the Greenhouse Gas Emission protocol and to set appropriate targets for

reductions. As more than 80% of Nampak's scope 1 and 2 greenhouse gas emissions in South Africa come from electricity consumption, the initial focus has been on obtaining specific improved efficiencies and reductions with projects already underway.

Energy-efficiency initiatives that are continuously reviewed within the group include:

- inspecting, repairing and upgrading the power factor correction equipment in each operation;
- replacing lighting with more efficient types of lamps and fittings in each operation;
- efficient operating of boilers;
- surveys on steam reticulation and steam losses;
- returning condensate to boiler hot-wells where such installations did not exist;
- monitoring compressors and their loading;
- eliminating leaks where they occur;
- introducing "phased start-up systems" at operations;
- balancing power reticulation within the factories; and
- using liquid petroleum gas in place of coal to reduce the carbon footprint.

The South African safety, health and environmental senior management committee reviews new opportunities as a standard meeting agenda item. Certain projects have attracted refunds from Eskom under its demand side management programme and a central agreement has been signed to cover activities in all the South African operations.

### Carbon footprint

The following table provides an overview of Nampak's CO<sub>2</sub> emissions (CO<sub>2</sub>e) for its South African operations. The calculation is performed by Carbon Calculated on data provided by the divisions and is based on the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard.

#### The electricity consumption for the year ended September is set out below:

	2011	2010
Electricity consumed <sup>1</sup> (kWh)	510 721 924	554 227 870

Note 1: Based on continuing operations.

	2011 Metric tonnes of CO <sub>2</sub> e	2010 Metric tonnes of CO <sub>2</sub> e
South African and United Kingdom employees (continuing operations)	9 421	9 774
Percentage employees covered by this report	100%	100%
South African and United Kingdom external revenue in R million	14 468.89	14 560.80
<b>Scope 1 direct emissions</b>		
Equipment owned or controlled (e.g. generators)	155 340.11	131 345.89
Air conditioning and refrigeration gas refills	37.45	40.93
Vehicle fleet	5 968.02	5 933.03
<b>Total scope 1 emissions</b>	<b>161 345.58</b>	<b>137 319.86</b>
<b>Scope 2 indirect emissions</b>		
Purchased electricity	546 159.96	610 783.97
<b>Total scope 1 and 2 emissions</b>	<b>707 505.55</b>	<b>748 103.83</b>
<b>Scope 3 indirect emissions</b>		
Business travel in rental cars	178.68	259.99
Business travel in commercial airlines	8 236.28	3 365.74
Business travel overnight accommodation	52.78	20.01
Outsourced transport (UK only)	5 329.22	5 057.37
Consumption of office paper	299.61	426.57
<b>Total scope 3 emissions</b>	<b>14 096.57</b>	<b>9 129.68</b>
<b>Total scope 1, 2 and 3 emissions (GHG Protocol)</b>	<b>721 602.13</b>	<b>757 233.50</b>
Non-Kyoto Protocol GHG emissions <sup>1</sup>	2 227.55	995.86
<b>Total emissions CO<sub>2</sub>e (metric tonnes)</b>	<b>723 829.68</b>	<b>758 229.36</b>
Emissions per full-time employee (t/FTE)	76.83	77.58
Intensity % t CO <sub>2</sub> e from electricity	75%	81%
Kilowatt hours consumed	593 977 066	636 218 128
Electricity intensity per kWh per t/FTE	63 048.20	65 092.91
Tonnes of CO <sub>2</sub> e per million rand revenue	50.02	52.07

Nampak has commenced the collection of data for the rest of Africa with a view to including data in future reports.

The current project which continues to increase recycled content in products and reduce CO<sub>2</sub> emissions is set out below:

### Nampak Plastics United Kingdom HDPE milk bottle

During 2011 Nampak Plastics United Kingdom demonstrated its commitment to sustainability with its continued focus on manufacturing environmentally friendly milk packaging and the implementation of a range of initiatives to reduce the company's own carbon footprint.

Nampak has always led the market in reducing the environmental impacts of producing and consuming liquid milk and with its partners produced the world's first post-consumer recycled milk bottle. The company continues to lead the industry in sustainable milk packaging through the inclusion of at least 10% recycled material (rHDPE) in all the milk bottles it produces in the UK and Ireland.

