



GROUP NEWS

A PERIODIC NEWSLETTER



REMAINING RESILIENT

You don't build a business, you build people, then
people build the business.

A YEAR IN REVIEW

Ready for what lies ahead

SIMON DOWNES, GROUP CHAIRMAN



“

We are investing significant time; effort and financial resources into additional plant; inventories and process systems. ”

Another annus horribilis survived.... Wow! We Durbanites have really had enough challenges thrown our way – so many more than others around the country. As the saying goes: what doesn't destroy you makes you stronger. We have seen off the following disasters and threats over the past year or so:

•Covid

The less said; the better.... We even financed some very large customers through extended terms.

•Floods (Version 1)

We managed to see off the first floods without any loss of production; materials or machinery damage

•Floods (Version 2)

Ditto.... (experience pays off!)

•Riots

We sat up all night glued to our surveillance cameras as we were unable to get close to our factory, which was in the middle of Ground Zero. Customers all serviced, though....

•Load-shedding

Our Mobeni factories are not subject to load-shedding until Level 8 (phew!), and our Hammarsdale plant is serviced by a powerful generator. No production losses...

•Forces majeure

A number of forces majeure have been declared by various suppliers and service providers. We have been able to mitigate the effects, by and large.

•Constrained raw material supply

We doubled our investment in raw materials before the Russian invasion of Ukraine. This has largely protected our customers from stock-outs resulting from serious supply constraints.

•Water interruptions

We have mitigated the water problems experienced by many in KZN through harvesting and storage.

•Supply chain challenges – shipping costs/delays and port inefficiencies

In many cases, supply chains have been extended from weeks to many months (6 to 9!). Increased investment and forward ordering have mitigated these challenges to a large degree.

•Awful government

The whole country has had to contend with extraordinarily poor governance. In Durban, this is accentuated by an uncaring and self-serving local municipality that exists only for itself. In South Coast Road, we have had to contend with despicable sewerage issues that were finally resolved after threats of legal action, and the stern intervention of a helpful Action SA councillor.

Bring on the next challenge – we are up to it!

PACKAGING AND THE ENVIRONMENT

Plastic has some magnificent properties. Unfortunately, most plastics survive for up to a thousand years. Many types of plastic are recyclable, but often in specialist recycling plants. With single-use plastic, the challenge is one of logistics: how does one move a discarded plastic container from, say, Pofadder to a specialist recycling depot on the West Rand? Unfortunately, the cost is often prohibitive, and the item ends up in landfills, or worse, in rivers and ultimately in oceans and thence into the digestive systems of whales and other sea creatures.

Recyclable does not mean an item is recycled. Cardboard and paper products are easily transportable and recyclable. However, should a paper or cardboard product be discarded (and we are not encouraging that!), it will biodegrade in time and become part of the ecosystem. Where a single-use cardboard product has a minimal amount of plastic (such as a PE/PET/PLA coating), the quantum of the item that will not biodegrade tends to around 3% of the entire product – an infinitely superior result than a 100% non-biodegradable product.

Nhlanhla Sibisi, a climate and energy campaigner for Greenpeace Africa suggests that “government should push to ban single-use plastic as each piece of single-use plastic is used for 15 minutes, on average”. We concur, Sir!

SOUTH AFRICA – ON THE CUSP?

At the risk of being precisely wrong, I would venture that I am vaguely right (to paraphrase Carveth Road, and not John Maynard Keynes, as is often claimed) by being optimistic about the political and therefore the socio-economic future of this once-beautiful country. As I write this, we are a week away from the crucial ANC presidency election to be held on 16 December 2022. I have little doubt (Bill – I feel a bet coming on?!) that Mr. Ramaphosa will continue as our President and will now have the backing to begin to lead his government with some modicum of backbone. I would also venture that coalition politics at both national and local levels are here to stay and will introduce a new era of accountability and proper governance. Hope springs eternal in the human breast...

SHAVE & GIBSON BAGS

Our foray into the paper bag market continues to gain momentum. We are investing significant time; effort and financial resources into additional plant; inventories and process systems.

continued..

Bring on the next challenge - we are up to it!



continued..

**SIMON
SAYS**

We are hugely encouraged by the support we have received from our traditional customer base, and we commit to provide them with the levels of innovation quality and service delivery to which they have become accustomed when dealing with us. All credit to Richard, Andrew and the entire Bags sales and production teams - onward and upward!

SUSTAINABILITY

All of our important decisions are steeped in the concept of sustainability: indeed, of the nature of the products we manufacture, but most importantly, in the sustainability of our business. In these dark days of excessive cost increase; uncertainty and supply chain challenges, we attempt to work closely with our customers to ensure that they are fully aware of the prevailing environment and stresses that we collectively face. We are truly fortunate to enjoy some wonderful relationships with customers who treat us with respect and as full partners in our association. Unfortunately, there are others who react to these cost pressures as gunslingers who will pull the trigger on an offering at a lower price, without cognisance of past quality, innovation and service delivery record. We are better off without them if we want to thrive in the future.

FAREWELL 1 – BILL FURNISS

Space prevents a full synopsis of our time with Bill. Suffice it to say that he finally joined us after our fourth (and final) offer of employment. Scuttlebutt has it that a few dozen empty beer bottles were cleared after that final meeting some 13 years ago... Bill is a doyen of salespeople and a legend in the packaging industry, which he has served for 48 years. He has an encyclopaedic knowledge of the industry; its history; its products, and most importantly, the many people who have passed through this tough and unrelenting space of business.

