



SUSTAINABILITY REPORT

2016

www.astrapak.co.za
Astrapak Limited
Prepared by GSA Campbell Consulting

ASTRAPAK

Astrapak Sustainability Report 2016

Glossary of Terms

This report contains a number of terms which are explained below:

B-BBEE	Broad-based black economic empowerment
BOS	Business operating system
CEO	Chief Executive Officer
CEPPAWU	Chemical Energy Paper Printing Wood and Allied Workers Union
CO2e	Carbon dioxide equivalent (a measure of greenhouse gas emissions)
DEA	Department of Environmental Affairs (South Africa)
DIFR	Disabling injury frequency rate
EBM	Extrusion-blow moulding
ERM	Enterprise Risk Management
FSSC	Food Safety System Certification (referring to the FSSC 2200 standard)
GHG	Greenhouse gases
GRI	Global Reporting Initiative
HACCP	Hazard Analysis & Critical Control Points (referring the US Food and Drug Administration standard)
HDPE	High-density polyethylene
IBM	Injection-blow moulding
IM	Injection moulding
ISBM	Injection-stretch-blow moulding
ISO	International Standardisation Organisation
JSE	Johannesburg Stock Exchange
King III	Third Report of the King Commission on Corporate Governance in South Africa
kWh	Kilowatt hour
LDPE	Low-density polyethylene
LLDPE	Linear low-density polyethylene
LTIFR	Lost time injury frequency rate
MAP	Modified atmospheric packaging
MEIBC	Metal and Engineering Industries Bargaining Council
MEWUSA	Metal and Electrical Workers Union of South Africa
MWh	Megawatt hour
NQF	National Qualification Framework
NUMSA	National Metalworkers Union of South Africa
OHS	Occupational Health and Safety
OTIF	One time in full
PAS	Publicly Available Specification (referring to the British PAS 223 standard)
PET	Polyethylene terephthalate
PETCO	PET Plastics Recycling South Africa
PIFSA	Printing Industries Federation of South Africa
POLYCO	Polyolefin Recycling Company of South Africa
PP	Polypropylene
PSPC	Polystyrene Packaging Council of South Africa
R-HDPE	Recycled HDPE
R-PET	Recycled PET
Scope 1 emissions	Total GHG emissions from sources owned or controlled by Astrapak and its subsidiaries. This includes CO2e from fossil fuels and processes, company leased/owned vehicles, waste and waste water treatment, make-up chemicals, and other GHG gases
Scope 2 emissions	Total GHG emissions from sources that are related to generation of purchased energy outside the company boundaries
Scope 3 emissions	Total GHG emissions from the production of purchased material, outsourced activities, disposal of waste and business travel
VOC	Volatile organic compound

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About this Report

This is Astrapak's second sustainability report that is aligned with the principles of the Global Reporting Initiative (GRI) G4 Reporting Standard. The report is prepared annually in alignment with the company's financial year. This report relates to the period 1 March 2015 to 28 Feb 2016.

The report is intended to provide stakeholders with relevant information regarding the non-financial value created by the company through its activities. The report highlights economic, social and environmental impacts as well as certain mitigation strategies. In preparing this report, Astrapak has attempted to identify and report on all significant sustainability-related considerations and impacts arising from the activities of the company, as well as all significant internal and external stakeholder groups with which the company engages around these issues.

The report focuses on the company's progress as well as the challenges faced in implementing its economic, environmental and social responsibilities for the reporting period. Information regarding the specific indicators covered in the report can be found in the GRI Index Table. Throughout this report and unless otherwise stated, the terms 'Astrapak or 'the company' will refer to Astrapak (Pty) Ltd.

Scope and Boundary

The Report covers the operations of Astrapak in its entirety; our subsidiaries and joint ventures, in all our operations and markets.

Our intention in this report is to provide information that will enable all stakeholders to understand the financial and non-financial value created by Astrapak through our operations, as well as our social and environmental impacts. Wherever relevant, operational activities are commented on in the broader context of the plastics industry and the national macroeconomic climate. We will also provide details of our restructuring efforts that have continued during the reporting period as this is integral for the sustainable growth of the Group.

Data for the report was gathered directly from Astrapak head office and operating divisions and in the process of identifying the content to be included in this report, Astrapak was guided extensively by the GRI G4 Guidelines' Principles for Defining Report Content. Annual sustainability reporting forms an important part of Astrapak's disclosures and compliance requirements. As such, we aim to improve sustainability data collection and resourcing, in order to improve the value of each sustainability report.

The report includes disclosures on both

financial and non-financial aspects of Astrapak's activities. It is the intention of Astrapak however, that this report provides a comprehensive demonstration of management of the Group's material sustainability issues, and of its efforts to conscientiously address these issues. In order to gain a fuller understanding of the Group's financial aspects, this report should be read in conjunction with both the Group's Integrated Annual Report, and Annual Report for the 2015/16 financial year. Both have been compiled in accordance with the requirements of the Companies Act no. 71 of 2008 and the Listing Requirements of the Johannesburg Stock Exchange (JSE).

Comparability of Information and Baselines

In line with the ongoing restructuring of Astrapak's operations, the focus of this report is the Group's Moulding and Forming operations, which have been consolidated into one operating unit (for further information in this regard, please refer to the Business Restructure and New Business section of the Report on page 9).

As a result, certain figures provided in Astrapak's 2014/15 Sustainability Report, particularly those related to economic, social and environmental performance, have been adjusted or recalculated in this report, to reflect only the Group's continuing operations in the Moulding and Forming divisions. This step is aimed

at improving comparability in terms of the organisation's performance over the past two financial years, particularly where the establishment of baselines is concerned.

Report Content

In identifying the content to be included in this report, Astrapak was guided extensively by the GRI G4 Guidelines' Principles for Defining Report Content. These principles are:

Materiality – the report makes every effort to include all aspects that either reflect an organisation's significant economic, environmental, and social impacts, or that substantively influence the assessments and decisions of stakeholders.

Stakeholder Inclusiveness – the organisation should identify its key stakeholders as widely and as inclusively as possible, and that the report should show the organisation has responded to the reasonable expectations and interests of these stakeholder.

Sustainability Context –the report should, as comprehensively as possible, present the organisation's performance in the wider context of sustainability.

Completeness – the report should include coverage of all material issues, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess

the organisation's performance in the reporting period.

Balance – this principle directs reporting organisations to accurately reflect both positive and negative aspects of the organisation's performance, so as to enable a reasoned assessment of its overall performance.

In addition, the process for determining content to be included in this report was guided by the following principles:

- The usefulness of the report for stakeholders (including in terms of the interests and expectations of stakeholders);
- The purpose, experience and nature of core business at Astrapak;
- The material environmental, social and economic impacts of the business;
- The importance of reporting credibly and in accordance with the GRI G4 Guidelines; and
- The availability of data for the reporting period.

Materiality

Astrapak engages in ongoing materiality determination processes. Material aspects are determined and interrogated by senior management, and in consultation with external consultants, and are based on inputs received from various operational structures, as well as certain key stakeholders, where relevant. Material aspects are aligned to

the company's strategic objectives, and identified risks and objectives.

A materiality determination process was implemented to establish the relative importance of key environmental, social and governance issues for the organisation and its stakeholders. Issues were mapped and cross referenced using relative valuations for their levels of 'Concern' and 'Impact' for the Company and its key stakeholder groups. The materiality process was then used to inform stakeholder engagement processes as well as the process for determining the report content.

Risks and opportunities relevant to the South African context were also considered. The results of the materiality process were used in three important ways:

- 1.To inform stakeholder engagement
- 2.To inform the process for determining report content.
- 3.To inform the interrogation of management's approach to material issues, within the context of the new Sustainability Plan.

On the basis of this process, the following issues were determined to be the most material for the Group:

- Raw materials**
- People, health and safety**
- Energy**
- Waste and pollution**

Regulation and taxation

Each of these issues is considered material to Astrapak (including all of the Group's operating companies) and/or for one or more of its key internal and external stakeholders.

As such, this Report includes information relating to these issues, and future reports will increase the quality and quantity of reporting on these issues.

The report has been prepared with all key stakeholders in mind, and our intention is to provide an accurate and comprehensive summary that is unburdened with peripheral data that tends to confuse rather than enlighten. As part of the development of the Astrapak Sustainability Barometer, a facilitated

stakeholder workshop was conducted to establish the impact and influence of key stakeholder groups for the business and vice versa. The process had been used successfully in the previous reporting period; however, this workshop covered the issues in more depth.

We trust that stakeholders will be able to access, read and understand the report, and we look forward to feedback. We encourage readers of the report to request additional information on any issues, and to engage with us via the contact information contained on the back page.

Further information regarding Astrapak's key stakeholder groups, and the issues of concern to them, can be found on page

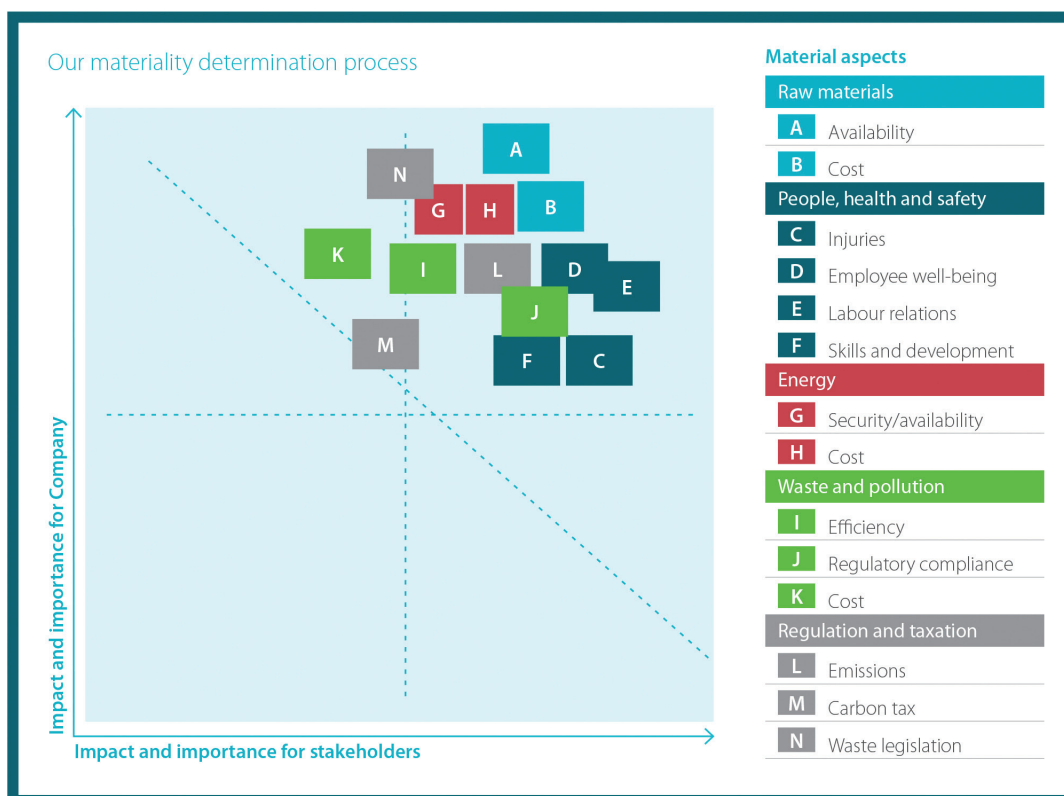
13 of the report.

Assurance

The report has been prepared with the assistance of GSA Campbell Consulting, and Astrapak trusts that the level of independence achieved by this appointment is sufficient assurance, and that no third party assurance is necessary at this time. Astrapak will, on an ongoing basis, consider the requirement for, and feasibility of obtaining such assurance over its reporting practices and outcomes.

Forward Looking Statements

While this Report is intended as a retrospective review of Astrapak's sustainability performance over its



Materiality determination

most recently completed financial year, it may contain certain forward looking statements regarding the Group's operations and its intended performance in these areas in the future.

