

Imperial, beyond possibility

**Demonstrating Imperial's
socio-economic impact
in South Africa between
F2019 and F2020**

Imperial™

beyond possibility



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Foreword

From the desk of Mohammed Akoojee,
Imperial's Group Chief Executive Officer



Everyone who works for Imperial is united by one clearly defined common purpose – connecting Africa and the world and improving people's lives with access to quality products and services. This means that – as a business and as individuals – we make a meaningful difference in people's lives and play a key role in the development of Africa. Imperial enables access to quality products and services for millions of people in our 25 countries of operation, 20 of which are on the African continent – this includes food, medicine, fuel and countless other products that make everyday life better.

We understand that being a purpose-led organisation with Environmental, Social and Governance imperatives

embedded in our business strategy means that we must create sustainable, long-term value for our key stakeholders – society, our partners, the logistics industry and market access – and that we must prioritise people, planet and profit. We therefore take a holistic approach regarding value creation wherein value is created not only for Imperial but also for other stakeholders in the value chain, including our communities and countries of operation. In order for us to assess and measure the extended value that Imperial creates for society, we have undertaken a Socio-economic Impact Assessment for two of our key markets in Africa – South Africa and Nigeria, through our Imperial Market Access Healthcare business (Worldwide Commercial Ventures Limited).





In assessing the value created for our stakeholders, these reports for Nigeria and South Africa look at Imperial's impact through five themes, namely our Greatest Asset (our people), serving as the 'Gateway to Africa' (our operations), reaching Beyond Imperial (our external stakeholders), transforming by adopting a 'Go Digital, Go Green' approach (adoption of digital technologies and focus on reducing negative impacts on the environment) and Going the Extra Mile (Corporate Social Investment). Each of these themes is assessed through a framework that systematically considers value to society, value to the logistics industry and to market access, as well as value to partners.

Further, our socio-economic impact on society is reviewed in light of the United Nations 2030 Agenda for Sustainable Development and the African Aspirations for 2063 defined by the African Union, as various countries, including South Africa, have acted to integrate the goals

and targets into their national development plans to align policies and institutions behind them. Imperial's contribution to the applicable goals and aspirations is highlighted throughout this report.

I am pleased with the outcome of these reports, which emphasises Imperial's commitment toward creating value for our stakeholders in our key markets and shows the direct and indirect value Imperial created over the F2019 and F2020 period of R145.9 billion and R98 billion in Nigeria and South Africa respectively. The outcome of the reports also supports Imperial's objectives to continue to operate as a responsible corporate citizen that is committed to delivering sustainable value and extending its impact to all our key stakeholders across our value chain as we always strive to go beyond possibility.

Regards,
Mohammed



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Executive summary

Imperial was originally founded in 1948 as a motor dealership and has since evolved beyond possibility.

It is now one of the leading logistics service providers in South Africa, with over 25 000 employees globally and a presence in Europe and approximately 20 countries across Africa.

Through its logistics and market access offerings, Imperial is delivering on its purpose of 'connecting Africa and the world — and improving people's lives with access to quality products and services'. It is Imperial's strategic intent to serve as the 'Gateway to Africa' to its clients, principals and customers - transforming from an asset-heavy, third party logistics player to an innovative, asset-right business.



EXECUTIVE SUMMARY

Accenture has conducted a Socio-Economic Impact Assessment which endeavours to quantify Imperial's (direct and indirect) impact over the financial years 2019 and 2020 (the period from July 2018 to June 2020). The assessment included both South Africa and Nigeria – two of Imperial's key markets of operation. This report focuses solely on Imperial's impact in South Africa. A report focusing on Nigeria is also available.

Imperial contributed an estimated R98,1 billion to the South African economy between F2019 and F2020

Imperial's impact in South Africa extends beyond the financial contributions that it makes. Imperial leverages its 'Greatest Asset' (its people) to serve as the 'Gateway to Africa' (its operations). Being a conscious corporate citizen, Imperial focused on opportunities to 'Go Digital and Go Green' (adoption of digital technologies and focus on reducing negative impacts on the environment), reaching and collaborating 'Beyond Imperial' (external stakeholders). Imperial cares and enhances the communities in which it operates by 'Going the Extra Mile' (CSI initiatives).

Assessing Imperial's impact in South Africa through the review of value created for society, the logistics industry and market access, and partners.



Society

F2020 22 540

F2019 22 056



Logistics Industry and Market Access

F2020 20 245

F2019 19 822



Partners

F2020 6 359

F2019 7 054



Total

F2020 49 144

F2019 48 933

Values (R millions)



Table 1: An overview of the quantifiable value created by Imperial in South Africa

	F2020				F2019				
Value (R millions)	Society	Logistics Industry and Market Access	Partners	Total	Society	Logistics Industry and Market Access	Partners	Total	Cumulative Total
Imperial's Greatest Asset	12 960		580	13 541	12 523		435	12 958	26 498
'Gateway to Africa'	2 407	15 323	42	17 772	2 299	14 778	32	17 110	34 882
Beyond Imperial	6 934	4 922	5 708	17 563	7 017	5 044	6 561	18 622	36 185
Go Digital, Go Green	6			6	5			5	11
Going the Extra Mile	234		28	262	212		27	239	501
Total	22 540	20 245	6 359	49 144	22 056	19 822	7 054	48 933	98 077

Notes: Numbers may not sum exactly to totals due to rounding; striped purple cells have been used where value can be qualified but not quantified.



Imperial's impact in South Africa

The socio-economic impact assessment focused on unpacking Imperial's impact across five themes – based on Imperial's strategic priorities and purpose – which were studied to ascertain its impact in South Africa.

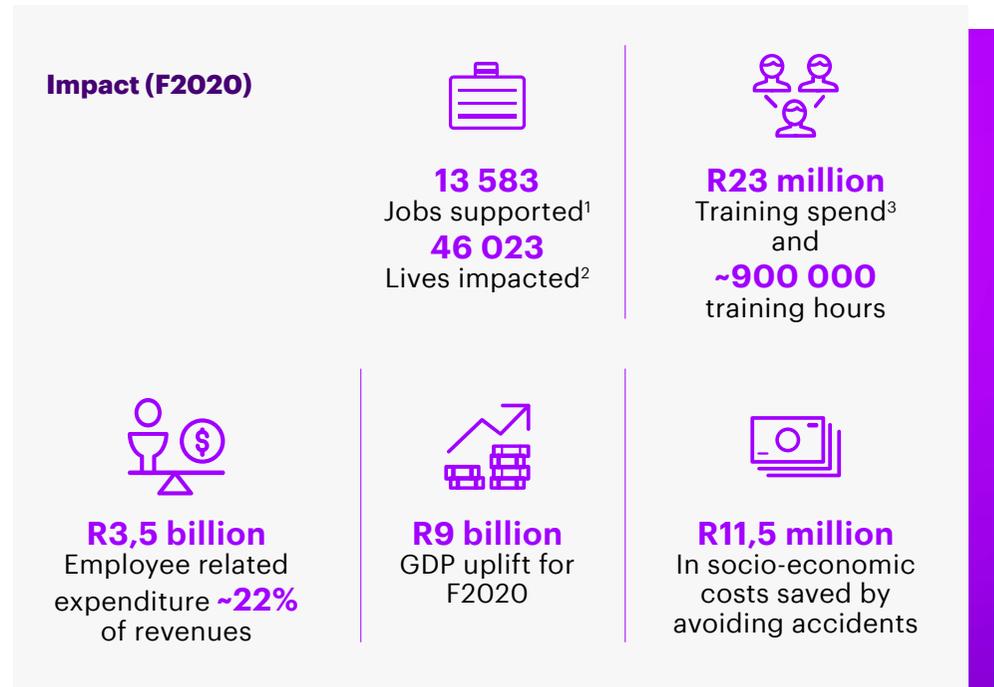
1 Imperial's Greatest Asset

Total value (F2019 and F2020) – R26,5 billion

Imperial considers its employees to be its greatest asset. As such, it invests in its employees, providing fair compensation and benefits, fostering an inclusive workforce, supporting on-going learning and skills development, and emphasising health and safety.

Notes:

1. 13 583 employees in SA, inclusive of non-permanent. 55 Non-permanent employees were reported for F2020 based on the Sustainability Report 2020; 2. Considers the total number of jobs supported, the number of beneficiaries of the various bursary programmes and the families of employees; 3. Excludes salaries and wages.

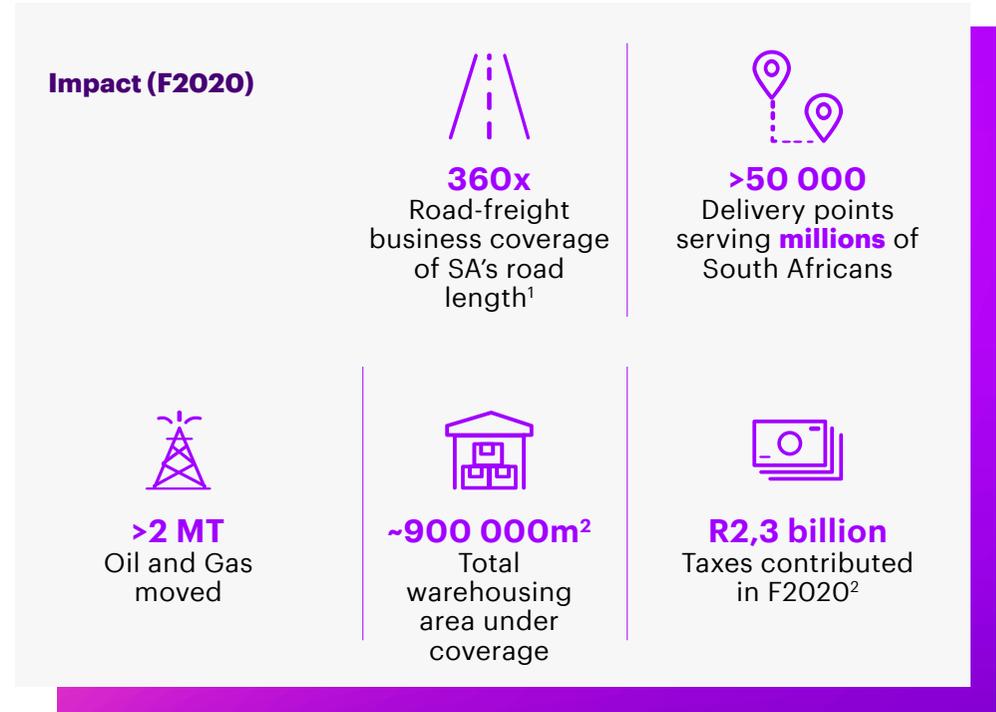


2 'Gateway to Africa'

— Total value (F2019 and F2020) – R34,9 billion

In connecting Africa and the world, Imperial provides integrated logistics and market access solutions to clients, customers and principals. Through serving its clients, principals and customers with innovative, integrated, end-to-end solutions, Imperial creates significant value for the logistics industry and market access, its partners and, more broadly, society.

In South Africa, Imperial is one of the largest logistics companies serving as a trusted end-to-end logistics partner for clients and customers across five industries (healthcare, consumer, industrial and commodities, automotive and chemicals).



Notes:

1. Transport Department, Republic of SA
2. This only considers the net VAT from the movement of goods.
All taxes paid by Imperial are factored in the Beyond Imperial Theme

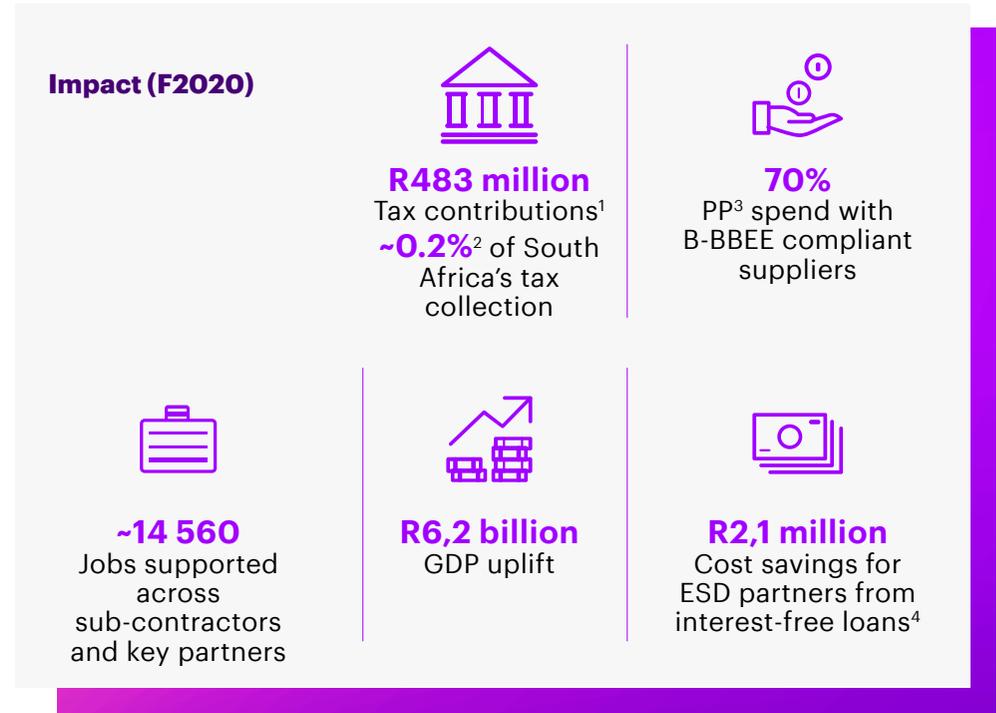


3 Beyond Imperial

Total value (F2019 and F2020) – R36,2 billion

The 'Beyond Imperial' theme considers Imperial's impact on its external stakeholders. The success of Imperial's operations is largely dependent on this external network of trusted accredited partners. This includes sub-contractors and enterprise supplier development (ESD) partners, primary and ancillary suppliers and service providers.

As an ethical corporate citizen, Imperial makes contributions to the fiscus, while also partnering with the government, regulatory authorities and industry bodies to develop forward-looking and effective industry regulations. Through its profitable operations, Imperial also creates significant impact for its shareholders.



Notes:

- 1. Includes rates and tariffs, income tax and other corporate taxes
- 2. Non-personal taxes, includes corporate tax, VAT, Trade and Tariffs, Other taxes
- 3. Preferential Procurement
- 4. The cost savings is calculated for companies where Imperial has provided interest-free loans



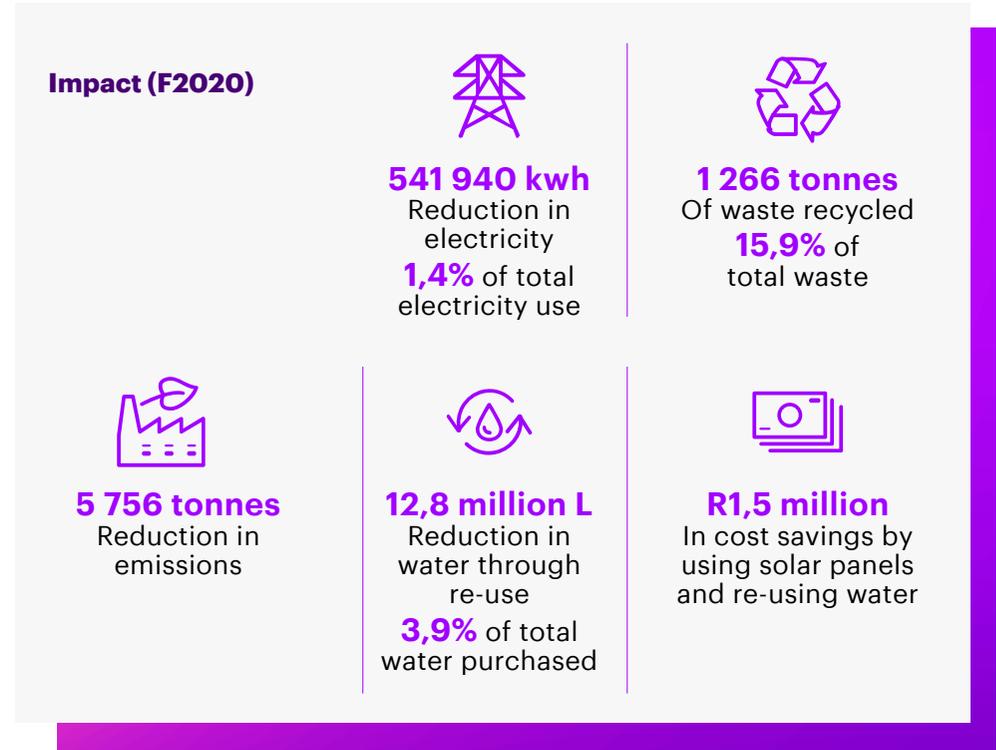
4 Go Digital, Go Green

Total value (F2019 and F2020) – R11 million

Imperial is conscious of its environmental impact and has thus made a commitment to pursue 'zero harm' to balance People, Planet and Profit. It has also committed to reducing its environmental impact through investments in advanced digital technologies and efforts on prioritising opportunities to 'go green.'

Within the 'Go Digital, Go Green' theme, we consider Imperial's digitalisation initiatives and environmental sustainability initiatives aimed at mitigating the impact of Imperial's operations on the environment and climate change.

Digitalisation is an on-going focus area, with several programmes being initiated during the period of review. The value from these initiatives are expected to be unlocked in the future, including both financial gains as well as reduced impact on the environment.

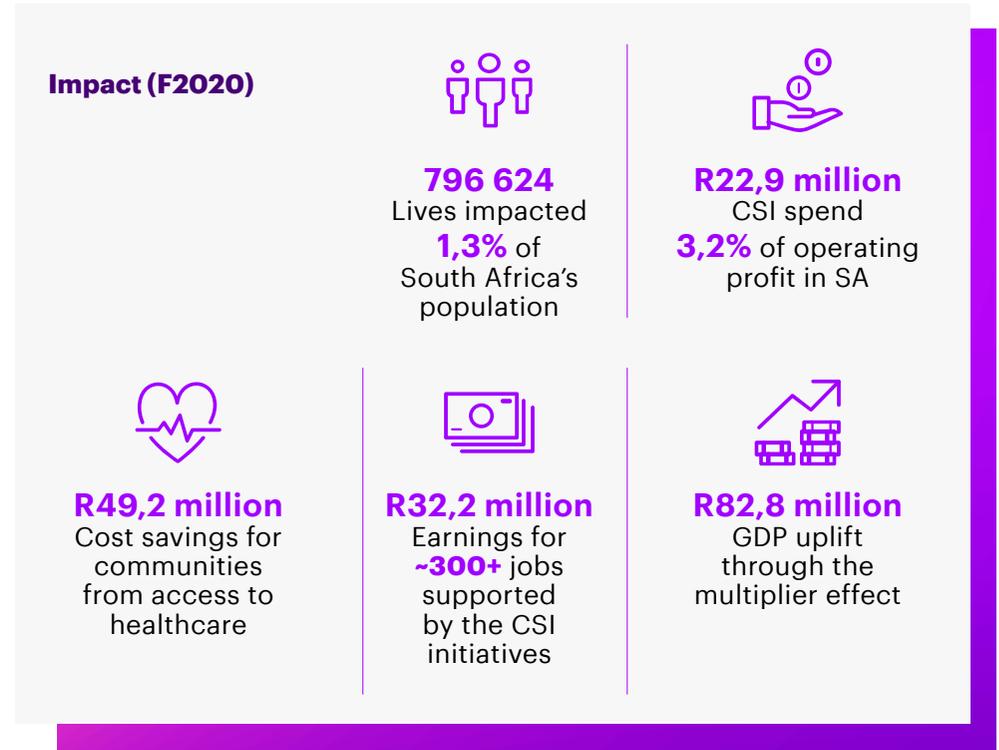


5 Going the 'Extra Mile'

Total value (F2019 and F2020) – R0,5 billion

Imperial contributes to the development of its communities and countries of operation and creates additional societal value through impactful Corporate Social Investment (CSI) initiatives that are aimed at providing access to quality and affordable healthcare services, increasing the reach of quality education, improving road safety in its communities and along key national routes, developing skills.

Imperial also provides financial and non-financial support to organisations and causes it has decided to champion in these key areas of focus.



The UN Sustainable Development Goals and the Africa Agenda for 2063

In addition to quantitatively and qualitatively assessing Imperial's impact, Imperial's impact is also reviewed in light of the United Nations 2030 Agenda for Sustainable Development and the African Aspirations for 2063 as defined by the African Union.

As a responsible corporate citizen committed to supporting the development of South Africa, Imperial has played an important role in contributing to the government's efforts to realise some of these goals through its operations, education and training, and investments in partners and CSI.



African aspirations for 2063

1. A **prosperous Africa**
2. An **integrated** continent, **politically united**
3. **Good governance, democracy, respect** for **human rights, justice** and the **rule of law**
4. A **peaceful** and **secure Africa**
5. Strong **cultural identity, common heritage, values** and **ethics**
6. Development is **people driven**, relying on the potential offered by people, especially its women and youth and caring for children
7. **Strong, united, resilient** and **influential** global player and partner

Source: "Our Aspirations for the Africa We Want" 2063 Agenda by African Union



Introduction

Imperial is an African-focused provider of integrated market access and logistics solutions. Ranked among the top 30 global third-party logistics providers¹ and listed on the Johannesburg Stock Exchange (JSE) in South Africa, Imperial seeks out and leverages new technology to deliver innovative, end-to-end solutions.

Serving as a 'Gateway to Africa', Imperial takes its clients' and principals' products to some of the fastest growing and most challenging markets in the world. Through its significant African footprint and international expertise, with the support of its 25 000 people, Imperial is connecting Africa and the world — and improving people's lives with access to quality products and services. In this way, Imperial serves as a key enabler for five industries across the African continent that, in turn, impact millions of lives and create opportunities for many people, companies and communities.

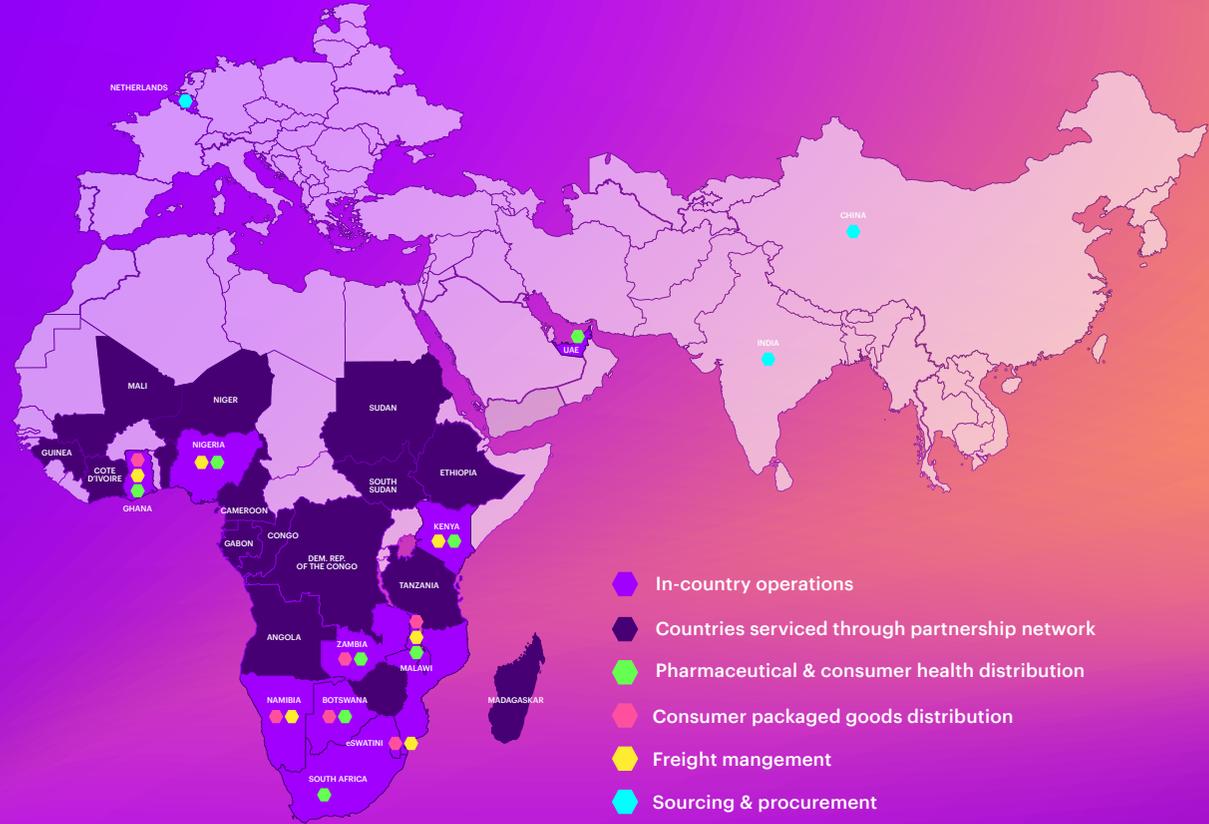


Figure 1: Imperial's African footprint



The key industries served by Imperial are:



The company offers two core solutions:

1

Market Access offerings are available in approximately 20 African countries, primarily focused on healthcare and consumer industries. Through this solution, Imperial builds route-to-market solutions that connect principals to consumers across channels, and integrate sourcing, contract manufacturing, sales, distribution, marketing and demand generation. In this context, principals are brand owners, manufacturers or commercial sellers from which Imperial purchases stock and sells through “Route to Market Solutions”.

2

Logistics refers to handling, movement and storage of goods between sources and destinations, integrating logistics functions across the supply chain through the Logistics Africa and Logistics International businesses. Logistics services offered include road freight, contract logistics and LLP services (lead logistics provider).

Imperial’s strategy focuses on serving as a ‘Gateway to Africa’, and this report focuses solely on South Africa – a key market. A similar report focusing on Nigeria is also available.

In South Africa, Imperial’s focus is on providing Logistics solutions to clients across the country – through various offerings, including Road Freight, Contract Logistics and LLP services. More recently, Market Access offerings have also been introduced in South Africa – although these are not covered within this report.