Nampak is on track to increase its levels of recycled content ahead of the targets set in the Dairy Roadmap for the inclusion of up to 30% rHDPE by 2015 and 50% by 2020. The Dairy Roadmap is a dairy industry initiative of which Nampak is a founder member and its aim is to minimise the environmental impact of the entire dairy supply chain.

Nampak is currently conducting its own blow moulding processing trials under manufacturing conditions on the addition of 30% and 50% rHDPE into all the milk bottles it produces. These trials build on the study Nampak commissioned by the University of Bradford in 2010 to investigate the effects of adding increasing levels of rHDPE to virgin material. The research confirmed that the addition of 50% recycled content is feasible.

Nampak is also currently investigating the use of sugarcane-based high-density polyethylene (HDPE) plastics in its milk bottles.

Lighter bottles also play a major part in environmental performance and again Nampak leads by manufacturing the lightest weight plastic milk bottles.

This spring Nampak launched its new Infini® bottle to the UK market. Infini is a major evolution in the design of the plastic milk bottle and has been specifically designed to be light-weighted. It has significant benefits over the standard bottle design and in particular it offers an average 15% weight saving across the range with specific bottle sizes achieving savings as high as 21%, whilst at the same time continuing to meet current performance specifications.

The Infini bottle's innovative design has been selected as the optimum solution to the light-weighting challenge and

the HDPE bottle is fully recyclable so consumers can recycle it in exactly the same way as the standard bottle.

The Infini project will drive a total required investment plan of around £9 million on implementing the bottle range in addition to the £1 million spent on developing the design. Nampak's total production of milk bottles – currently two billion per annum – will move to the new light-weighted Infini design over the next few years.

The company also operates a successful and sustainable in-plant model at six out of its nine sites including a new in-plant in Ballymena, Northern Ireland in which the company invested £3 million in 2010. In-plants – where bottles are taken straight 'through the wall' from the bottle manufacturing process to the filling line at customers' sites – significantly cut down on transportation, overall vehicle movements and reduce carbon emissions.

In addition Nampak has introduced a range of energy efficiencies across the board at its sites resulting in a 6% reduction in energy consumption per tonne of material year-on-year.

In 2010 Nampak received a 'high recommendation' in the Business Commitment to the Environment (BCE) Environmental Leadership Awards which are given to businesses that can demonstrate they are making a real difference to their impact on the environment.

Nampak recognises the need to ensure consumers remain committed to recycling and is playing its part in increasing the public's understanding through its educational-based website [www.bottle2bottle.com](http://www.bottle2bottle.com).



### Carbon disclosure project (CDP)

Nampak participated in the CDP during the year under review. The carbon disclosure project provides a co-ordinating secretariat for institutional investors. It seeks information on their behalf on the business risks and opportunities presented by climate change and green house gas emissions' data from the world's largest companies.

As global understanding of climate change and the associated risks and opportunities continues to develop, investors are increasingly demanding more advanced corporate disclosure on carbon emissions. In particular, they want to understand the potential impact on their investment due to:

- taxation and regulation;
- changes in climate system;
- technological innovations; and
- shifts in consumer attitudes and demand.

In South Africa, the top 100 companies listed on the JSE, including Nampak, were invited to participate in the CDP questionnaire. Nampak participated on a disclosed basis.

### Water consumption and source

The bulk of Nampak's water requirements are provided by municipal sources. Nampak's operations

commenced the collection of data on water consumption during 2010.

#### Total water consumption

Consumption in kilo litres	2011	2010
South Africa	5 362 679	5 361 434
United Kingdom	25 800	25 800

### Waste management

Nampak's operations do not generate significant levels of waste. Wherever possible, raw material and other waste are recycled. Group service agreements are in place with certified providers for other general and hazardous waste removal.

### Biodiversity

Nampak's operations are not situated in or adjacent to protected areas.

### Environmental incidents

Nampak is pleased to report that there were no significant spills or environmental incidents during the year under review.