Although Astrapak believes that the expectations and outcomes reflected in such forward looking statements

are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, future results could differ materially from those set out in these forward looking statements as a result of, among other factors, changes in economic and market conditions, the success of business and operating initiatives, changes in the regulatory

environment and other government action, fluctuations in commodity prices and exchange rates, and business and operational risk management. For a discussion of these factors, please refer to the risk factors as detailed in the corporate governance section of the Report, on page 21



About the Company

Our Business Profile

Astrapak is a specialised manufacturer and distributor of an extensive range of rigid plastic packaging products manufactured using moulding and forming processes. Plastic packaging protects preserves and enables efficient distribution. With our customers and end consumers focusing increasingly on convenience, value, health, well-being and sustainability, plastic as a packaging medium is set to increase its share of modern living.

The Group focuses on innovation-led growth in plastic packaging and is structured for long-term financial sustainability through a balance of organic and project growth. Astrapak, along with each of its subsidiary companies, is registered in South Africa under the Companies Act, No 71 of 2008. The Group holding company, Astrapak Limited, is listed on the Johannesburg Stock Exchange, with its shares traded under the code APK. Astrapak's head office is located at 25A Old Main Road, Gillitts, Durban, Kwazulu-Natal,, South Africa.

Our Values

Astrapak is a specialised manufacturer and distributor of an extensive range of rigid plastic packaging products manufactured using moulding and forming processes. Plastic packaging protects preserves and enables efficient distribution. With our customers and end consumers focusing increasingly on convenience, value, health, well-being and sustainability, plastic as a packaging medium is set to increase its share of modern living.

Our Business Model

As a manufacture of plastic packaging products, Astrapak's business model involves the conversion of various inputs, including energy (primarily in the form of electricity), labour and different types of plastic raw materials into finished products for sale to clients in various industries, from food and beverages to petrochemicals, pharmaceuticals and fast-moving consumer goods.

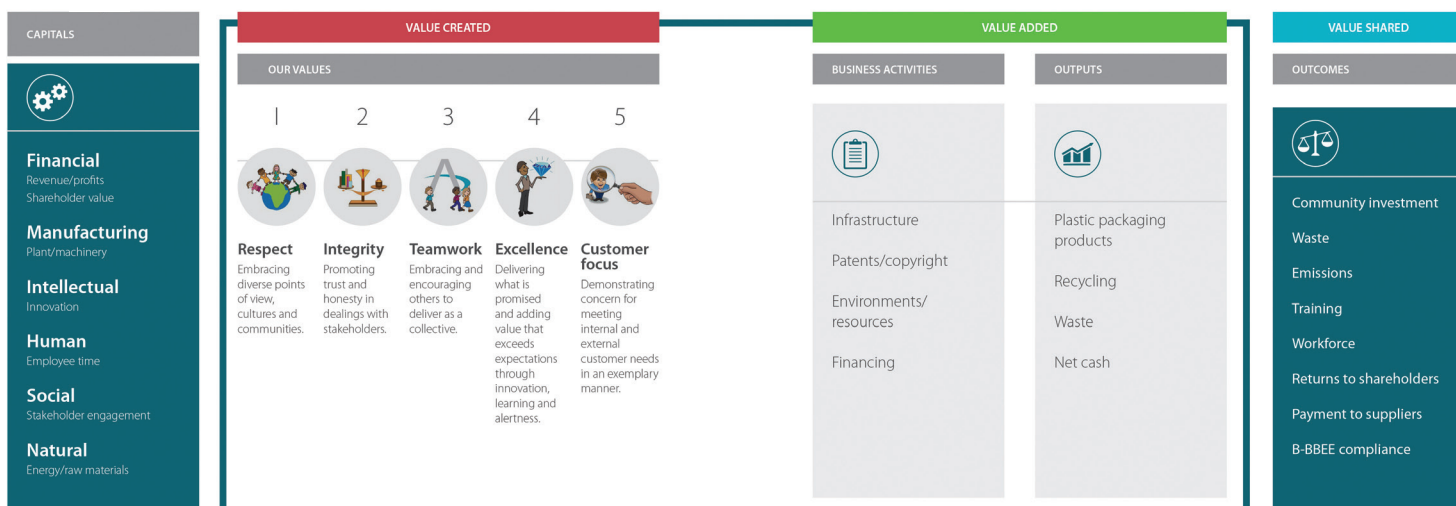
In terms of the six capitals model of the IR Framework, Astrapak's business model can be represented as making use of inputs of various capitals, including manufactured (plant and machinery), social capital (stakeholder engagement), human (employee time) and intellectual (innovation) capital, in order to convert natural capital (energy raw materials) into finished products or outputs, the sale of which will enhance the Company's stock of financial capital (revenue, profits, shareholder value

Our vision

To be a world-class manufacturer of primary and secondary plastic packaging products within a sustainable and all-inclusive environment.

Our mission

To be the preferred supplier of plastic packaging in our chosen markets and market sectors. Encapsulated within our vision and mission are the principles of being a world-class manufacturer and a preferred supplier to our clients. By definition, this will require us to rank among the foremost packaging companies, both internationally and in South Africa. We believe that neither of these principles can be achieved without fully integrating sustainability in all its facets into the Group's core strategy. This core strategy is built on developing and empowering our people and improving the productivity of our assets by adopting world-class principles within various disciplines. We intend the result to be an accurate and complete integrated annual report, yet unburdened with the peripheral data that tends to confuse rather than enlighten. You are welcome to request more detailed information on any particular aspect of it.



How we are Structured

Business structure, business restructure and new business

The Group has fundamentally restructured over the three years to focus on its moulding and forming operations. These operations have been consolidated into one operating unit. As a result of the restructuring, the Group's operations are categorised as follows:

CONTINUING OPERATIONS		HELD-FOR-SALE OPERATIONS	
Moulding	Forming	Flexible	
PAK 2000 Plastop KZN Plastech	JJ Precision Plastics Weener Plastop Consupaq	Marcom Plastics Thermopac Plastform	Barrier Film Converters Peninsula Packaging Plusnet Geotex

What we make

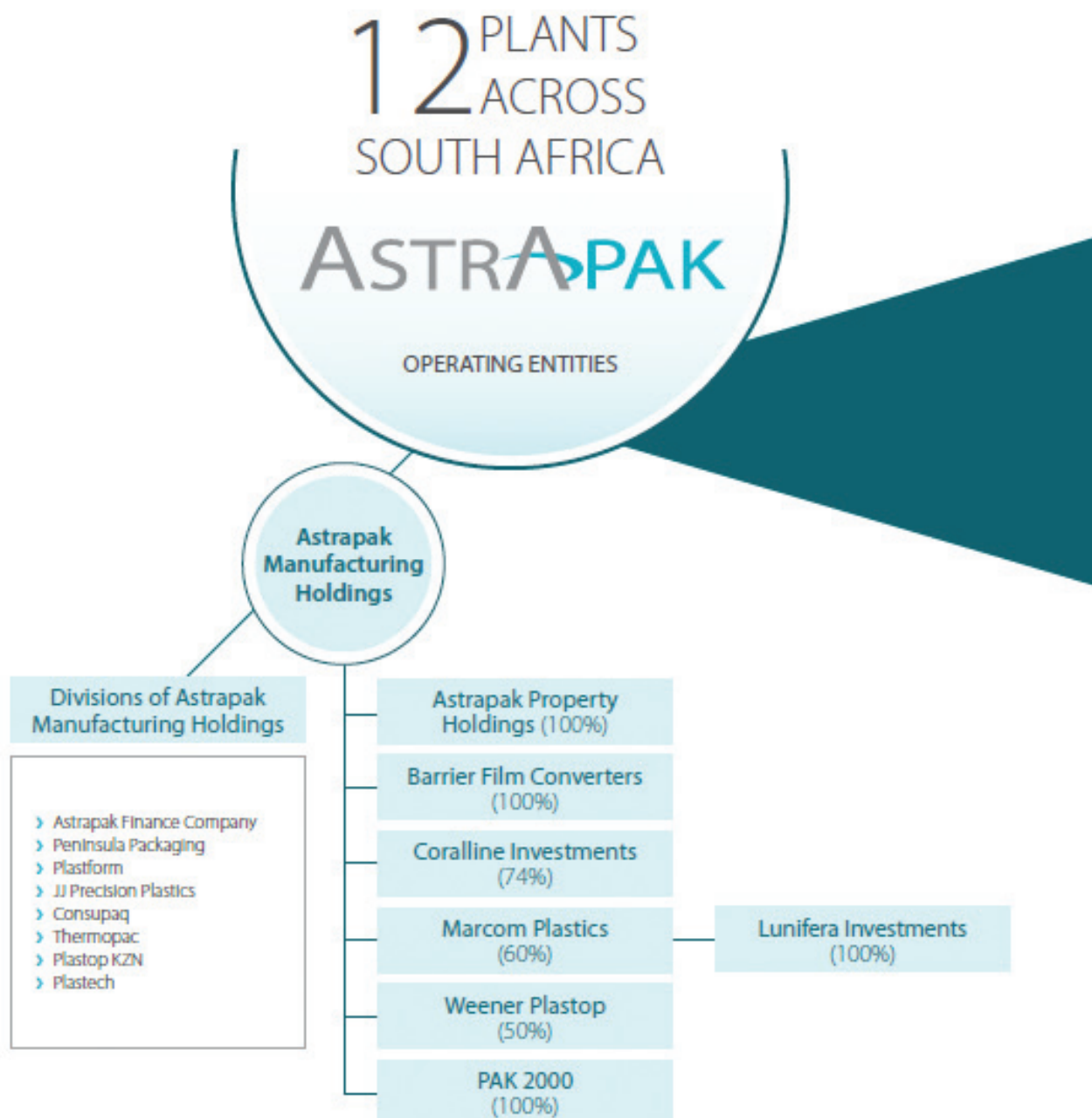
The Group manufactures a wide range of closures, jars, bottles, tubes, trays, cups, tubs and other plastic containers up to a size of five litres through the processes of extrusion blow moulding ("EBM"), injection stretch blow moulding ("ISBM"), injection blow moulding ("IBM"), injection moulding ("IM"), sheet extrusion and thermoforming.

FAST FACTS

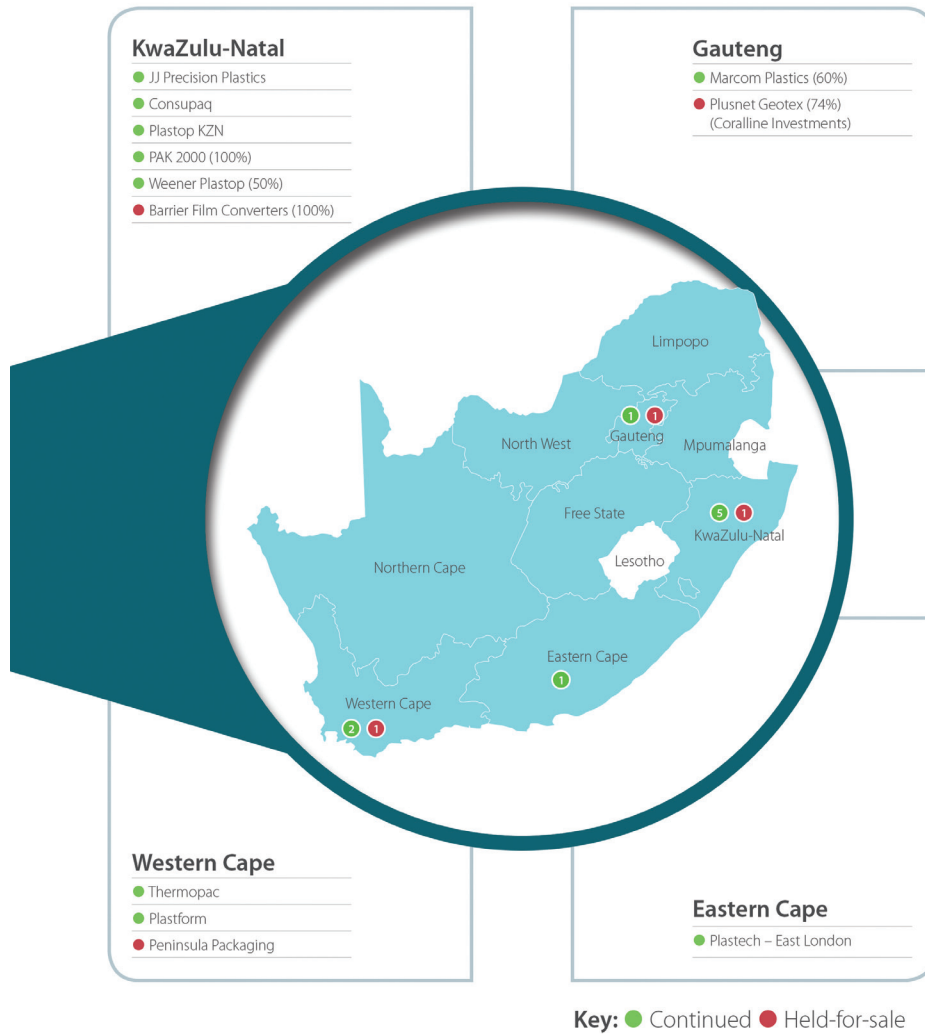
	2016 R'000	2015 R'000
For continuing operations		
Total assets	1 840 507	2 094 539
Capital expenditure	132 490	158 038
Revenue	1 348 370	1 388 606
Operating profit	44 289	61 511
Profit margin (%)	3.3	4.43
Production		
Tons converted and sold	28 269	28 569
Number of production facilities	9	9
Number of employees	1 681	1 692
Eco-social footprint		
Total water input (kilolitres)	126 824	115 915
Energy usage (kWh)	70 884 073	71 243 869
Scope 1 and 2 emissions (tons CO ₂ e)	73 312	74 509
Waste to landfill (tons)	1 217	1 392