Bill's memory is also uniquely capable of pinpointing what was said and by whom during any meeting, – even if that meeting happened to conclude in the early hours of the morning over a beverage or two. He is the last of the Old Tuskers of the packaging industry, and he will be sorely missed by his S&G colleagues; his many customers, both past and present; his suppliers, and even his competitors. A gentleman who is an example to everyone in the industry. Thank you, Bill. I look forward to a few lunches in the future when you have time between the many trips that Anneke has planned for you.

FAREWELL 2 – JIM SHORT

Jim Short (and his wife, Julia) arrived in South Africa as a newly-minted Scottish lithographer in 1981 on an 18-month contract. He joined the fledgling Shave & Gibson in 1983, and never left.

"Bill is a doyen of salespeople and a legend in the packaging industry, which he has served for 48 years."

After assuming various management roles in our packaging division, Jim moved across as production manager to the newly acquired S&G Stradprint (now S&G Security Printing) in 1997. He assumed the role of MD of Shave & Gibson Security Printing (Pty) Ltd in 2005 at a time when our growth in that division was at its zenith. Jimmy and I spent countless hours pricing cheque and other security work in those early days, and fortunately, we were successful in most of those endeavours. The business grew and flourished. We suspected that the division's lifespan would be extinguished by 2010, or so. Yet, it continues today – changed, but still surprisingly successful.

Jim is renowned as perhaps the pre-eminent and most knowledgeable security printing expert internationally. This industry is secretive at best, given the security nature of the products and processes involved. Jim has been a trailblazer, and his ability to convince machinery to manufacture products for which they were not intended, is legendary.

Jim will be retiring after 40 years with S&G in May 2023. He and Julia will be returning to the Old Country of Rabbie Burns; William Wallace and Robert the Bruce. One hopes that they will become swallows between Scotland and South Africa, where the sun shines more on the golf course. Jim, it has been a pleasure working with you so closely for all of these years. Happy retirement!

WELCOME – PAUL REYNOLDS

In the first quarter of 2023, we welcome Paul Reynolds to the S&G Packaging team as National Sales Manager. Paul studied Business Management at tertiary level and thereafter started his working career in the pharmaceutical industry in 1993 as a Sales Representative followed by various management positions.

In 2007 Paul Joined "Makro" as their National Sales Manager where he was instrumental in setting up their sales team. In 2018 Paul moved to sister company "Masscash" which also involved the setting up of a sales team and processes for them.

Paul is married to Camille and between them they have 4 adult children. Micaela 26, Sam 23, Taine 22 and Anna 21. He enjoys spending time with his family and loves to get away to the family home in KZN's Karkloof mountains. He equally enjoys regular breaks in the bush.

Paul loves travel, playing golf, cycling, running and gym. He is a keen foodie and enjoys braaiing, making his famous homemade pizzas and experimenting with different recipes.

It remains for me to thank our management teams; our wonderful employees; our loyal customers; our long-suffering suppliers, and all our friends a well-deserved break; a Happy Christmas; a Blessed Hannukah and a safe return to an easier; happier and simpler 2023.

"All of our important decisions are steeped in the concept of sustainability: indeed, of the nature of the products we manufacture, but most importantly, in the sustainability of our business."



One last dance

BILL FURNISS, NATIONAL SALES MANAGER

It is hard to believe that this is the last time I will be writing this column for the S&G Newsletter, as I have decided to "hang up my boots" at the end of January, after 48 years in the folding carton industry.

I must say that whilst it has been my decision totally, I am leaving with mixed emotions. Mostly because it has been such an exciting and fulfilling journey in this great industry: the wonderful people I have met, worked with, and learnt so much from. In particular, in the past 13 years with the S&G family.

I have lived through so much exciting change in my career:

- The change from wearing suits and travelling in cars with no aircons in 30- degree Durban humidity.
- From carrying a pager and stopping at the corner phone booth with my phone card to call customers, to the advent of cell phones (some of you may remember the first "half brick"), and then smart phones on which we can now conduct our entire lives digitally. How did we live without them? But we did!
- The digitization of many of the manufacturing processes, which has enabled us to work so much quicker and more efficiently.

And, conversely, some not so good changes:

- Living through the closure of so many manufacturing facilities due to cost pressures and witnessing the resultant loss of industry skills, both to other industries as well as to emigration.
- Living through 4 mergers - some positive and some not so.
- Then the worst for me: the virtual commoditization of the products we work so hard to innovate, develop, produce, and deliver on time and in full, at a sustainable price. Some of it, I must say, of our own industry's doing, through silly predatory pricing, but much of it due to the constant downward pressure exerted on selling prices, through mechanisms like "reverse auctions".

But, then again, we are a resilient band of industry brothers and we persevere. As Clarence Miller once said to me; "packaging is not for sissies". How right he was, and in fact still is, considering what we have lived through over the past three years.

As an industry we are currently facing a huge challenge, which I have never witnessed before - that being the extended lead times on both the supply and shipping of our "life blood" - carton board and paper.