### Participation in industry recycling initiatives

Packaging is a vital component of modern living, providing protection, portability, preservation and convenience, as well as increasing attraction to customers' products.

The group is acutely aware of the impact that packaging products can have on the environment. As a consequence, the group is directly involved in many recycling initiatives, including the following:

### Metals

Collect-a-Can which is a joint venture between Nampak and Arcelor Mittal, collects and recycles used beverage cans. Collect-a-Can is subsidised by shareholders to create an incentive for people to collect cans. It operates across borders on the subcontinent, where cans of South African and Angolan origin are sold.

Southern Africa is a world leader in steel beverage cans recovery rates at 70% in 2011 (69% in 2010). These figures make the beverage can the most successfully recycled primary packaging in South Africa. In the latest published steel can recycling rates (2007), South Africa remains in the top five reported. The worldwide economic slowdown has had a negative impact on steel recycling rates in more recent years.

### Glass

Roughly 37% (up from 33% in 2010) of glass produced in South Africa is currently recycled. Nampak, together with other industry players and government participated in the restructuring of the South African glass recycling supply chain, and was also a

founding sponsor of The Glass Recycling Company, which aims to promote and increase the recovery rate of glass by creating awareness about the importance of protecting the environment.

Nampak Wiegand Glass uses 45% cullet, which is recycled waste glass, in its manufacturing process, thus reducing energy consumption and greenhouse gas emissions.

## Paper

The recycling rate for the recovery of paper as a percentage of recoverable paper in South Africa is steadily increasing and was 58% during 2010 (57.5% in 2009), as reported by the Paper Recycling Association of South Africa.

Cartons & Labels in Epping subscribe to the Forest Stewardship Council (FSC) which provides global standards for forest management. As part of the process, forest products are tracked through processing, conversion, distribution and printing before the product can carry the final FSC label and the independently verified Chain of Custody certification.

## Plastics

The South African plastics divisions continue to participate in the sustainability initiatives driven by Plastics SA, previously known as the Plastics

Federation of South Africa. Nampak's executives are active at Plastics SA. During 2011, a sustainability sub-committee was formed with representation from various polymer groups and retailers. The focus of this committee includes electronic waste, waste management, clean-up events, education, energy efficiency opportunities, container management and recycling.

In terms of PET products, the focus is on source reduction and reuse-ability.

Nampak Closures has introduced the "Super Shorty" closure for carbonated soft drink PET bottles. This closure weighs 2.4g versus 3.2g for the existing closure. As a result of the introduction of the closure, most customers have reduced the weight of their 500ml, 1 litre and 2 litre bottles.

The target weights for PET bottles are set out in the next table.

Bottle size	Current weight (grams)	Target weight (grams)
2 litre	54	45.75
1 litre	38	33.75
500ml	28	21.15

Petco is an industry-driven and financed environmental solution for PET packaging. Nampak was one of the

founding members and remains active with two representatives on the current Petco (Pty) Limited board. Petco was registered in December 2004. The main objective is ongoing consumer and public awareness of recycling initiatives. Petco fulfils the industry role of extended producer responsibility.

During 2010 38% of beverage PET was recycled (32% in 2009).

There are many end-uses for recycled PET in the form of:

- staple fibres (carpeting, clothing, sleeping bags, pillows and duvets);
- ceiling insulation;
- geotextiles (road stabilisation); and
- new PET containers for both food and non-food products.

Megapak division has joined a working group who are engaging with the South African Bureau of Standards to consider the SANS 10406 standard with which re-conditioners of plastic containers have to comply. The protocol for the standard is in the final stage of approval by SABS. Once approval is obtained, a new body will be formed comprising of new drum manufacturers, reconditioners, fillers and users.

Polyolefin recycling company was formed in August 2011 including industry players with one of the aims being to increase the recycling of polyolefins.

Significant progress has been made on the recycling of plastic milk bottles in the United Kingdom and details of this initiative and targets can be found on page 60 of this report.