Our Operating Structure

The Group comprises of 12 manufacturing plants spread across the main centres within South Africa, with nine continuing operations and three operations being held-for-sale. The operational structure of the Group as at 29 February 2016 was as follows:



Where we operate



Group at a Glance

CONTINUING OPERATIONS

ASTRAFORMING
Plastform

Plastform,
Cape Town, Western Cape

Thermoformed containers for dairy and other food applications, together with decorative options

ASTRAFORMING
Marcom Plastics PIA

Marcom Plastics,
Rosslyn, Pretoria, Gauteng

Thin wall injection moulded tubs, containers, lids, cups for dairy applications – with in-mould labelling and off-set decoration

ASTRAFORMING
Thermopac

Thermopac,
Cape Town, Western Cape

British Retail Consortium accredited facility offering thermoformed containers of varying sizes and applications typically for local and export food markets

ASTRAFORMING
manufactures a wide range of plain and decorated trays plus containers for food and beverage grade applications, for both local and export customers.

3 PLANTS ACROSS SOUTH AFRICA

CONTINUING OPERATIONS

ASTRAMOULDING provides a range of markets with superior quality plastic packaging solutions. From the petrochemical market to the cosmetics, food and personal care markets, Astrapak ensures that its clients' premium product is packaged to the highest quality standards.

ASTRAMOULDING
Plastech Moulders



Plastech Moulders,
East London, Eastern Cape
Multipolymer containers and closures for various applications


ASTRAMOULDING
PAK 2000



PAK 2000,
Pinetown, KwaZulu-Natal
Extrusion blow moulded, printed and decorated containers for lubricant and petrochemical applications

6 PLANTS ACROSS SOUTH AFRICA

ASTRAMOULDING
Weener Plastop



Weener Plastop,
Pinetown, KwaZulu-Natal
Injection moulded hollow deodorant bottle balls in joint venture with the German company, Weener

ASTRAMOULDING
Consupaq DBN



Consupaq,
Durban North, KwaZulu-Natal
Jars, closures and tubes for personal care -- both plain and printed with decoration

ASTRAMOULDING
Plastop KZN



Plastop KwaZulu-Natal,
Durban, KwaZulu-Natal
Personal care injection blow moulding, extrusion blow moulding and sleeving

ASTRAMOULDING
JJ Precision Plastics



JJ Precision Plastics,
Pinetown, KwaZulu-Natal
Astrapak's centre of excellence for injection moulded closures and components

HELD-FOR-SALE OPERATIONS

ASTRAFLEXIBLE segment is a manufacturer of plain and printed blown, cast, mono and multilayer polyolefin films for bags, sheet, tubing, shrink, stretch and barrier applications. Products also include bags for a variety of applications and modified atmospheric packaging ("MAP").

ASTRAFLEXIBLE
Peninsula Packaging



Peninsula Packaging,
Cape Town, Western Cape
Plain and printed film for application in dairy, fresh produce and alcobev

ASTRAFLEXIBLE
Barrier Film Converters DBN



Barrier Film Converters,
Durban, KwaZulu-Natal
State-of-the-art multilayer barrier film and bags for food grade applications as well as plain and printed film for industrial uses

ASTRAFLEXIBLE
Plusnet / Geotex



Plusnet Geotex,
Randfontein, near Johannesburg, Gauteng
Protective netting for agriculture, rope and shade cloth for various markets, and fibres for concrete reinforcement

Sustainability

Our interaction with key stakeholder groups

STAKEHOLDER GROUP	NATURE OF ENGAGEMENT	TYPICAL ISSUES
Shareholders, including investors	<ul style="list-style-type: none"> > Investor meetings 	<ul style="list-style-type: none"> > Business strategy and plans > Group performance > Significant non-financial matters
Customers	<ul style="list-style-type: none"> > Customer meetings > Customer visits > Written correspondence 	<ul style="list-style-type: none"> > Business strategy and plans > Service level agreements (“SLAs”) > Performance dashboards > Contract management
Employees, trade unions and associations	<ul style="list-style-type: none"> > Employee forum meetings > Workplace climate surveys > Green area meetings > Wage negotiations forum > Management “walk-about” > EE forum meetings > Skills development > CEO roadshows 	<ul style="list-style-type: none"> > Business strategy and plans > Compliance with industry standards > Improved conditions of employment > Employee morale > Management “walk-about” > Business performance > Employee conduct > HR governance > EE committees
Government	<ul style="list-style-type: none"> > Legislative compliance 	<ul style="list-style-type: none"> > Conditions of employment > Employment equity > B-BBEE > Skills development > Environmental legislation > Health and safety issues
Media	<ul style="list-style-type: none"> > Media briefings 	<ul style="list-style-type: none"> > News releases > General advertising > Investor relations matters
Suppliers	<ul style="list-style-type: none"> > Supplier meetings > Supplier visits > Written correspondence 	<ul style="list-style-type: none"> > Business strategy and plans > Raw material supply > Consumables supply > Performance dashboards > Contract management
Charities and NGOs	<ul style="list-style-type: none"> > Meetings 	<ul style="list-style-type: none"> > Financial aid > General support related to NGO sustainability > General support for NGO staff
Partnerships	<ul style="list-style-type: none"> > Forum discussion 	<ul style="list-style-type: none"> > Memorandum of understanding
Contractors	<ul style="list-style-type: none"> > Contractor meetings 	<ul style="list-style-type: none"> > Contractor SLAs > Terms and conditions for Astrapak appointments > Review of matters of compliance
Employer federations	<ul style="list-style-type: none"> > Meetings 	<ul style="list-style-type: none"> > Employer mandates > Industry matters > Sustainability and recycling strategy > Industry standards

MATERIAL ISSUES

Raw materials

This refers to materials used in the manufacture of products supplied to customers. Detailed risk mitigation processes are in place to manage key raw materials. These have proved effective in ensuring continuity in supply during periods of demand spikes or unplanned supplier outages.

This material issue is discussed in more detail in the Economic Sustainability section of the report (page 27) and the Environmental Sustainability section of the report (page 36).

People, health and safety

Managing the well-being of our people is a constant strategic imperative. Astrapak has a formal health and safety programme in place, as part of which the Group continuously seeks to reduce injuries and improve working conditions. Processes in this regard apply to both employees and sub-contractors. Engagement in this area also takes place on an ongoing basis with unions and other relevant stakeholders.

This material issue is discussed further in the Social Sustainability section of the report (page 30).

Energy

In a manufacturing environment, the availability of cost-effective energy is critical. Astrapak has therefore implemented a number of initiatives

aimed at reducing energy consumption. In addition, wherever feasible, the Group continues to explore the possibilities that exist for investment in renewable energy and captive electricity generation capacity.

This material issue is discussed in more detail in the Environmental Sustainability section of the report (page 34).

Waste and pollution

Waste is measured and monitored at both central and site-specific levels. Processes are in place to minimise waste and limit pollution. Additionally, the Group has implemented a number of initiatives aimed at minimising waste to landfill, through partnerships with key suppliers. Waste separation programmes have been introduced to ensure waste is handled and disposed as per legislative requirements. Our waste classification model has been extended to include hazardous waste and the safe disposal of all categories of waste.

This material issue is discussed further in the Environmental Sustainability section of the report (page 34).

Regulation and taxation

Astrapak is actively involved in industry bodies working on various regulatory issues, including environmental initiatives. Levies are also paid to these bodies to assist in the collection and recycling of plastics. Changes to the waste legislation are tracked and implemented. In addition, South Africa has endorsed carbon tax legislation,

which is currently scheduled to begin in January 2017. Astrapak has since 2011 quantified its carbon footprint annually.

This material issue is discussed in more detail in the Economic (page 27) and Environmental Sustainability (page 34) sections of the report.

Sustainability Management

During the reporting period, the Group has primarily focused on the re-definition of our sustainability approach. The company procured the services of GSA Campbell, a specialised corporate sustainability consultancy, to develop a sustainability plan that will guide the business in the achievement of its sustainability objectives.

The process involved an intensive re-evaluation of our sustainability position that is rigorously aligned with globally recognised corporate reporting frameworks. We thoroughly re-assessed our issues and stakeholder engagement in the broader industry and the national context. The specific objectives of Astrapak Sustainability plan were:

- To rigorously interrogate the environment, social and governance issues that are material for Astrapak;
- To understand what constitutes a sound management approach for each issue;
- To establish a system that helps to identify, measure and manage performance;
- Properly understand and the relative importance of environmental and social issues for Astrapak;

- To assist management to participate in the reporting process; and
- To encourage sustainability as far into the Astrapak supply chain as possible.

This process culminated in the development of the Astrapak Sustainability Plan and Barometer.

The Astrapak Sustainability Plan

The primary objective of the Astrapak Sustainability Plan is to identify ways in which Astrapak can improve its sustainability performance. The Plan aims to provide a framework for improving the sustainability of the organisation as a whole, and for making sustainability decisions based on ambitious yet realistic objectives, measures, benchmarks and targets. The Sustainability Plan frames the organisation's sustainability aspirations as realisable goals, by laying out specific implementation steps and establishing metrics for measuring the results of these. The Plan is centred on the management of Astrapak's material sustainability issues. Management Approaches to material issues also comprise a critical element of the GRI G4 reporting process, and are therefore a central component of the Sustainability Plan, as a tool for the management of the Group's material issues.

Each material issue identified in the Sustainability Plan is described in terms of:

- The existence and communication of relevant and effective policies;
- Management processes;

- Benchmarks, targets;
- Third party systems or standards;
- Supply chain interventions/ requirements/influences;
- Stakeholder engagement;
- The recording of information and the filtering of this information through reporting processes; and
- Leveraging success internally and externally

The Astrapak Sustainability Barometer

In order to quantify the Group's success in achieving its sustainability targets, a Sustainability Barometer was developed, to provide Astrapak with a simple mechanism through which to approach the Sustainability Plan. The Barometer includes the key aspects of the Sustainability Plan and examines the following:

- Area of focus (Material Aspect)
- Objective
- Measurement
- Target
- Actual performance

The Barometer is intended to form the basis of management approaches to material issues, through discussion at regular meetings. It is intended that components of the Barometer be included in the Key Performance Indicators (KPIs) for the heads of various functional centres, and their teams. The objective in this regard is to manage performance against KPIs on a monthly and/or quarterly basis.

Whilst the intention in the initial implementation phase is to maintain simplicity, over time, more material aspects will be added to the Barometer, in order that the scope of management of sustainability issues is steadily broadened. In this regard, it is intended that the Group's Executive Management review material issues on an annual basis, during the reporting process, in order to establish whether additional aspects should be incorporated into the Barometer. This process is intended to support the practice of "integrated thinking" within the Group, and to promote a fully integrated approach to management, as recommended by King III.