"As an industry we are currently facing a huge challenge, which I have never witnessed before"

Mills are at capacity with all convertors on strict allocation. Mills previously begging for a share of our purchase do not even return mails. Prices are being increased almost monthly and any push back from us is met with; "no problem, we will cancel your order as we have other convertors very happy to take up your allocation". Our local mill is also hard pressed to keep up with demand. So, in short, we have nowhere to turn and we are currently "price takers" for this major input cost. In addition, manufacturing input costs continue to rise unabated, fuelled largely by the volatility of the Rand. We can only ask that you work with us through this unprecedented challenge.

In my current position, I have been blessed to have worked with a great sales team, who have supported me over the past 13 years through the good and the difficult times. We have together grown the business and had fun doing it. Of course, not overlooking the support of the entire business, especially the production team who work tirelessly every day to ensure that we keep our customers supplied and satisfied.

Simon, Richard and the exco team have also been so supportive and I cannot have wished for a better group of people to work with.

There is a Zulu saying..... "umuntu ngumuntu ngabantu".

Said in the context of a person's success, it means that no man should consider himself self-made and that there were always others who assisted them in their achievements. So, to all those in my 48-year journey: colleagues and customers, I say; ngiyabonga kakhulu... thank you most sincerely.

Notwithstanding all the above and as I bow out, I can assure you that S&G are here to stay and grow, remaining steadfast in focusing on what they do best, which is the promise to our customers of continuous innovation and the on-time delivery of a quality product, at a fair and, more importantly, sustainable price.

My best wishes to you and your families over the holiday period and more importantly, I wish you only the best for the future.

Until we meet again.....

With adversity, come opportunities you never knew existed.

Managing the crisis

JIM SHORT, MANAGING DIRECTOR SECURITY PRINTING

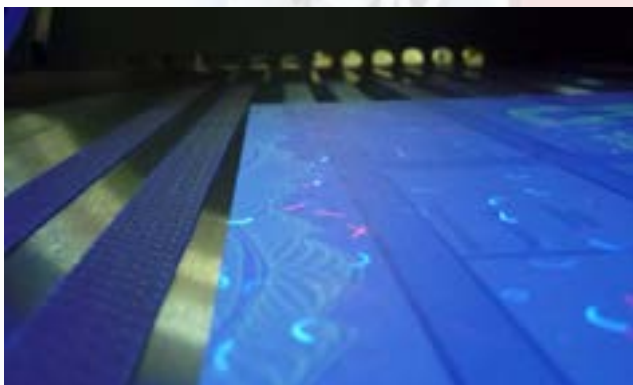
As mentioned in our previous Newsletter our paper and other raw materials continue on their upward price spiral. Many of our paper grades have doubled in price over the past 15 months and lead times from Europe can be 3 times longer than those enjoyed in pre-covid times. Many reasons have been put forward for this sad state of affairs, from the pandemic to the Ukraine/Russian war to Global warming; none of which seems to fully explain prices doubling in such a short space of time. We note that the shipping companies and the energy companies are recording all-time record profits. Possibly the answer lies in this area?

It was with great sadness we heard of the passing of Pieter le Grange recently. Pieter has been a supplier of S&G Security Print for over 20 years, firstly with OCE printers, then Nipson printers and in more recent times representing and offering technical support for IJ ink jet printing systems. Pieter was always willing to go the extra mile for us and was the classic old school "Maak 'n plan" type of guy. He will be sorely missed by all at S&G as well as many in the South African print field. We extend our condolences to his family.

With South African Banks no longer making use of cheques as well as Namibia, Lesotho and Swaziland, it was no surprise to hear that Botswana also plan to stop using cheques by the end of 2023. Although cheque printing was the founding product for S&G Security Printing in our early history, other security products such as birth, motor vehicle, trade, university and school certificates, as well as school exam booklets, security stamps, visas, ballot papers, deposit books, secure receipt books etc. etc. are now our core business products.

As 2022 comes to a close we look forward to the New Year. We seem to be leaving the horrors of the Covid restrictions behind and a sense of confidence and a "let's get on with it" attitude returns. Travels, holidays and social mixing are all making their welcome return into our lives. Financial woes and wars have always been with us and as have the ones of old, I am sure our present challenges will pass in time.

Wishing you all: customers, suppliers and staff, a very happy year-end holiday and a wonderful 2023.



" Many of our paper grades have doubled in price over the past 15 months and lead times from Europe can be 3 times longer than those enjoyed in pre-covid times "



The new norm

LEON WARD, OPERATIONS MANAGER

The challenges of running a manufacturing company in South Africa are numerous and well documented. It is imperative to control what you can well, and plan for the future in order to mitigate risk and to stay competitive in these challenging economic times.

Some of the issues which have impacted operations include the shortage of imported raw materials, the effects of which are deeper than at first glance. As raw materials are delivered, we are forced to run the associated back orders as soon as possible in order to satisfy customer requirements. From an internal operational efficiency and a waste point of view, the costs of having to continuously break into production plans negate efficiencies and increase waste. These costs add up to be substantial. Unfortunately, the supply problems surrounding imported raw materials do not look like they will be resolved in the short term. Having a large stockpile of raw materials coming into 2022 was definitely a master stroke and has limited the damage to a large degree.

Power outages and water supply interruptions have become a weekly occurrence for most companies. This again negatively affects the whole operations process. We have successfully managed to negate the reliance on the municipality to a degree for water by harvesting rain water and this now feeds all our ablutions. Our production departments that require water as part of the process now have adequate storage facilities of water installed to allow uninterrupted operation for up to a week. Looking at ways to limit the damage of load shedding is an ongoing project.