### Waste Management Act, 2008

The National Environmental Management: Waste Act, 2008 (the Act) empowers the Minister of Environmental Affairs to require certain industries to develop Industry Waste Management Plans, including the paper and packaging sector. Whilst the Minister of Environmental Affairs has not formally gazetted the need for an industry plan, the Packaging Council of South Africa (PACSA), whose convertor members account for some 70% of the turnover of the packaging industry in South Africa proactively established the appropriate structures that could develop the industry waste management plan. In 2006, PACSA formed the Recovery Action Group (RAG) which consists of the material organisations representing the paper industry and the major packaging materials (metals, plastics and glass as well as paper). RAG was tasked to work together on common issues relating to recycling and to ensure more effective communication channels were established between industry and government. Perchards Limited, a leading international consulting company that specialised in recycling policy and packaging producer responsibility legislation and systems

around the world, was appointed to assist PACSA and RAG with the development of an appropriate industry waste management plan which would be relevant and viable in the South African context.

The comprehensive draft plan was finalised and submitted to government for consideration during August 2011. All parties involved have agreed to proceed with discussions with government with a view to finalising and commencing implementation in a practical manner.

Details of the plan will become transparent as engagement with government commences.

### Internal collection and recycling initiatives

#### Glass

Nampak's recycling division collected 84 000 tonnes of cullet during 2011 as part of its expanded business model to include the collection of glass in addition to its paper and board.

#### Paper and board

Nampak collected and recycled some 221 000 tonnes of waste paper and board in 2011 in line with 2010.

#### Plastics

Nampak Polycyclers converted some 5 050 tonnes in 2011 (3 100 tonnes in 2010) of recycled polyethylene into crates, refuse bins and buckets.



## GRI index

Core indicator
Additional indicator

- Completely covered
- Partially covered
- Not material

Indicator	Reference	Fulfilment and comment	
		Section	Page
<b>1. Strategy and analysis</b>			
1.1	Statement from chairman about the relevance of sustainability to the organisation and its strategy	Chairman's review	14 <input checked="" type="checkbox"/>
1.2	Description of key impacts, risks and opportunities	Chairman's review Chief executive's report Corporate governance: Key risks	14 17 – 19 84 – 85 <input checked="" type="checkbox"/>
<b>2. Organisation profile</b>			
2.1	Name of the organisation	Nampak Limited	<input checked="" type="checkbox"/>
2.2	Primary brands, products, and/or services	Business operations Operational review	19 – 26 <input checked="" type="checkbox"/>
2.3	Operational structure of the organisation	Group structure	4 <input checked="" type="checkbox"/>
2.4	Location of organisation's headquarters	Corporate information	2 <input checked="" type="checkbox"/>
2.5	Countries where the organisation operates	Where we operate	3 <input checked="" type="checkbox"/>
2.6	Nature of ownership and legal form	Group structure Shareholders' analysis	4 12 – 13 <input checked="" type="checkbox"/>
2.7	Markets served	Where we operate Operational review	3 20 – 26 <input checked="" type="checkbox"/>
2.8	Scale of the reporting organisation (number of employees, number of operations, net sales, market capitalisation, quantity of products, total assets, major shareholder)	Social performance Group structure Our business Group statement of financial position Shareholders' analysis	4 2 120 12 – 13 <input checked="" type="checkbox"/>
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Scope and boundary of the report	IFC <input checked="" type="checkbox"/>
2.10	Awards received	Group overview Sustainability at Nampak	1 <input checked="" type="checkbox"/>
<b>3. Report parameters</b>			
3.1	Reporting period for information provided	Scope and boundary of the report	IFC <input checked="" type="checkbox"/>
3.2	Date of most recent previous report	Scope and boundary of the report	IFC <input checked="" type="checkbox"/>
3.3	Reporting cycle	Scope and boundary of the report	IFC <input checked="" type="checkbox"/>