Imperial has long and well-established client relationships extending over 30 years and, in some cases, longer than 50 years.



INTRODUCTION

The Group remains resilient, with a proven track-record that demonstrates its continued ability to serve its clients, principals and communities even amidst challenging circumstances such as those seen through the COVID-19 pandemic. Even during the pandemic, the new business gain rates for Imperial (26%) and for Logistics Africa (29,8%) are above market average – and the contract renewal rate remains strong at above 85%.

Imperial is a purpose-led organisation that focuses on creating value for all stakeholders by focusing on People, Planet and Profit objectives. It is also deemed an ethical company, which respects and upholds the rule of law, emphasises good governance practices and respects human and stakeholder rights. These values provide confidence to customers, clients and principals when partnering with Imperial. The company creates employment opportunities across its varied offerings, while providing employees with a safe and nurturing workplace to create value for stakeholders. Imperial strives in pursuit of zero harm to people and planet, taking every precaution to do so, especially when handling dangerous and hazardous materials.

In addition, Imperial consciously partners with various stakeholders to create additional societal value through strategically aligned and impactful Corporate Social Investment (CSI) initiatives.

2019
ranking:
28

Imperial is the highest ranked South African based logistics company on the global top 50 third-party logistics listⁱⁱ.

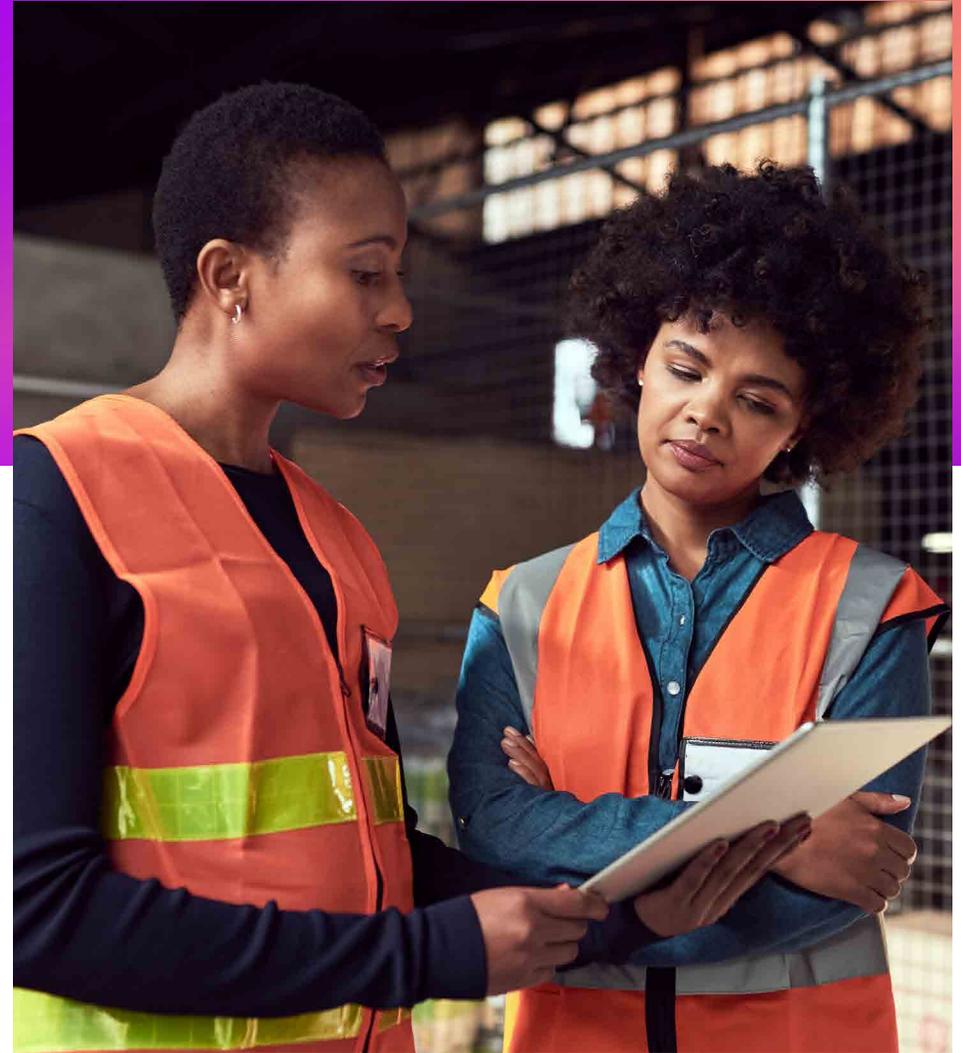


Purpose of the report

Imperial contracted Accenture to independently assess the impact of its operations in South Africa and Nigeria. This report outlines the value that Imperial directly injected and indirectly added to South African society during F2019 and F2020 despite the impact of COVID-19 during the latter period.

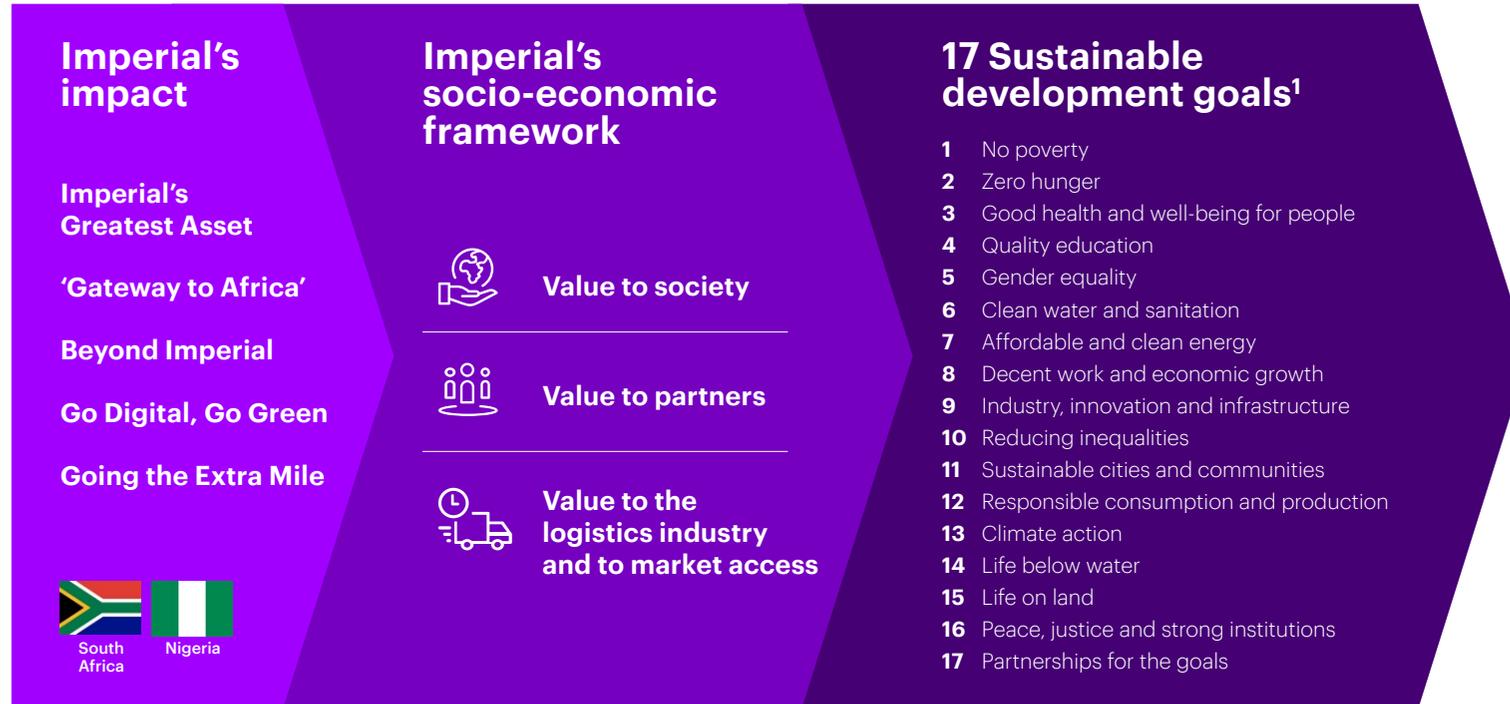
The report looks at Imperial's impact through five themes, namely **Imperial's Greatest Asset** (its people), serving as the '**Gateway to Africa**' (its operations), reaching **Beyond Imperial** (external stakeholders), transforming by adopting a '**Go Digital, Go Green**' approach (adoption of digital technologies and focus on reducing negative impacts on the environment) and **Going the Extra Mile** (CSI). Each of these is assessed through a framework which systematically considers value to society, value to the logistics industry and to market access, as well as value to partners.

Furthermore, the socio-economic impact of Imperial on society is also reviewed in light of the United Nations 2030 Agenda for Sustainable Development and the African Aspirations for 2063 defined by the African Union, as various countries, including South Africa, have acted to integrate the goals and targets into their national development plans to align policies and institutions behind them.



Our objective is to determine Imperial’s socio-economic impact within South Africa and Nigeria against the UN SDGs

Imperial’s contribution to the applicable goals and aspirations is highlighted throughout this report.



African aspirations for 2063²

- 1 A **prosperous Africa**
- 2 An **integrated** continent, **politically united**
- 3 **Good governance, democracy, respect for human rights, justice** and the **rule of law**
- 4 A **peaceful** and **secure Africa**
- 5 Strong **cultural identity, common heritage, values** and **ethics**
- 6 Development is **people driven**, relying on the potential offered by people, especially its women and youth and caring for children
- 7 **Strong, united, resilient** and **influential** global player and partner

¹UN Sustainable Development Goals “Transforming our World: the 2030 Agenda for Sustainable Development”;
²“Our Aspirations for the Africa We Want” 2063 Agenda by African Union.

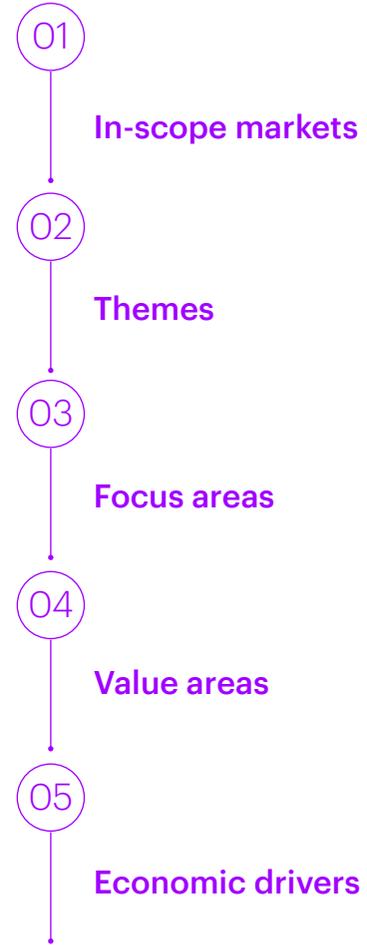


The Socio-Economic Value Framework

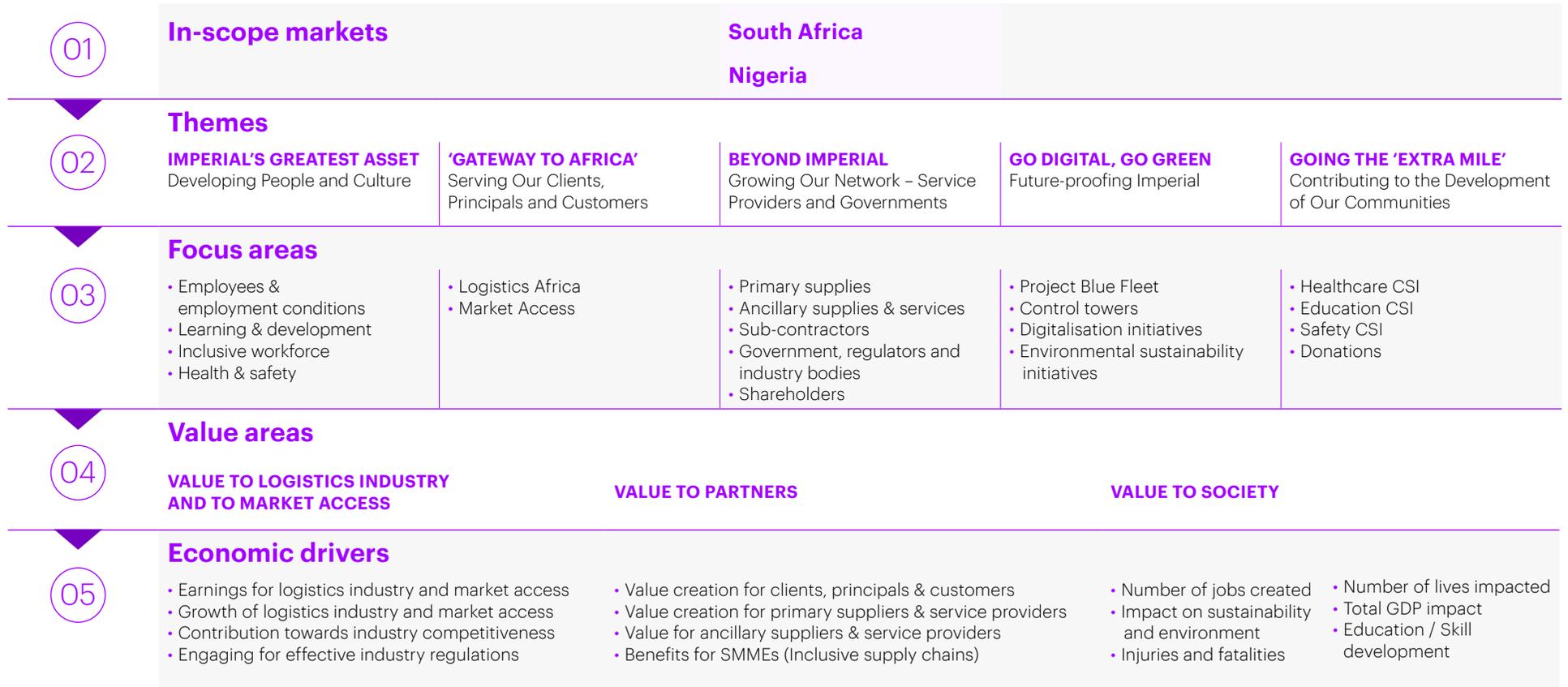
This Socio-Economic Impact Assessment was conducted by leveraging the Value Framework developed by Accenture and the World Economic Forum (WEF)^{iii, iv}. This framework aims to unpack Imperial's impact across key themes.

Using the Accenture and WEF model as a base, a customised framework was built for Imperial to assess three value areas – value to the logistics industry and to market access, value to partners and value to society.

The framework, created in alignment with Imperial's strategic priorities and its purpose, has been designed to measure Imperial's impact across geographies and time periods. For this study, Imperial chose to focus on two markets, South Africa and Nigeria.



A tailored five layer economic value framework was developed to assess Imperial’s socio-economic impact



Unpacking Imperial's socio-economic value framework

01

The first layer of the framework outlines the **in-scope markets** for the assessment. Given the focus on positioning Imperial as the 'Gateway to Africa', two of the largest African markets were selected – South Africa and Nigeria. This report focuses solely on South Africa.



The first layer of the Socio-Economic Value Framework

01

Economic Value Framework

South Africa

Imperial Logistics South Africa

Imperial Logistics, formed from the demerger of Motus in 2017-18, is one of the largest logistics providers in South Africa

Imperial's Greatest Asset: An employer of choice, Imperial has over 13 500 people in South Africa and provides people a vibrant, safe and respectful work environment promoting a culture of equality for all

'Gateway to Africa': Imperial improves the lives of people through access to safe, quality and affordable products, while creating new opportunities for its partners and clients across five key industries: Consumer, Automotive, Chemicals, Healthcare and Commodities

Beyond Imperial: Imperial's success depends on the extensive network of local and global partners, who benefit from access to Imperial's brand and the meaningful economic, social and technological impact that it creates for them

Go Digital, Go Green: Imperial is continually innovating and investing in digital technologies to optimise its business, while also reducing the environmental footprint

Going the 'Extra Mile': Imperial supports the development of its communities through its focused and impactful CSI initiatives, facilitating access to safe and affordable healthcare, enabling quality education and saving lives through its safety focused initiatives



02

Five key **themes** encapsulating the largest areas of value creation were selected based on insights generated from a series of interviews with key Imperial stakeholders representing Imperial's key industries, service groups, functions, and key initiatives. These themes are aligned to Imperial's strategic priorities and vision, covering the core activities of the business, as well as impactful CSI initiatives.

Imperial's purpose is connecting Africa and the world and improving people's lives with access to quality products and services.



02

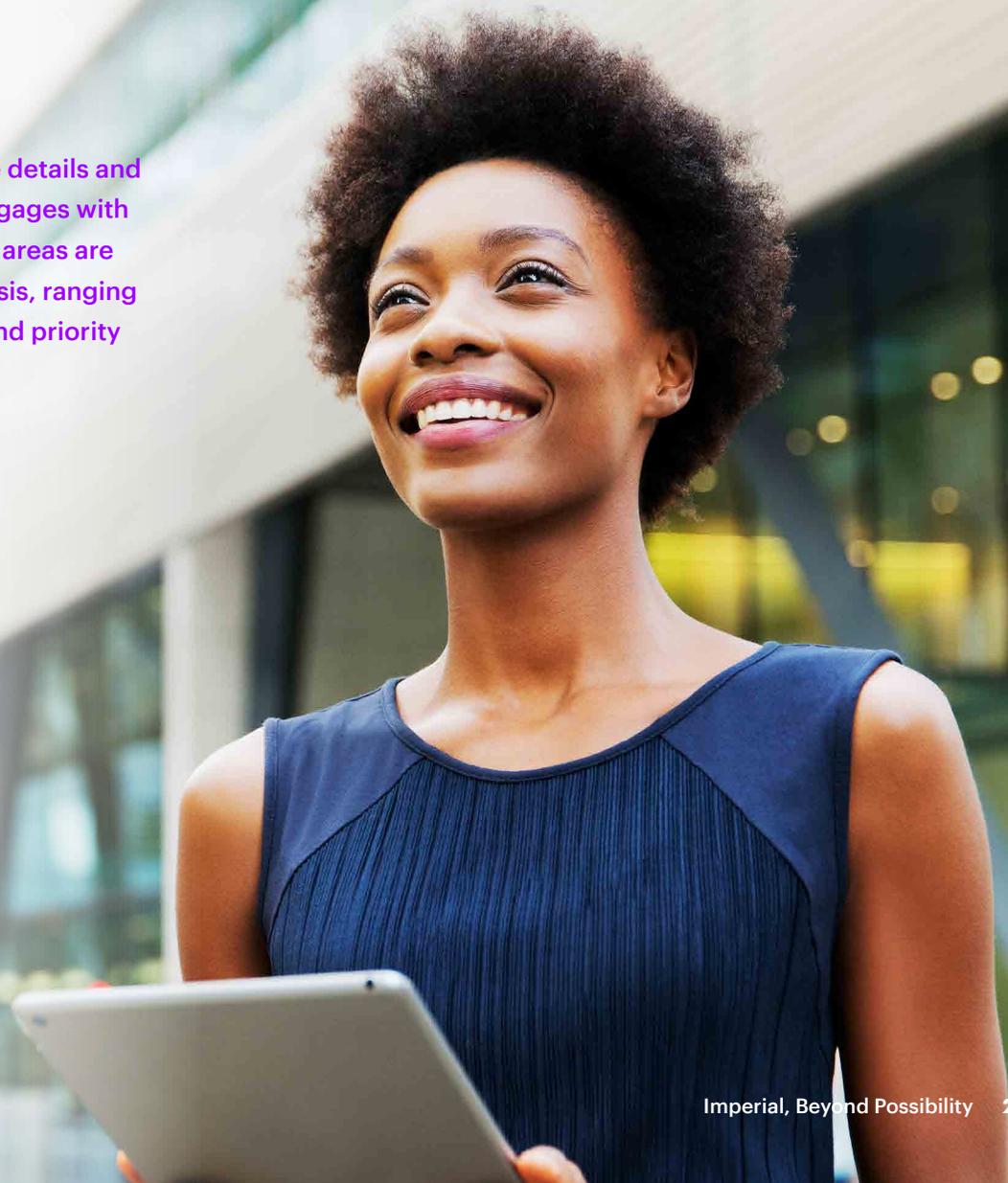
Themes

Imperial's Greatest Asset	'Gateway to Africa'	Beyond Imperial	Go Digital, Go Green	Going the 'Extra Mile'
<p>Imperial recognises that its People are its greatest asset. As such, it invests in its talent pipeline continually and is focused on developing skills and expertise across the group.</p> <p>Through its extensive learning opportunities, Imperial encourages life-long learning and growth.</p> <p>As a global steward, Imperial values diversity and advocates a culture that respects individuals and promotes equality.</p> <p>That people are its 'Greatest Asset' is also reflected in the principle of safety first ensured through robust health and safety practices.</p>	<p>Imperial's purpose is: Connecting Africa with the world and improving people's lives by providing access to quality products and services.</p> <p>As the 'Gateway to Africa', Imperial aims to be the strategic partner of choice for companies seeking access to Africa's growth and development opportunities.</p> <p>Through serving its clients, principals and customers with innovative, integrated, end-to-end solutions, Imperial creates significant value for the logistics industry, its partners and, more broadly, society.</p>	<p>Imperial relies on a trusted external network, including suppliers and service providers, sub-contractors and government, regulators, and industry bodies.</p> <p>Imperial creates value throughout the value chain for primary suppliers and suppliers of ancillary supplies and services.</p> <p>Access to Imperial's network also benefits sub-contractors and the small businesses involved in Imperial's Enterprise Supplier Development (ESD) initiatives.</p> <p>Furthermore, Imperial creates value for government, regulators and industry bodies, as well as shareholders.</p>	<p>Imperial is a responsible citizen, conscious of the environmental impact due the nature of its logistics business in particular. There is thus a key focus on both reducing its environmental impact and future-proofing Imperial by going digital and green.</p> <p>Imperial has launched several digital initiatives focused on improving visibility, efficiency and those aimed at mitigating the environmental impact of Imperial's operations.</p> <p>The theme also unpacks non-digital initiatives aimed at lowering the environmental footprint of Imperial.</p>	<p>In its vision, Imperial states: Our communities are better off because we are here. Imperial strives to contribute to the development of its communities through several initiatives focused on providing affordable healthcare, quality education and improving safety for everyone. In addition, it contributes towards the welfare of associations through monetary donations.</p> <p>Key initiatives include the Unjani Clinics, the Imperial Motus Community Trust, various road safety initiatives and supporting initiatives led by the Road Freight Association.</p>



03

For each theme, **focus areas** were identified to unpack the details and understand the manner in which Imperial interacts and engages with its various internal and external stakeholders. These focus areas are aligned to the topics wherein Imperial places most emphasis, ranging from business activities to key stakeholder relationships and priority community development initiatives.



03

Focus areas

Imperial's Greatest Asset	'Gateway to Africa'	Beyond Imperial	Go Digital, Go Green	Going the 'Extra Mile'
<p>Employees and Employment Conditions A vibrant work environment that provides job creation opportunities and meaningful employee benefits</p>	<p>Logistics Africa Provision of end-to-end logistics services, including trucking, forwarding and warehousing</p>	<p>Primary Supplies Primary suppliers such as truck & tyre manufacturers, fuel retailers & telecoms companies</p>	<p>Project Blue Fleet Wide ranging digitalisation project focused on improving vehicle tracking, fuel efficiency, improving health & safety, etc</p>	<p>Healthcare CSI Initiatives focused on increasing access to quality and affordable healthcare</p>
<p>Learning and Development A culture that promotes lifelong learning and growth</p>	<p>Market Access Build route-to-market solutions connecting principals to consumers across channels</p>	<p>Ancillary Supplies & Services Ancillary supplies & services required by Imperial such as power, marketing, etc</p>	<p>Control Towers Offering that provides Imperial's clients with services to enhance and optimise their supply chains</p>	<p>Education CSI Initiatives focused on improved access to education</p>
<p>Inclusive Workforce An organisation that values diversity, promotes a culture of equality and respects everyone</p>		<p>Inclusive Supply Chains Initiatives undertaken by Imperial to support the ESD programme and other smaller businesses</p>	<p>Digitalisation Initiatives Initiatives aimed at continuous innovation across different parts of the business</p>	<p>Safety CSI Initiatives focused on road safety such as education, access to car seats etc.</p>
<p>Health and Safety A company-wide priority and focus to ensure that 'people's safety comes first'</p>		<p>Government, Regulators and Industry Bodies The contributions that Imperial makes to the government, regulators and industry bodies</p>	<p>Environmental Sustainability Initiatives undertaken with the objective of optimising Imperial's environmental footprint</p>	<p>Donations Need-based donations, and, in particular, donations related to COVID-19</p>
		<p>Shareholders The contributions that Imperial makes to its shareholders</p>		



The focus areas are further broken down into a selection of initiatives for each country. In South Africa, the initiatives which have been selected within each focus area and theme are as follows:

03 Focus areas									
Imperial's Greatest Asset		'Gateway to Africa'		Beyond Imperial		Go Digital, Go Green		Going the 'Extra Mile'	
Employees and Employment Conditions		Logistics Africa		Inclusive Supply Chains		Project Blue Fleet		Healthcare CSI	
Job Creation	Counselling	Contract Logistics	Road Freight	ESD / Sinawe Fund	Preferential Procurement	Strategic Sourcing	Operations Enablement	Unjani Clinics	Wellness Clinics
Compensation and Benefits - Pension Contributions, Incentives, Medical Aid, etc.		LLP		Primary Suppliers and Service Providers		Digital Fleet Management	Operations Excellence	Education CSI	
Learning and Development		Market Access¹		Sub-contractors	Trucks and Tyres	Control Towers		Imperial Motus Community Trust	Road Safety Association
Imperial Academy	Youth Development Programme			Fuel	Mobile Data	Digitalisation Initiatives		Safety CSI	
Thabang Fund	Study Assistance			Ancillary Suppliers and Service Providers		Disruptive Innovation Fund	Digital Freight Exchange (DFE)	Be Safe, Be Smart	
People with disabilities	Reskilling			Government and Regulators		Fuel Measuring	Onelink	Donations	
Inclusive Workforce				Government	Regulators	Driver Rewards	Drivers in Motion	COVID-19	Other Donations
Gender Diversity	Racial Diversity			Industry Bodies		Centralised Systems	Apps and Platforms		
Differently Abled				Shareholders		Environmental Sustainability			
Health, Well-being and Safety						Energy	Climate Change		
Policies	Training					Waste	Water		
Programmes	Technological Advancement								

Note: (1) Market Access is out-of-scope as it wasn't relevant during the period of review, i.e., July 2018 to June 2020 (F2019 and F2020).