The Barometer is considered to be a sustainability management tool that can grow in scope and effectiveness over time. At the time of publication of this report, the structure and content of the Barometer had been approved in principle; however, targets were still in discussion. Targets will be finalised during FY2017 and reported on in the next Integrated Annual Report.

Astrapak Sustainability Barometer

Sustainability		Objective	Measure	
Raw Materials	Availability	Raw Materials availability	Rolling forecast for OTIF	
		Creating alternate grade materials to increase availability	% of major raw materials with an alternate materials grade	
	Cost	Managing and optimising the cost of raw materials	Over or under the SE Asia Import Parity on Platts	
People Health and Safety	Injuries	Reducing operational injuries and lost time resulting from injuries	Disabling Injury Frequency Rate (DIFR).	
			Lost Time Injury Frequency Rate (LTIFR).	
		Increasing levels of compliance relating to OHSA.	Compliance with legal compliance audit	
	Employee Wellbeing	Improvements in employee well-being (leading to reduced absenteeism and turnover).	Rate of employee turnover	
		Career development training	Average number of career training hours per employee per month	
	Labour Relations	Reduction in incidents of industrial action, and in production losses as a result of industrial action.	Production days lost due to industrial action, per quarter	
		Maintenance of effective employee engagement processes	Number of workplace disputes unresolved	
	Skills Development	Improvement in levels of key skills within Group.	Average hours of skills training per employee per month	
	Regulation & Taxation	Emissions	Compliance with legislation	100% compliance
		Carbon Efficiency and Taxation	Reduce GHG Emissions	Carbon footprint report
Reduce Co2e intensity			Co2e/tonne of production	
Energy	Availability/ Security	Reliable supply of a minimum quantity of energy to maintain critical operations	Lost production due to energy supply interruptions (t)	
	Efficiency	Ongoing reductions in energy costs through implementation of energy efficiency and energy demand reduction measures	Energy intensity: Rands/tonne production Kwh/m2	
	Cost	Reduction in waste management costs in absolute terms	Total volume of waste	
Resource Consumption and Pollution Control	Waste efficiency	Improve operating expense performance through improving waste efficiencies	Levels of waste generated from manufacturing processes per unit of production	
	Regulatory Compliance	Maintain 100% compliance with regard to environmental regulation	SA waste and pollution legislation	
	Cost	Reduction in waste management costs in absolute terms	Total volume of waste	

Chief Executive's Review

In my 2015 CEO review, I commented that Astrapak was a considerably restructured business relative to 2012 with the objective of finalising the exit from non-core businesses during the 2016 financial year. I am pleased to record that, as at the date of this review, Astrapak is now a fully restructured business and a thoroughly different business from the one I joined on 1 November 2012 to lead a turnaround.

In the 2013 review, I committed to a recovery timeframe of two financial years with optimal return objectives achieved within five financial years. Astrapak now has a strong platform off which to build towards top-quartile internationally

benchmarked returns. The team has demonstrably been "charting a new course" with the business improvement strategy, although there is more to strive for to get to where we want to be.

Rationalisation and consolidation of core continuing factories continued through the year to ensure optimal productivity on fewer sites. When I joined Astrapak there were 27 production sites whereas today we have nine continuing operations.

With respect to major projects, intensified customer engagement is a continuing priority within the focus areas of personal care, toiletry, dairy, spreads, catering,

confectionery and automotive lubricants. Astrapak has a leading market position in these categories.

Business environment

The year was characterised by a steadily deteriorating domestic business environment. Negative political factors are a growing concern and accentuate currency weakness due to elevated risk. Consumer demand has held up better than the macroeconomic backdrop would indicate but confidence is fragile. Interest rates have increased by 200 points since January 2014 notwithstanding a weakening economy and depressing discretionary income.

Electricity outages and load shedding remained a disruptive feature in the first half of the year and were a practical challenge that thankfully diminished in the second half. Our business reorganisation and electricity mitigation and cost-saving initiatives have helped in this regard with energy usage per ton converted continuing to improve.

Just as electricity became less of a disruption, water unreliability emerged and from a strategic point of view this is yet another difficulty for which contingency plans are now required. Ageing water reticulation and storage systems throughout the country require remedial action.

Other than the strategic imperative and



intent to restructure, a tougher economy with heightened competitive pressure further highlights the timeliness of the restructure.

The global commodity market is seemingly in a lower-for-longer pricing environment. This affects South Africa but it affects other African countries far more. We have enough on our agenda locally without looking beyond South Africa. Dialogue with customers regarding African expansion have reduced and consequently there are no immediate plans for a direct presence in other African countries but we will continue to service foreign territories indirectly through customers with local, regional and international reach.

Selected operating highlights

Major new projects with multiyear contracts have been commissioned backed by substantial investment in plant and equipment. Contracts are in place with well-known local and international fast moving consumer goods companies who feature within our top six customers.

Astrapak commenced a further significant new multiyear supply agreement with an existing large multinational fast moving consumer goods customer to which capital expenditure of R81 million was committed to install capacity. Volumes will steadily ramp up and optimal profitability will follow as capacity utilisation rises.

The commercial benefits of a

strategically important multiyear contract in the personal care market with a major international customer, to which R55 million was invested, will begin to reflect in the 2017 financial year. Design changes in product development and technically demanding specifications to meet international requirements took time to finalise and gain approvals but, in preparation, Astrapak made available factory capacity and absorbed costs.

Operating profit though is subpar due to remaining excess turnaround expenses, costs of discontinued operations carried until transfer, the expense and inefficiency of machinery relocation, and the fact that major new projects are coming on stream later than envisaged.

Corporate citizenship

Restructuring on the scale that Astrapak has achieved these past three years is difficult enough but we have to remain focused on building for the future and earning the confidence of customers, funders, suppliers and employees.

With economic sustainability comes social benefits and opportunities for the majority of employees who remain to help us grow the business.

According to independent third-party verification, Astrapak was a level 3 Broad-Based Black Economic Empowerment ("B-BBEE") contributor across the main elements for the year ended February 2016. While the new codes are a

challenge for many companies, Astrapak strives to achieve an appropriate level of compliance within the spirit of the requirements. I am pleased to record that Astrapak achieved a level 4 B-BBEE rating in its annual audit based on the new scorecard in May 2016, a very satisfactory outcome given the more stringent criteria.

As a member of the Plastics Converters Federation of South Africa, Astrapak is supporting the various processes to establish the Plastics Negotiating Forum ("PNF") to negotiate terms and conditions of employment within the plastics industry. Labour employment practices are in accordance with the new Labour Relations Act. A number of trade unions are recognised, with in total 20% of the staff complement unionised.

Wherever possible, we prioritise certain positions for employment equity candidates.

A training and development unit was established this year with a Group-wide remit. Training is a key component of an efficient business and Astrapak recorded in excess of 32 700 training hours.

Health and safety, quality systems and risk management are a priority with a substantial R32 million invested over three years in critical safety upgrades, for example sprinkler systems, electrical compliance, and better factory shop-floor configuration.

The risk audit compliance score is 93% and is reflective of the internal financial controls and integrated risk management systems. The internal target is 95%. The Group has implemented an integrated risk management system based on the ISO 31000 standard for risk management.

During 2016, the Disabling Injury Frequency Rate improved to 3,5 injuries per 200 000 hours worked which is below the Department of Labour average of 5,0 injuries per 200 000 hours worked for the light manufacturing industry. The streamlining of manufacturing on nine sites makes for more efficient production and, together with the substantial investment in workplace safeguards, we anticipate improving on our occupational safety record in future years because of this.

Investment in continuing operations of R124 million includes the latest machinery and improved factory configuration. New technology is more efficient in the consumption of utilities and has fewer emissions.

In respect of sustainability, peer benchmarking by independent consultants GSA Campbell indicates that Astrapak has performed well in comparison to local peers. Specific recommendations were noted within the Global Reporting Initiative G4 Guidelines.

Independently verified audits of the

Group's environmental impacts compare well with plastic packaging peers and international benchmarks, as is expected by multinational customers. In energy usage, tons of CO₂e, plastic raw material converted, waste generation and air quality, Astrapak again made progress.

An increase in our carbon emissions efficiency reflects both the restructuring and efficiency interventions.

Due to the reorganisation and electricity-saving initiatives, cost of energy and utilities increased by only 3% in 2016 while energy usage per ton converted improved.

The Group's tons of equivalent carbon dioxide relative to turnover has continued to improve as has tons of equivalent carbon dioxide relative to square metre of factory space.

Reduced use of virgin plastic raw material and optimising the use of renewable and recycled materials remains a focus.

Sustainability across the pillars of financial, social and environment is an executive priority. The financial, human resource, and sustainability reviews provide appropriate detail in this regard.

Perspectives on the past and the future

Three years ago, Astrapak was a R2,6 billion turnover group with total assets of

R2,5 billion. Net debt was R522 million and the debt to equity ratio was 40%. Cash was being consumed in excess of the capacity of the operations to generate cash. Today, Astrapak is a leaner R1,3 billion turnover business with total assets on a continuing basis of R1,4 billion. The Group is refocused as a moulding and forming technologies-based packaging manufacturer.

Having a strong balance sheet well invested in appropriate current technologies gives us optionality. The very weak Rand means there is a relatively high barrier to entry to the equipment and technologies we manufacture with and this underpins our competitive position.

In the remaining two years of the five-year journey, the focus is on extracting much better returns from the effort the team has put in to create a strong platform of good assets and good relationships with customers. Sales since the end of the financial year have matched expectations. The operating environment is challenging but Astrapak anticipates realising accelerating returns from projects and targeted cost reductions going forward.

Robin Moore
Chief Executive Officer

Corporate Governance

PRINCIPLES OF CORPORATE GOVERNANCE

The Board is committed to the principles and values of good corporate governance contained in the King III Report on Governance for South Africa and the King Code of Governance Principles. This commitment extends to include transparency, ethical leadership and accountability. The directors recognize that the environment, society and business are interconnected and direct the Group's operations in such a way that sustainable economic, social and environmental performance is continually monitored, reviewed and improved.

GOVERNANCE AND COMPLIANCE OVERVIEW

During the period under review, the Board has made every effort to further align the Company with the principles and practices of the King III Report and to improve compliance with the JSE Listings Requirements in this regard.