Core indicator
Additional indicator

- Completely covered  
 Partially covered  
 Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
3.4	Contact point for questions regarding the report or its contents	Corporate information	220	<input checked="" type="checkbox"/>
3.5	Process for defining report content	Nampak's reporting approach	IFC	<input checked="" type="checkbox"/>
3.6	Boundary of the report	Scope and boundary of the report	IFC	<input checked="" type="checkbox"/>
3.7	Specific limitations on the scope or boundary of the report	Scope and boundary of the report	IFC	<input checked="" type="checkbox"/>
3.8	Joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	Scope and boundary of the report	IFC	<input checked="" type="checkbox"/>
3.9	Data measurement techniques and the bases of calculations	About this report Accounting policies Definitions	IFC 124 – 135 34	<input checked="" type="checkbox"/>
3.10	Effect of any re-statements of information provided in earlier reports	Nampak's reporting approach Accounting policies	IFC 124 – 135	<input checked="" type="checkbox"/>
3.11	Significant changes from previous reporting periods	Scope and boundary of the report	IFC	<input checked="" type="checkbox"/>
3.12	Table identifying the standard disclosures in the report	GRI index	64 – 73	<input checked="" type="checkbox"/>
3.13	External assurance for the report	Scope and boundary of the report	IFC	<input checked="" type="checkbox"/>
<b>4. Governance, commitments, and engagement</b>				
4.1	Governance structure of the organisation	Corporate governance report: Governance framework and structure	74 – 81	<input checked="" type="checkbox"/>
4.2	Indicate whether the chair of the highest governance body is also an executive officer	Corporate governance report: Board of directors	75	<input checked="" type="checkbox"/>
4.3	Independent and/or non-executive members of the highest governance body	Corporate governance report: Board of directors	75	<input checked="" type="checkbox"/>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Stakeholder engagement	40 – 41	<input checked="" type="checkbox"/>
4.5	Linkage between compensation for members of governance bodies, senior managers and executives, and the organisation's performance	Remuneration report	88 – 107	<input checked="" type="checkbox"/>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Corporate governance report: Board of directors	75	<input checked="" type="checkbox"/>

Core indicator
Additional indicator

- Completely covered
- Partially covered
- Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees	Corporate governance report: Board of directors	75	<input checked="" type="checkbox"/>
4.8	Missions or values, codes of conduct, and principles	Corporate governance report: Integrity and ethical behaviour	82	<input checked="" type="checkbox"/>
4.9	Procedures of the highest governance body for overseeing the organisation's sustainability performance	Corporate governance report: Board committees	75	<input checked="" type="checkbox"/>
4.10	Processes for evaluating the highest governance body's own performance	Corporate governance report: Board, committee and director evaluations	81	<input checked="" type="checkbox"/>
4.11	Precautionary approach	Not reported		
4.12	Externally developed charters, principles, or other initiatives to which the organisation subscribes or endorses	Economic performance	43 – 46	<input checked="" type="checkbox"/>
4.13	Memberships in associations and/or national/international advocacy organisations	Stakeholder engagement	40 – 41	<input checked="" type="checkbox"/>
4.14	List of stakeholder groups	Stakeholder engagement	40 – 41	<input checked="" type="checkbox"/>
4.15	Basis for identification and selection of stakeholders	Stakeholder engagement	40 – 41	<input checked="" type="checkbox"/>
4.16	Approaches to stakeholder engagement	Stakeholder engagement	40 – 41	<input checked="" type="checkbox"/>
4.17	Key topics and concerns raised through stakeholder engagement	Not reported		
<b>Economic</b>				
Disclosure on management approach		Group overview Business operations Operational review Economic performance Annual financial statements	1 6 – 7 20 – 26 43 – 46 112 – 212	<input checked="" type="checkbox"/>
<b>Aspect: Economic performance</b>				
EC1	Direct economic value generated and distributed	Chief financial officer's review Economic performance: wealth created and distributed Value added statement Annual financial statements	28   112 – 212	<input checked="" type="checkbox"/>