04

For each theme, focus area and initiative, we detail the value that is created across the value chain. This is evaluated in three value areas: value to logistics industry and to market access, value to partners and value to society. These are captured in the fourth layer.



04

Value areas

Value to Logistics Industry and Market Access

Value that Imperial contributes to the broader Logistics industry including:

- The trucking and hauling business
- The warehousing business
- The sub-contractors providing trucking services
- Warehousing agents

And the value that Imperial creates through its Market Access business, including:

- The impact on principals – access to new markets, growth opportunities
- Impact on the industries that it serves – e.g., Consumer, Healthcare, etc.

Value to Partners

Value that Imperial contributes to its partners, such as:

- Suppliers, such as tyre manufacturers, oil, trucking companies
- Service providers like security companies, utility companies
- Smaller establishments providing essential office services

Value to Society

Value that Imperial contributes to the government and society through:

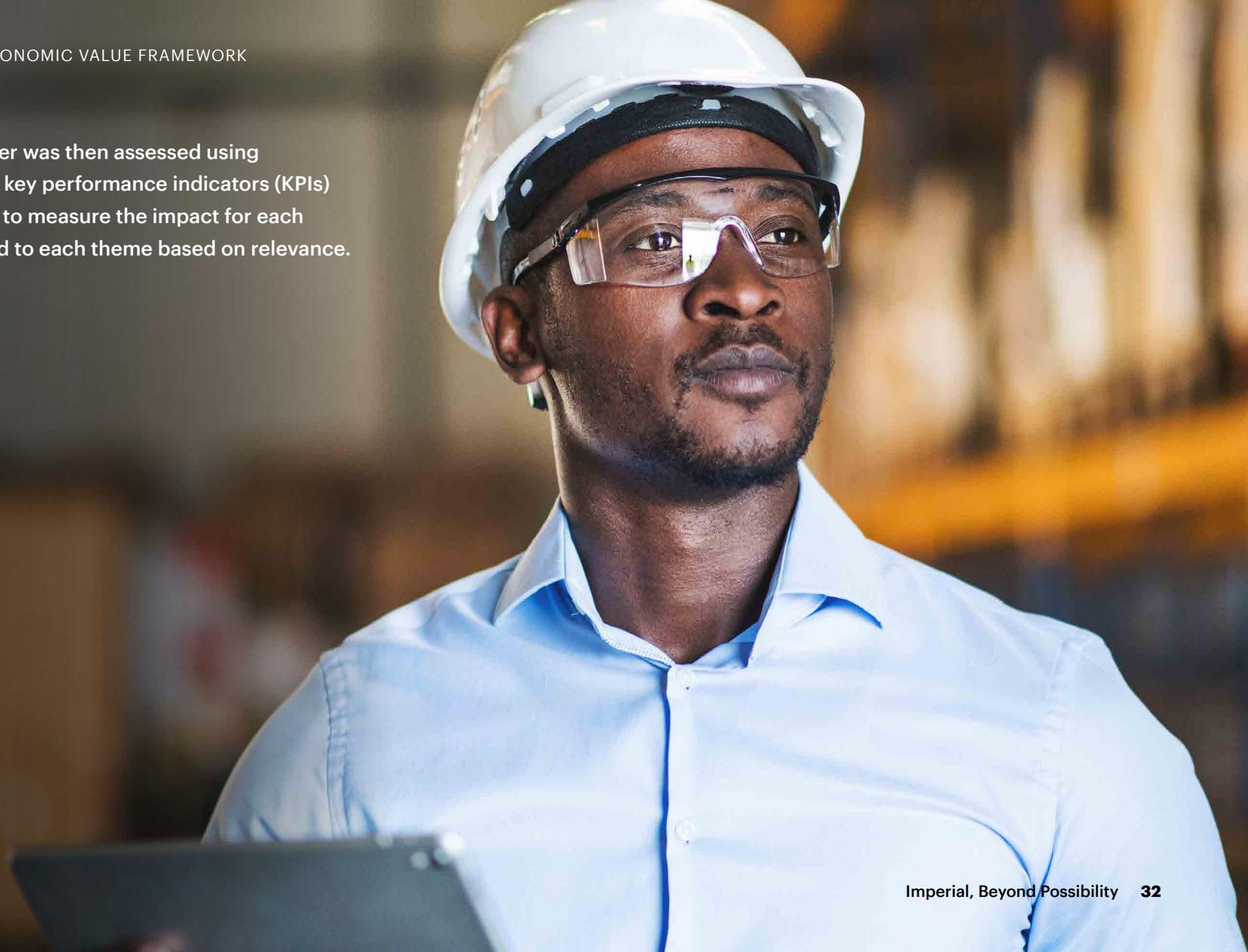
- Tax contributions
- GDP uplift
- Job creation
- Improvements to infrastructure
- Impact on the environment
- Contribution to the transformation agenda, etc.

Further, it also takes into consideration the impact that Imperial has on the development of communities through its various CSI initiatives



05

Finally, each value lever was then assessed using economic drivers and key performance indicators (KPIs) which were identified to measure the impact for each value area and tailored to each theme based on relevance.



05

Economic drivers

Value to Logistics Industry and Market Access	Value to Partners	Value to Society
<p>Earnings for logistics industry and market access</p> <ul style="list-style-type: none"> Value creation for Imperial (including both Logistics and Market Access businesses) Value creation for subcontractors <p>Growth of logistics industry and market access</p> <ul style="list-style-type: none"> Increasing market size Improving Infrastructure New business opportunities for principals and clients Enhanced driver safety and wellness Positive brand reinforcement <p>Contribution towards industry competitiveness</p> <ul style="list-style-type: none"> Lower total cost of ownership (TCO) Reduction in maintenance down-time <p>Partnering / engaging for effective industry regulations</p>	<p>Value creation for clients and partners</p> <ul style="list-style-type: none"> Indirect value creation for client's customers Cost savings for customers Reliable and trusted partner with solutions at optimal costs <p>Value creation for primary suppliers and service providers</p> <ul style="list-style-type: none"> Total earnings potential New business opportunities <p>Value creation for ancillary suppliers and services providers</p> <ul style="list-style-type: none"> Total earnings potential New business opportunities <p>Benefits for small, medium and micro-enterprises (SMMEs)</p> <ul style="list-style-type: none"> Supplier development programmes (e.g.: supporting black-owned businesses) 	<p>Net jobs created (direct and indirect)</p> <ul style="list-style-type: none"> Jobs created at Imperial and partners <p>Number of lives impacted</p> <ul style="list-style-type: none"> CSI, business activities, developing smaller suppliers, indirect lives supported <p>Total GDP impact</p> <ul style="list-style-type: none"> Net tax contribution Multiplier effect: employees, partners and vendors <p>Education / skill development</p> <ul style="list-style-type: none"> Investment in skill development and provision of new opportunities <p>Impact on sustainability and environment</p> <ul style="list-style-type: none"> Cost of emissions Reduction in emissions <p>Injuries and fatalities</p> <ul style="list-style-type: none"> Number of accidents avoided, injuries and fatalities reduced (safe place to work) <p>Diversity and equality</p>



The journey to assess Imperial's socio-economic impact using this custom Value Framework began with a series of interviews with Imperial leadership and key stakeholder relationship managers to unpack the themes and focus areas, as well as collection of primary and secondary data. These inputs were then used to develop a detailed economic model and generate data-driven insights.

The remainder of this report unpacks each of the five themes, describing our key findings to illustrate Imperial's socio-economic impact in South Africa as well as understanding Imperial's impact on the United Nations Sustainable Development Goals (UN SDGs) and African Aspirations 2063.





Imperial's Greatest Asset

Imperial is working towards embodying the idea that **'People are our Greatest Asset'**, one of the six key pillars of its re-defined business strategy.

This pillar focuses on creating **'One Imperial'** culture through a vibrant work environment that fosters collaboration, is **transforming leadership diversity and mindset** by promoting equality and respect in the workplace, on **attracting and retaining the best talent and skills** by placing an emphasis on lifelong learning and growth, and on ensuring that people throughout Imperial engage wholeheartedly with its purpose, values and business strategy.



Imperial's principles and values have been designed to guide the actions of the organisation and the way business is conducted.

Imperial has commenced a culture transformation critical to achieving its 'One Imperial' strategic intent. This includes establishing a shared set of values to shift the culture, establishing global and regional women's forums and undertaking numerous related initiatives.



We win with teamwork	Empowered people	Our people matter	We go the extra mile	We are innovative
<ul style="list-style-type: none"> • We collaborate • We share ideas and opportunities • We work and win together to achieve common goals • We hold each other accountable • We earn each other's trust with transparency • We celebrate success together 	<ul style="list-style-type: none"> • We take personal accountability for our performance and our behaviour • We are free to make a difference • We bring our whole selves to work • We go beyond possibility 	<ul style="list-style-type: none"> • Our people's safety comes first • We value diversity • We recognise and respect each other as adults and equals • We recognise performance and commitment • We encourage lifelong learning and growth • We provide opportunities to grow careers 	<ul style="list-style-type: none"> • Our clients, principals and customers are at the heart of all we do • We are fully focused on providing value to our customers • We act with integrity while striving to add value • Our communities are better off because we are here 	<ul style="list-style-type: none"> • We expect to improve every day • We learn from our mistakes • Our entrepreneurial spirit drives us to look for new ways of delivering value to our stakeholders • We go where others dare not go - we are pioneers



IMPERIAL'S GREATEST ASSET

Imperial plays a critical role in the supply of essential services and products across the markets in which it operates, including medication, food, and other essentials.

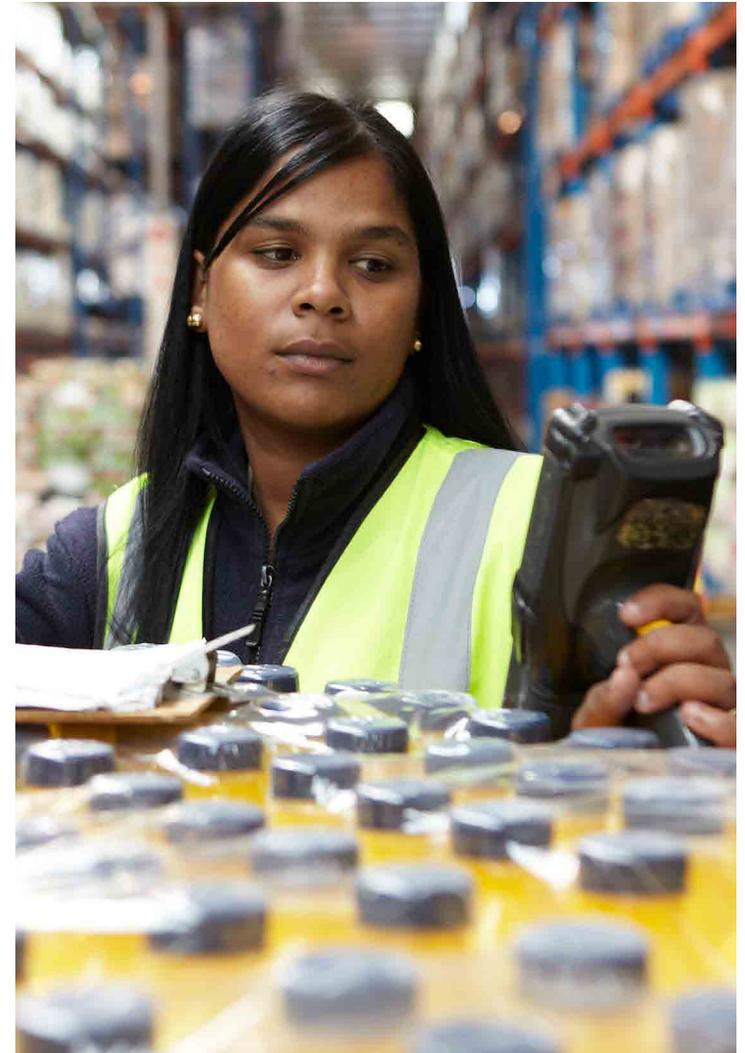
Imperial plays a critical role in the supply of essential services and products across the markets in which it operates, including medication, food and other essentials. The criticality of Imperial's operations increased during the COVID-19 pandemic. Despite this, the safety and well-being of employees remained its priority. This was demonstrated through support that Imperial provided to employees, including stringent safety and strict access control, rigorous hygiene and disinfecting processes, enhanced training and paying salaries of R160,0 million to operational employees whose services were not required during the initial lockdown.

Imperial creates promising work opportunities for people across the continent, building strong teams and fostering collaboration to deliver quality service to its clients, principals and

customers and drive accelerated growth. In addition, Imperial promotes equality and equity in its business decisions and continually invests in its talent pipeline with a focus on developing the right skills and capabilities to support the organisation.

Given the nature of work, Imperial also places a strong emphasis on ensuring that its employees are protected and provided with a safe, secure work environment promoting stringent health and safety policies.

Within this theme, we consider how, as an employer, Imperial provides a nurturing work environment, takes care of its employees with fair compensation and benefits, promotes and fosters an inclusive workforce, supports on-going learning and skills development and emphasises health and safety.



Employees and employment conditions

A vibrant work environment that provides job creation opportunities and meaningful employee benefits.

Across the organisation, Imperial employed 26 201 people in F2020. In South Africa, Imperial employed 15 241 permanent employees in F2019 and 13 583 in F2020. The number of employees decreased because of Imperial exiting its Consumer Packaged Goods (CPG) business.

Imperial takes care of its employees with fair compensation and benefits. This was highlighted when, in 2020, Imperial was awarded "Employer of Choice – Transport and Logistics" in the [SAGEA Awards](#).



In addition to salaries (including through the COVID-19 pandemic), Imperial has also contributed towards employee benefits and other employee-related expenses to the value of R364,3 million in F2020 and R306,5 million in F2019. Employee benefits include:

Medical Aid: Employees are enrolled by Imperial in a closed medical aid scheme through Imperial-Motus Med, which includes access to an emergency response service. A similar emergency response service is available from ER24 to employees who are not members of the medical aid scheme. Employees also benefit from optional access to gap cover and medical savings at discounted rates, unlocking employee savings. The total contribution towards the medical fund was R64,5 million in F2020 and R49,5 million in F2019.*

Retirement savings: Imperial supports retirement planning for its employees. Most employees are enrolled into a pension or provident fund. Risk benefits, such as death and disability cover, are included - providing employees with health benefits in addition to medical aid. The total contribution towards pension and provident funds was R204,6 million in F2020 and R179,0 million in F2019.

Additionally, contributions towards the unemployment insurance fund (UIF) and workman's compensation were R8,7 million and R59,2 million, respectively, in F2020.

As an organisation that cares for the well-being of its employees, the importance of which is highlighted by the effects of the COVID-19 pandemic, Imperial provides access to free telephonic counselling for its employees and

their immediate family members. In addition, employees are entitled to at least 15 days of annual leave, including additional days being awarded to employees with more than five years of continuous employment, and leave provisions such as maternity leave.

Employees also received allowances for 'tools of trade' as required for their roles, depending on the job level and nature of work, including travel

allowances and cell phone allowances. During the COVID-19 pandemic, Imperial has supported and encouraged employees to work from home where the nature of their work allowed.

Salaries amounted to R3,5 billion in F2020 (and R3,3 billion in F2019), and tax contributions—including pay-as-you-earn (PAYE) and the skills development levy—amount to R65,8 million in F2020 (R140,6 million in F2019).



*This does not include medical aid contributions for members of bargaining councils.

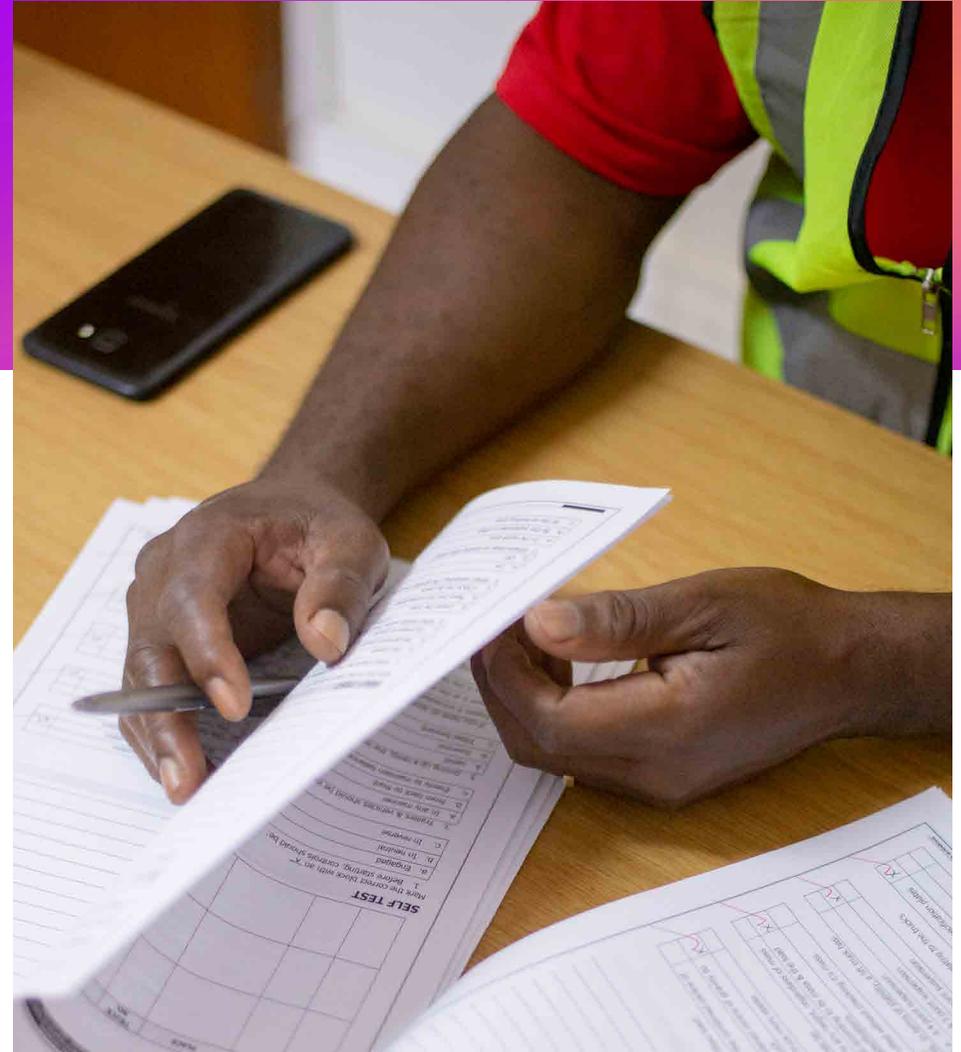
Learning and development

A culture that encourages lifelong learning and growth.

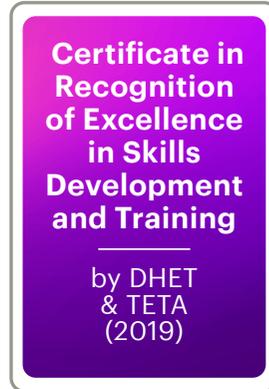
People are Imperial's biggest asset. Recognising that acting in line with this requires it to support their continual growth and success, Imperial consciously invests in learning and development. Through training and development programmes, Imperial will be able to strengthen its talent pipeline, upskill and develop a future-fit workforce, improve employee satisfaction while enhancing performance and achieving productivity gains. Imperial offers a combination of upskilling programmes and access to higher education.

As critical drivers of improvement, innovation and growth, continual learning and capability building are important for Imperial to deliver efficiently especially during rapid change. This contributes to value generation for stakeholders, including meeting the ever-evolving needs of clients and partners.

In F2020, Imperial spent R23,0 million on training (excluding salaries), with employees spending over 900 000 hours in training.



In the years under review, Imperial received four awards for its learning and development initiatives, including:



Learning and development opportunities are not limited to Imperial's workforce; but rather, through its various programmes Imperial promotes the growth and development of youth, provides funding for higher education for employees' children and also supports employees who have been retrenched in their search for jobs through re-skilling programmes.



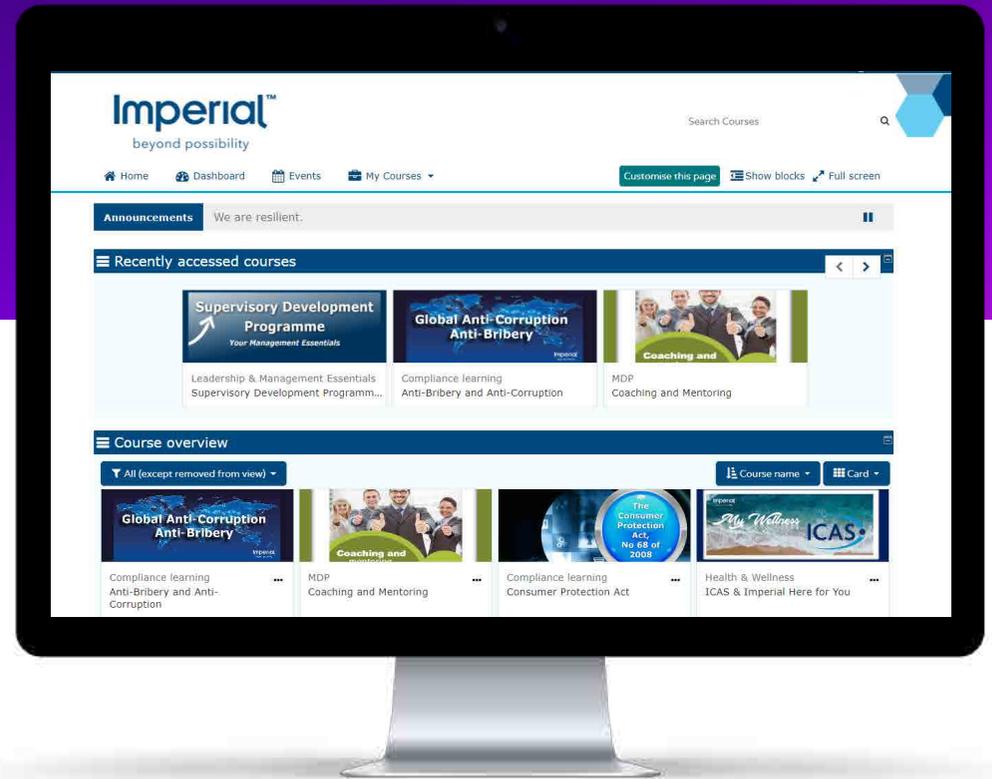
Imperial Academy

The Imperial Academy is focused on skills development for employees, including building business skills, technical skills, management and leadership skills, executive skills, and administrative skills, as well as educating employees on compliance, health and well-being topics.

Learning is offered through a combination of in-person and online training.

Imperial's spending on in-person training was lower than usual in F2020 due to COVID-19. Imperial partnered with accredited external service providers, including specialist content developers and expert trainers, to provide this training. Examples of popular training programmes include the Controller and Driver Training programmes.

Online training was rolled out in F2020 as a response to COVID-19. Training included technical and behaviour readiness programmes as well as courses to support in building mental strength and resilience during COVID-19 to assist managers and employees to remain connected and productive.



Youth Development Programme

A key strategic theme for Imperial is to build a pipeline of graduates across Further and Higher Education, to feed into the bursary and internship programmes.

Imperial's Youth Development Programme is a workplace entry programme aimed at equipping South Africa's youth for work, while building a talent pipeline for the business. In this way, young graduates gain hands-on workplace experience across all areas of the logistics and supply chain management industry as well as exposure to future focus competencies.

Imperial views this as a key path through which to transform the workplace and its communities. The programme has three core components:

- The graduate programme, called the "Future-Fit Associate Programme" from F2020, is a two-year

programme for recent graduates and is focused on creating employment for university graduates. The graduates are partnered with mentors, learn the tricks of the trade from experts, and earn a competitive salary. In F2020, 65% of the 44 beneficiaries were female and 80% were black. In F2019, 57% of the 38 beneficiaries were female and 63% were black

- Learnerships and internships are year-long programmes aimed at providing specialist and technical capability for individuals with a diploma or matric, but with limited experience. Apprenticeships are four years long and are designed to build artisanal skills for diesel mechanics. In F2020, 50% of the 256 beneficiaries were female, 98% were black and 46% were people with disabilities. In F2019, 52% of the

559 beneficiaries were female, 97% were black and 43% were people with disabilities.

- Family and Next Generation Bursaries provide financial support for the children of employees who wish to pursue tertiary studies at public institutions in South Africa (employees must earn less than R400 000 to qualify for the Family Bursary or less than R600 000 per annum to qualify for the Next Generation Bursary). This initiative supported 82 students in F2020 with R1,5 million and 96 in F2019 with R1,2 million. As of F2021 this initiative is no longer open to new beneficiaries.



Thabang Fund

The Thabang Fund is a collaborative partnership which was established to provide financial support to black semi-skilled and unskilled employees and their children in developing their skills. Programmes include:

- General Education Certificate in Transport and Warehousing
- National Certificates in either Freight Handling or Road Transport
- Skills programmes focused on business administration, warehouse skills and computer skills
- Wellness programmes
- Smart money

In F2020, R728 994 was invested, benefitting 31 employees and their children; in F2019, R820 450 was invested, benefitting 90 employees and their children.

Higher education and training

Employees are, where relevant, provided with study assistance for higher education and training for degrees, diplomas and certificates. In F2020, 256 employees received R2,4 million in assistance and in F2019, 559 employees received R3,7 million in assistance.