Compliance with King III recommendations

	Compliant	Partially Compliant	Not Compliant
Ethical leadership and corporate citizenship			
Effective leadership based on an ethical foundation	✓		
Responsible corporate citizen	✓		
Effective management of the Group's ethics	✓		
Board and Directors			
The Board is the focal point for and custodian of corporate governance	✓		
Strategy, risk, performance and sustainability are inseparable	✓		
Directors act in the best interests of the Group	✓		
The Chairman of the Board is an independent non-executive director	✓		
Framework for the delegation of authority has been established	✓		
The Board comprises a balance of power, with a majority of non-executive directors, the majority of whom are independent	✓		
Directors are appointed through a formal process	✓		
Formal induction and ongoing training of directors is conducted (note 1)		✓	
The Board is assisted by a competent, suitably qualified and experienced Company Secretary	✓		
Regular performance evaluations of the Board, its committees and the individual directors	✓		
Appointment of well-structured committees and oversight of key functions	✓		
An agreed governance framework between the Group and its subsidiary board is in place	✓		
Directors and executives are fairly and responsibly remunerated	✓		
Remuneration of directors and senior executives is disclosed	✓		
The Group's remuneration policy is approved by its shareholders	✓		
Audit Committee			
Effective and Independent	✓		
Suitability skilled and experienced independent non-executive directors	✓		
Chaired by an Independent non-executive director	✓		
Oversees integrated reporting	✓		
A combined assurance models is applied to improve efficiency in assurance activities	✓		
Satisfies itself of the expertise, resources and experience of the Group's finance function	✓		
Oversees internal audit	✓		
Integral to the risk management process	✓		
Oversees the external audit process	✓		
Reports to the Board and shareholders on how it has discharged its duties	✓		

	Compliant	Partially Compliant	Not Compliant
The governance of risk			
The Board is responsible for the governance of risk and setting levels of risk tolerance	✓		
The Audit Committee assists the Board in carrying out its risk responsibilities	✓		
The Board delegates the risk management plan to management	✓		
The Board ensures that risk assessments and monitoring are performed on a continual basis	✓		
Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	✓		
Management implements appropriate risk responses	✓		
The Board receives assurance of the effectiveness of the risk management process	✓		
Sufficient risk disclosure to stakeholders	✓		
The governance of information technology			
The Board is responsible for information technology ("IT") governance	✓		
IT is aligned with the performance and sustainability objectives of the Group	✓		
Management is responsible for the implementation of an IT governance framework	✓		
The Board monitors and evaluates significant IT investments and expenditure	✓		
IT is an integral part of the Group's risk management	✓		
IT assets are managed effectively	✓		
The Audit Committee assists the Board in carrying out its IT responsibilities	✓		
Compliance with laws, codes, rules and standards			
The Board ensures that the Group complies with relevant laws	✓		
The Board has working understanding of the relevance and implications of non-compliance	✓		
Compliance risk forms an integral part of the Group's risk management process	✓		
The Board has delegated to management the implementation of an effective framework and processes	✓		
Internal audit			
Effective risk-based internal audit	✓		
Written assessment of the effectiveness of the Group's system of internal controls and risk management	✓		
Internal audit is strategically positioned to achieve its objectives	✓		
Governing stakeholder relationships			
Appreciation that stakeholders perceptions affect the Group's reputation	✓		
Management pro actively deals with stakeholder relationships	✓		
There is an appropriate balance among the Group's various stakeholder groupings	✓		
Equitable treatment of stakeholders	✓		
Transparent and effective communications to stakeholders	✓		
Disputes are resolved effectively and timeously	✓		
Integrated reporting and disclosure			
Ensures the integrity of the Group's integrated annual report	✓		
Sustainability reporting and disclosure is integrated with the Group's financial reporting	✓		
Sustainability reporting and disclosure is independently reviewed (note 2)		✓	

¹ An induction programme exists, however, there is no continuous formal development of directors. Directors are made aware of legislation changes as they occur.

² The Group has employed the services of GSA Cambell to help collate and analyse sustainability information GSA Campbell will be providing assurance on the sustainability report.

The above table illustrates the extent of the application of the King Principles ("King III").

GOVERNANCE STRUCTURES

The Board of Directors

Astrapak is led and controlled by an effective unitary Board. The Board remains satisfied that an appropriate balance of power and authority is maintained, such that no individual possesses sole decision-making authority, and that no individual or block of individuals dominates the Board's deliberations or its decision-making. In this way, the interests of all stakeholders are protected.

The Board comprises seven directors of which three are non-executive directors and four independent non-executive directors. One of the non-executive directors is not independent. The JSE guidelines were applied in testing the independence and categories most applicable to each director.

Non-executive directors have no fixed term of office. Astrapak's Memorandum of Incorporation provides for the rotation and re-election of directors, in that one-third of the Company's non-executive directors retire at every Annual General Meeting. Should they be willing to continue to serve on the company's Board, the directors are then re-elected through an ordinary resolution.

The two executive directors (Chief Executive Officer and Chief Financial Officer / Group Managing Director) have both entered into employment contracts

with the Group, with a three-month or shorter notice period from either party. Neither of the executive directors has an employment contract with the Group exceeding three years.

The Board can be described as a well-balanced and ethical Board. The non-executive directors bring balance and valuable insights to all Board deliberations. All directors understand their fiduciary duties and are aware of their duty to act in the best interest of the Company at all times.

The Board is responsible for revising the Group's strategic direction, monitoring performance against plans and budgets, assessing the levels of compliance with relevant legislation, considering governance structures, and reviewing competitor activity and best practice, locally and internationally.

The Group is in the fortunate position that a number of its non-executive directors have constant exposure to international boardroom practices. As such, the Board regularly receives best advice on a timely basis that enables it to remain ahead of the evolution of corporate governance practices.

Communication with the Board

Apart from the Group's Annual General meeting, and the various associated practices as determined by the Companies Act and other relevant legislation, a number of mechanisms

exist for communication between the Group's stakeholders and the Board. The recently implemented tip-off line, managed by Tip-Offs Anonymous has continued to be one of the most effective mechanisms recently implemented. Any information received via the tip-off line must be reported to the Audit Committee, and must be resolved to the Committee's satisfaction.

In the period under review, the tip-off line has received three tip-offs, each of which has been investigated and addressed in accordance with this requirement.

Chairman and Chief Executive Officer

The role of the Chairman, an independent non-executive director, is separate from that of the Chief Executive Officer. Their roles and functions are formalised and each has a specific and defined set of duties, in order to prevent overlap of obligations and responsibilities and to eliminate any possible conflict of function.

The CEO takes full responsibility and is accountable for the operations of the Group and provides leadership to the executive team. He is also accountable for the effectiveness of governance practices. The Chairman leads the Board, represents the Board to shareholders, builds and maintains shareholders' trust and confidence and facilitates constructive relations between executive and non-executive directors. As is the case for all non-executive directors, the Chairman is required to retire and stand

for re-election at least once every three years.

Board Committees

While the Board remains accountable and responsible for the performance and affairs of the Group, the Board has the additional assistance of five permanent subcommittees which have been appointed to assist the Board in discharging its duties and obligations, namely the Audit Committee, Risk Committee, Nominations and Remuneration Committee, Social and Ethics Committee and Capex Committee. All the committees have defined terms of reference in place. In addition to these five committees, ad hoc subcommittees are created from time to time to assist with specific subject matters.

The Board has the power at any time to remove a director from the Board in accordance with the provisions of the Company's memorandum of incorporation, the Companies Act and, in the instance of non-executive directors, their letter of appointment. A director's membership on the subcommittee will automatically and immediately terminate when his or her directorship is terminated.

Each committee has a clear mandate and operates in accordance with its own specific written terms of reference, as adopted by the relevant committee and approved by the Board. Committee meetings are conducted in accordance with formal and structured agendas, ensuring that pertinent matters are

receiving proper attention. Agendas and the content of committee papers are regularly reviewed for effectiveness and relevance and members have the opportunity at each meeting to add matters to the agenda.

The terms of reference of each Board subcommittee specifies that all members are entitled, in accordance with a prescribed procedure and at the Group's expense, to seek independent professional advice about the affairs of the Group in relation to the execution of their duties. The minutes of subcommittee meetings are included in the Board papers and its content is summarised by the chairman of each subcommittee in a report at each Board meeting.

While issues of economic, social and environmental sustainability are considered to be of strategic interest to the Group as a whole, and are therefore considered by the entire Board as appropriate, certain sustainability-related issues will fall under the responsibility of a particular subcommittee. In this regard, the subcommittees that are most often involved in the consideration of these issues are the Audit and Risk Committees, and the Social and Ethics Committee.

Audit and Risk Committees

The Audit and Risk Committees form an integral component of the Group's overall compliance and risk management process. These committees have dual reporting roles. They report internally to

the Board on their statutory duties as well as other duties assigned to them by the Board. In addition, they report to shareholders on the extent to which they carried out their statutory oversight duties in respect of the external auditors, the appropriateness of the financial statements, the accounting practices as well as the effectiveness of internal financial controls and the integrity of the sustainability report.

Nominations and Remuneration Committee

In 2014, the Nominations and Remuneration Committees were merged into a single committee. This committee comprises three members; a non-independent non-executive chairman and two independent non-executive directors. The Chief Executive Officer and the Group Managing Director attend these meetings by invitation, but recuse themselves in situations where a conflict of interest arises or when the chairman of the committee believes there is sufficient justification to exclude them from a meeting or from a discussion of a particular agenda item, such as when their remuneration is determined.

Capex Committee

In light of the steady increase in capital expenditure within the Astrapak Group over the past several years, as well as increases in ad-hoc capex, the Board saw fit to create a Capex Committee, to assess capex applications before these are presented to the Board. This Committee is comprised of at least two

independent non-executive directors, one of whom acts as the Committee chair. The Chief Executive Officer and Group Managing Director attend the Committee's meetings by invitation.

Social and Ethics Committee

The committee comprises three non-executive directors and one executive director and is chaired by an independent non-executive director who has vast experience in this area. The Group Managing Director and Group Human Resources Executive are regularly invited to this committee's meetings. This committee is centrally involved in the execution of a number of the Group's sustainability initiatives, particularly as these relate to issues of employee relations, social responsibility and community engagement.

The committee discharges its duties in accordance with its terms of reference and makes every effort to implement and remain up to date with B-BBEE legislation and regulations, as well as with other voluntary and mandatory standards applicable to the Group and its operations.

Subject matter experts and other individuals, who can add value to a specific subject, attend from time to time by invitation. The committee meets at least twice per annum.

Executive Committee

The Executive Committee is chaired

by the Chief Executive Officer, and all divisions or business units within the Group and the Group executives are invited to attend as and when required. The committee meetings are attended by the Group Managing Director, Chief Financial Officer and Company Secretary. The committee meets monthly as well as on an ad-hoc basis regarding urgent issues. The purpose of this committee is to:

- translate the Board's strategic directives into operational-level strategic plans and ensure, through ongoing monitoring, the successful implementation of these plans;
- monitor Group performance in accordance with the strategic plans; and
- address any item considered crucial for business success.

The committee monitors strategic business goals, day-to-day operations-related challenges, performance reviews, risk, compliance, governance and IT matters, succession planning, sustainability issues, transformation progress, strategic project developments and other Group issues. It also facilitates the formulation and monitoring of Group policies and procedures.

Code of Conduct and Business Ethics Policy

During the course of the 2013/14 financial year, the senior management of Astrapak developed a Code of Conduct and Business Ethics Policy

for the Group. The objective of these documents is to promote and support the application of the company values in all dealings of management, employees or representatives of the Group, with all stakeholders, whether internal or external.

Issued in February 2014, the Code of Conduct and Business Ethics Policy are intended to provide guidance to employees regarding ethical standards related to all aspects of Astrapak's operations, including corrupt and anti-competitive behaviour, confidentiality of information, remuneration and incentive practices, electronic communication, substance abuse and various other relevant issues. All Astrapak employees were required to sign the Code, in order to signify their commitment to the principles and provisions contained therein.

Responsibility for the implementation of the Code of Conduct and Business Ethics Policy lies with the Board's Social and Ethics Committee. In this regard, the Committee on an ongoing basis monitors the performance of the Group and its employees against these documents. It will also on a periodic basis review the provisions of the documents, in order to ensure that they remain an accurate representation of the values of the Group.

Company Secretary

The Board is assisted by a suitably qualified, competent and experienced Company Secretary, who is not a director and who has been empowered

to effectively fulfill his responsibilities. While providing guidance as required to the Board collectively and each director individually, regarding the discharge of their responsibilities, the Company Secretary maintains an arms-length relationship with the Board.

Among other responsibilities, the Company Secretary advises the Board regarding appropriate procedures for the management of meetings and ensures that a prudent corporate governance framework is maintained throughout the organisation. The Company Secretary also assists with the evaluation of Board members, and facilitates the induction of the new directors into the Group.



Economic Sustainability

The economic sustainability of Astrapak has been firmly linked with our ability to successfully navigate the turnaround strategy initiated a few years ago. Whilst based mostly in the consolidation or sale of certain operations, the strategy has also been operationally focused on the improvement of efficiencies and relationships and the management of risk across the value chain.

Within the sustainability context there are a few issues which are strongly linked with our economic sustainability and success, which aren't discussed elsewhere in this report in much detail.

Raw materials

While the issue of raw materials is multifaceted, Astrapak's primary concerns are related to the availability and consistency in the pricing and quality of raw materials.

- **Raw material availability:** A steady flow of materials is vital to maintain the productivity of the company.
- **Pricing:** The pricing of raw materials fluctuates with changes in exchange rates, as well as with international commodity and oil price fluctuations. These factors in turn have a direct impact on the profitability and competitiveness of the Group.
- **Quality consistency:** Offering a quality product to the market relies on the company procuring quality raw materials. Any inconsistencies in the quality of the raw materials procured

are reflected in our products.