Skills shortage in the industry is another major obstacle that is of concern and finding suitably qualified personnel has become a struggle. As a result, we as a company have decided to be proactive and upskill as many of our staff internally that we can manage successfully. We have quadrupled our intake of apprenticeships for the programme from 2023 onwards. This is important not only for ourselves and the industry but also gives back to the community and it will hopefully help address some of the socio-economic problems we face in our Province such as unemployment. By up-skilling people continuously we are making them more employable.

"Skills shortage in the industry is another major obstacle that is of concern and finding suitably qualified personnel has become a struggle."

Quality is one of the core pillars that drives our business and we are continually trying to improve ourselves in this area. We have restructured the quality department and have appointed a new quality control manager. The focus is on continually striving to find the root cause of quality issues and to put measures in place to eliminate re-occurrences.

The last area of focus that I want to touch on is culture - reinforcing a clearly-defined culture that incorporates being customer-centric, but also ensures employee wellbeing is important in order for an organisation to be successful. Maintaining a healthy culture is something that needs to be worked on continuously.

"Culture eats strategy for breakfast" – Peter Drucker



"Culture eats strategy for breakfast" - Peter Drucker



An urge to grow

MICHAEL DOWNES , INNOVATION MANAGER

How often have we heard the terms “new normal” or “post-covid” during recent times? It is now only a few months later and the post-covid era should be renamed the post-crisis era. We have experienced waves of interruptions and disordered living. The pandemic became an environment of ever-changing landscapes with a constantly shifting narrative, while we experimented with new ideas and activities to survive these trying times. Over the course of the pandemic, day-to-day operations were designed to be as convenient as possible for consumers and the simplistic way of living was the preferred one. Today, we look at finding a balance between the two worlds in this post-apocalyptic period.

Many businesses simply cannot continue to operate as they have in the past. What made a company successful historically, may no longer be possible after the crisis. Customers continue to struggle to pay or contain increases. Channels may have radically shifted to accommodate new needs or work around new constraints. A stable regulatory context may have changed, potentially creating opportunities that never existed before. The assumptions that supported years of stable, predictable growth may no longer be valid. All the top global companies have invested significant resources to ensure that there is constant innovation and growth taking place within their walls. We at S&G are constantly challenging our previous beliefs and ways of doing things, as we deal with the different set of circumstances. Raw material availability has become the biggest challenge in this industry and those that transform their strategies, are the ones that remain relevant in these challenging times.

The standard of living in South Africa has become restrictive with increases in basic food and petrol prices. SA's load-shedding crisis has left many businesses in dire straits and imports/exports have taken major strain with the exploitation of the global shipping lines and poorly performing ports.



"Growth is vital for organisations and for our economy to survive and thrive."

This has meant that all parts of the supply and manufacturing chain have been interrogated as regards performance and efficiencies, to determine whether resources have been used adequately and effectively. The key to unlocking this crisis is prioritizing innovation.

Growth is vital for organisations and for our economy to survive and thrive. Finding solutions requires innovation and collaboration, within and across organisations - accelerating the ability to grow through advances in technology and capabilities, spurring innovation without damaging the planet, and bringing people along in equitable, inclusive ways. Personal growth is as important as organizational growth, as we need to develop and grow into the best versions of ourselves that we can possibly be.

"What made a company successful historically, may no longer be possible after the crisis."

The importance of personal growth ensures that as individuals we take care of ourselves and become aware of the 'self' in its entirety. This can be followed by taking steps to identify and address the behaviour, attitudes, values, actions and habits we wish to change in our own lives. As John Maxwell said: "growth inside fuels growth outside."

Without constant invention, we will be left behind in these dark days, and without an intentional focus on growing, we will be left dead in the water. As a company, we are positive and well placed to launch our growth plans. They are ambitious and exciting as we intend to enter new markets, develop innovative products and continually service our valued, existing customers.

As they say, onwards and upwards, is the only way forward.

**"Creativity is thinking up new things.
Innovation is doing new things."**

Theodore Levitt



Richard's ramble



Realigning for the future

RICHARD DOWNES , MANAGING DIRECTOR PACKAGING

"It's easy to explain what happened, but much harder to predict the future."—Lao Tzu

I cannot find a more relevant proverb to adeptly describe the transition from 2022 into 2023. Coming into 2022, we thought we were armoured with our past "resilience" and survival skillset. We had after all, fought through COVID, lockdowns, the EVERGREEN shipping congestion, the July 2021 Durban Looting, the lowest levels of business confidence and loadshedding levels hitting stage 3. The silver lining after all of this was that our "resilience" muscles had grown.

Then, on 24 February 2022, Russia invaded Ukraine in a severe escalation of the Russo-Ukrainian Cold War (which began in 2014). The largest armed conflict in Europe since World War II has caused mayhem across this interconnected globe. Little did we know that that Ukraine - the second largest country in Europe (in total area), produces one third of the world's sunflower oil, 10% of the world wheat, 15% of the corn market and 13% of the barley market. On the other hand, Russia - a key supplier of not just oil and gas but also wheat, metals and fertilizers.

Nobody could have predicted that 10 months later the war would have escalated. No human being or computer could have predicted that Russia would not have dominated this war. The only attributes that explain this David vs Goliath battle and how it still continues have to be the undoubted resilience of the Ukrainians and that they are fighters.