Core indicator
Additional indicator

- Completely covered
- Partially covered
- Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
EC2	Financial implications and other risks and opportunities due to climate change	Environmental performance: Climate change	57 – 58	<input checked="" type="checkbox"/>
EC3	Coverage of the benefit plan obligations	Annual financial statements	112 – 212	<input checked="" type="checkbox"/>
EC4	Significant financial assistance received from government			<input checked="" type="checkbox"/> Nampak does not receive financial assistance from any government.
<b>Aspect: Market presence</b>				
EC5	Range of ratios of standard entry level wage compared to local minimum wage	Not reported		
EC6	Policy, practices, and proportion of spending on locally based suppliers	Economic performance: Broad-Based Black Economic Empowerment	44 – 46	<input checked="" type="checkbox"/>
EC7	Local personnel (hiring and proportion of senior management hired from the local community)	Economic performance: Broad-Based Black Economic Empowerment	44 – 46	<input checked="" type="checkbox"/>
<b>Aspect: Indirect economic impacts</b>				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	Economic performance: Social economic development Corporate social investment	46 51 – 54	<input checked="" type="checkbox"/>
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts			<input checked="" type="checkbox"/> Immeasurable economic value is created by Nampak's packaging products through the protection and prevention of deterioration of food and beverage products, thereby considerably reducing the waste of scarce resources.
<b>Environment</b>				
Disclosure on management approach		Group overview Business operations Environmental performance	1 6 – 7	<input checked="" type="checkbox"/>
<b>Aspect: Materials</b>				
EN1	Materials used by weight or volume	No reported		
EN2	Percentage of materials used that are recycled input materials	Group overview Environmental performance: Internal collection and recycling initiatives	1 63	<input checked="" type="checkbox"/>

Core indicator
Additional indicator

- Completely covered
- Partially covered
- Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
<b>Aspect: Energy</b>				
EN3	Direct energy consumption by primary energy source	Environmental performance: Climate change	57 – 58	<input checked="" type="checkbox"/>
EN4	Indirect energy consumption by primary source	Environmental performance: Carbon footprint	58 - 61	<input checked="" type="checkbox"/>
EN5	Energy saved	Environmental performance: Climate change	57 – 58	<input checked="" type="checkbox"/>
EN6	Initiatives to provide energy-efficient or renewable energy based products and services	Environmental performance: Climate change Nampak's approach to sustainable packaging	57 – 58 39	<input checked="" type="checkbox"/>
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Not reported		
<b>Aspect: Water</b>				
EN8	Total water withdrawal by source	Environmental performance: Water consumption and source	61	<input checked="" type="checkbox"/>
EN9	Water sources significantly affected by withdrawal of water	Not reported		
EN10	Percentage and total volume of water recycled and reused	No reported		
<b>Aspect: Biodiversity</b>				
EN11	Location and size of land adjacent to protected areas	Not reported		<input type="checkbox"/>
EN12	Description of significant impacts of business activities on biodiversity			<input type="checkbox"/> Nampak's business operations do not have a significant impact on biodiversity.
EN13	Habitats protected or restored	Not applicable		<input type="checkbox"/>
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Not applicable		<input type="checkbox"/>
EN15	Endangered species and level of extinction risk	Not applicable		<input type="checkbox"/>
<b>Aspect: Emissions, effluents, and waste</b>				
EN16	Total direct and indirect greenhouse gas emissions by weight	Environmental performance: Carbon footprint	58 – 61	<input checked="" type="checkbox"/>
EN17	Other relevant indirect greenhouse gas emissions by weight	Environmental performance: Carbon footprint	58 – 61	<input checked="" type="checkbox"/>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Environmental performance: Climate change, Carbon footprint	57 – 61	<input checked="" type="checkbox"/>

Core indicator
Additional indicator

- Completely covered  
 Partially covered  
 Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
EN19	Emissions of ozone-depleting substances by weight	Not reported		
EN20	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions by type and weight	Not reported		
EN21	Total water discharge	Not reported		
EN22	Total weight of waste by type and disposal method	Not reported		
EN23	Total number and volume of significant spills	Environmental performance: Environmental incidents	61	<input checked="" type="checkbox"/> Nampak did not experience any significant spills during the review period.
EN24	Weight of transported hazardous waste	Not reported		
EN25	Water bodies and related habitats significantly affected by the discharges of water	Not applicable		<input type="checkbox"/>
<b>Aspect: Products and services</b>				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Nampak's approach to sustainable packaging Social performance: Product and service innovation Environmental performance: Participation in industry recycling initiatives	38 – 39 54 – 55 61 – 63	<input checked="" type="checkbox"/>
EN27	Reclaimed product packaging materials by category	Group overview Environmental performance: Internal collection and recycling initiatives	1	<input checked="" type="checkbox"/>
<b>Aspect: Compliance</b>				
EN28	Monetary and non-monetary sanctions for non-compliance with environmental laws and regulations			<input checked="" type="checkbox"/> Nampak did not receive any sanctions for environmental non-compliance.
<b>Aspect: Transport</b>				
EN29	Impacts of transporting products, goods, materials and workforce	Environmental performance: Climate change	57 – 58	<input checked="" type="checkbox"/>
<b>Aspect: Overall</b>				
EN30	Total environmental protection expenditures and investments	Not reported		<input type="checkbox"/>
<b>Labour practices and decent work</b>				
Disclosure on management approach		Social performance: Employee relations, Labour rights	49 – 50	<input checked="" type="checkbox"/>