The South African Polymer Producers price key base raw materials broadly in line with an import parity model. Astrapak conducts extensive benchmarking using global indices and we are continuously confident that the procurement process is efficient and aligned to these parity levels. Apart from its potential economic impacts, the issue of raw material supply is also highly relevant in the context of Astrapak's environmental impacts. This aspect of the issue is discussed in the environmental section of this report.

In the context of these issues, constant engagement with suppliers is vital. Furthermore, Astrapak is becoming more stringent in terms of supplier requirements, so as to ensure minimum supply levels and quality consistency from each supplier. Contractual obligations regarding quality standards have been imposed on all suppliers. Further mitigation measures include the diversification of our supplier base and stringent stock control procedures to maintain minimum levels of raw material supply.

Alternative grades of material are being tested and approved across all our sites to ensure continued supply. These management approaches have proven effective, as evidenced by a significant decline in production interruptions. These systems do, however, require further

interventions, and we therefore plan to continue refining them, with the goal of complete mitigation of this risk.

The supply relationship with key raw material suppliers has remained at healthy levels. A supply agreement is in place with the major supplier, and good working relationships remain with all of our top 10 suppliers. Astrapak has made significant progress on diversification on key raw materials with several new import and local options.

Carbon tax

The impending carbon tax, and the costs of compliance therewith, may present some risk to Astrapak's profitability. The Group has since 2011 quantified and monitored its carbon footprint, and as a result has implemented a number of initiatives related to reducing energy and raw materials consumption across all operating units. In this regard, the Group's management continues to investigate possible avenues to improve energy efficiency and reduce electricity consumption. Further information relating to our carbon footprint and carbon management programmes are dealt with the environmental sustainability section of the report on page 34

Climate change

The plastics industry must be responsive to the pressures being placed on it as a result of climate change. The two primary operational impacts of the industry in this regard relate to the carbon footprints of

plastic raw materials and electricity consumption in operations. There are also value-chain impacts relating to waste and water consumption. Astrapak is conscious of its role in mitigating these impacts and to this end we are committed to our investment in innovation and materials technology, communication and emissions reductions in operations. Please read more about our carbon footprint on page 37.

Value Added Statement

R'000	February 2016	February 2015
WEALTH CREATED		
Turnover	1 348 370	1 388 606
Paid to suppliers for material and services	849 551	1 082 683
Subtotal	498 819	305 923
Interest and income from investments	12 266	13 372
Wealth Created	511 085	319 295
WEALTH DISTRIBUTED		
Employees, remuneration and benefits	299 727	275 559
Providers of capital		
Interest paid on borrowings	34 976	34 396
Dividends paid to preference shareholders	12 718	10 890
Providers of capital	47 694	45 286
Central and local government	78 214	72 220
WEALTH REINVESTED		
Depreciation	71 860	65 899
Retained profit	(3 902)	(143 309)
Deferred taxation	17 492	3 640
Reinvested in Group to maintain and develop operations	85 450	(73 770)
Total	511 085	319 295
A. VALUE ADDED RATIOS		
Number of employees	1 681	1 094
Turnover per employee (Rand)	802	1 269
Wealth added per employee (Rand)	297	280
Average Benefit per employee (Rand)	304	292
B. SUPPORTING INFORMATION	178	252
(i) Total employees remuneration and benefits		
Salaries, wages, overtime, commissions, bonuses and allowances	299 727	275 559
Total employees remuneration and benefits	299 727	275 559
(ii) Central and local government		
Current taxation (actual tax paid over 12 months (YTD), not accrued)	30 404	17 463
Rates and taxes paid to local authorities	1 110	2 547
Custom duties, import surcharges and excise taxes	1 077	3 442
Gross contribution to central and local government	32 591	23 452
Less: Government cash grants and subsidies	3 977	4 040
Central and local government	28 614	19 412
(iii) Additional amounts collected by the Group on behalf of government		
Value added tax (actual VAT paid over 12 months (YTD), not accrued)	27 113	22 747
Employee tax deduction from remuneration paid	22 487	30 061
Additional amounts collected on behalf of government	49 600	52 808
Total	78 214	72 220

Social Sustainability

Human Capital

We rely on our talented workforce to bring their ingenuity, resourcefulness and a shared passion for innovation to help us create a sustainable organisation. Our commitment to our employees is two-fold – firstly by providing skills development opportunities for professional growth and development; and secondly by placing safety performance as a priority at every level of the organisation. These two priorities enjoy the explicit support of the Group's leadership, as well as substantial investment in employees, and in the systems designed to support them. Astrapak seeks to quantify all activities aimed at developing human capital in terms of both investment in this process and the returns achieved from this investment.

A number of human capital-related issues are currently being prioritised, including:

- the implementation of a Group-wide performance management system aimed at promoting a high performance culture;
- capacity development through training, career development and the creation of a succession pipeline;
- the creation of a corporate culture that accurately reflects the values of the organisation;
- transformation through employment equity and Broad-Based Black Economic Empowerment ("B-BBEE");
- effective stakeholder management and engagement; and
- enhancing change management capacity within the Group.

At the end of the financial year, the Group employed 1 335 full-time and 230 part-time employees.

Transformation

According to independent third-party verification,

Astrapak was a level 3 B-BBEE contributor for the 2014/15 financial year. This status was based on the old scorecard and comprised the elements in the table below.

The Group completed its annual audit based on the new scorecard in May 2016 and achieved a level 4 B-BBEE rating. This is in line or better than market predictions that most companies will fall by one or two levels based on the new scorecards.

At the end of the current reporting period, Astrapak's employment equity profile among permanent employees was as follows:

BEE element	Target score	Actual score
Ownership	25	25,00
Management control	19	9,48
Skills development	20	16,06
Enterprise and supplier development	40	26,13
Socioeconomic development	5	5,00

Occupational level	Male				Female				Foreign Nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	0	1	4	0	0	0	0	0	0	6
Senior management	0	1	2	13	2	1	2	4	1	0	26
Professionally qualified and experienced specialist and mid-management	6	5	16	41	1	3	6	9	0	0	87
Skilled technical and academically qualified workers, juniors management, supervisors, foremen and superintendents	79	101	61	57	7	23	8	13	9	1	359
Semi-skilled and discretionary decision making	40	29	11	15	14	20	13	29	1	0	171
Unskilled and defined decision making	288	151	31	21	95	89	3	3	4	1	686
Total permanent	414	286	122	151	119	136	32	58	15	2	1335

Regulatory Compliance and Non-Discrimination

Astrapak is a member of the Plastics Convertors Association of South Africa ("PCASA"), and fully complies with all terms and conditions prescribed by the organisation. Furthermore, the Group periodically conducts random audits to ensure its compliance with all relevant aspects of the Metal and Engineering Industries Bargaining Council ("MEIBC") agreement, which regulates the relationship between the Group and its employees, as represented by a number of recognised trade unions.

Astrapak's employment policies comply with the prescriptions of both the Universal Declaration of Human Rights and the South African Constitution. The Group therefore complies with all relevant

employment laws and regulations, particularly in relation to various material employment-related issues. Specifically, Astrapak's employment policies prohibit the employment of child labour, while the Group also does not tolerate any inhumane treatment of employees, including any form of forced labour.

Key non-discrimination principles are included in the Company's Code of Conduct and Business Ethics Policy, which explicitly states that Astrapak will not tolerate discrimination of any nature in the workplace, and that the Group will eliminate all forms of unfair discrimination where these may appear.

The issue of non-discrimination is monitored on an ongoing basis by the Group's Employment Equity

Committees, which have been trained to effectively address any incidents of this nature. Astrapak's human resources department analyses all disciplinary incidents to ensure that any issues of discrimination are effectively addressed, in the event that these arise. Employees are also encouraged to report incidents of discrimination, while victims of discrimination can anonymously report such incidents through the Group's tip-off line.

Some work is currently underway in line with equal pay for work of equal value as recommended by the Employment Equity legislation. The intention is to identify any of these challenges where they exist and put plans to address these should there be such cases across the Group.

Occupational Health and Safety

To ensure a safe work environment and to eliminate the risk of work related injuries, Astrapak continues to focus on safety methods and programmes with the involvement of the entire work force, as well as contractors and visitors to minimise risk within the work environment.

With continued awareness programmes and legal compliance assurance, Astrapak has managed to reduce work related injuries with the main aim for zero work related incidents and accidents.

The Group complies fully with the Occupational Health and Safety (“OHS”) Act, No 85 of 1993 and Regulations, as well as the Compensation of Occupational Injuries and Diseases Act.

Astrapak believes that all injuries and occupational illnesses can be prevented, and that safety is every employee’s responsibility. Our Health, Safety and Environment (HSE) team coordinates the development and implementation of policies and procedures that protect the health and safety of our employees. The HSE team maintains a structured management system that helps improve our safety performance. Additional focus on risk and the further development of risk committees led to the reduction and management of risk as well as a capacity to deal with the issues timeously.

In order to ensure a minimum standard of compliance with the OHSA, the group

uses a collective baseline scoring system. This innovative auditing methodology has been linked to an employee recognition system that drives compliance while supporting a continuous improvement process for health and safety at manufacturing plant level.

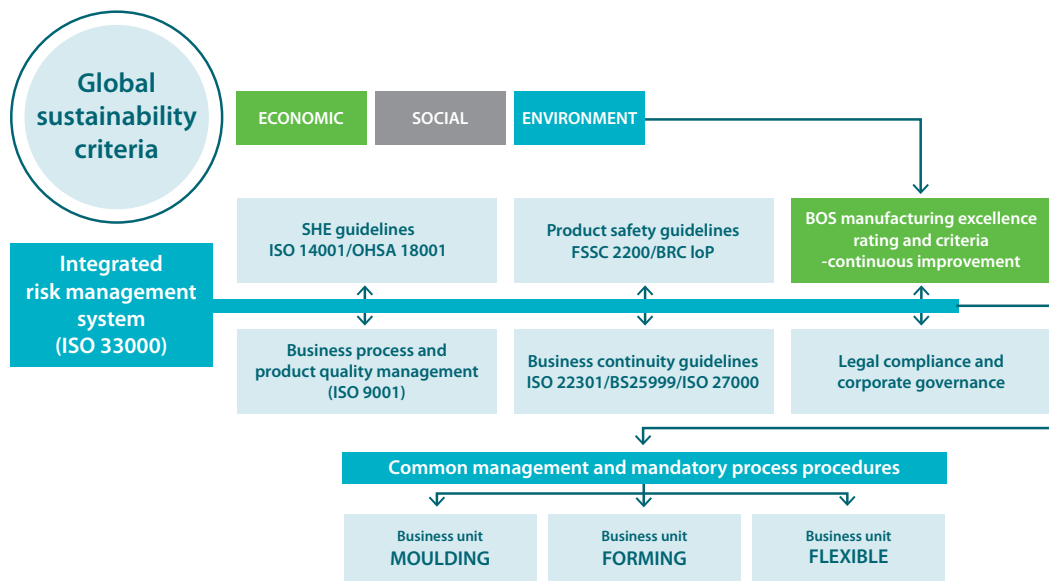
Our Risk Committees regularly review and consider our OHSA performance. An electronic Risk Management platform was launched to promote self-assessment and to manage issues such as scheduled internal and external audits and legislated inspection frequencies.

As at the end of the 2015/16 financial year, the Group achieved a risk audit compliance score of 93% as measured by independent risk assessors appointed in consultation with the Group’s insurance providers. The target for the upcoming financial year, as well as for all future audits, is to increase this score to above 95%.

Astrapak has in 2015/16 continued with the standardisation of management systems and continued with the implementation and improvement of management systems ensuring compliance to legislative as well as customer specific requirements.

Furthermore, this year, Astrapak has also continued with the implementation of a Group integrated risk management system based on the ISO 3300 standard for risk management. This system covers topics such as:

- SHE guidelines (ISO 14001/OHSA 18001)
- Business process and product quality management (ISO 9001)
- Business continuity guidelines (ISO 22301/BS25999/ISO 27000)
- Product safety guidelines (FSC22000/BRC IoP)
- Business operating system (“BOS”) manufacturing excellence rating and criteria for continuous improvement
- Legal compliance and corporate governance
- Global sustainability criteria (economic, social and environmental)
- Common management and mandatory process procedures.