Development of people with disabilities

Imperial supported people with disabilities in developing their skills through practical, incubated programmes (Business Administration programme NQF Level 2, and the following National Certificates: Road Transport NQF Level 1, Wholesale and Retail NQF Level 3, Contact Centre NQF Level 3, and Systems Development NQF Level 4).

Reskilling programme

While Imperial's continuous transformation has removed removed boundaries for new employees, the restructuring has also meant that some employees have been retrenched (in line with the provisions of the Labour Relations Act). To help mitigate the negative impacts of retrenchments, 158 employees attended reskilling workshops designed to refresh their skills and address skills gap and thus support them in preparing to find new jobs.



Inclusive workforce

Imperial believes that **true diversity**, beyond achieving required measures of race and gender representation, is achieved through valuing, combining and leveraging different perspectives, life experiences and ways of doing things.

Imperial values diversity, promotes a culture of equality and respects everyone. Diversity is beyond numbers; it is creating an environment that uses the talent and experiences of all employees. Imperial believes that a successful, sustainable business is one in which everyone can thrive and advance – and that its people are key to realising its strategic ambitions. Therefore, Imperial is continually focused on driving a diverse and inclusive workforce to unlock the value of inclusive interactions and diversity of world view and industry experience.

The company views transformation as imperative from both a moral and commercial perspective, offering a competitive advantage because diverse teams with varied experiences, backgrounds and styles are better able to meet the needs of a diverse client base. Thus, transformation is embedded in its core values and is a part of its regular business.

Imperial is striving to achieve a workforce that represents the demographics of the countries in which it operates. There are two core focus areas that the South African business is addressing in this regard: gender diversity and racial diversity.



Globally, diverse and inclusive workforces are seen to have outperformed others by 25%. Companies with both ethnic and cultural diversity outperform others by 36%.^v



Gender diversity

Imperial is committed to gender diversity and to advancing gender equality in all spheres and at all levels of the organisation, highlighted by its aspiration to prioritise annual growth in women in senior leadership positions. This is also because empowering, advancing and investing in women enables Imperial to deliver optimal value to all stakeholders.

In the last 12 to 18 months, Imperial appointed four women in key management roles in South Africa, including at the group executive level and executive and senior management level of the South Africa operations.

Table 2: Gender diversity: Women @ Imperial

Imperial	2020	2019
Women	24%	24%
Management		
Top management – women	12%	17%
Senior management – women	14%	27%
Middle management – women	32%	31%
Junior management – women	29%	26%

Note: 1. Female representation in F2020, particularly at the senior management level, was impacted by Imperial exiting its CPG business.

Imperial was ranked second in the Women Empowerment in the Workplace category of the 2020 Business Engage Gender Mainstreaming Awards – the first gender diversity award in the company’s history.



The Global Women's Forum (GWF) was established at Imperial in October 2019. The GWF is aimed at ensuring the prioritisation of gender equality and the empowerment of women and supporting the development and the advancement of women across the group, across the world. Its mission is defined as: "to promote opportunities to support the development and the advancement of women within Imperial."

The Forum's charter highlights five areas: **formal training; experiential learning; women development and coaching programme; networking and social events; community projects; and women awards.** Other notable focus areas include mentorship, ensuring gender parity for promotions and appointments, defining targets for women in senior leadership roles and creating an empowering and enabling culture for women.

#Idrivechange Mohammed Akoojee Group Chief Executive Officer

In March we celebrated International Women's month and as Imperial, we all continue to play a fundamental role in progressing our gender diversity objectives and commitments. While there is still much to do and achieve, I am pleased to present our second women@Imperial newsletter to all our colleagues, in which we share feedback and progress on initiatives undertaken in line with our commitment to gender diversity, as well as the related goals and strategies to elevate this area of focus throughout our organisation.

We have all faced challenges, both professionally and personally, during the COVID-19 pandemic, but these challenges have also forced us to reflect and seek opportunities to evolve, adapt and grow. As a business, this means stronger introspection regarding the ways in which we can uplift women in our organisation at a time where work, home and other life demands are even more pressing. We have aimed to do this through our programmes and initiatives, bringing female leadership to the fore, as well as by looking into our communities to establish where we can make a stronger impact.

As Imperial, our diversity goals remain firm and our commitment remains unwavering as we aim to ensure that 25% of all new employees hired are women, that women continue to occupy senior leadership roles at Imperial, and that accelerating gender diversity and equality across our organisation is everyone's responsibility. This is evidenced through the deliberate actions we set in motion since 2020, the recognition and awards we have received to-date and the strong commitment we have given to this cause.

As part of International Women's month and Imperial's #drivechange challenge, I publicly pledged as Group CEO of Imperial to achieve our target of a 30% gender equality ratio in senior management of Imperial by 30 June 2021. This is a 6% increase from our current 24%. This reaffirms my personal commitment to you to transform our business on various fronts - and I challenge each one of you to play your part in doing the same.

I am proud of the progress we have recorded thus far through our global and business women's forums and through the initiatives undertaken by our People and Culture team.

As 'One Imperial', I look forward to building a more inclusive and diverse business with all of you.

Happy International Women's month to our women@Imperial.

#Idrivechange Esha Mansingh Chairman of Global Women's Forum and Executive Vice President: Corporate Affairs and Investor Relations

Our gender diversity journey started many years ago, however, 2020 was truly a revolutionary year for Imperial in this regard. Not only did we place a strong focus on supporting and advocating a number of initiatives that are aligned to our core objectives, but we have also started to be recognised globally as a business that is crafting and progressing leading practice regarding gender diversity and empowerment, especially in the logistics industry which has traditionally been a male dominated one. This is truly a remarkable base upon which we can expect our 2021 commitments, and each and every Imperial employee deserves to be thanked and commended for the progress we continue to make in this regard.

Over the past 6 months, through our women's forums and CSI programmes, we have placed a strong focus on education, skills development, community upliftment and creating specific areas within and outside Imperial where women's voices, ideas and opinions can be elevated. We have also placed a strong focus on female sports development, as part of our Central Gauteng Lions & Imperial Wanderers Stadium Sponsorships, which we are also using as a platform to draw emphasis to demonstrate our commitment to the eradication of Gender Based Violence and Femicide.

We can be proud of the organisation for which we work, where leadership and our male colleagues support us and our journeys as women.

“I believe, together with men, empowered women should always empower other women.”

I pledged during International Women's Day to remain resolute in my commitment to advancing gender equality and driving change by contributing to making a positive impact on communities, other women and those around me - no matter how big or small. The world is in so much need, and any difference we can make will go a long way. I challenge others to do the same and be the change you hope to see in the world. Let's start at home and in our organisation by supporting each other and creating opportunities for others when we can - in the spirit of 'One Imperial'.

Thank you, Imperial women, for the instrumental role you have played thus far and for the role you will continue to play in the success of our organisation going forward.

I believe, together with our male colleagues, empowered women@Imperial should always empower other women. Keep shining.

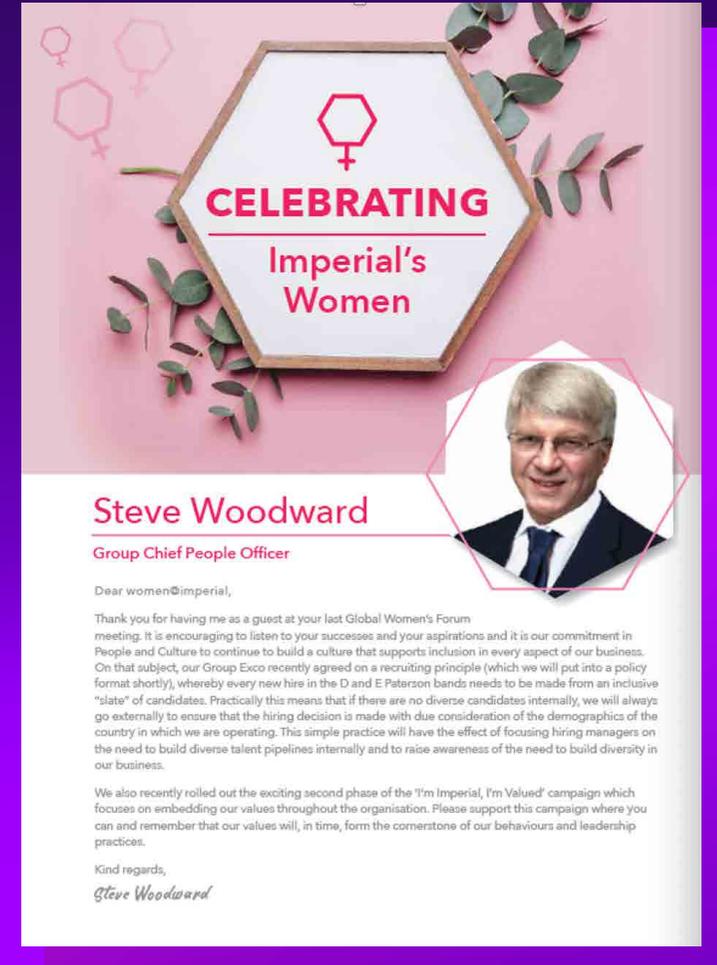
Esha Mansingh



An example of an initiative led by the GWF at a regional level is the recent launch of a driver learnership programme for unemployed women which will help improve gender diversity in the truck driver workforce. Another initiative aimed at supporting gender diversity is the Women's Development Programme – a training programme aimed at developing self-mastery. In F2020, 414 women participated, almost double the 220 women who participated in F2019.

Imperial also offers group coaching for women in leadership in the form of a 5-session leadership development programme. The programme covers topics including developing self-awareness and self-mastery; understanding different personality types; active and effective listening; conflict management; stress management; and giving and receiving feedback.

[Read Newsletter](#)



Steve Woodward

Group Chief People Officer

Dear women@imperial,

Thank you for having me as a guest at your last Global Women's Forum meeting. It is encouraging to listen to your successes and your aspirations and it is our commitment in People and Culture to continue to build a culture that supports inclusion in every aspect of our business. On that subject, our Group Exco recently agreed on a recruiting principle (which we will put into a policy format shortly), whereby every new hire in the D and E Paterson bands needs to be made from an inclusive "slate" of candidates. Practically this means that if there are no diverse candidates internally, we will always go externally to ensure that the hiring decision is made with due consideration of the demographics of the country in which we are operating. This simple practice will have the effect of focusing hiring managers on the need to build diverse talent pipelines internally and to raise awareness of the need to build diversity in our business.

We also recently rolled out the exciting second phase of the 'I'm Imperial, I'm Valued' campaign which focuses on embedding our values throughout the organisation. Please support this campaign where you can and remember that our values will, in time, form the cornerstone of our behaviours and leadership practices.

Kind regards,

Steve Woodward



Racial diversity and localisation

“Transformation’ is a positive word for Imperial, especially as we transform the business in accordance with our strategy, and with high expectations. In the South African context, ‘transformation’ sets minds racing for solutions to a difficult challenge, racial injustice is a prominent feature of South Africa’s historical landscape.

Our government has prioritised its promise to redress past wrongs and we align to this intent. Inclusion and collaboration are cornerstones in our culture journey. Efforts to create opportunities for local people, whether in Africa or elsewhere, have been emphasised and are part of improving our employee value proposition. Common decency demands that management challenges barriers of culture and race and seeks and nurtures talent in underrepresented groups.”

- Extract from Imperial's Integrated Annual Report



Imperial's commitment to incorporating racial diversity into the business, as well as creating opportunities for local people within the regions in which it operates, is evident across the business and is visible in all areas of business operations, from appointment and promotion opportunities, to training and investment in local businesses.

In F2019 and F2020, Imperial appointed ten black people to key management roles in South Africa, including at executive and senior management levels of the South Africa operations. Furthermore, 91% of all appointments went to black candidates (up from 89% in F2019) and 90% of internal promotions were black employees. Importantly, at management level, this number was 58% in F2020.

Imperial's commitment to transformation is also evident on its Broad-Based Black Economic Empowerment (B-BBEE) scorecard. Imperial achieved a Level 2 in both F2020 and F2019 rating on its Road Freight scorecard.

Imperial's brand image, including the brand as an employer of choice, is strengthened through its pledge and drive towards transformation. In addition, it increases Imperial's competitiveness for new clients and benefits Imperial's clients and principals as their scorecards are also impacted by Imperial's ratings. This is particularly important for clients in the mining, chemical and energy industries as they are under increasing pressure to achieve transformation targets.

Table 3: Black representation

	2020	2019
Imperial Logistics Board		
Black women	25%	33%
Black men	12%	11%
White men	63%	56%
Management		
Top management – black	42%	47%
Senior management – black	32%	28%
Middle management – black	45%	43%
Junior management – black	77%	76%
Semi-skilled – black	95%	95%
Unskilled – black	98%	98%
Non-permanent – black	91%	91%

Note: Black, in this context, includes African, Coloured, Indian and Chinese people as per the Employment Equity Act.



Differently abled employees

Imperial has also made a concerted effort to be inclusive of differently abled employees. In F2020, 119 employees were differently abled. Of these, 81% were black.

There has been an emphasis on creating learnerships for differently abled people in business administration, wholesale, retail, freight management and coding. In F2020, 46% of learners in learnerships were differently abled – up from 43% in F2019.



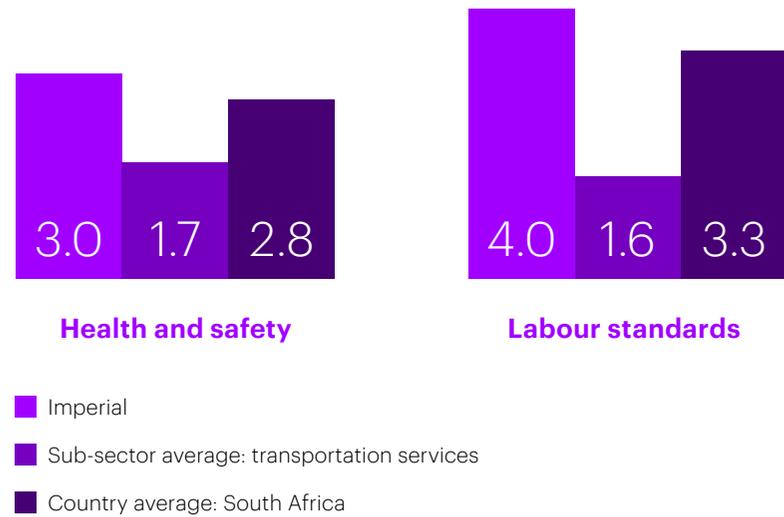
Health, well-being and safety

Aim to drive a safety culture across all businesses as a key differentiator for client and employee value propositions. A company-wide priority and focus to ensure that 'people's safety comes first', as it strives for zero harm to its people.

The topic of health, well-being and safety is a company-wide priority and Imperial lays emphasis on ensuring that people's safety comes first. As with the topic of inclusive workforce, Imperial has embedded health, well-being and safety in its day-to-day operations and is guided by adherence to a strict set of health and safety regulations across regions.

The rigorous health and safety practices have also meant that Imperial's rating on the London Stock Exchange FTSE4Good Index Series on ESG disclosure is higher than both the transportation services sector average, and the average ratings for South African companies. This is further reflected in Imperial's solid track record, including no material incidents of non-compliance with laws and regulations concerning health and safety impacts of products and services for both years under review, as well as the speed with which Imperial developed and deployed new health and safety protocols early in the COVID-19 crisis.

FTSE4Good Index Series



The organisation leverages its expertise, considers best practice and industry guidelines and uses a number of awareness mechanisms to embed responsible safety, health, environmental and quality (SHEQ) practices and mindset across its operations, and undertakes regular external audits.

While the importance of health, well-being and safety have taken on a new criticality since the advent of COVID-19; for Imperial the safety of drivers and public road users has always been a priority focus area.

Despite being in the business of managing hazardous substances, operating in difficult environments and the ill effects of COVID-19, Imperial has continually improved safety across its businesses and continues to invest in technology to reduce health and safety incidents, as measured through key indicators.

Logistics Africa



Note 1: Reported for Imperial employees only. Excludes third parties.



Imperial addresses the topic of health, well-being and safety through several channels in addition to those mentioned earlier under this theme:

Safety	2020		2019
Logistics Africa			
Number of non-road injuries	33	▼	70
Number of non-road fatalities	0	■	0
Road and non-road injury rate per million hours worked	0,65	▼	1,48
Road and non-road fatality rate per million hours worked	0,01	▼	0,03
Days lost due to injury	91	▼	144
Injury severity rate per million hours worked	1,16	▼	2,51
Injury incident rate per 100 employees	0,26	▼	0,58

Table 4: Imperial's safety statistics in South Africa as reported in its Integrated Annual Report (2020)

Stringent safety measures, practices and standards

Safety is a standard requirement across all client contracts due to the diverse products managed by Imperial. Imperial's robust set of health and safety policies is supported by its strict vigilance and implementation across all contracts, including applicability for both Imperial employees and sub-contractors.

While policies are reviewed annually, there is continuous improvement by shifting focus to a more proactive approach towards safety.

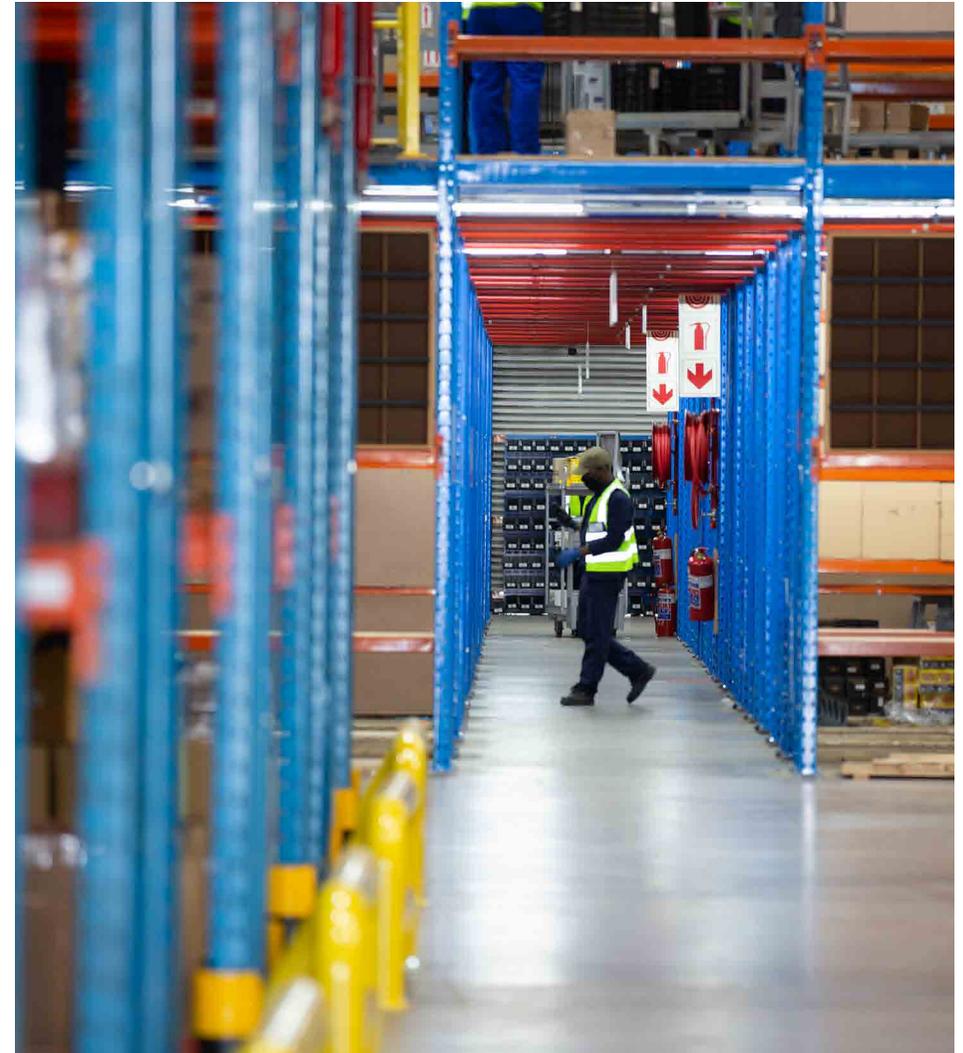
This includes, for example, a reporting platform linked to the onboard-truck computers, cameras and satellite tracking systems, that enables real-time monitoring and improves predictive capabilities.

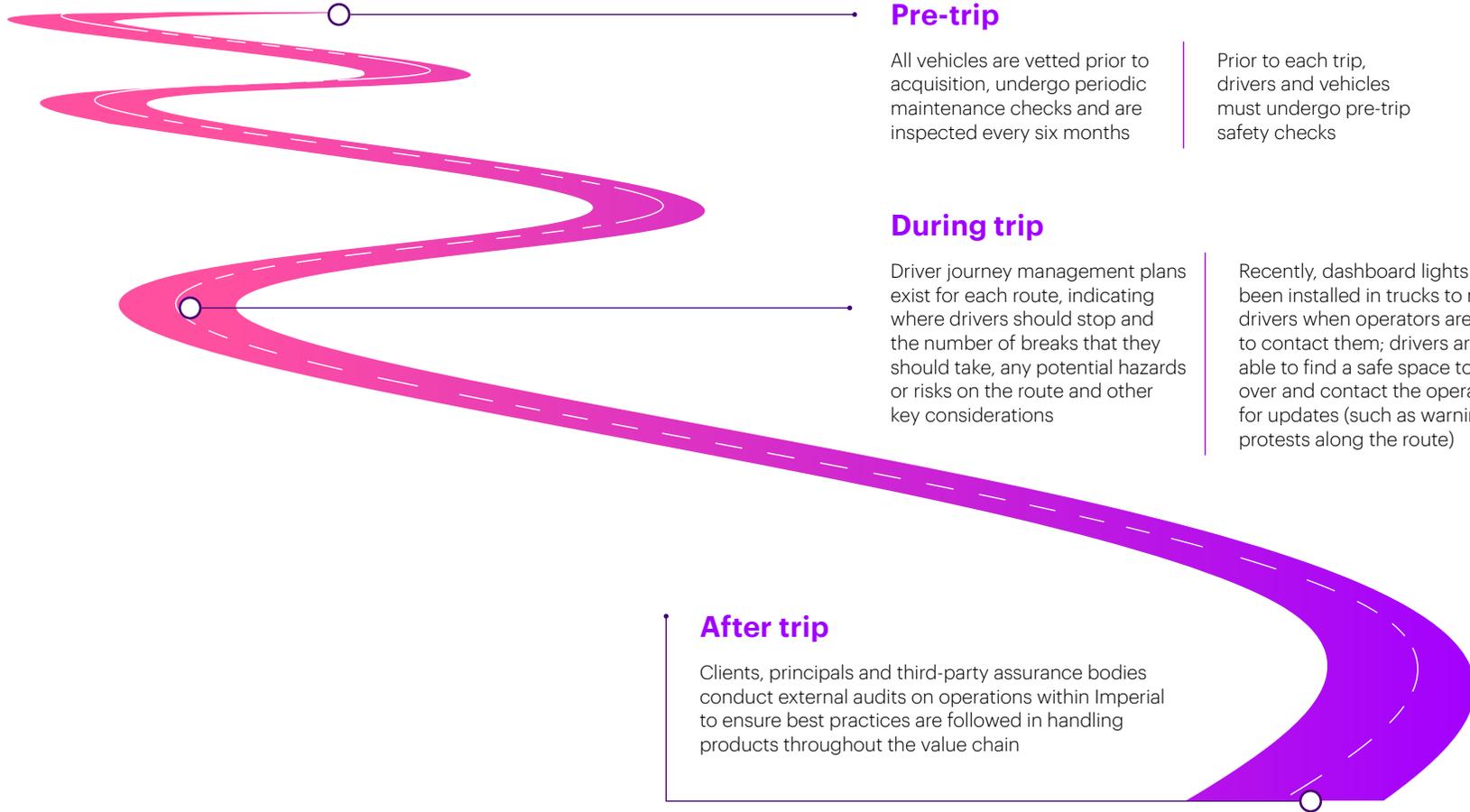
Imperial works with the transportation network, including transportation industry bodies such as the Road Freight Association; other businesses in the transportation industry; law enforcement agencies; and other local bodies. It also leverages its partnerships to conduct real-time route monitoring and to minimise the risk of external threats for its workforce.



Imperial not only identifies and implements best practices within the company, but also works with the relevant authorities to improve the policies for the industry. In South Africa, Imperial recently contributed to the development of new standards for the Transport Education Training Authority. These standards will enhance transport-related training for truck drivers, supervisors and managers.

Through stringent safety policies and practices in place Imperial has had a reduction of 386 incidents at the warehouse in F2020 and 533 in F2019. Road related accidents also declined over the past few years, with accidents per million kilometres travelled at 0,28 in F2018, 0,21 in F2019 and 0,25 in F2020 – using F2018 as baseline Imperial had a reduction of 9 accidents in F2020 and 22 in F2019. There was also a reduction of 26 lost-time injuries in F2020 and 34 in F2019 due to health and safety practices in place. Overall Imperial has seen a decline in lost time injury frequency rate (LTIFR), with 0,80 lost time injuries (LTIs) per 200 000 hours in F2020, compared to 1,20 LTIs per 200 000 hours in F2019. As a result, Imperial has avoided an estimated cost of R9,1 million in F2020 and R5,5 million in F2019 by reducing incidents and injuries cases.





Pre-trip

All vehicles are vetted prior to acquisition, undergo periodic maintenance checks and are inspected every six months

Prior to each trip, drivers and vehicles must undergo pre-trip safety checks

During trip

Driver journey management plans exist for each route, indicating where drivers should stop and the number of breaks that they should take, any potential hazards or risks on the route and other key considerations

Recently, dashboard lights have been installed in trucks to notify drivers when operators are trying to contact them; drivers are then able to find a safe space to pull over and contact the operators for updates (such as warnings of protests along the route)

Safety data sheets are a critical starting point in ensuring health and safety for employees. Employees handling chemicals are issued with the relevant safety data sheets and trained on their contents to ensure products are handled in a safe manner

After trip

Clients, principals and third-party assurance bodies conduct external audits on operations within Imperial to ensure best practices are followed in handling products throughout the value chain



Training

Truck drivers and personnel operating forklifts undergo extensive training for safety and related topics.