Core indicator
Additional indicator

- Completely covered
- Partially covered
- Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
<b>Aspect: Employment</b>				
LA1	Total workforce	Social performance: Staff complement	47	<input checked="" type="checkbox"/>
LA2	Total number and rate of employee turnover and new employee hires	Not reported		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time workers	Social performance: Benefits Employee assistance programmes	50 – 51	<input checked="" type="checkbox"/>
LA15	Return to work and retention rates after parental leave, by gender	Not reported		
<b>Aspect: Labour/management relations</b>				
LA4	Percentage of employees covered by collective bargaining agreements	Social performance: Employee relations	49 – 50	<input checked="" type="checkbox"/>
LA5	Minimum notice period(s) regarding significant operational changes	Social performance: Staff complement Remuneration report	47 105	<input checked="" type="checkbox"/>
<b>Aspect: Occupational health and safety</b>				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	Not reported		
LA7	Rates of injury, occupational diseases, lost days and number of work-related fatalities	Social performance: Creating a healthy and safe workplace	50 – 51	<input checked="" type="checkbox"/>
LA8	Education, training, counselling, prevention, and risk-control programmes regarding serious diseases	Social performance: Creating a healthy and safe workplace People development and talent management	50 – 51 48 – 49	<input checked="" type="checkbox"/>
LA9	Health and safety topics covered in formal agreements with trade unions			<input checked="" type="checkbox"/> Policy frameworks on these aspects discussed with trade unions.
<b>Aspect: Training and education</b>				
LA10	Average hours of training per employee	Social performance: People development and talent management	48 – 49	<input checked="" type="checkbox"/>
LA11	Programmes for skills management and lifelong learning	Social performance: People development and talent management	48 – 49	<input checked="" type="checkbox"/>
LA12	Percentage of employees receiving regular performance and career development reviews	Social performance: People development and talent management	48 – 49	<input checked="" type="checkbox"/>

Core indicator
Additional indicator

- Completely covered  
 Partially covered  
 Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
<b>Aspect: Diversity and equal opportunity</b>				
LA13	Composition of governance bodies and diversity of employees	Corporate governance report: Board of directors Economic performance: Employment equity	75 44 – 46	<input checked="" type="checkbox"/>
<b>Aspect: Equal remuneration for women and men</b>				
LA14	Ratio of basic salary of men to women	Not reported		
<b>Human rights</b>				
Disclosure on management approach		Social performance: Corporate governance	74 – 83	<input checked="" type="checkbox"/>
<b>Aspect: Investment and procurement practices</b>				
HR1	Percentage and total number of significant investment agreements and contracts that includes human rights clauses	Not reported		
HR2	Percentage of significant suppliers and contractors and other business partners that have undergone screening on human rights	Not reported		
HR3	Employee training concerning aspects of human rights	Social performance: Investment in training and development by region		<input checked="" type="checkbox"/>
<b>Aspect: Non-discrimination</b>				
HR4	Total number of incidents of discrimination and actions taken	Corporate governance report: Integrity and ethical behaviour	82	<input checked="" type="checkbox"/>
<b>Aspect: Freedom of association and collective bargaining</b>				
HR5	Hazard to the right to exercise freedom of association and collective bargaining, and actions taken	Social performance: Labour rights, Employee relations	50 – 51	<input checked="" type="checkbox"/>
<b>Aspect: Child labour</b>				
HR6	Risk for incidents of child labour, and measures taken	Social performance: Labour rights, Employee relations	50 – 51	<input checked="" type="checkbox"/>
<b>Aspect: Forced and compulsory labour</b>				
HR7	Risk for incidents of forced or compulsory labour, and measures taken	Not applicable		<input type="checkbox"/>
<b>Aspect: Security practices</b>				
HR8	Percentage of security personnel trained in procedures concerning aspects of human rights	Not applicable		<input type="checkbox"/>
<b>Aspect: Indigenous rights</b>				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Not reported		