Much like the Ukrainian people, we South Africans are fighters and endlessly resilient. Shave & Gibson is proudly South African. We are fighters, we are resilient and we are warriors. In March 2022 our previous operations manager (Heino) left us and returned to his family in Cape Town, and within a few weeks our production planner and punching manager both left S&G. In April 2022, Durban experienced the deadliest storm in 25 years. It caused more than R50 billion of infrastructural damage and claimed the lives of at least 435 people.

"Much like the Ukrainian people, we South Africans are fighters and endlessly resilient."

"Throughout all of these challenges we never dropped the ball, and we continued to deliver, and to service our customers"

Throughout all of these challenges we never dropped the ball, and we continued to deliver, and to service our customers. Unfortunately, raw material supply (specifically cardboard) remains the single greatest challenge that we face. Specific boards have a variety of properties and characteristics, each of which adds to the structure or aesthetics of the package we create. Dare I say, the oligopolistic arrogance of paper mills over the past 18 months is staggering, and is clearly reflected in the almost monthly price increases enforced on the converting industry. Similarly, the shipping lines reported extortionate profits in 2022. Some shipping lines showed profits in Q1 and Q2 of 2022 greater than the combined profits of the prior 10 years. Shipping line cost inflation has resulted in significant freight surcharges that have further exacerbated the cost of our cardboard.

The astronomical increases imposed by suppliers and their take-it-or-leave-it arrogance have left us with little option but to accept their unilateral terms. As partners we have tried to work with our customers as much as possible to mitigate these increases. Unfortunately, they are simply too significant to brush under the carpet. Cardboard as a component of costs, makes up anywhere from 50 – 65% of the end selling price.



"It's easy to explain what happened, but much harder to predict the future." - Lao Tzu

Richard's ramble



continued..

Although the current situation is such that the suppliers are in the driving seat, the wheel of fortune will turn. When it does turn, it will be interesting to see how suppliers change their attitudes. We are hopeful that the current shortage of raw material availability (and consequent astronomical prices) is going to ease in 2023/2024. Metsä Board is adding an additional 800 000 tonnes of annual capacity by 2024; Stora Enso an additional 750 000 tonnes by 2025; Mondi an additional 210 000 tonnes by 2024, and Klabin an additional 400 000 tonnes by 2024. Each of these investments cost in excess of €1bn and require years of planning. In comparison, Mpact (Springs) SA's only cartonboard manufacturer manufactures 110,000 tonnes per annum. The additional tonnage being added to the market is significant and should have a considerable impact on the current supply/demand imbalance.

As I type this document, I am in complete darkness. It has just been announced that we are at Stage 6 (until further notice). Our Bags plant which is located in Hammarsdale had load-shedding today of 9.5 hours in a 24-hour period. How businesses are expected to operate in such an environment is incredible. Eskom is a living example for us in how a great company can deteriorate without due care. Maintenance is not cheap, but it ensures sustainability and is something that we prioritize. Maintenance is required on plant, facilities, systems, processes, research & development, supplier relationships, customer relationships and our people. At S&G we are planning for the future, and as such we invest heavily in all aspects of maintenance and future-proofing.

We have recruited new operations manager for both our carton and bag plants. Leon Ward and Andrew Ford have been so impressive in such a short period of time. Leon has been tasked with more refinement and polishing, while Andrew is assisting in moulding a truly world-class bags operation.

"At S&G we are planning for the future, and as such we invest heavily in all aspects of maintenance and future-proofing."

"At our bags operations in the past year, we have managed to design, adjust and implement Quality Assurance systems."

Lindiwe Nxumalo, who was thrust into production planning, has shown us significant improvements in our efficiency through effective planning. At our bags operations in the past year, we have managed to design, adjust and implement Quality Assurance systems. We have been audited and passed, FSC (Forest Stewardship), ISO 90001 and FSSSC 22000. These are remarkable feats in such a short period and could not have been attained without the collective effort of our entire team. I would like to thank Sibusiso Ngubane and Lihle Shabalala for leading us to these achievements.

As the chapters of some are just starting, it is with great sadness that others close. Bill Furniss, who has been a colleague, mentor and friend, is raising his bat and retiring (*not out). There isn't a person at S&G that won't have a positive, happy and enlightening story about Bill. He has done his time, he has served with honour and achieved more than any other. Anneke and Bill deserve a well-earned rest. I know that Bill will never be more than a phone call away and I will enjoy catching up on his many adventures. We all salute you Bill, for your many industry achievements and all that you have done for this company over the past decade.

I am so proud and honoured to be able to go to battle everyday with my team. They are warriors and they are fighters, but above all they are family.



"Quality comes not from inspection, but from improvement of the production process."

WE'VE GOT THIS IN THE BAG

ANDREW FORD , CHIEF OPERATING OFFICER (BAGS)



2022 was a massive year for S&G bags. A great deal of time and planning went into refining our structure and putting in place the foundations for the business. This has paid dividends and I am extremely proud of all our staff on the successful implementation and accreditation this year of FSC, ISO 9001:2015 and the cherry on the top – FSSC 22000.

As a fully accredited facility we are now set to become a major player in the bag business.

The year was not without its challenges but we weathered the storm better than most. Ample stocks of raw materials as a result of forward thinking management ensured we were the reliable ones in 2022 with many a customer coming to us to be saved just before the festive season.