The training includes customised 'human factor training' to enhance skills development. A new eLearning programme, aimed at improving truck and forklift drivers' attitudes to life's challenges, heightening emotional intelligence, and encouraging conscientious, compliant and team behaviour, was recently piloted in South Africa.

While the handling of hazardous substances increases the risks of adverse events, the company ensures disaster preparedness through simulated training involving Imperial's employees as well as engaging external stakeholders including emergency responders, local authorities and the communities at risk.



Health and well-being programmes

Imperial's focus on health and well-being is through a combination of awareness generation and preventative health check-ups across facilities.

Employee awareness about health and well-being is improved through an array of health and well-being programmes, training, and health days (contribution towards wellness days is R1,3 million in F2020 and R1,3 million in F2019).

In addition, employees benefit from access to free preventative health check-ups across facilities. These check-ups include a variety of tests such as cholesterol, HIV/AIDS, blood pressure, diabetes, glucose, eyesight, hypertension, Sexually Transmitted Infections (STIs), tuberculosis, malaria, and, more recently, COVID-19. Employees are also invited to donate blood at some of these health check-ups.

Drivers have access to a road-side health and well-being programme that assesses fitness and addresses driver fatigue as well as psychological stressors (particularly those arising from COVID-19).

In addition, Imperial and its truck drivers each contribute 1% of salaries to the Wellness Fund of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). These contributions are used to provide health insurance for drivers and their spouses and access to Trucking Wellness Clinics which offer a range of services including antiretroviral treatment. Contributions amounted to R8,6 million and R8,8 million in F2020 and F2019 respectively. Imperial has also made additional cash donations

of R336 379 in F2020 and R406 461 in F2019.

In F2020, the three Imperial-sponsored Wellness Clinics (at Mooirivier, Tugela and Ventersburg) provided more than R1,3 million worth of medical services for their patients and it is estimated that more than 11 000 lives were impacted through these clinic visits, with an additional 2 900 lives impacted through awareness training being offered through the Wellness Clinics in F2020.

Employees and their immediate families are provided with access to toll-free telephonic counselling services from ICAS - the Independent Counselling and Advisory Service. Imperial contributed R1,2 million in F2020 and R1,3 million in F2019 towards ICAS.

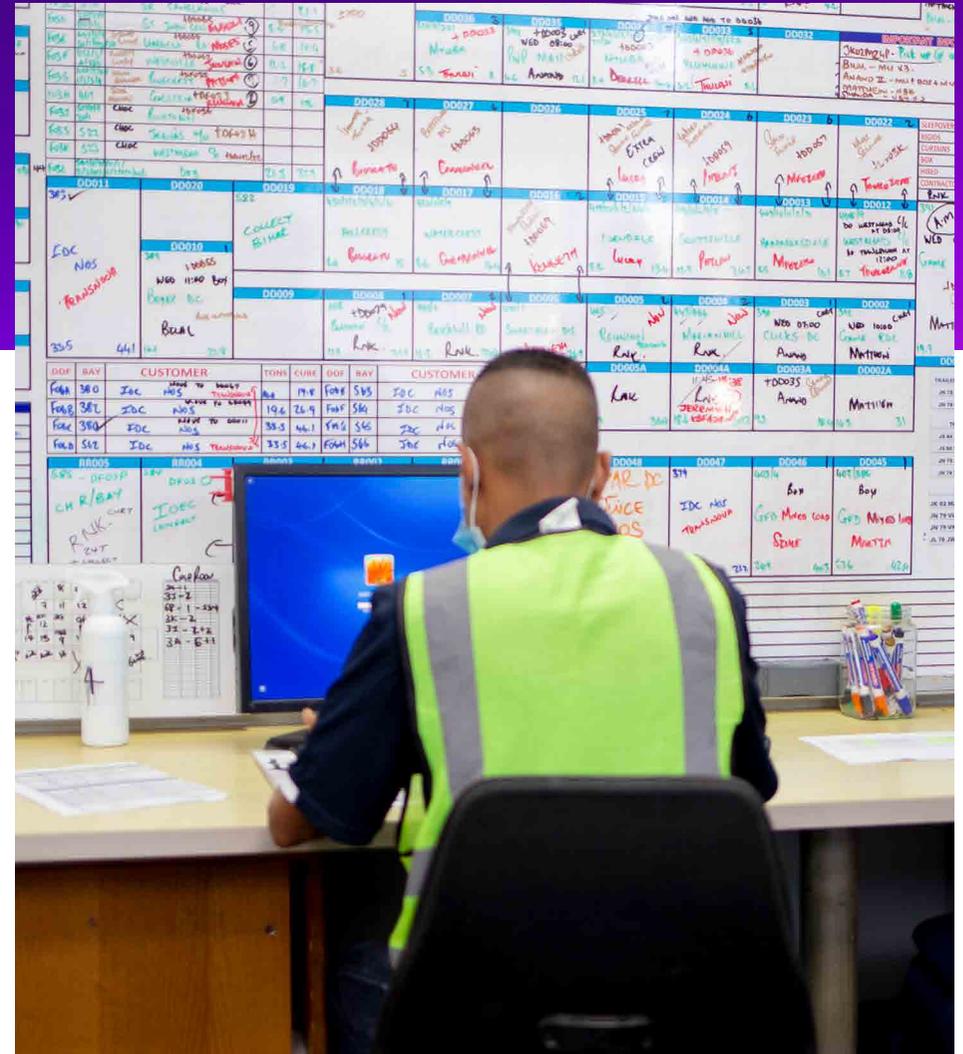


Technological Advancements

Imperial is using technology to manage health and safety.

Imperial is digitalising its health and safety management through the introduction of a SHEQ management system which enables alerts, event reminders and announcements notifying users of important information and updates, as well as effective management of incident and accident logs and improvement logs.

Safety is also an on-going component of Project Blue Fleet, which will be discussed in more detail later in the report under the theme: 'Go Digital, Go Green'. Other safety technology which will also be discussed within that theme is dashboard lighting and contamination sensors. Before the introduction of the sensors, Imperial reported a total of 37 contaminations to the value of almost R3,0 million in F2018. After the implementation of the sensors the total number of contaminations reduced for F2020 to the value of R1,2 million.



Combined value of Imperial's Greatest Asset

Through these employee-related initiatives, Imperial created significant value to society and to partners, such as training providers.

Value to society was created through tax contributions (PAYE), and an increase in GDP directly and indirectly (investment and expenditure by employees). GDP is indirectly increased through expenditure by employees within the local economy (for example, grocery expenditure) as well as payments by Imperial to service providers such as legal firms and recruitment agencies. Value to partners, within this theme, focuses on value created for training providers.

Furthermore, by supporting 13 583 jobs, it is estimated that the lives of an estimated 46 023 other people, such as immediate family members of employees and beneficiaries of bursaries, were also impacted.



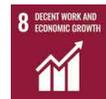


Value Areas (R millions)

	Value to Society	Value to Partners
F2019	12,523	435
F2020	12,960	580
Cumulative	25,483	1,015

Through this theme, focusing on its employees, learning, and safety, Imperial contributed to the UN Sustainable Development Goals which relate to good health and well-being (Goal #3), quality education (Goal #4), gender equality (Goal #5) and decent work and economic growth (Goal #8).

Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: “A prosperous Africa based on inclusive growth and sustainable development” which includes well-being and education as goals, and the sixth aspiration: “Development is people driven, relying on the potential offered by people, especially its women and youth and caring for children.”



'Gateway to Africa'

Serving Clients, Principals and Customers

Imperial's purpose is to:
Connect Africa and the world -
and improve people's lives with access
to quality products and services.



Imperial has a strong track record and experience in operating and growing in Africa – taking its clients and principals' products to some of the fastest growing and most challenging markets in the world. The logistics industry is pivotal to the growth and transformation of the economy by supporting the growth

of other industries, creating numerous employment opportunities and providing consumers with access to products. However, the logistics industry across Africa has not yet been able to harness or tap into the full economic potential for several reasons, including:



Externalities including limited accessibility, as well as transport and energy infrastructure



Fragmented nature of industry



Regional differences in regulation and border controls



Security and external risks



Bribery and corruption

'GATEWAY TO AFRICA'

These challenges faced by the logistics industry have been passed on through the value chain, resulting in high costs, low reliability and limited service and product availability. Lori Systems, one of Imperial's strategic partners, has noted that in Africa, logistics costs can account for up to 75% of a product's end-price, compared with 6% in the United States.

Operating in these difficult environments, Imperial has established itself as the strategic partner of choice for companies seeking access to Africa's growth and development opportunities. It has done so with its understanding of clients' needs, the scale and size of its operations and end-to-end logistics capabilities. Imperial, through its integrated and end-to-end service offerings, has improved product availability, increased reliability of the logistics network and reduced costs for all stakeholders. Imperial also ensures that products are adequately insured and has a strong track record for safely transporting goods. The importance of Imperial to the South African market is also highlighted in the growth of the business.

As the 'Gateway to Africa', Imperial absorbs many risks clients and principals would typically face in their quest to access African markets. Imperial has a deep understanding of regional nuances, regulations, languages and challenges.

The third-party logistics market in South Africa is projected to grow at over 8% between 2020 and 2025. To unlock that growth Imperial and its partners would need to play a critical role.^{vi}

Through serving its clients, principals and customers with innovative, integrated, end-to-end solutions, Imperial creates significant value for the logistics industry and market access, its partners and, more broadly, society. Critically, Imperial is opening pathways for the people of Africa to have access to quality products in a timeous manner. This is particularly relevant in Nigeria where Imperial is providing access to quality pharmaceuticals at reasonable prices, without which many people would have to rely on the open market which is plagued by counterfeit and expired medication.



'GATEWAY TO AFRICA'

In South Africa, through its healthcare business and its servicing of the consumer industry, Imperial ensures that end-users have timely access to quality products at reasonable prices.

Particularly noteworthy is Imperial's ability to serve its clients even through the most challenging times, such as the COVID-19 pandemic. Throughout the pandemic, Imperial continued to support supply chains for consumer and healthcare products, adapting to COVID-19 complexities, to ensure that consumers were able to access essential goods. Imperial also played a significant role in distributing

personal protective equipment (PPE), in some cases providing free-of-charge logistics, across its network.

As a company that places high importance on ethical behaviour and good governance, clients and customers alike also benefit from being associated with the reputable Imperial brand, which has grown organically and through acquisitions over many years.

In South Africa, Imperial is one of the largest logistics companies serving the needs of clients across five industries:

Consumer goods were delivered to over 50,000 locations each year

More than 2,5 billion litres of fuel and gas delivered annually



Logistics Africa

Provision of end-to-end logistics services, including transport, forwarding and warehousing.

Imperial is a trusted end-to-end logistics partner for clients and customers across five core industries, providing access and connection throughout Africa.

The Logistics Africa offering “expertly manages the movement of goods on behalf of clients between specified sources and destinations.” This includes serving as the Lead Logistics Provider (LLP), co-ordinating the supply chain, and integrating logistics functions.

Imperial is known for its specialisation in its key industries and deep understanding of its clients' and principals' businesses and industries.

In particular, Imperial is known for the depth of its relationships with clients and principals, enabling Imperial to provide customised, innovative solutions which reduce time-to-market, utilise a range of transportation types, mitigate risks and leverage technology to deliver optimal results. Crucially, Imperial also offers local market presence (through its own organisation and its distributor network), understanding and experience in markets which are often untapped and unfamiliar to its clients.

Core offerings



Road freight



Contract logistics



Lead logistics provider (LLP)



In F2020, the distance covered by Road Freight operations was 360 times the length of South Africa's roads.

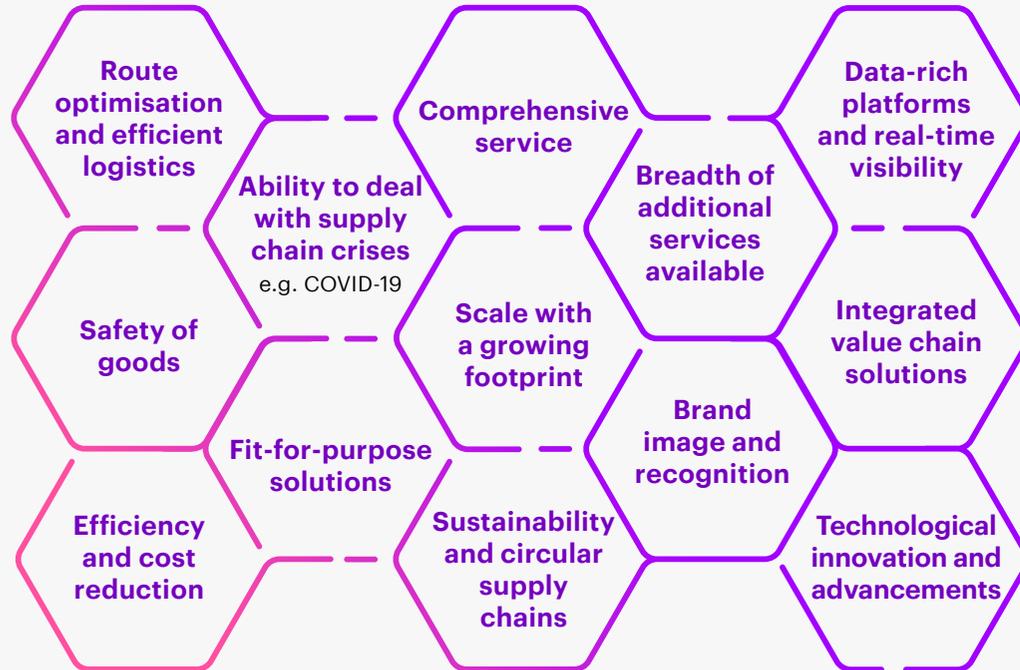
In South Africa, Imperial served 88 business-to-business customers in F2020 and 67 in F2019, as well as a few hundred business-to-consumer customers with its Logistics Africa solution, which is comprised of three offerings:

Lead Logistics Provider (LLP)	Road Freight	Contract Logistics
<p>A supply chain integrator that assembles and manages a solution for clients by collaborating with regional and specialist service providers. LLP is offered across industries within SA and between SA and neighbouring countries. Imperial handles the end-to-end process, including insurance, compliance and paperwork at reasonable prices with great reliability.</p>	<p>An asset-right business focused on bulk transport of oil and gas, fast moving consumer goods (FMCG) and chemicals (with all relevant certification) and buses servicing both rural areas and companies requiring transportation for employees, such as mining and utility companies. The fit-for-purpose fleet upholds highest safety standards and is maintained and governed by a strict asset replacement philosophy.</p>	<p>Imperial provides warehousing solutions, including distribution from warehouses, primarily for FMCG and pharmaceuticals.</p> <p>Where relevant, Imperial also supports in developing market entry strategies and in managing spare parts logistics.</p>



In F2020 Imperial has carried a total of 350 934 passengers on the Itumele Bus Lines.

Key differentiators:



Through its Logistics Africa operations in South Africa, Imperial has created significant value amounting to at least R17,8 billion in F2020 (R17,1 billion in F2019). Of this, R2,4 billion was value created in F2020 for society, primarily through job creation, GDP uplift and tax contributions. A further R15,3 billion was created for the logistics industry and market access through revenue generation. Imperial has also contributed towards infrastructure development through warehouse capital expenditure of R42,2 million in F2020. Logistics Africa has contributed significantly to job creation and entrepreneurship for sub-contractors, which has also grown the logistics industry in South Africa; however, this is discussed in more detail under the Beyond Imperial theme.

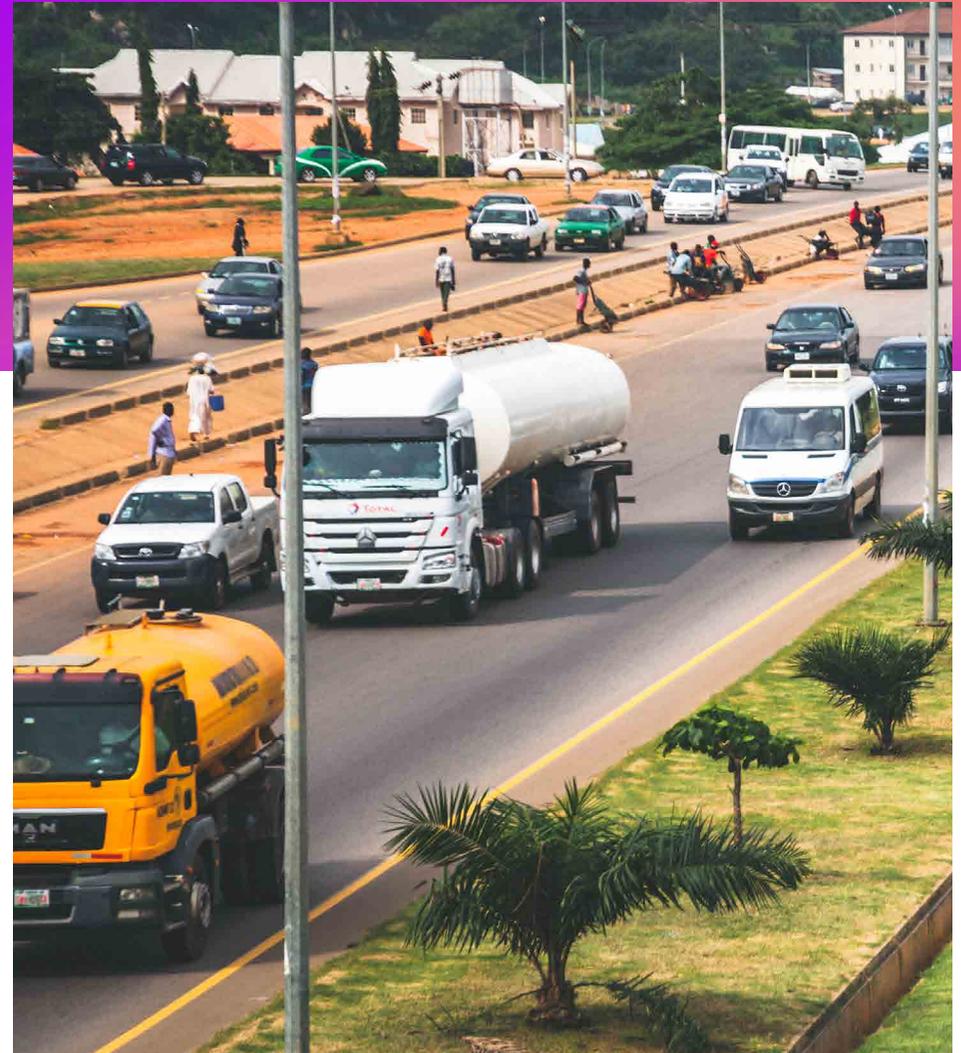


Market Access

Build route-to-market solutions connecting principals to consumers across channels.

As the 'Gateway to Africa', Imperial builds route-to-market solutions for principals and partners to provide them access to multiple high potential African markets. Imperial's emphasis on governance and compliance, its service and product reliability coupled with the brand image makes it a trusted partner for principals trying to unlock value from markets that are often challenging and inaccessible.

Imperial takes end-to-end ownership in supporting the market expansion plans of its clients and principals by ensuring that they adhere to the local requirements while upholding principals' high supply chain standards and creating meaningful social and economic impact for local communities.



Imperial provides omnichannel route-to-market solutions, leveraging freight and logistics capabilities, including sourcing, sales, distribution, marketing, demand generation and more, as required by Imperial's principals (effectively partners looking to enter a market) and its clients. Imperial also supports its principals and clients in complying with all applicable legal requirements and, if required, takes ownership of inventory and responsibility for the full order to cash function.

Imperial's Market Access offering was not available in South Africa during the period under review (F2019 and F2020) and was thus out of scope for this report. These offerings are growing in South Africa as of F2021.

Core offerings



Integrated market access services



Healthcare and consumer route-to-market



Multi-market aggregation



Sourcing and procurement



Emergency relief and kitting



Picking and packaging



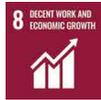
Marketing and promotion services



Contract manufacturing



Combined value of 'Gateway to Africa'



In South Africa, Imperial's Logistics Africa offering generated almost R35 billion in value for society, the logistics industry and market access, and partners over F2019 and F2020.



Value to society was created through tax contributions and GDP uplift. Revenue arising from operations accounts for the bulk of value to the logistics industry and market access. Value to partners includes capital expenditure on warehouses.



By serving as the 'Gateway to Africa', Imperial contributed to the UN Sustainable Development Goals relating to decent work and economic growth (Goal #8), industry, innovation and infrastructure (Goal #9), and partnerships for the goals (Goal #17).

Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: "A prosperous Africa based on inclusive growth and sustainable development.



Value Areas (R millions)

	Value to Society	Value to the Logistics Industry and Market Access	Value to Partners
F2019	2,299	14,778	32
F2020	2,407	15,323	42
Cumulative	4,707	30,102	74



Beyond Imperial

Growing Our Network – Service Providers and Authorities.

As has already been indicated, Imperial is a purpose-led organisation that actively seeks opportunities and partnerships to create value for all key stakeholder groups. This report has already considered Imperial's internal stakeholders (within the theme 'Imperial's Greatest Asset') and its customers (within the 'Gateway to Africa' theme); we now turn to Imperial's external stakeholders – the world Beyond Imperial. Within this theme, we consider sub-contractors and enterprise supplier development (ESD) partners; primary and ancillary suppliers and service providers; government, regulatory authorities and industry bodies; and shareholders.



BEYOND IMPERIAL

As an organisation that connects Africa to the rest of the world, Imperial's success is dependent on a trusted external network of partners. Imperial has a far reaching economic and social impact on its suppliers and service providers – both primary and ancillary.

These partners also benefit from access to Imperial's brand and its network, as well as the technological advancements made across the value chain.

As a responsible and ethical corporate citizen, Imperial makes a meaningful and substantial contribution to the government through the taxes and duties that it pays, as well its contribution to infrastructure development, especially for the industries to which it caters.



Inclusive supply chain

Imperial proactively invests in enhancing and developing its communities leveraging its knowledge and network. It does so through its supply chain, using carefully crafted procurement processes designed to support B-BBEE companies and through its ESD initiatives. Imperial's ESD initiatives are primarily focused in two areas: Unjani Clinics, which will be discussed within the 'Going the Extra Mile' theme, and the Sinawe fund. Apart from these structured initiatives, Imperial also financially supports small, medium and micro-enterprises (SMMEs) and other companies, including through access to loans, investing capital as minority shareholders, and other operational support.

In 2017, Imperial partnered with The Awethu Project (a specialist SMME investment company) to start the Sinawe enterprise and supplier development fund.

The Sinawe fund provides for the sustainable development of small businesses in the transport and logistics sector, allowing for their inclusion into the mainstream economy and nurturing suppliers within the Imperial value chain.

Beneficiaries of the fund receive investment in their businesses; demand for their products and services from Imperial; procurement benefits such as improvement payment terms and access to Imperial's network; training, especially on financial matters; information sharing sessions; and coaching and advice.

At the time of writing, the fund supports three SMME beneficiaries with a total of 152 employees. Imperial has made minority investments in two of these beneficiaries, Kagiso Tarpaulin and Canterbury Transport and Engamanzi Transport was provided with interest free loan.



In support of enterprise development, Imperial has provided financial support to black enterprises in the form of interest-free loans. Imperial provided R8,9 million in F2019 and R12,4 million in F2020 as interest-free loans to various beneficiaries. The financial support to SMMEs unlocks savings in the form of lower interest fees to the tune of R915 650 in F2019 and R2,1 million in F2020. Additionally, Imperial has also contributed towards minority investments to the value of R13,2 million in both F2020 and F2019. The total measured procurement spend by preferential procurement indicator is shown in the table.

Indicator	F2019 spend (R billions)	%	F2020 spend (R billions)	%
Total measured procurement spend	9,0		9,0	
Weighted PP spend with all BEE compliant Suppliers	9,4	71%	9,7	70%
PP spend with all QSEs and EMEs	2,9	22%	2,9	21%
PP spend with all 51% black owned enterprises	3,7	28%	3,9	28%
PP spend with all 30% black women owned enterprises	1,1	8%	1,3	9%

Table 5: Preferential procurement spend analysis



Primary suppliers and service providers

As one of the largest logistics players in South Africa, Imperial has a significant impact on other transport companies, the companies providing Imperial's fleet, fuel, and tyres, as well as sub-contractors.

These companies benefit financially and from Imperial's continuous technological advancements. Imperial's high standards and advancements contribute to setting the bar for the industry as a whole.

Sub-contractors

Imperial works closely with many sub-contractors to support small businesses in growing. Imperial uses between 2 000 and 2 500 subcontractors in addition to its own fleet of 4 000.

The ability to count on Imperial as a customer offers sub-contractors an array of advantages besides the brand alliance and listing a JSE-listed company with a global footprint as a customer. These businesses benefit from improved security of work and more secure cash flow, as well as access to Imperial's network of suppliers (benefitting from referrals).

Notos Cleaning Services is a small business started in 2008 by John Morajana. Mr Morajana began working for Imperial as a truck driver in 2001 before starting his business with Imperial's support. Notos is responsible for cleaning trucks and the truck yard. Imperial supported him by providing a loan to purchase high pressure cleaning equipment and chemicals. The business now employs 15 people.



Sub-contractor testimonials

Name of Transporter:
Hemisat (Pty) Ltd t/a Orlens Transport

Company Representative:
Amy Rapiti

How easy it is to do business with Imperial?

"I think it is relatively easy to do business with Imperial. Communication being the key. Staff at Imperial are easy to communicate with and communicate effectively. We have little to no issue in this regard."

How have Imperial helped in growing your business?

"We have been affected by lockdown since inception in April 2020, Imperial has offered a wonderful support structure in terms of allocating loads, adjusting to more suitable payment terms, and assisting with fuel when required."

Do you and/or your company prefer the diesel supply from Imperial and why?

"We prefer to arrange our own diesel but appreciate the fact that Imperial can assist with fuel when we need it."