Core indicator
Additional indicator

- Completely covered
- Partially covered
- Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
<b>Aspect: Assessment</b>				
HR10	Percentage of operations subject to human rights reviews	Not reported		
<b>Aspect: Remediation</b>				
HR11	Grievances relating to human rights filed			<input checked="" type="checkbox"/> Nampak has had no filings relating to human rights grievances.
<b>Social: Society</b>				
Disclosure on management approach		Social performance	47 – 55	<input checked="" type="checkbox"/>
<b>Aspect: Local community</b>				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Social performance: Corporate social investment Economic performance: Socio-economic development	51 – 54 46	<input checked="" type="checkbox"/>
SO9	Operations with significant potential or actual negative impacts on local communities			<input checked="" type="checkbox"/> Nampak's operations do not have a significant negative impact on the communities in which it operates.
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities			<input checked="" type="checkbox"/> Nampak's operations do not have a significant negative impact on the communities in which it operates.
<b>Aspect: Corruption</b>				
SO2	Percentage and total number of business units analysed for risks related to corruption	Not reported		
SO3	Percentage of employees trained in the organisation's anti-corruption policies and procedures	Corporate governance report: Integrity and ethical behaviour	82	<input checked="" type="checkbox"/> Ongoing training provided
SO4	Actions taken in response to incidents of corruption	Corporate governance report: Integrity and ethical behaviour	82	<input checked="" type="checkbox"/>
<b>Aspect: Public policy</b>				
SO5	Public policy positions and participation in public policy development and lobbying	Stakeholder engagement	40 – 41	<input checked="" type="checkbox"/>
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country			<input checked="" type="checkbox"/> Nampak does not make any contributions to political parties.

Core indicator
Additional indicator

- Completely covered
- Partially covered
- Not material

Indicator		Reference		Fulfilment and comment
		Section	Page	
<b>Aspect: Anti-competitive behaviour</b>				
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	Corporate governance report: Integrity and ethical behaviour	82	<input checked="" type="checkbox"/>
<b>Aspect: Compliance</b>				
SO8	Sanctions for non-compliance with laws and regulations		82 – 83	<input checked="" type="checkbox"/> Nampak has not had any material sanctions relating to laws and regulations.
<b>Product responsibility</b>				
Disclosure on management approach		Nampak's approach to sustainable packaging Social performance: Product and service innovation	39 54 – 55	<input checked="" type="checkbox"/>
<b>Aspect: Customer health and safety</b>				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed	Social performance: Product and service innovation	54 – 55	<input checked="" type="checkbox"/>
PR2	Total number of incidents of non-compliance with health and safety regulations by type of outcomes	Social performance: Creating a healthy and safe workplace	50 – 51	<input checked="" type="checkbox"/>
<b>Aspect: Product and service labelling</b>				
PR3	Type of product and service information required	Social performance: Product and service innovation	54 – 55	<input checked="" type="checkbox"/>
PR4	Total number of incidents of non-compliance with regulations concerning product and service information and labelling	Not reported		
PR5	Practices related to customer satisfaction			<input checked="" type="checkbox"/> Customer surveys are undertaken on an ongoing basis.
<b>Aspect: Marketing communications</b>				
PR6	Programmes for adherence to laws and standards related to marketing communications, promotion, and sponsorship	Not reported		
PR7	Total number of incidents of non-compliance with regulations concerning marketing communications	Not applicable		<input type="checkbox"/>
<b>Aspect: Customer privacy</b>				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable		<input type="checkbox"/>
<b>Aspect: Compliance</b>				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			<input checked="" type="checkbox"/> Nampak did not receive any significant fines in this regard.