I have been hugely impressed by the quality and professionalism of our sales staff who have valiantly taken to selling bags with vigour and conviction. This has been a huge learning curve for them but due to the faith that customers have in the Shave & Gibson Brand some big fish have been landed and our chests swell as we watch the products come off the manufacturing line.

As a satellite facility within the broader Shave & Gibson family we enjoy many shared resources which complement, boost and generally provide the best possible footing for the bag business to thrive. HR, Technical, Innovation, Sales, Finance and Health and safety to name but a few. These specialised services allow us to box above our weight class and accelerate our growth.

2023 will be our year. We are expecting massive growth with the corresponding investments already on order, our focus will be on sweating the current assets and enhancing our capacities to service more customers and markets as the push to convert from plastic to paper smiles favourably on us. We will not have the luxury of complacency and the business will inevitably become more complex and diverse, but we will have the comfort of knowing that we have a big brother who is fully behind us and whose reputation and hard fought place in the industry will be cheering us on.



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"As a fully accredited facility we are now set to become a major player in the bag business."



FSSC (Food Safety System Certification)



FSSC is a Global Food Safety Initiative (GFSI) benchmarked certification accepted worldwide by food manufacturers and retailers alike. S&G have aligned our business practices with internationally recognised standards, to address service management, product labelling, food safety, food packaging and food fraud prevention. We continue to promote development, review and continual improvement of our quality management system. Our commitment to continuous improvement in our food safety management system is of vital importance. We aim to reduce risks and hazards in the manufacturing of food packaging. Building trust in supply chains ensures consistency and integrity in food safety programmes. This accreditation facilitates innovation and improvement in every aspect of our business – keeping us up to date with international trends.

FSC (Forest Stewardship Council)



The FSC chain of custody system is a path taken by raw materials, processed materials, finished goods and by-products. This includes forest to consumer including each stage of processing, transformation, manufacturing, storage and transport; where progress to next stage of supply chain involves change of ownership of materials or the products. It provides evidence that certified products originate from certified well managed forests and/or controlled resources. FSC chain of custody can help our customers identify our products and assures them that our products demonstrate environmental performance across the supply chain. It also demonstrates our commitment to responsible business practices, where we strive to manufacture and produce materials that are essentially recyclable and environmentally friendly. This accreditation gives us a competitive edge by differentiating our products and supports responsible forestry and conservation. We encourage sustainability by using renewable and recycled materials throughout our manufacturing processes. Our efforts to provide sustainable packaging solutions for suppliers and consumers is an important aspect of our business.

ISO9001:2015 (International Organization for Standards)



ISO9001 is a certification by an independent third-party that verifies the performance of management systems and the ability to apply effective quality management principles within an organisation. This certification demonstrates our commitment to consistency, continual improvement and enhanced customer confidence and satisfaction. We endeavour to build trust in our management system and increase performance internally and externally by applying effective quality management principles within our organisation. Customer satisfaction is our ultimate goal while consistently delivering products and services that meet their expectations as well as statutory demands. Our ISO9001 structure ensures we continually improve our processes and highlights where we need to focus our efforts.

SEDEX (Supplier Ethical Data Exchange)



SEDEX is a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains. This platform ensures that S&G are sourcing responsibly - we source and supply products and services in an ethical, sustainable and socially conscious way. We ensure that the suppliers we partner with are working in an ethical manner within global supply chains. SEDEX offers developed ethical business practices, that help our customers to reduce risk, protect their company's reputations and improve supply chain practices. A big focus is also to generate greater employee involvement and business efficiencies within the organisation.

The SEDEX accreditation complies with legislation on labour standards, health & safety, the environment and business ethics. SMETA (Sedex Members Ethical Trade Audit) enables us to share one audit with multiple customers – meeting multiple customer requirements.

We ensure that our standards comply with all relevant international regulations

GOLD PACK AWARDS

This year Shave & Gibson entered three cartons into the annual Gold Pack awards for 2022. We are extremely proud to share that all three entries won a medal in their respective categories.

GOLD - Copper Republic Gift Pack

SILVER - Shoprite Checkers Chicken in-a-box

SILVER - Wedgewood Honey Bee Bonbonniere

We will continue to be innovative through our cutting-edge designs and converting techniques, in line with our customers' requirements and expectations



PROMOTIONAL PACKAGING MEDAL WINNER

GOLD MEDAL
Name of Entry
Entrant
Converter
Brand Owner

Copper Republic Gift Pack
Shave & Gibson Packaging
Shave & Gibson Packaging
Copper Republic



SILVER MEDAL
Name of Entry
Entrant
Converter
Brand Owner

Chicken in a Box
Shave & Gibson Packaging
Shave & Gibson Packaging
Shoprite



SILVER MEDAL
Name of Entry
Entrant
Converter
Brand Owner

Honey Bee Bonbonniere
Shave & Gibson Packaging
Shave & Gibson Packaging
Wedgewood



HEALTH & SAFETY



We, at Shave & Gibson strive to keep workers safe and believe that this will improve employee morale. When employees are happy with their job, they will be more productive and effective. Employees operate much more efficiently when they know they can complete their job or task without their health being affected.

The purpose of our health and safety committee is for members to meet to initiate, promote, maintain, and review measures to ensure the health and safety of workers. The health & safety committee at Shave & Gibson encourages employee participation and provides invaluable communication between employees and management.