What can Imperial do differently to enhance your experience?

"Imperial is actually exceptionally good at identifying and resolving or working on resolving issues. I think Imperial has adopted the right attitude in this regard and it contributes greatly to the working relationship that they have established with Orlens."



Sub-contractor testimonials

Name of Transporter:
Dolano (Pty) Ltd

Company Representative:
Tino Mashamhanda

How easy it is to do business with Imperial?

“Imperial is a very organized and efficient company that does forward planning for loads and tries by all means to minimize the delays on all their loads.”

How have Imperial helped in growing your business?

“We grew from 1 truck in June 2016 and are now running a total of 7 trucks and we owe our growth to Imperial. The level of consistency of the work from January to December has given us comfort in committing our resources to investing in more trucks.”

Do you and/or your company prefer the diesel supply from Imperial and why?

“We prefer diesel supply for ease of cash flow problems. However, the fuel deduction should be linked to the loadcon in question.”

What can Imperial do differently to enhance your experience?

“Back loads from Zimbabwe and Zambia – the business model works better with back loads.

Payment terms – it is really difficult and not sustainable to carry invoices for more than 60 days. Yes, there is an invoice discounting arrangement that has recently been introduced but this only assists on the last 15 days before payment is due and doesn't help much.

Diesel supplies across borders can assist in easing cash flow pressures amongst transporters.”



Trucks

Imperial's fleet is primarily purchased from and maintained by original equipment manufacturers (OEMs), with spare parts also sourced from the same suppliers. These suppliers are critical to Imperial's success and ability to have a best-in-class fleet which upholds the highest safety and fuel efficiency standards and is maintained and governed by a strict asset replacement philosophy.

Through its focus on having the most advanced fleet, Imperial also helps to spur innovation and set trends for the industry locally, thus creating additional demand for these suppliers. Imperial's expenditure on trucks amounted to R634,4 million in F2019 and R753,4 million in F2020.

Tyres

Another of Imperial's primary inputs is tyres for its fleet. Imperial's expenditure on tyres amounted to R209,2 million in F2019 and R209,8 in F2020.

Imperial relies on tyre manufacturers for new tyres, re-treading of tyres and recycling of tyres in a responsible manner. Tyres are selected for optimal performance, considering safety factors and their impact on fuel efficiency. Used tyres are typically returned to the OEMs who provide a safe disposal certificate to ensure responsible waste management. Through this channel, recycled tyre rubber is used for an assortment of purposes such as footwear.

Fuel

Imperial is a business which is significantly dependent on fuel; its expenditure on fuel for its own fleet amounted to R1,9 billion in F2019 and R1,7 billion in F2020. As such, it makes use of fuel onsite at many of its facilities as well as along the routes travelled. It therefore works closely with fuel suppliers to ensure good relationships and reliable supply. Imperial is also a transporter for fuel companies and thus these are mutually beneficial relationships.

Telecommunications

Telecommunications companies provide Imperial with mobile data which is critical for ensuring that drivers can keep in touch with control towers and supervisors and keep Imperial connected. As Imperial becomes more reliant on digital technology and cloud-based applications, it will also become increasingly reliant on connectivity through mobile data.

Imperial's expenditure on telephone and internet expenses amounted to R61,4 million in F2019 and R58,1 million in F2020.



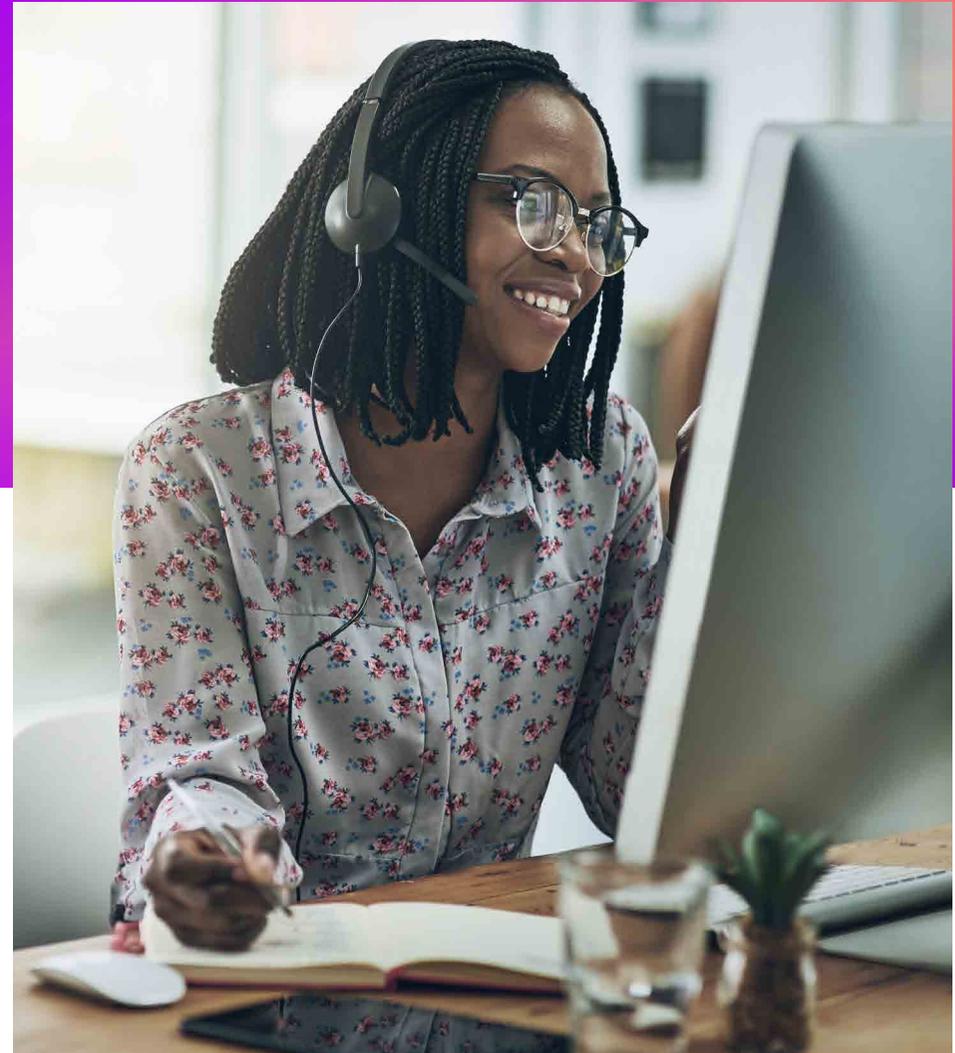
Ancillary suppliers and service providers

The benefit of servicing and supplying Imperial extends to a much broader network of providers beyond primary suppliers and service providers.

Ancillary suppliers and service providers benefit financially and non-financially from working with Imperial, including being associated with the brand.

Examples of these include private security companies who ensure safe transportation and warehousing of products, especially high risk products (in particular, cigarettes, fuel and alcohol); landlords who lease properties to Imperial as well as property developers from whom Imperial purchases property; technology providers who support Imperial with hardware, software and systems.

Imperial's total expenditure on ancillary suppliers amounted to R3,8 billion in F2019 and R3,0 billion in F2020. Imperial has supported more than 600 indirect jobs related to security, repairs, maintenance, and cleaning.



Government, regulatory authorities and industry bodies

As a responsible and ethical citizen, Imperial contributes to the overall economy through the various taxes and levies that it pays during the normal course of the business.

In addition, as an advocate for the industry, Imperial engages with its stakeholders to develop forward-looking policies aiding the growth and development of the industry.

Imperial's infrastructure investments (warehouses and fleet), foster a positive environment fuelling further advancements.

Government (Fiscus)

The estimated contribution to government through taxes and levies, including value added tax (VAT), fuel levies, toll fees, vehicle license fees, corporate taxes and property taxes, for F2020 was R764,9 million and for F2019 was R1,0 billion.

Regulatory authorities and industry bodies

As an active member of the logistics industry, Imperial welcomes opportunities to engage and participate in discussions around policy development and regulations together with other members of the industry. Imperial views such engagements as critical for effective regulation maintaining best practice within the industry.

Imperial also shares best practices as appropriate and is an active member in several industry bodies, such as the Road Freight Association (RFA), Business Leadership South Africa (BLSA) and the National Business Initiative (NBI).

Furthermore, Imperial has collaborated with other businesses, industry bodies, local government, Sector Education and Training Authorities, the Department of Labour and professional bodies on the topic of skills development. Specifically, these collaborations have been focused on aligning to the government's National Skills Development Strategy and supporting unemployed youth with workplace experience programmes. As a result, Imperial has been recognised as the Corporate Educator for the Year by SAPICS, the professional body for supply chain management, several times – most recently in 2019.

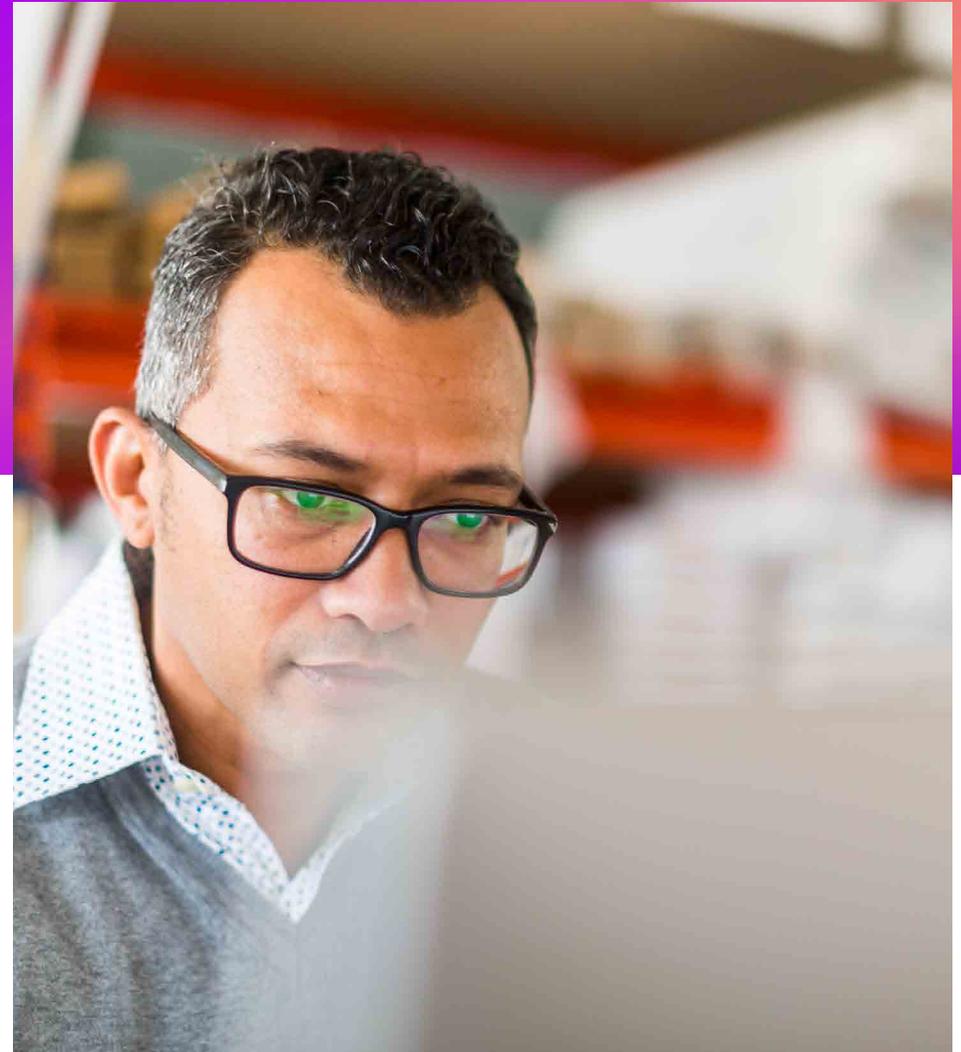


Shareholders

Through its transformation to 'One Imperial', Imperial seeks to align the interests of clients, principals and customers, its people and its shareholders in its pursuit of shared value and aims to unlock increasing value for its stakeholders.

It also recognises that to create shareholder value, it must return to a sustainable trajectory of profitable growth by generating sustainable returns and cash flow long term.

In F2020, total shareholders' equity amounted to R8,3 billion, up from R8,2 billion in F2019, with 70,4% of shareholders in F2020 being public shareholders. It paid cash dividends to shareholders of 167 cents per share in F2020 and 244 cents per share in F2019. Despite the challenges of the COVID-19 pandemic, Imperial's earnings yield was 4% in F2020 (8,7% in F2019) with continuing earnings per share (EPS) up from 120 cents loss per share in F2019 to 22 cents earnings per share in F2020. Nonetheless, continuing headline earnings per share (HEPS) decreased from 448 cents per share in F2019 to 156 cents per share in F2020.

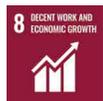


Combined value of looking Beyond Imperial

Looking Beyond Imperial to external stakeholders, Imperial has created value for society through its contributions to fiscus, regulators and industry bodies; the logistics industry and market access by using the services of subcontractors and to its partners through purchases from suppliers who are not within the logistics industry.



Working with its external network, Imperial contributed to the UN Sustainable Development Goals which relate to gender equality (Goal #5), decent work and economic growth (Goal #8), reduced inequality (Goal #10) and, of course, partnerships for the goals (Goal #17).



Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: "A prosperous Africa based on inclusive growth and sustainable development."



Value Areas (R millions)

	Value to Society	Value to the Logistics Industry and Market Access	Value to Partners
F2019	7,017	5,044	6,561
F2020	6,934	4,922	5,708
Cumulative	13,950	9,966	12,269



Go Digital, Go Green

Imperial continually seeks to improve its performance in the pursuit of zero harm to people and the planet, and the company seeks 'go green' opportunities to reduce the impact on the environment and climate change.

Imperial is a **responsible and ethical citizen, conscious of the environmental impact** due to the nature of its logistics business in particular. Imperial has made a commitment to pursue 'zero harm' to people and planet and reduce its environmental impact through investments in advanced digital technologies and efforts prioritising opportunities to 'go green.'



GO DIGITAL, GO GREEN

Within the 'Go Digital, Go Green' theme, we consider Imperial's digitalisation initiatives—focused on improving visibility and efficiency, transforming the business to be future-fit, and environmental sustainability initiatives aimed at mitigating the impact of Imperial's operations to the environment and climate change.

Imperial's commitment to balancing People, Planet and Profit is also highlighted by its focus on aligning to the objectives of the Paris Agreement on climate change. Imperial leadership strives to visibly demonstrate a commitment to integrating responsible environmental, social and governance (ESG) imperatives into its everyday business and the company does this by proactively incorporating the principles of the UN Global Compact and UN Sustainable Development Goals, among others, into its governance framework.

Imperial has achieved Silver status in the EcoVadis transportation and logistics ratings with a score of 48 out of 100 in F2020

EcoVadis is an independent international rating agency that evaluates the sustainability performance of global supply chain companies in 150 sectors across 110 countries each year. The EcoVadis rating is testimony to Imperial's commitment to integrating ESG into the daily business activities and decision-making processes.

Imperial's carbon disclosure rating from the Carbon Disclosure Project (CDP) was a B in F2020. Imperial has been actively disclosing since 2007. The global average is a C and the Africa regional average is a B-

In addition to a firm belief in the importance of reducing its environmental impact, Imperial also recognises that innovation, sustainability, and digital transformation are essential principles to remain competitive, enhance value and convenience for customers, improve efficiencies and become increasingly resilient,

while supporting continuous environmental improvements. Moreover, Imperial is an early mover with many technology advancements (such as testing alternative fuels for its fleet). This drives competition and adoption of technology within the industry and the country.

The CDP assesses companies on the comprehensiveness of their disclosure, their awareness and management of environmental risks and their demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets. A rating above the regional and global averages signifies Imperial's commitment to managing its environmental risk in a responsible manner.

The London Stock Exchange FTSE4Good Index Series, which is a global sustainable investment index series, scored Imperial 3,8 out of 5 in 2020, up from 3,7 in 2019. Imperial's environmental score was 3,2 (3,1), its social score 3,4 (3,2) and its governance score 5 (5) in F2020 (F2019)

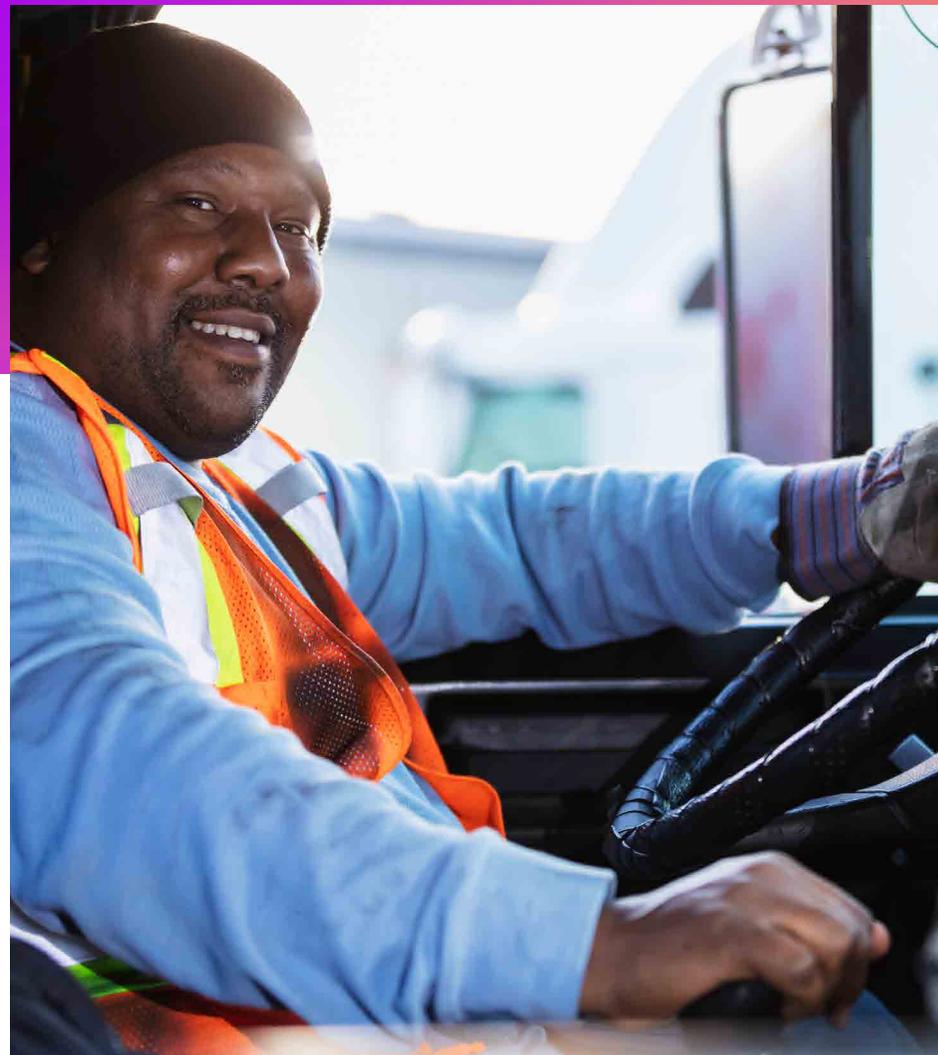


Project Blue Fleet

A key programme at Imperial which commenced in F2020 is Project Blue Fleet.

The programme is centred around digitisation of Imperial's fleet and will improve overall performance through increased visibility and monitoring supported by analytics and insights from telematics. Project Blue Fleet aims at making the business more proactive and is improving organisational discipline and addressing key road safety risks while lowering the environmental footprint.

During 2020, Imperial entered a strategic partnership with MiX Telematics, a provider of connected fleet management solutions, having been a customer of MiX Telematics for over ten years. Through the partnership, the telemetry will be implemented across Imperial's fleet for rich data which will underpin Project Blue Fleet.



Project Blue Fleet is comprised of four pillars

1

Strategic sourcing: Imperial prides itself on having the best in class fleet, with aerodynamic designs, the latest safety technology (e.g. lane control, brake assist and driver fatigue technology), specialised trailers, nitrogen refrigerators, solar panels and gas tanks on a number of its vehicles.

Imperial continues to invest in trucks with the most advanced technology and the best Euro ratings in South Africa.

Strategic sourcing and renegotiation of supply contracts for trucks and trailers with the latest safety technology and contracts for fuel can support improved cost visibility and management.

Strategic sourcing will unlock significant annual cash flow benefits, upwards of R50 million per annum.

2

Operations enablement: Operations enablement leverages a variety of technologies to enable and optimise operations:

a. Control towers for optimised scheduling, aimed at improving productivity of operations, and reducing the environmental footprint by optimising loads to minimise unused space during collections and deliveries.

b. Hand-held devices to track driver health and well-being, including testing whether drivers are fit for driving (this includes monitoring alcohol consumption and whether prescription medication has been taken), provide key operational information to drivers such as which truck to use, the relevant loading bay, prescribing mandatory resting breaks, vehicle warnings et cetera. Supervisors also have real-time visibility of driver behaviour.

c. Onboard cameras used for fatigue management, training purposes and accident investigations.

d. A Fuel Management System (FMS), which has been rolled out to all medium and large sites across South Africa, to capture all fuel transactions and generate fuel consumption analytics.



3

Digital fleet management: This allows for extensive reporting and enables visibility of driver behaviour as well as accurate, real-time alerts and reporting. Daily reporting, enabled through data lakes, prioritises on fuel consumption, fleet utilisation and driver behaviour.

| On average, 21 million rows of data are ingested per day, of which almost 50% are related to GPS locations

4

Operations excellence: Operations excellence underpins Project Blue Fleet, with a focus on the human elements of road safety. Operations excellence focuses on both drivers and controllers, who oversee drivers including scheduling and ensuring that medical and truck checks are performed.

This pillar includes identification of best practices across Imperial and the industry and standardising these, improving efficiencies and internal benchmarking. It also includes briefings and debriefings, driver management, driver training, toolbox talks, safety meetings and a workshop management system.

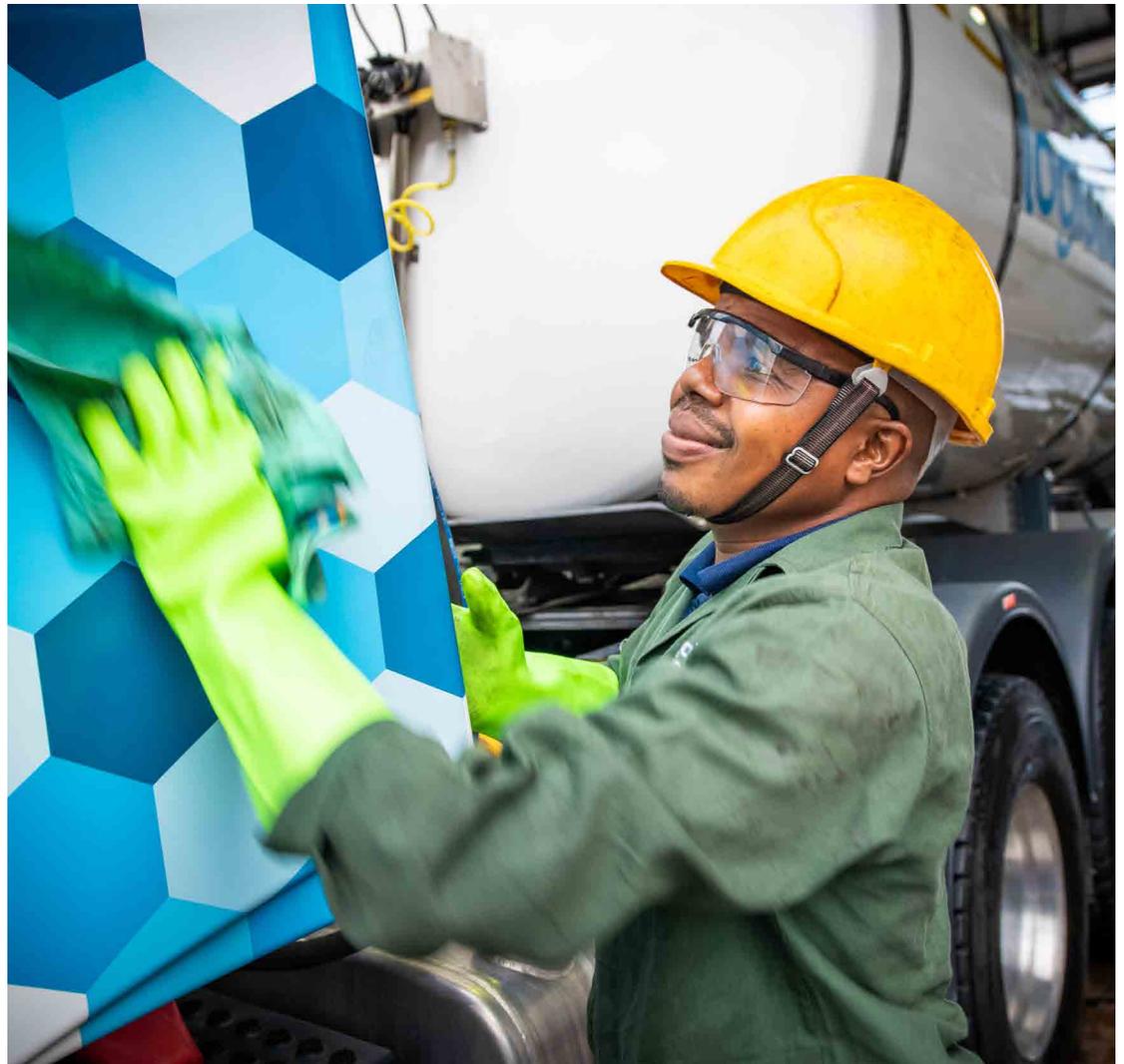


Beyond the core benefits mentioned, Project Blue Fleet also addresses other objectives. Imperial benefits from greater efficiency due to less duplication of tasks, improved fleet utilisation and improved clarity on areas requiring training or pro-active interventions.

The project will also create a more motivated workforce by introducing stimulating gamification techniques and improved working conditions. Imperial's risk exposure will reduce due to the real-time monitoring through Project Blue Fleet.