As a result of the various developments described above, particularly the consolidation of the Group's approach to OHS issues and identification of areas of high risk, individual manufacturing facilities are in a position to initiate improvements in areas such as employee exposure to noise, poor air quality, insufficient lighting and hazardous materials. At the same time, all employees, contractors and visitors to the Company's facilities are expected to fully comply with the revised policies in these areas, with a zero-tolerance position adopted regarding non-compliance.

As a condition of their employment, new employees undergo entry medicals and occupational hazard screening, while periodic testing is conducted on all operational employees. To mitigate risk to the Group, the company has developed policy that will require exiting employees to also undergo exit medicals,

as stipulated in their employee contracts. The policy implementation process has recently been initiated.

Health and Safety Performance

In line with Astrapak's commitment to providing its employees and contractors with a safe and secure working environment, the Group has developed and implemented a programme to monitor occupational injuries and reduce the incidence of these.

For the year under review, the Disabling Injury Frequency Rate ("DIFR") within Astrapak was 3.5 injuries per 200 000 hours worked. According to the Department of Labour, the average DIFR figure for the light manufacturing industry is 5.0 injuries per 200 000 hours worked. In spite of the fact that Astrapak's performance in this area is slightly better than the industry average, the Group views the current level of injuries as high,

and remains committed to improving its performance in this area in the future. In this regard, it is expected that the various initiatives were implemented during the reporting period, as described above, will lead to significant improvements in these and other measures of occupational safety in the upcoming financial year.

Employee Well-Being

The importance of individual wellbeing in the workplace is embedded in the ethos of the company. Astrapak has continued to develop our employee well-being programmes and our "topic of the month" initiative remains a key in this regard. Monthly themes relating to health and wellness are identified e.g. preventable diseases and injury avoidance, and staff are engaged through various media in learning about these topics.

- Employee performance
- Absenteeism
- Employee turnover

Collective bargaining

Astrapak recognises and respects the right of all its employees to freedom of association, and there is significant representation among employees with various trades union and associations, namely the National Union of Metalworkers of South Africa (“NUMSA”), the United Association of South Africa (“UASA”), Solidarity, the Chemical Energy Paper Printing Wood and Allied Workers Union (“CEPPAWU”) and the Metal and Electrical Workers Union of South Africa (“MEWUSA”)

The overall level of union membership within Astrapak is 20% across the Group. With regard to collective bargaining, this process as a rule takes place under the auspices of the MEIBC, of which Astrapak is a member. Astrapak employees, including those represented in collective bargaining agreements, are all subject to the terms of the Basic Conditions of Employment (BCEA) which provide for minimum notice periods.

Skills Development

Human resource development is a core business strategy for Astrapak, while at the same time being a requirement in terms of the Company’s skills development and B-BBEE commitments. Attracting, developing and retaining skilled professionals are recognised as a being vital to the achievement of the Group’s business objectives. As a result, Astrapak continues to prioritise capacity building through learnerships, internships and related programmes.

The past financial year has seen Astrapak streamline its processes around skills development. A Training and Development unit has been established to assume full responsibility over matters of human resource development across the Group. This unit is responsible for the implementation of overall employee development strategies, in collaboration with the Group’s various operational divisions, as well as with accredited

training institutions across South Africa.

Over the past year, the principal focus within the Group has been the implementation of training interventions aimed at supporting the ongoing restructuring and turnaround strategy.

During the 2015/16 financial year, the focus of the Company’s training efforts was on the provision of learnership support to employees, with a total of 146 employees (11%) engaged in learnership programmes at various levels. Of these, 92% were classified as historically disadvantaged, while 37% were historically disadvantaged female employees.

In total, Astrapak provided more than 32 721 hours of training to its employees during the reporting period, with 88% of these hours being allocated to historically disadvantaged employees and 19% to historically disadvantaged female employees.



Environmental Sustainability

Natural capital

Environmental sustainability is a key pillar of Astrapak's sustainability foundation. The Group is committed to continuously improve its environmental data collection and analysis to provide it with the information required to make actionable decisions to conserve and reduce its resource consumption, incidental pollution, and overall environmental impact. In future reports, the Group will attempt to quantify this natural capital impact. Furthermore, Astrapak remains committed to exploring all avenues for reducing its use of natural resources, and reducing the impact that its operations have on the natural environment.

Principal areas of impact

The Group's principal areas of impact have been identified as (non-renewable) energy consumption, raw material usage, direct waste generation from operations, and end-of-life treatment of manufactured products. Other impact areas include air quality and water conservation. Priority areas that require focus and management include increasing our waste efficiencies and associated costs expenditures. The Group has also identified that compliance with waste and air emission legislation requires ongoing attention. The Group's key environmental objectives have been identified as the following:

- Continuous measurement and assessment of environmental impacts, identification of the means by which these can be minimised, and development of targets for ongoing improvement in these areas

- Adherence to all regulatory requirements, and adoption of appropriate environmental standards, in all areas of operation
- Ongoing support for the environmental management conservation efforts of relevant industry bodies
- Minimisation of waste through careful and efficient use of all materials and energy
- Use of sustainable or sustainably generated materials wherever feasible (including recycled plastic, bio-plastics and renewable energy)
- Inclusion of environmental considerations in all procurement decisions, wherever feasible and appropriate
- Provision of training for employees in good environmental practice, and encouragement to engage on environmental issues
- Reduction of risks from environmental, health or safety hazards in the vicinity of operations
- Transparency and ongoing communication of environmental initiatives with all internal and external stakeholders.

Industry bodies

In 2004, the South African government introduced a levy on plastic carrier bags aimed at reducing the consumption of plastic bags and their resulting impact on the environment. Industry players have since established various organisations to support this national objective. Ongoing initiatives in this regard include product lifecycle management

through reduction of waste to landfill, legislative support and socioeconomic development. These bodies also promote environmental responsibility in the industry through the application of the traditional "three Rs" model of "Reduce, Reuse, Recycle" as a fundamental element of waste management hierarchies. Astrapak and its subsidiaries are active participants in these industry bodies in various capacities, ranging from Board representation to payment of statutory industry levies, calculated on the purchase of certain polymers. The table below provides an indication of the total levies paid by the companies within the Astrapak Group during the 2015/16 financial year.

During the 2015/16 financial year, Astrapak continued with the implementation of its revised environmental strategy, which focuses not only on broad environmental issues that concern the organisation, but also on tangible benefits, both financial and non-financial, that can be achieved through effectively addressing these issues. The Company also further rolled out its sustainability barometer, aimed at monitoring overall improvements in annual targets in areas such as energy use, greenhouse gas emissions, production waste and the use of recycled materials.

Levy paid

R	Total
Flexibles	749 899
Forming	565 369
Moulding	1 756 444
PET	756 763
Grand total	3 828 475

⁴The Government of Western Australia Waste Authority, n.d. 6. Converting volumes to tonnes. Available at: <http://www.wasteauthority.wa.gov.au/media/files/documents/GN6VoltoTonnes.pdf>

Innovation

Over the past financial year, a number of the Group's companies have introduced new products and new innovations in areas as diverse as fruit packing, personal care and the medical industry. The South African Packaging Industry holds its Gold Pack Awards competition every two years, with the objective of acknowledging innovative packaging designs, and recognising members of the industry for outstanding contributions in the packaging sector.

The annual competition attracts entries from all over the country from manufacturers who are striving to put innovation into practice and offering customers product differentiation in the market. Astrapak entered five products in this year's competition and was awarded four medals. The medals were awarded for the following products:

CUSTOMER	PRODUCT	JUDGES' COMMENTS	
Danone Southern Africa	Ultramel Snack - UHT Cup	A clever redesign has created a lightweight cup with an improved vacuum resistance allowing extended ambient shelf life for a product that retails in regions where cold chain control is poor.	Food Category – Silver Judges' Special Mention Medal –Save Food
Le Sel	Homme Range - Printed Tube	Superb imagery using flexographic printing directly on to tubes is a first for South Africa.	Health, Beauty, Medical & Pharmaceutical - Silver
Unilever South Africa	Deodorant Collation Tray	This collation tray solves a 20-year-old problem for the secure transportation and display of roll-on deodorants.	Transit – Secondary Packaging, Industrial Electronics & Equipment - Bronze
Priontex	Operating Theatre Tray	A new tray and mould design has delivered enhanced efficiencies for converter and brand-owner. While stringent medical specifications limited the scope for redesign, the development of an angular mould insertion technique enabled a mould efficiency improvement of 300%.	Health, Beauty, Medical & Pharmaceutical - Finalist
Elvin	100% rPET 1L bottle	This 100% rPET lightweight bottle is a sustainable, cost-effective solution, replacing virgin PET without compromising manufacturing efficiencies or bottle performance.	Beverages Non-alcoholic - Finalist

Energy availability and security

In all its operations, Astrapak is dependent on electricity generated by Eskom, South Africa's national electricity utility. Although there have been improvements in service provision, power outages and the unreliability of electricity supply have previously caused many interruptions,

which has been a major concern. Energy security is potentially problematic for all of our operating divisions and can affect our production capabilities nationally. Astrapak did look closely at roof-top solar but has not yet invested in any onsite energy generation, mostly because the costs of application at our plants are still prohibitive. We will continue to examine

the solar generation option, particularly for our JJ Precision Plastics plant in KwaZulu-Natal.

Energy costs

The issue of a lack of energy security is associated with the certain and steady rise in electricity costs. Eskom's electricity is derived from low-grade coal

and results in high carbon emissions per kWh consumed. These constraints have significantly increased the relevance of energy efficiency throughout the Group.

Energy and carbon management

Astrapak is in the process of implementing an integrated Group-wide energy management strategy, which will place particular emphasis on energy management and energy-efficient procurement policies. These measures are intended to contribute to the Group's long-term objective of reducing both energy costs and greenhouse gas emissions generated by its activities. The Group has recently implemented a month-on-month benchmark reporting system to monitor energy savings, and two years ago set a medium-term reduction target of 10% per annum on consumption levels. We are pleased to

report a reduction of 18,4% over the two-year period.

Energy-saving initiatives

In the 2015/16 financial year, the focus of Astrapak's activities remained the implementation of energy consumption-reducing initiatives such as equipment upgrades. Most of these initiatives are, however, now regarded by the industry to be best practice:

- The replacement of ageing hydraulic machinery with hybrid or all-electric machinery that reduces energy consumption by between 30% and 80%. Other advantages include the elimination of hydraulic oil waste, reduced water consumption, less scrap and reduced machinery downtime
- The installation of variable speed pump systems on chillers and cooling towers, with an estimated 3% reduction in total energy consumption
- The replacement of air-cooled chillers with water-cooled chillers, with an estimated 5% reduction in total energy consumption
- The replacement of air-cooled air-conditioning units with water-cooled models, resulting in an anticipated efficiency gain of approximately 50% A shift from air orientation to electric orientation of product with an estimated 5% reduction in total energy consumption (this refers to the process of packing and counting packaging caps – whereas in the past, air was used to orientate the caps, this is now done with vibrating electric motors, resulting in an energy saving). A reduction in energy consumption has been noted due to effective energy monitoring systems and reduction programmes as well as the merging of key operations.