We have a committee of 25 H&S Reps spread across all the departements and shifts This is to ensure that there will always be a rep on duty. Since initiation of the committee in 2021, our safety stats have improved.

Some of the benefits S&G has reaped due to effective health and safety practices are:

- improved health and wellbeing
- greater productivity
- higher performance
- increased job satisfaction
- greater work participation and increased social inclusion
- increased individual, team and organisational resilience
- lower absenteeism rates
- less workplace injury and workers' compensation claims
- faster return to work
- lower workers' compensation premiums.

Our health and safety strategy is focused around 5Cs - culture, competence, communication, contractors, controls – and health and wellbeing.

Current safety stats for 2022:

1290 South Coast Road = 90 days injury free
 Blokhaus (Logistics) = 112 days injury free

Shamita Maharaj

Site Controller



WELCOME TO THE FAMILY

NEW STAFF

S&G PACKAGING

Sné Xaba	Assistant Buyer	Nompilo Ngubane	Gen Assistant
Cindy Govender	Debtors Assistant	Trishen Ganeshen	Gen Assistant
Krishni Perumal	Estimator	Thobelani Mbonambi	Gen Assistant
Leon Ward	Operations Manager	Tabang Jordan	Gen Assistant
Vinay Ramnath	Punching Manager	Mbulelo Khumalo	Gen Assistant
Ukhona Zwane	Research & Product Developer	Aaron Pillay	Gen Assistant
Denzil Subramoney	Storeman	Errol Pillay	Gen Assistant
Cynthia Khanye	Quality Technician	Melton Pillay	Gen Assistant
Nonkululeko Ntshangase	Quality Technician	Tristyn David	Gen Assistant
Vivian Naidoo	Expeditor - Waste	Ayabulela Ziwani	Gen Assistant
Velemseni Ngema	Operator	Xolisani Ncanyiwe	Gen Assistant
Neville Naidoo	Operator	Bhekikhaya Zibula	Gen Assistant
		Innocent Khomo	Forklift Driver
		Bongumusa Madiba	Forklift Driver
		Sandile Mnyandu	Forklift Driver
		Unathi Fombo	Assistant

S&G BAGS

Andrew Ford	COO (Bags)	Mluleki Nxumalo	Gen Assistant
Phumeza Matangana	HR Manager	Jabulani Tsoanyane	Gen Assistant
Roann Pandaram	Creditors Clerk	Spe Vezi	Operator
Mike Saimani	Technical Manager	Fortune Sithole	Operator
Nozipho Sibisi	Production Administrator	Simthole Ncayiyana	Operator
Lihle Shabalala	SHERQ Manager	Thobani Nzimande	Packer
Mpilo Sithole	Warehouse Supervisor	Precious Ngcobo	Packer
		Nomvula Nxumalo	Packer
		Themba Mncwabe	Packer
		Trueman Masango	Packer
		Innocent Ntaka	Operator
		Kyle Schmidt	Maintenance

SECURITY PRINTING

Nevesh Dwarika	Senior Programmer
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LONG SERVICE AWARDS

Packaging

40 years

Shanil Mohan

20 years

Shabir Esoop

Michael Kassernath

John Makhamba

10 years

Creasan Naidoo

Shahid Saib

Marshall Arumugam

Elliot Simelane

Mandy Mhlangu

Percy Manyoni

Michael Mbonambi

Tyrone Green

Mayendran Moodley

Vispanathan Naiker

Maxwell Mhlongo

Veresh Ramdhani

Bags

10 years

Mpokeleng Motjotji

Funeka Zondi

Sindiswa Ngcobo

Sindisiwe Ndim

Zamisa Mthokozisi

Security Printing

25 years

Danny Lutchman

Musa Sikhakhane

FAREWELL

This season we say farewell to our National sales manager Bill Furniss, who will be retiring after 48 years in the packaging industry. Bill will be enjoying his well-earned retirement after leading the S&G packaging sales force for the past 13 years. We thank Bill for his dedicated service to S&G and wish him many happy years ahead. We also bid farewell to Isaac Mtembu and thank him for his invaluable contribution to S&G.

Bill Furniss 13 years
Isaac Mtembu 11 years

Hambani Kahle



CONGRATULATIONS

To Thabisile Mtungwa on the birth of his daughter Swelihle who was born on 23 August 2022.



2022 was the second year of the existence of the Shave & Gibson Foundation, which continued the support to a number of charities and foundations.

We record some of the donations we have contributed towards over the past year:

- This is the 21st year S&G has helped fund S.M.I.L.E. (St Mary's interactive Learning Experience) and we will continue to support this foundation.
- The Foundation donated chairs to Makabongwe school in Durban to assist with their school assemblies and functions
- For the sixth year, the Foundation proudly supports the Helen Suzman Foundation
- This year the Foundation continued to fund the Rally to Read Foundation, which aims to improve the literacy skills of learners at remote rural primary schools to acceptable levels. This year the foundation donated a classroom library as well as material
- The Foundation also donated to The Zululand Conservation Fund, which performs miracles in protecting our wildlife heritage.