Partnerships with OEMs will be used to create opportunities for new businesses and increasing diversity by empowering women drivers. Society will benefit Project Blue Fleet because of the reduced environmental impact, due to improved fuel consumption and lower carbon emissions, as well as a reduction in accidents which will reduce the risk of injuries and deaths.

Project Blue Fleet is underway in South Africa and will be rolled out across the African operations. It is expected that more than R100 million in savings will be unlocked by Project Blue Fleet on an annual basis, in addition to the reduced environmental impacts.



Control towers

Logistics and supply chain control towers are an example of how Imperial builds and invests in technology. These control towers are platforms which use a world-class enablement system (One Network) to provide real-time visibility of the supply chain. Imperial, as a leading end-to-end logistics player, leverages control towers to optimise tracking, planning and reporting (including across multiple countries) and to drive efficiency and effectiveness for its own business, but also provides its clients with customised solutions to enhance their supply chain capabilities and drive continuous improvement.

Control towers combined with data analytics and, in some cases, digital technologies have proven invaluable for Imperial and its clients. In fact, when Imperial establishes customised control tower solutions for clients, they are typically self-funded through efficiency improvements and cost savings which accrue to the client.

Key benefits include:

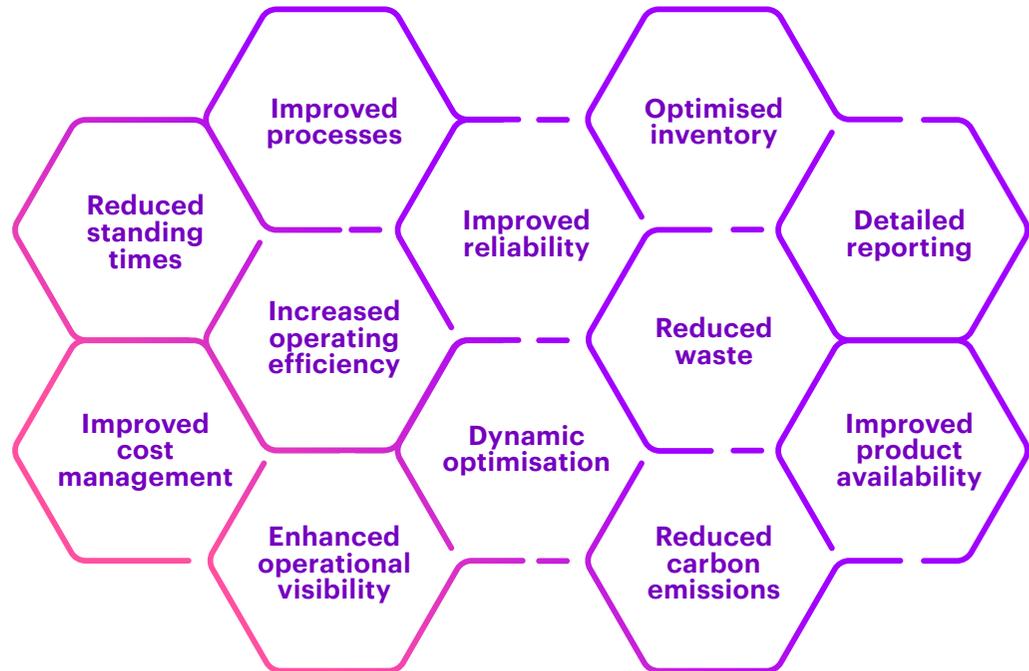


Figure 6: Typical impact of control towers



Level of Effort

65% to 75%
reduction

Inventory management

30% to 40%

Order creation

75% to 80%

Product transfer processing

90% to 95%

Training time for new hires

75% to 80%



Inventory Levels

20% to 30%
reduction



Waste

75% to 80%
reduction

Logistics Cost (utilisation)

5% to 10%
improvement



COGS

.05% to 1%
improvement



Expedited Logistics Cost/Store Transfers



75% to 95%
reduction



Note: Actual results are dependent on the environment and the base point.

One of the latest examples of control towers being used to add value for Imperial's clients is that of telecommunications company MTN. Imperial will be using One Network's NEO Platform to manage the end-to-end supply chain for MTN's handsets, with roll-out scheduled in 2021.

Read more about this example [here](#)

The Control Tower Solution for Retail will include demand and supply balancing, demand planning, inventory planning, demand forecasting, suggested store ordering, order management, replenishment planning, and last-minute allocation – the system autonomously reallocates short supply to minimise lost sales and maximise customer service. It will also include a command-and-control dashboard featuring real-time data, as well as customisable and interactive charts and reports.

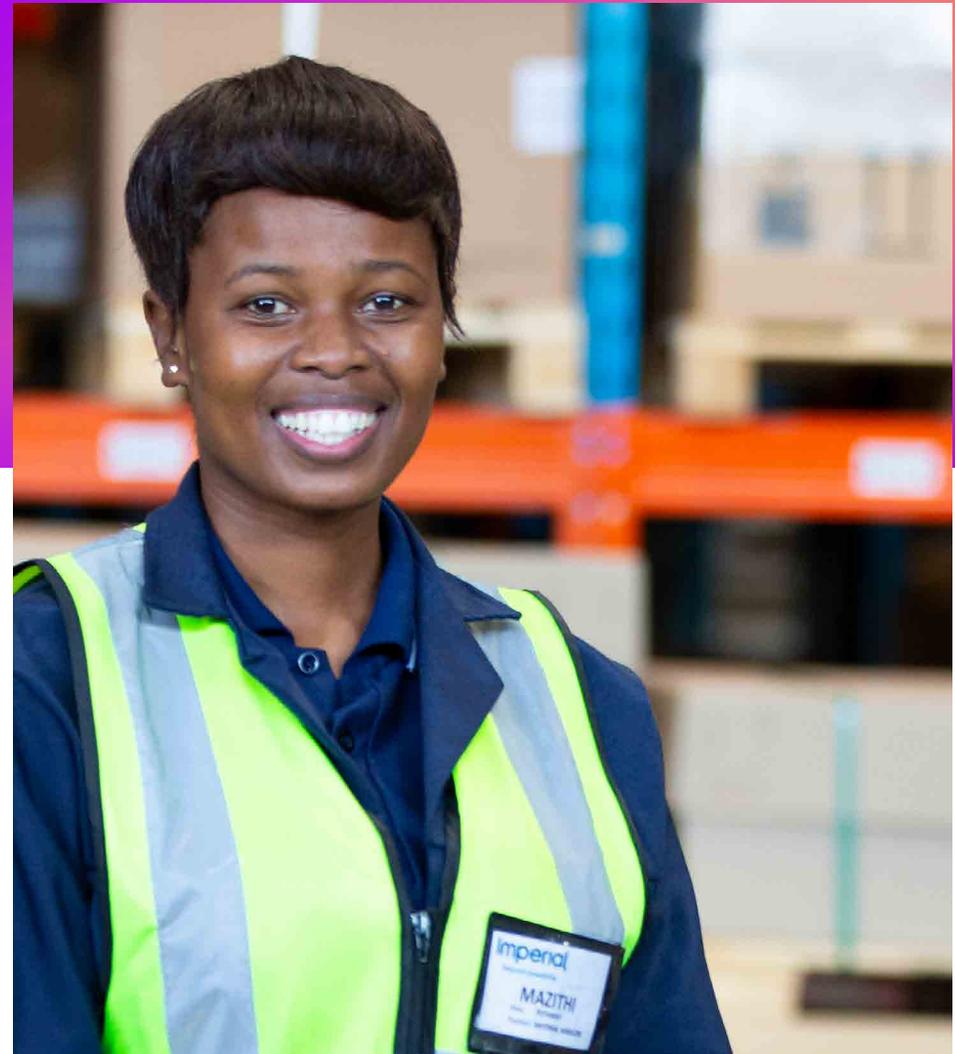


Digitalisation initiatives

Imperial's digitalisation agenda, like its business, is for the long-term and the company invests in digital advancements and technologies to strengthen its capabilities in building an organisation for the future.

Logistics companies have been adapting to rapid transformation in the supply chains across industries by accelerating their pace of innovation. The pace of innovation has further been accelerated by supply chain disruptions due to COVID-19.

Imperial has several digitalisation initiatives in place beyond Project Blue Fleet and its control towers. In South Africa, most of the digitalisation initiatives are focused on Imperial's drivers – in effect, its frontline workers. While the initiatives highlighted below are expected to yield benefits in the future, we have described them as they were initiated towards the end of F2020. Some of the initiatives have been launched outside our period of review but have significant positive potential for Imperial and for society.



Disruptive innovation fund

Imperial has created a disruptive innovation fund in partnership with Newtown Partners – the Imperial Innovation Venture Fund. The fund has a focus on high-potential start-ups in freight logistics, supply chain management and health technology that use emerging technologies and disruptive business models to drive value.

Imperial made an initial capital investment of USD20 million and during the first year and a half, the fund made four investments, into a digital distributor, a digital freight forwarder, a point-of-care diagnostics enabler and a digital freight exchange.



Parcelninja

In February 2021, Imperial announced the acquisition of South African company Parcelninja. Parcelninja supports local e-commerce platforms and online shops by integrating with most existing e-commerce engines to facilitate fulfilment. The company offers smart product warehousing, picking and packing, courier optimisation, and real-time reporting. While the acquisition falls outside of the period this report considers, it highlights Imperial's commitment to innovation.

Digital Freight Exchange (DFE)

Imperial has partnered with Lori Systems for an online brokering system. Lori Systems is an e-logistics platform which coordinates haulage in frontier markets. The partnership will focus on using digital innovation and enablement to enhance the road freight industry across Africa, particularly in matching demand and supply in the industry and driving efficiency. According

to Lori Systems, approximately \$180 billion is spent annually in Africa on haulage, with logistics accounting for up to 75% of a product's end-price, compared with 6% in the United States. Through this partnership, Imperial and Lori hope to significantly reduce this impact by reducing inefficiencies in the market. Read more [here](#)

“We believe that Lori solves a real problem when it comes to matching volatile demand and reliable supply in Africa’s highly fragmented road freight industry. As a business that is focused on efficient and innovative logistics and market access solutions, this is a crucial business investment for Imperial and the continent. Investing in Lori Systems will enable the creation of further business opportunities in Africa and provide efficiency for Imperial’s clients and transport operators with whom we collaborate.”

- Mohammed Akoojee, Group CEO, Imperial

“Lori Systems’ partnership with Imperial is validation of our vision of a new era of digitally-enabled and efficient logistics not only in Africa but in frontier markets more broadly.”

- Joshua Sandler,
Co-Founder and CEO, Lori Systems.



Fuel monitoring and measuring equipment

In its quest for continuous improvement, Imperial partnered with a technology provider to install fuel measuring equipment into Imperial's fleet to reduce cross-product contamination. This wet sensor equipment can identify even minute quantities of fuel and determine, based on density, the type of fuel (petrol or diesel). The technology provides live visibility of product quantity and location (tracking) and helps to prevent fuel contamination. The equipment has almost halved contamination for the fuel and gas business. Imperial is currently the only logistics company offering this technology to clients.

OneLink

The OneLink mobile application is linked to Project Blue Fleet and focuses on planning optimisation as well as digitalisation of Imperial's health and safety protocols for pre-trip checks, during-trip and post-trip checks. The OneLink application is also used for tracking and electronic proof of delivery (ePOD). The application has been piloted in some areas of the business and is being rolled out across South Africa.

Driver rewards

A mobile application has been developed to monitor driver behaviour including distance travelled, fuel utilisation, speed monitoring, harsh braking, driver behaviour and completion of administrative work. This is used to promote focus on key operations metrics and includes the reward of good performance by drivers. The best practices currently applied in business units will be combined into a standardised Driver Rewards programme which will be rolled out across South African operations.

Drivers in motion

Drivers in motion is an e-training platform currently in development. The platform will allow drivers to access training from their smartphones or through kiosks and computers at key Imperial sites. The training is predominantly related to improving driving behaviours but also includes basic governance topics, such as what to do if a police officer requests a bribe.

Centralised system implementations

Apart from the various digital initiatives aimed at improving driver experience, safety and well-being, Imperial is also undertaking continuous transformation initiatives to increase efficiency and visibility of its internal operations. This includes having centralised One Imperial Finance and HR systems, as well as a data lake and Business Process Insights Platform (BPI-P) to support One Imperial.

Cyber security

As can be expected, the increasing reliance on cloud and other digital technologies comes with a need to place increasing emphasis on cyber and information security. Imperial undergoes regular audits which include audits of information security, which is under the jurisdiction of the Audit and Risk committee.

Internal applications, platforms and websites

An array of internal applications, platforms and websites are being developed and rolled out to reach all employees across various channels, including:

- MyImperial communication channels designed to reach all employees, including those who are not computer-based
- MyPeopleWays for talent management, performance management and reward management
- Value Journey aimed at teaching and instilling the Imperial values



Environmental sustainability initiatives

One of Imperial's key ESG principles is "We balance impacts on People, Planet and Profit by integrating ESG practices into our daily business activities and decision-making processes."

There is thus a focus on embedding day-to-day improvements throughout the business through several initiatives.

There are four key areas Imperial is looking to improve related to environmental sustainability: energy, climate change, waste and water. Project Blue Fleet, discussed above, combined with Imperial's ongoing practice of having the most efficient fleet are cornerstones of the company's plan to reduce its environmental footprint across all four areas.



Climate change and energy: electricity supply

Across Imperial South Africa, 2% of the current electricity requirements are met by renewable energy. Imperial continues to move towards renewable energy sources, specifically solar power.

In search of a more sustainable and greener solution to mitigate ever increasing electricity costs, provide a consistent power supply and lower its carbon footprint, Imperial has installed solar PV panels that have the capacity to produce 763 006 kilowatt hours of solar energy. The Germiston depot, along with the Bothaville office, was identified as one of the first candidates for solar panel installations. Across the two sites, 966 solar panels were installed between 2016 and 2018, generating approximately 400 000 kwh in electricity per year, which yields cost savings of about R900 000 per annum and a total reduction in carbon dioxide of 425 tonnes.

Climate change and energy: fossil fuels

Fuel measuring equipment is used for extensive fuel analytics. This is combined with extensive network planning and optimisation which has the benefit of reducing associated air pollution and greenhouse gas emissions. Given that fuel consumption is the largest source of greenhouse gas emissions in Imperial's business, investigations into alternative technologies that consume less conventional fuel are also a priority. In F2021 Imperial commenced a pilot study to trial a compressed natural gas truck and has engaged extensively with truck suppliers to understand when these vehicles might be commercially introduced into South Africa.

Waste

Imperial's waste can be classified into four categories – general waste, safe disposal (the bulk of Imperial's waste), pharmaceutical waste (negligible) and hazardous waste. As far as possible, waste is recycled; in F2020, 1 266 tonnes were recycled and in F2019, 1 108 tonnes were recycled. Hazardous waste is either sump effluent, grease or oil rags and fluorescent tubes. With every item being recycled, Imperial helps in reducing greenhouse gases and protect the environment – just over 4 000 tonnes of carbon dioxide emissions were avoided by recycling in F2020 and 3590 tonnes in F2019.

When perishable products (typically food) expire on store shelves, by arrangement with some customers, these products are returned to Imperial facilities for safe disposal in accordance with the Waste Management Act.



Water

Responsibly managing water consumption is important to Imperial and as such, several initiatives have been implemented to make use of borehole water, recycled water, harvested rainwater and grey water to reduce the burden on scarce freshwater resources. This includes the installation of grey water taps for outdoor use and the installation of large storage tanks for harvesting rainwater.

Imperial's primary water consumption is linked to cleaning its fleet, especially tankers, which require several washes to meet strict food-grade requirements. To manage this consumption, water used in the last rinse cycle of food tankers is stored and reused to wash non-food tankers. Moreover, truck wash bays at several facilities, usually managed by a party such as Notos Cleaning Services (mentioned in the "Beyond Imperial" theme), use recycled water or make use of waterless options for washing trucks. The re-use water project at Stikland depot and the Garfield facility are additional examples of conscious use of water – with a collective reduction of more than 12 million litres in water usage in F2020.

Beyond these investments, where applicable or appropriate, Imperial is also upgrading its offices and facilities to reduce its environmental footprint through smaller but equally important initiatives. Among others, these include:

- the installation of LED energy-savings lights,
- energy saving meters to ensure aircons are not operational outside of office hours, **Estimated energy savings of 15%**
- digitisation initiatives driving a move towards a paperless environment,
- waterless car washes for employees, and
- electronic push buttons and timers have been installed on many taps to manage water consumption.

Through green initiatives such as solar panel installations, water and waste recycling and fuel optimisation, Imperial has avoided approximately R4 million in economic harm.



The truck wash at Imperial's Garfield facility uses 1,2 million litres of water, 27% of which is recycled water.



Combined value of going Digital and going Green

By looking for opportunities to Go Digital and Go Green, Imperial has identified key opportunities through which to unlock value within the next few years, keeping People, Planet and Profit in balance.

During F2019 and F2020, Imperial realised R11,0 million combined benefits from investing in solar panels across four of its sites and use of recycled water. In addition, it has been taking steps to continually improve handling of waste, especially hazardous materials. These initiatives highlight Imperial's commitment towards reducing its negative impact on the environment. Going forward, Imperial's focus is to expand the scope of these initiatives aimed at reducing its environmental impact.

As such, Imperial's digitalisation efforts are aimed at unlocking benefits over the long-term. The benefits from continual technological advancements, including fleet upgrades and infrastructure development, are realised in on-going efficiency

gains. Aside from these benefits, Imperial expects to unlock more than R100 million in savings through the various digitalisation initiatives launched during F2019 and F2020. Financial gains aside, these initiatives will also have a notable impact on non-financial metrics, including the environmental emissions, road safety and benefits from improved employee (and driver) morale.

The focus on Go Digital and Go Green supports the UN Sustainable Development Goals which relate to good health and well-being (Goal #3), quality education (Goal #4), gender equality (Goal #5), affordable and clean energy (Goal #7), decent work and economic growth (Goal #8), industry, innovation and infrastructure (Goal #9), sustainable cities and communities (Goal #11), responsible

consumption and production (Goal #12), climate action (Goal #13) and partnerships for the goals (Goal #17). Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: "A prosperous Africa based on inclusive growth and sustainable development."



Going the 'Extra Mile'

Contributing to the Development
of Imperial's Communities

Our Communities
are better off because
we are here



Imperial impacts the lives of millions of people, creates meaningful work opportunities, and supports the growth of several businesses through its regular business activities. However, the social and economic impact that Imperial creates extends beyond its business activities.

In addition to its ESD initiatives, Imperial contributes to the development of its communities and creates additional societal value through impactful Corporate Social Investment (CSI) initiatives which are aimed at providing access to quality and affordable healthcare services, increasing the reach of quality education and improving the safety of its communities. The company also provides financial support to reputable organisations and monetary donations for specific causes that Imperial has decided to champion.

Key initiatives include the Unjani Clinics, the Imperial and Motus Community Trust, several road safety initiatives as well as initiatives led by the Road Freight Association.

Imperial says: Corporate social investment (CSI), including enterprise development, is a cornerstone for good corporate citizenship and forms an integral part of our corporate accountability, governance and transformation programmes. CSI bolsters stakeholder trust, boosts employee morale and attracts talent. Our group-wide CSI strategy aligns our CSI investments with our strategic objectives to ensure meaningful contributions to our communities and beneficiaries.

- Extract from Imperial's Integrated Annual Report

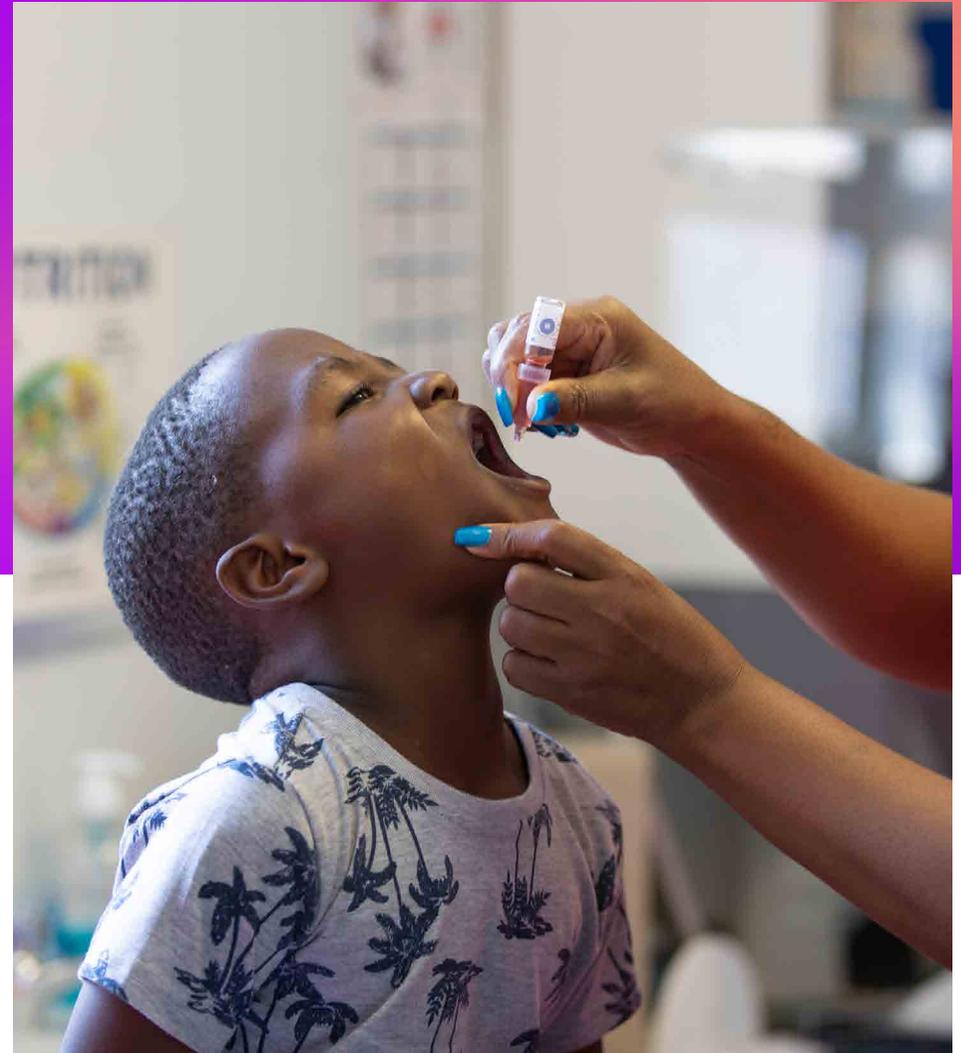


Healthcare CSI

A large proportion, estimated at 80%, of South Africa's population is dependent on an overburdened public sector healthcare system^{vii}, leading to long waiting times, sub-par healthcare delivery, old and poorly maintained infrastructure and lack of proper disease control and prevention practices^{viii}.

Such an environment increases risks to the health of many people, especially the unemployed and the uninsured, who are unable to afford costly medical care.

Imperial's healthcare-focused CSI initiatives provide access to quality and affordable healthcare for employed, uninsured people through Unjani Clinics, and to drivers through Imperial's partnership with the Road Freight Association.



Unjani Clinics

Unjani means “How are you?” in Zulu and Xhosa

Unjani Clinics is a network of black-women-owned and operated primary healthcare clinics that provide accessible, affordable and quality healthcare to communities in low-income areas. This is an innovative healthcare model which empowers black women professional nurses to become what Unjani Clinics refer to as ‘nursepreneurs’; supporting them in owning their own clinics within an entrepreneurial network of clinics. This model supports transformation of the broader healthcare system by shifting primary healthcare services to professional nurses and away from government facilities, which are stretched and under-resourced. The Unjani Clinics network was originally started by Imperial and later sponsorship was opened to other investors to expand the network.

These nurses are provided with financial support until they can scale and sustain their operations, as well as a container-clinic with basic equipment and medication. These nursepreneurs are trained to run sustainable micro-enterprises and are provided with basic business management training, training on the onsite electronic patient management and ordering systems, mentoring and operational support including supply chain and back-end services. Nurses are also invited to attend networking and conference sessions, as well as quarterly provincial meetings to discuss regional issues and feedback. Patient feedback and complaints, provided through confidential channels, are also used to help maintain service levels.

The Unjani Clinic network is a partnership with the National Treasury’s Jobs Fund and other corporates.

“I have learnt a lot from the Network. It has taught me how to separate my personal finances and business finances. It has given me the opportunity to be close to my community and giving back to them. To allocate their primary health care service’s needs. To be independent, leader and a successful businesswoman gives me an opportunity to provide private, quality and affordable to the Khutsong community where I was born and bred giving me the opportunity to change their lives.”

- Sister Miriam Sekano
Unjani Clinic Khutsong



The clinics are aimed at the employed but uninsured population (estimated at over 12 million people in South Africa), who are able to pay a small fee towards their healthcare needs. A standard consultation will cost the patient R200, including medication. Other services are available at an additional cost.

There were 75 Unjani Clinics in F2020, of which 26 were sponsored by Imperial, serving more than 200 000 patients during F2019 and F2020. The overall Unjani Clinics network has reported more than 1,8 million consultations from inception until 31 March 2021.

The surrounding communities, especially the uninsured, who are the primary beneficiaries, gain

access to quality healthcare at nominal prices at the point of need. In addition, many of the nurses give health talks and offer basic services (e.g. blood pressure checks) at local schools and community events. By bringing care to the vicinity of the low-income communities, Unjani Clinics provide timely intervention that reduces waiting time and travel costs by reducing long distance travel required to reach government facilities.