Environmental indicators

Performance indicator	2016	2015
Total water input (kl)	126 824	25,00
Energy usage (kWh)	70 884 073	9,48
Scope 1 and 2 emissions (tons CO ₂ e)	73 312	16,06
Scope 3 emissions (tons CO ₂ e)	92 279	26,13
Plastic raw materials (tons)	30 090	5,00
Waste-to Landfill or third parties (tons)	1 217	1 392
Emissions efficiency (tons CO ₂ e/ton raw materials)	5,5	6,3

Carbon footprint

The greenhouse gas emissions of (a) Astrapak’s operations for the period March 2015 to February 2016, and (b) ongoing operations for the same period were independently assessed by GSA Campbell, an external service provider, and the consolidated results of this process were as follows:

- Astrapak’s total carbon footprint for the financial period is 20 908 tCO_{2e} and for the ongoing operations is 165 865 tCO_{2e}.
- Scope 1 and 2 emissions have decreased by 1,5% in total and for ongoing operations, in spite of increased production in the

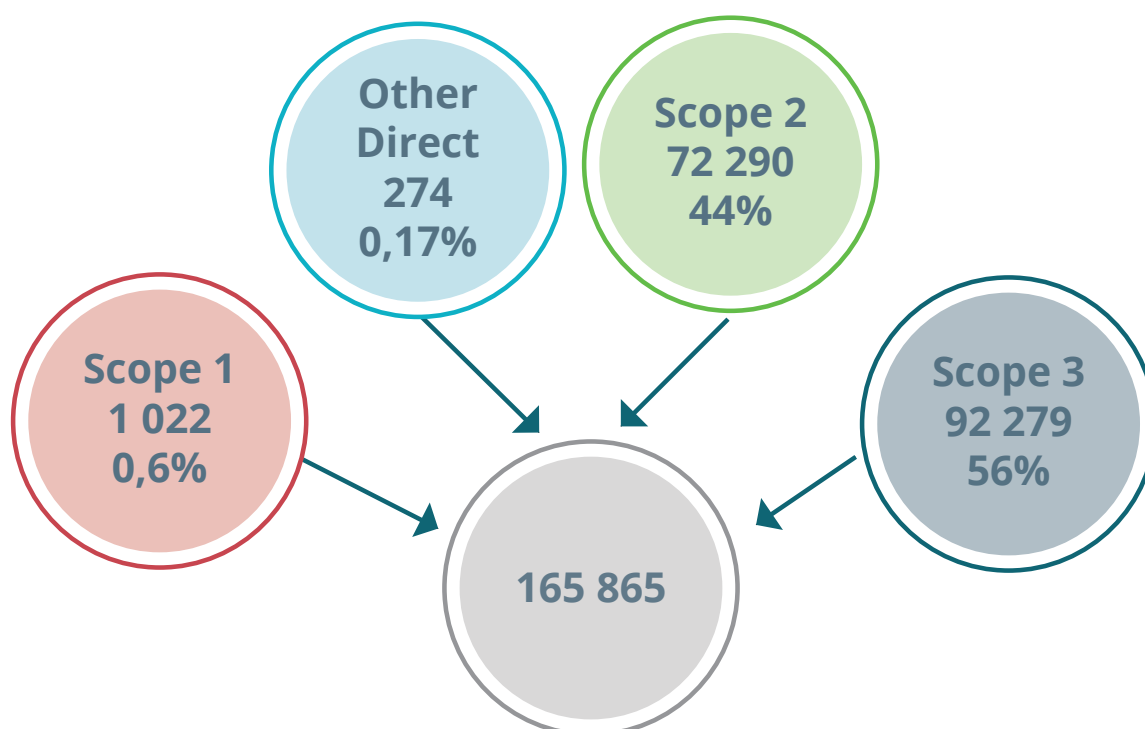
period. This is largely due to various energy efficiency interventions, some of which have resulted in corresponding financial savings for the Group.

- Scope 3 emissions contribute the highest percentage of the Group’s overall carbon footprint at 56%.

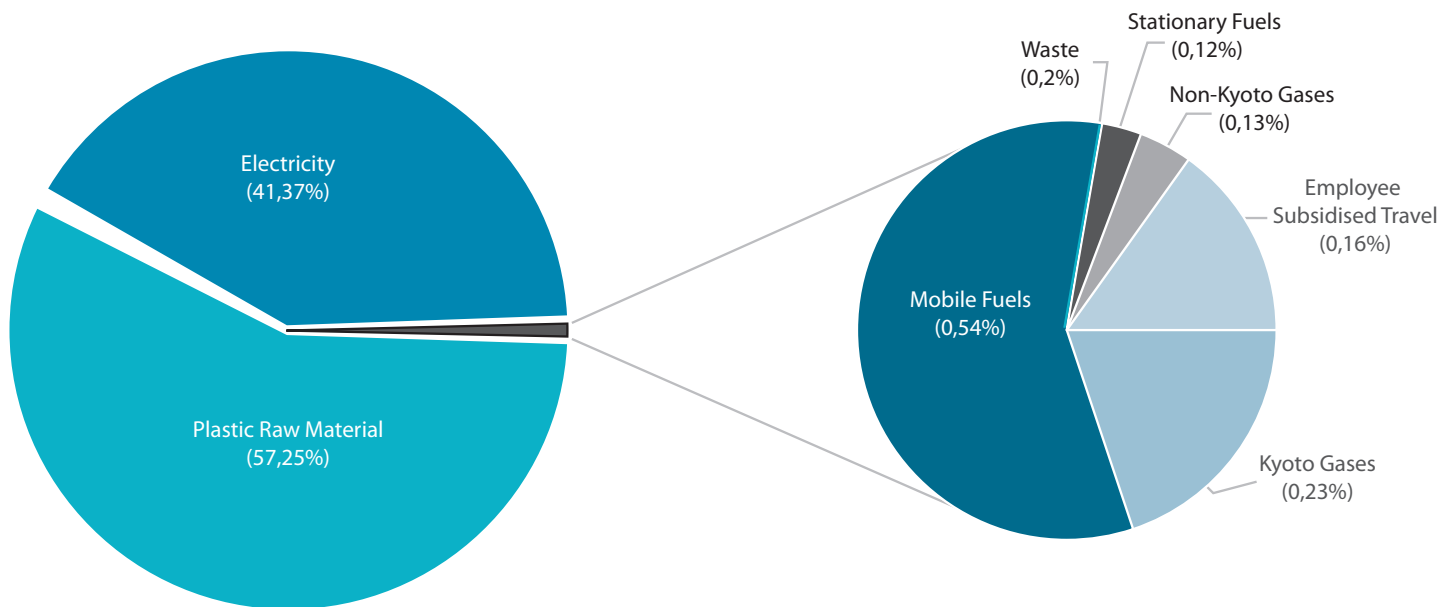
This is a result of the particularly high carbon emissions footprint associated with the manufacture of plastics, with raw material inputs responsible for the overwhelming majority of this figure at 54% of the Group’s total footprint. Scope 3 emissions increases in the last financial period are almost entirely therefore the result of increases in production (raw materials consumption).

Scope 2 emissions, arising exclusively from the consumption of purchased electricity, comprise the second-largest contributor at 44% of total emissions, pointing to the energy-intensive nature of plastics manufacturing. While not as material as electricity consumption or raw materials, there have been meaningful emissions reductions in other areas of the business such as waste (reduced by more than 13%) and travel (reduced by almost 50%). These reductions in particular are a reflection of the strategic approach to cost and impact management in operations.

Emissions by scope in tons CO_{2e}



Emissions Breakdown



As a result of targeted initiatives and the continued consolidation of the Group, Astrapak realized a 35.30% reduction in total greenhouse gas emissions. A third party waste management company was appointed to consolidate and improve recycling rates, this has resulted in a 52.34% decrease in waste emissions. Emissions efficiency (expressed as tonnes of CO2 equivalent generated per tonne of plastic consumed) declined by 43.90%

Intensity: Scope 1 and 2 emissions	2011	2012	2013	2014	2015	2016	% Change from 2015 to 2016
Tonnes CO2e / Rmillion Turnover	62.55	63.13	63.32	58.47	51.96	44.02	-32.83%
Tonnes CO2e / m2	0.7	0.71	0.76	0.69	0.65	0.62	-10.48%
Tonnes CO2e / Tonne of plastic used	1.82	1.82	2.34	2.3	2.56	2.45	-6.12%

Table 11: Comparative data for ongoing operations – 2015 and 2016.

Raw material consumption and recycling

In embracing a philosophy of “creating more value with less” Astrapak collaborates on an ongoing basis with suppliers and customers, so as to reduce the amount of virgin plastic raw material used in its products, and optimising the use of renewable and recycled materials. By increasing our internal recycling rates, we ensure that our raw material inputs are radically shifted away from primary plastic and toward scrap plastic. We then recycle the scrap and make it into the same products, again and again, creating a continuous, and increasingly closed-loop cycle. As recycling rates in South Africa improve, the Group's focus in upcoming years will continue to be on increasing the levels of recycled plastic content of its products. Certain products already contain up to 70% recycled PET (“R-PET”) or recycled HDPE (“R-HDPE”), and this figure is expected to improve significantly over the next two to three years. Furthermore, the levels of in-house recycling of plastic waste into products such as refuse bags and agricultural sheeting continues to improve annually. The majority of the Group's printing operations are recycling their used solvents, reducing the impact of this hazardous waste material. Our recycling initiatives in this financial period have resulted in meaningful savings and this is evidenced in significant reductions in CO2 emissions from waste.

Product responsibility

As a manufacturer of plastic packaging,

Astrapak recognises its responsibility to manage the end-of-life treatment of its products. Consequently, the Group actively supports various industry-wide initiatives related to the collection and recycling of various plastic products, primarily through its membership of plastics industry organisations such as PETCO, PSPC and POLYCO.

These industry bodies are responsible for implementing and supporting projects with a strong focus on public and consumer-based education, including awareness programmes and collection and recycling initiatives that contribute directly to waste reduction and improved recycling rates of plastic products in South Africa.

Waste efficiency

An area of particular focus in terms of waste management is the Group's waste efficiency. Waste generated from our operations is largely captured and recycled back into the production process, resulting in minimum waste generation overall. Other wastes types that cannot be recycled internally are sold to third parties for reuse or recycling. Printing waste, generated from our printing processes, remains an area of concern as these wastes are potentially harmful in nature. Likewise, the generation of industrial process waste water, albeit in small quantities, also requires attention. Our waste consumption has also reduced by 13% due to accurate waste monitoring and our zero to landfill waste reduction programme.

Waste efficiencies remain an area of specific focus for the Group and we will continue with the implementation of measures aimed at reducing the waste levels.

Water conservation

Although not a major consumer of water, Astrapak recognises the importance of water conservation, especially in light of South Africa's water supply constraints. The bulk of the Group's water consumption goes to the cooling moulds used in manufacturing processes, while the overwhelming majority of this water is supplied by the municipalities in which the manufacturing facilities are located.

A 9,4% increase in water consumption has been noted from 2015 to 2016 and this is due to increased production at two plants in particular. It should also be noted that water consumption data for the previous (2015) financial period was understated by approximately 11% due to data capture errors at one of the plants. These errors have been rectified and water consumption data for that period has been updated and restated in the environmental indicators table and in the fast facts table in the introductory section of this report.

Regulatory compliance

Compliance with environmental legislation is an area of particular focus for the Group. In this regard, we are confident of our compliance with the requirements of the Air Quality Act (2004). Our association with the Printing Industries Federation of South Africa

("PIFSA") and engagement with the Department of Environmental Affairs keep us abreast of the developments in this regard. The listing of printing works as an "environmentally detrimental activity" in terms of section 21 of the Act and the thresholds that will determine whether Astrapak is required to obtain an Air Emission Licence remain unresolved by the relevant stakeholder.

Recent developments regarding the Waste Act (2008) and its subsequent amendments, and our compliance therewith, is an area requiring significant attention. We are committed to 100% compliance and will therefore continue to engage with industry experts and other relevant stakeholders in order to determine the applicability of these regulations to our business.

The cost of regulatory compliance

Our commitment to 100% compliance with environmental legislation is likely to result in increased expenditure for the Group. Costs incurred in this regard will be monitored, and their impact on the Group's profitability is continually considered. Any efforts to optimise the cost of compliance are likely to result in additional benefits related to waste efficiencies, and to improve pollution control measures. Astrapak Integrated Annual Report



GRI G4 Content Index Table

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G4-13	5, 10, 11, 12, 13, 18	
G4-14	The Astrapak values reflect the organisation's commitment to avoiding environmental and social harm and the precautionary approach or principle is informally applied at all levels in the organisation.	
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G4-17	No additional entities to report on	
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Specific Disclosures		
Material Aspects	Applicable/DMA/Indicator Response	Page/Response
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Text with grey background indicates responses which do not fully satisfy the conditions of compliance with GRI G4 Reporting Standard - Core

ASTRA^{PAK}

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