The Shave & Gibson Foundation Trustees



SOME OF THE TEAM



Packaging Team 2022



Security Team 2022



Bags Team 2022

SOME OF THE TEAM



S&G Packaging Gauteng Branch 2022



S&G Packaging Western Cape Branch 2022



AROUND AND ABOUT



Birthday celebrations



Punching machine of the Month Oct' 22
-Machine 644



Heritage Day dress up



CPT staff in the Xmas spirit



Heritage Day 2022





Members of Exco, enjoying a year end, team-building day out with some bowls



Jim, Jason, Bill and Michael at the annual IPSA golf day.



The Annual Printing SA gala dinner with members of senior management



Bill Furniss at his last sales conference for S&G



Festive spirit



Our special ladies on National Women's Day. The picture on the left is our head office staff while our bags division is on the right



National Slipper Day



Spring has sprung!



Our Earth Queen



Earth Day 2022

ON A LIGHTER SIDE



The back page....

PONDERISMS

Why do peanuts float in a regular coke and sink in a diet coke? Go ahead and try it....

I used to eat a lot of natural foods until I learned that most people die of natural causes.

How important does a person have to be before they are considered assassinated instead of just murdered?

Why do you have to “put your two cents in”... but it’s only a “penny for your thoughts”? Where’s that extra penny going?

Once you’re in heaven, do you get stuck wearing the clothes you were buried in for eternity?

What disease did cured ham actually have?

How is it that we put a man on the moon before we figured out it would be a good idea to put wheels on luggage?

Why is it that people say they “slept like a baby” when babies wake up every two hours?

Why are you IN a movie, but you’re ON TV?

Why do people pay to go up tall buildings and then put money in binoculars to look at things on the ground?

Why do doctors leave the room while you change? They’re going to see you naked anyway.

Why is “bra” singular and “panties” plural?

Why do toasters always have a setting that burns the toast to a horrible crisp, which no decent human being would eat?

If the professor on Gilligan’s Island can make a radio out of a coconut, why can’t he fix a hole in a boat?

If corn oil is made from corn, and vegetable oil is made from vegetables, what is baby oil made from?

If electricity comes from electrons, does morality come from morons?

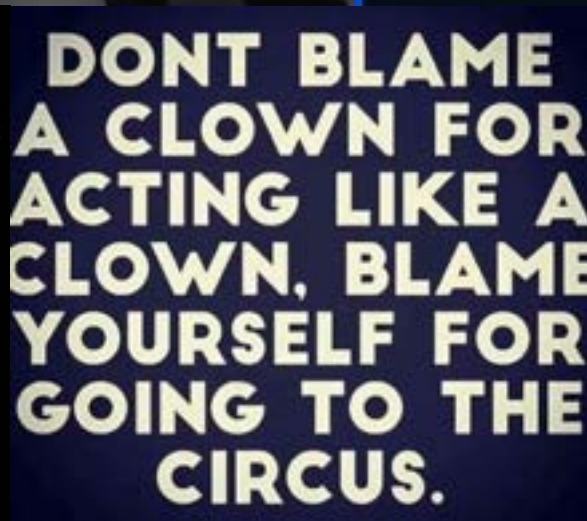
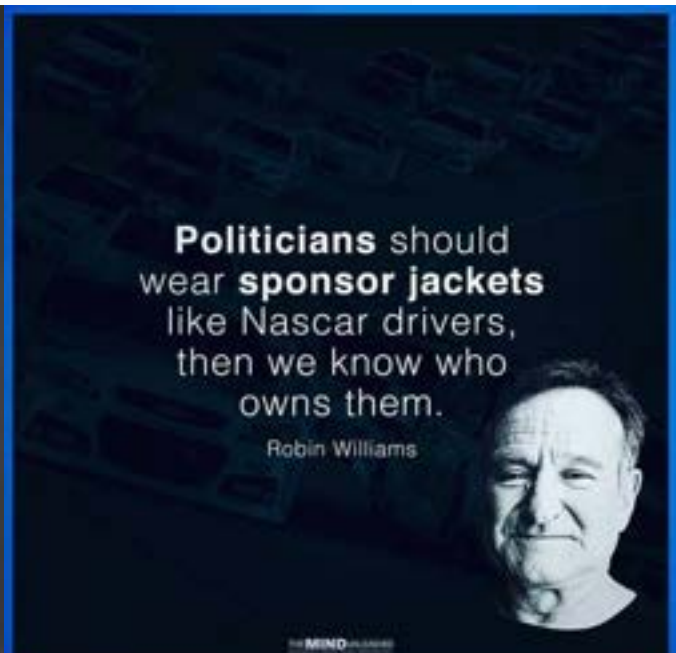
Why do the Alphabet song and Twinkle, Twinkle Little Star have the same tune?

Why did you just try singing the two songs above?

Did you ever notice that when you blow in a dog’s face, he gets mad at you, but when you take him for a car ride, he sticks his head out the window?

**"You should never hesitate to trade your cow for a handful of magic beans."
Tom Robbins**

Last gasp



**DON'T TRUST EVERYTHING YOU SEE.
EVEN SALT LOOKS LIKE SUGAR**

Remember Einstein's comment: "There is a major difference between intelligence and stupidity; intelligence has its limits."

**"Whatever you do, always give 100%. Unless you are donating blood!"
Bill Murray**

SUSTAINABLE PACKAGING



**Providing sustainable solutions
for over 40 years**

Trust us for the best quality, continuous innovation,
and world-class service delivery



Innovation Quality Service Delivery