Each Unjani Clinic can offer



 Primary health care ailment diagnosis and treatment including medication	 Wound care	 Family planning	 Baby clinic including immunisation	 Basic ultrasound	 HIV counseling and testing
 Laboratory blood services	 Treatment and management of patients on antiretrovirals	 Treatment of chronic illness	 Wellness screening	 Antenatal clinic	



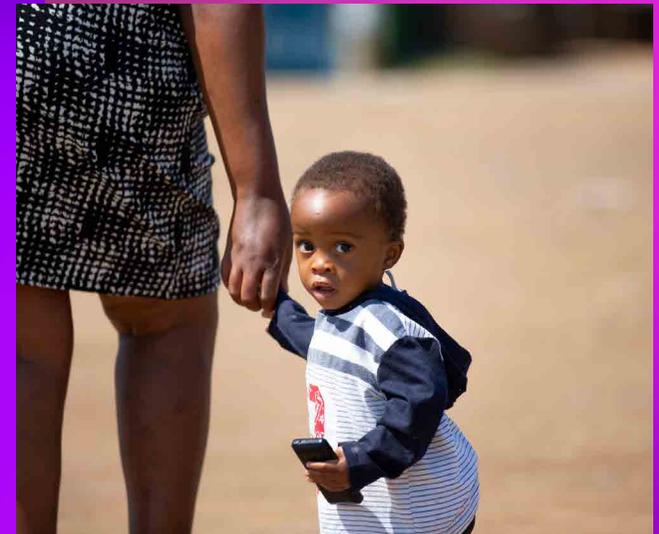
We estimate that in F2020 the Unjani Clinics sponsored by Imperial were able to unlock more than R40 million for surrounding communities, through a combination of cost and time savings. This network of reliable primary healthcare services also reduces the burden on public healthcare facilities, which can cater to more time sensitive and critical cases.

Apart from its impact on the health and well-being of local communities, the Unjani Clinics network also supports the growth of local communities by creating meaningful work opportunities. The Imperial-sponsored clinics supported 165 direct job opportunities in F2020, with more than R20 million paid out in salaries, leading to a GDP uplift of R63,6 million. The network supports the creation of several indirect jobs, including those created at the company manufacturing the container-clinics.

During the COVID-19 crisis, Unjani Clinics also doubled up as COVID-19 screening facilities. From the start of the pandemic until June 2020, Imperial, through the Unjani Clinic network, had already successfully conducted over 29 000 screenings, thereby reducing the burden on the healthcare system and also potentially breaking the infection chain closer to the source.

Until the end of F2020, the network also benefitted from access to quality medical products through Pharmed, an Imperial company.

Through Imperial's contributions to Unjani Clinics, an estimated 340 000 lives in F2020, and 309 000 lives in F2019 were impacted. Lives impacted include those of patients, employees and their family members.



“For a very long time while working at a local clinic, I gave it all I had but felt I was never given an opportunity to spread my wings. Since I joined Unjani, I was given this opportunity and went beyond what I could imagine. The love I have for my community is beyond the mere word, ‘love’.

The gratitude and humble thanks, which I receive from my clients, are not measurable. The chance to go to bed knowing I helped a lot of people and received many ‘thank you’s’, gives me the strength to wake up and want to do more.

The health care services I provide, which my community can access and rely on for quality health care: that is my why.”

- Sister Relebohile Mollo
Unjani Clinic Katlehong

“I have learnt a lot from the Network. It has taught me how to separate my personal finances and business finances. It has given me the opportunity to be close to my community and giving back to them.

To allocate their primary health care service’s needs. To be independent, leader and a successful businesswoman gives me an opportunity to provide private, quality and affordable to the Khutsong community where I was born and bred giving me the opportunity to change their lives.”

- Sister Miriam Sekano
Unjani Clinic Khutsong

Wellness clinics – Road Freight Association

Poverty, human migration and the mobile nature of the road freight industry make it challenging for long distance truck drivers to maintain healthy lifestyles. The high prevalence of HIV/AIDS and other life-threatening diseases among truck drivers has a marked impact on the logistics industry and places economic and social strain on the transport sector.

The Trucking Wellness Programme is a programme initiated by the National Bargaining Council for the Road Freight and Logistics Industry with membership of four unions, representing the road freight and logistics workforce, and the Road Freight Employers Association, representing employers within the Road Freight industry.

Imperial has played a major role in the Wellness Committee, which was established at the National Bargaining Council for the Road Freight

and Logistics Industry in 1990. This Wellness Committee manages the Trucking Wellness Programme as well as the Wellness Fund established to treat employees who are HIV/AIDS positive. This programme is a collaboration of private and public partnerships that solidifies its success, making it sustainable in the long term.

About 26% of South African truck drivers have HIV/AIDS compared to about 56% prevalence reported in 1999.

Annual contributions from Imperial, which include a 1% contribution from Imperial and 1% from employees, to the Trucking Wellness Programme, amounted to R17,7 million in F2019 and R17,3 million in F2020, which went towards three of the existing 22 Roadside Wellness Centres.

Roadside Wellness Centres are fully equipped clinics staffed by registered nursing sisters and include training facilities with peer educators.

These contributions also go towards the treatment of HIV/AIDS positive employees.

The Trucking Wellness Programme has developed a sustainable model of primary healthcare delivery to this high-risk population. The programme aims to shift focus from mere prevention to integrated wellness. Aimed at truck drivers and women at risk, the Roadside Wellness Centres at truck stops along major routes operate mostly after hours and at night. Mobile wellness centres are also used to bring healthcare to workplaces during working hours, providing free of charge services, including HIV/AIDS awareness and education, STI treatment, primary healthcare, condom distribution, voluntary HIV testing with referrals to appropriate treatment service providers for secondary care and antiretrovirals.

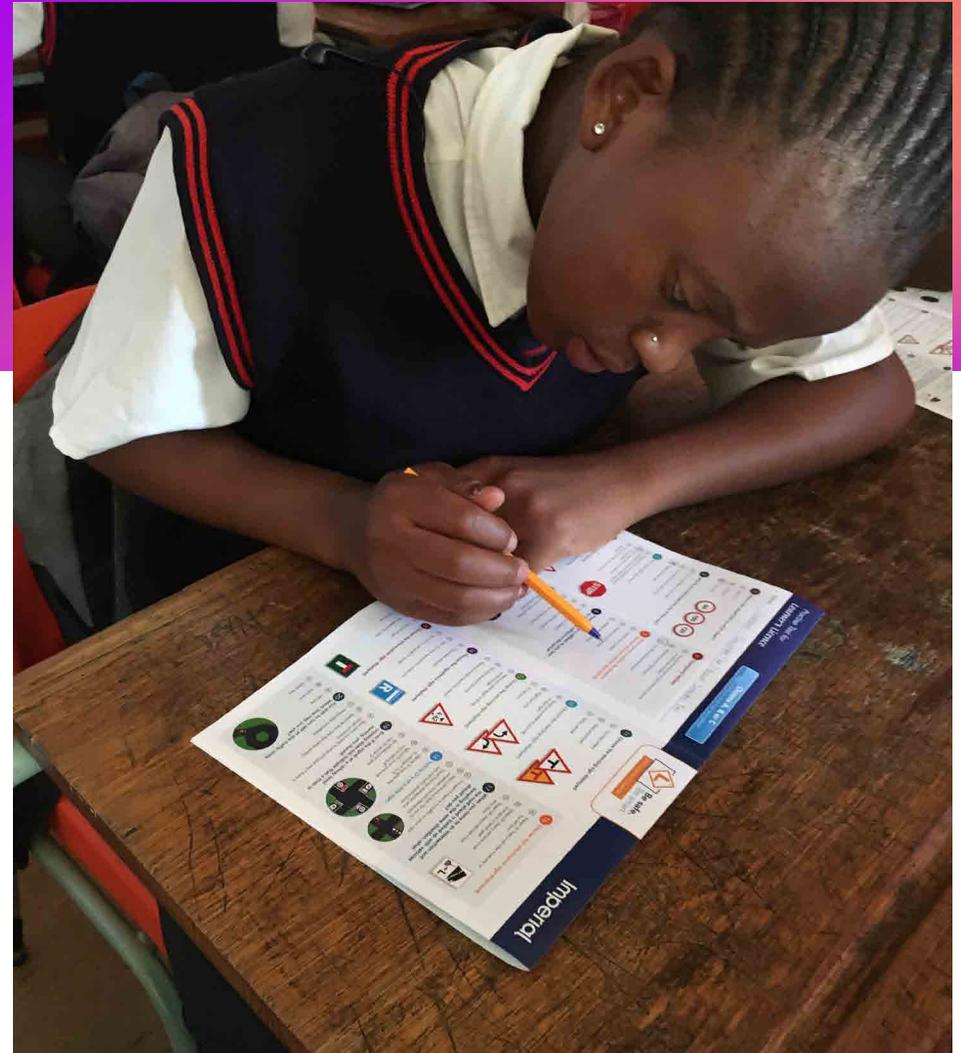


Education CSI

Imperial's principle of lifelong learning and growth extends beyond its employees to its CSI initiatives.

Partnerships with schools such as the Imperial and Motus Community Trust and educational institutions aim to increase literacy rates among the youth by enhancing reading and comprehension skills.

South Africa's road fatality rates make it imperative to increase road safety awareness, especially in the younger sections of the population. Imperial collaborates with schools to increase child awareness about road safety through educational and informative sessions and hosts drives to increase road safety awareness among the broader public.



The Imperial and Motus Community Trust

The Imperial and Motus Community Trust, established in 2003, assists selected resource-constrained schools, primarily in Gauteng, in providing learners with well-balanced education by establishing school libraries, training librarians to manage the facilities and running reading programmes. The Trust works together with the National Department of Basic Education to identify schools which will benefit most from libraries.

The impact of this education goes beyond increasing literacy levels as it prepares the youth for meaningful work opportunities by providing them access to a variety of experiences through books and activities such as book clubs, book quizzes and spelling competitions. Each child must attend compulsory reading periods each week and reading levels are tested periodically.

As a founding contributor, Imperial has contributed to the Trust since 2003. In F2020, Imperial (and Motus) committed to contributing R5 million annually for the next five years.

The Trust aids the learning in these schools by setting up a fully functional library, equipped with thousands of age-appropriate books across varied genres, laptops for learner use and a laptop for the teacher, as well as furniture. The contribution of the Trust extends to ensuring that these libraries are kept clean and hygienic. Learning is re-enforced through annual additions to the resources. The learners also participate in activities sponsored by the Trust.

The Trust impacted the lives of at least 138 493 learners, teachers, employees, and their families in F2019, and 165 971 in F2020. These libraries have resulted in a noticeable improvement in the learners' reading ability, confidence and comprehension.

“The library has made a huge impact I my life since 2018 my reading and writing skills has improved as the library have educational books that teach us about life lessons and how we grow through reading. It gives me peace of mind knowing that I have a place where I could study quietly and pursue my dreams.”

- Gracia Kalwe
Grade 11 learner



In addition to the learners, the library project provided meaningful job opportunities for 67 recent matriculants who work as librarians (F2020) across these communities. In some cases, these jobs as librarians have created opportunities and opened the door for other jobs. They also double-up to improve the literacy levels within their own communities.

The impact also extends to small suppliers and partners who support in establishing the libraries and enable access to the various resources at these centres. Two small businesses, providing signage and building services, have also been able to grow as a result of the initiative.

More than 100 jobs are being supported through the Trust, with an estimated GDP uplift of R19 million in F2020. In addition to Imperial's annual contributions, R410 000 in donations were also made in F2020.



“Over the years the library has always been helpful for both learners and teachers at John Orr. It has become a space for like-minded learners to meet and engage in reading. As an educator, the library has helped me to instil a culture of reading among my learners and to effectively teach poetry and literature. With the emerging Fourth Industrial Revolution, It has always been my fear that the culture of reading printed media would fade, but I have found that our library is one of the places wherein traditional reading culture and be encouraged and preserved.

Among the many activities that take place in the library such as reading aloud, spelling bees, and book reviews, teaching and learning also takes place. The library compels learners to self-discipline and behave orderly because of the rules that govern therein.”

- Sir Maphike
English educator

Road Safety Association

The Road Traffic Management Corporation reported 12 503 road fatalities in 2019 – this is an average of 34 people per day. 21% of these fatalities were children under 20 years old.^{ix}

The Road Safety awareness programme, run in partnership with Active Education and the Department of Basic Education, is intended to increase awareness of road safety among primary school children through a combination of educational and informative sessions, and through engaging activities. Children were taught about proper and effective road usage as pedestrians, and sound road safety habits including buckling up, looking out for traffic, distracted driving and scholar patrols. A road safety song was also produced to be top-of-mind for children before they cross the road. Reflective sashes were given to children to fulfil the task of a 'walking seatbelt' and schools made these a mandatory part of the school uniform.

Imperial works with primary schools to increase awareness about road safety by increasing their attentiveness while walking on roads, including the use of interactive songs, and supports in improving visibility on roads by distributing reflective sashes to children. The initiative is also designed to teach scholars about the importance of using seat belts and adhering to capacity limits in public and/or school transport. Feedback from school principals suggest that fatalities across schools within the programme have been reduced by about 85-90%.





Since its inception, the initiative has reached more than 1 600 schools, increasing awareness among close to 1,4 million students.

In F2019, benefiting from R200 000 in donations, the initiative was extended to a further 85 schools, reaching 60 751 new students. In F2020, COVID-19 lockdowns significantly reduced the programme's reach; nonetheless more than 20 000 students were still reached (with a total estimated impact of approximately 60 000 lives because of the ripple effects of the programme). It is further estimated that at least 2 lives were saved in F2020 as a result of the Road Safety Programme. Imperial invested R1,5 million in the road safety initiative in F2020.

“Before this campaign started the main road could almost be considered a “gathering” place where many children went to “find” their friends. As a result, accidents involving minors playing on the main road were far too frequent

Therefor we are pleased to be able to report that the campaign took place, to the best of our knowledge there has not been a single vehicle accident on the R63 to date that was a result of a child playing on the road.”

- Elizabeth Labuschagne
(Chairperson of the Board)
Langkloof Helping Hands NPO



Safety CSI

Imperial's emphasis on safety reaches beyond Imperial to the communities in which it operates.

The impact of the road safety campaigns extends beyond education at schools, as Imperial runs specialised campaigns across communities. Some such campaigns have already been discussed in the prior section under the Road Safety Association section. Others include the on-going "Be safe, Be smart" campaign, road safety awareness initiatives for the public and car seat campaigns.

Be Safe, Be Smart

Imperial has an on-going road safety awareness initiative called 'Be Safe, Be Smart' which is designed to increase awareness about safety practices through a series of outreach activities. This includes initiatives in schools, at community gatherings and Festive Season campaigns along key routes (e.g. between Johannesburg and Durban).



Festive Season campaigns include engagements with truck drivers and holiday makers, kids' zones with obstacle courses and mascots, and giveaways of stickers, brochures, water bottles, cellphone holders and iPledge cards. The campaign is also shared on social media to increase awareness.

"The School Governing Body (SGB), School Management Team (SMT), all staff members of the above mentioned school wish to thank Imperial, **Be safe Be smart team** for their well-informed, relevant and up to date presentations they have done at our school date. There is a significant **decrease** in number of road fatalities involving our learners since they started with their awareness campaigns in our school. Our learners are better equipped with the knowledge and skills on road safety.

We wish to have a lasting relationship with Imperial **Be safe Be smart**, to keep on equipping our learners."

- Mr M.S. Tsotetsi
Acting Principal, A.B. Xuma Primary School





Festive season

Road Safety Awareness

R188 025 F2020 spend

102 309 lives impacted through social media and in-person

Be Safe, Be Smart

Road Safety K53 Learners' Licenses

Support for older learners in preparing for and obtaining their Learners Licenses, thus supporting efforts to improve road safety



Blind spot education

Demonstrations to show children and drivers the extent of blind spots for truck (and bus) drivers.

A 2-day campaign was run within the Dinokana Community.

7 primary | **Over 3 000** participants

COVID-19

Sanitisers and dispensers

Sanitisers and dispensers were installed at schools to help students protect themselves from COVID-19.

From June 2020 to April 2021:

50 schools, **41,150** learners

1,250 litres sanitiser, **500** dispensers



Drunk goggles

Demonstrations at Wanderers Cricket Stadium with drunk goggles.



Be safe, Be smart

COVID-19 Roadshow

In F2020, this roadshow was created to promote safe hygiene precautions, driving awareness of COVID-19 safety measures (such as washing and sanitising hands, use of face masks, coughing and sneezing)

From June 2020 to April 2021:

145 schools, **22,093** learners etiquette



Car seats for Kids

A campaign aimed at driving awareness around the correct use of car seats and child restraints and encouraging parents to donate their used car seats to families who can't afford one.

Donated car seats are reupholstered, safety checked and cleaned before being distributed.

The initiative initially ran from 2012 to 2017, with around

8,000

car seats donated.



It restarted in F2021 and

99

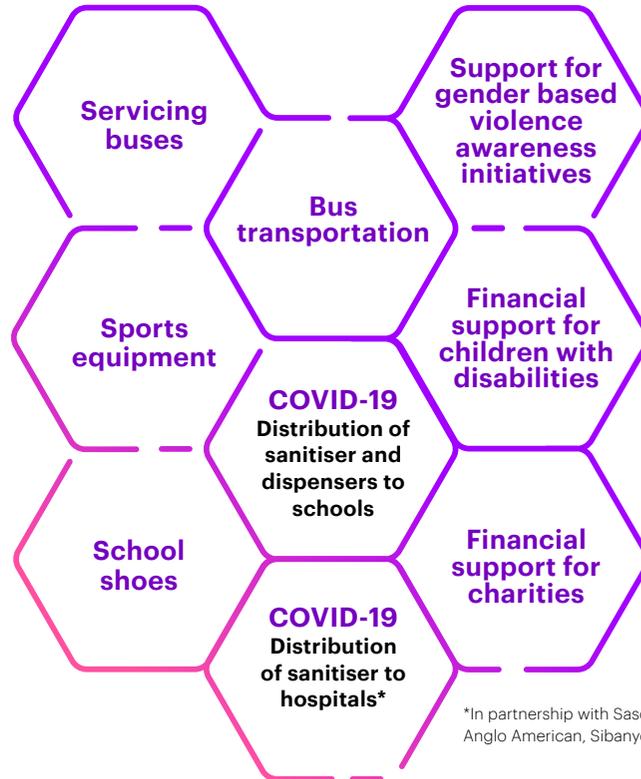
car seats were distributed.



Donations

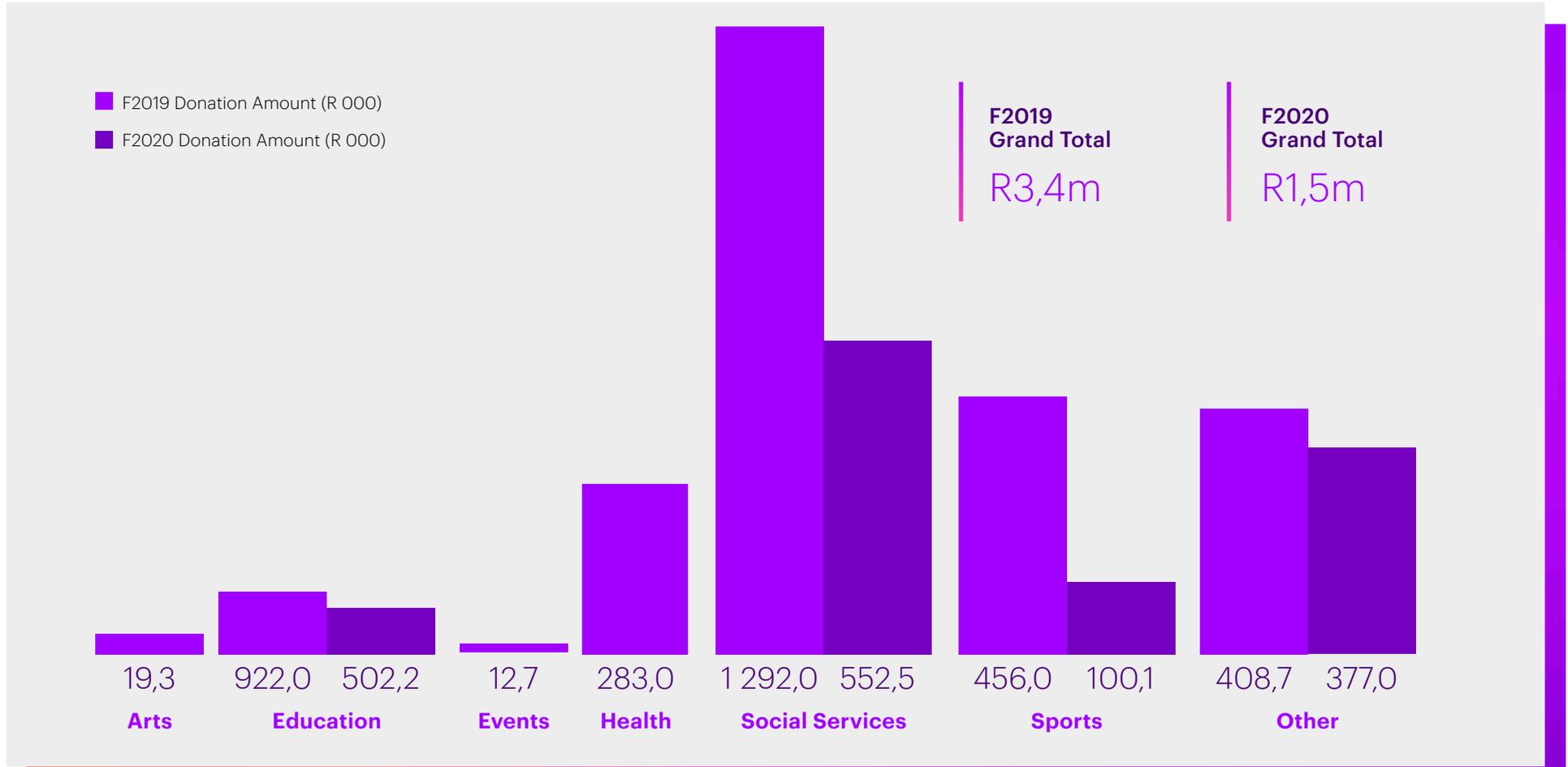
Imperial provided financial support and need-based donations to reputable organisations and made monetary donations to specific institutions. In F2019, Imperial made donations of R3,4 million and in F2020, R12,0 million (of which R10,5 million was related to COVID-19) worth of donations were made.

Read more [here](#)



*In partnership with Sasol and Anglo American, Sibanye





Combined value of going the Extra Mile

Imperial goes the Extra Mile and touches lives of those in the communities in which they work.

	Value Areas (R millions)	
	Value to Society	Value to Partners
F2019	212	27
F2020	234	28
Cumulative	446	55

In Going the Extra Mile, Imperial contributes to the UN Sustainable Development Goals which relate to good health and well-being (Goal #3), quality education (Goal #4), gender equality (Goal #5), decent work and economic growth (Goal #8), reduced inequality (Goal #10), and partnerships for the goals (Goal #17).

Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: “A prosperous Africa based on inclusive growth and sustainable development” which includes well-being and education as goals, and the sixth aspiration: “Development is people driven, relying on the potential offered by people, especially its women and youth and caring for children.”



Conclusion

Reflecting on the five key themes assessed, Imperial's Greatest Asset; 'Gateway to Africa'; Beyond Imperial; Go Digital, Go Green; and Going the Extra Mile, it is clear that Imperial strives to prioritise its focus on people, planet and profit.

A for-profit organisation, Imperial creates and supports meaningful job opportunities, provides its clients, principals and customers with profitable growth opportunities while consciously investing in reducing its environmental impact. Through its operations, Imperial has successfully created value for society, its partners, the logistics industry and market access.

Table 6: Cumulative value added over F2019 and F2020

Value (R millions)	Society	Logistics Industry and Market Access	Partners	Total
Imperial's Greatest Asset	25 483		1 015	26 498
'Gateway to Africa'	4 706	30 101	74	34 882
Beyond Imperial	13 951	9 966	12 269	36 185
Go Digital, Go Green	11			11
Going the Extra Mile	446		55	501
Total	44 596	40 067	13 413	98 077

Note: Numbers may not sum exactly to totals due to rounding.



CONCLUSION

While Imperial is a pan-African company, this report focuses on South Africa and, in particular, its Logistics Africa business, which serves the healthcare, consumer, automotive, chemicals and industrial and commodity industries.

During F2019 and F2020, Imperial created a significant impact in South Africa, both financially and in non-financial ways including providing millions of South Africans with access to quality products, funding training and skill development programmes, supporting small and medium businesses, providing access to affordable healthcare, among others. We estimate that the total quantifiable value across all value areas and all five themes is a remarkable **R98 billion, about 28x the total EBITDA generated in South Africa between F2019 and F2020**. More than 45% of this total value accrues to society in the form of disposable incomes, GDP uplift and contribution to the fiscus.

Imperial's operations have a far-reaching impact beyond its own business. This is reflected by 37% of the total quantifiable value being attributed to the **'Beyond Imperial'** theme, i.e. Imperial's external

stakeholders. This includes the value that Imperial generates for over 2 000 sub-contractors, the suppliers and service providers and the government.

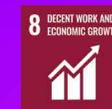
Imperial's success is attributed to its people, **Imperial's Greatest Asset**. It makes significant investments in encouraging lifelong learning and development, creates a nurturing environment and advocates for inclusion and diversity at the workplace. Imperial directly and indirectly supports approximately 28 000 jobs each year.

As a responsible corporate citizen, Imperial contributes to the development of its communities through strategically aligned and impactful CSI initiatives. Through its CSI initiatives, Imperial affects an estimated 796 624 lives annually.

Imperial is resilient in South Africa because it is well entrenched, yet dynamic and forward-looking, with a commitment to connecting South Africa. Imperial uses its Greatest Asset to serve as the 'Gateway to Africa', with a focus on opportunities to Go Digital and Go Green, reaching Beyond Imperial and Going the 'Extra Mile'.

Imperial's contributions and impact have also been reviewed considering the UN SDGs and the African Aspirations for 2063. **The key goals and aspirations upon which Imperial has had an effect are:**

UN SDGS



African Aspirations

1. A Prosperous Africa
2. An integrated continent, politically united
3. A continent of opportunity
4. A continent of innovation
5. A continent of peace and stability
6. Development is people driven, relying on the potential offered by people, especially its women and youth and caring for children



Appendix

Imperial South Africa and B-BBEE

B-BBEE is a national strategy that seeks to create an equitable and sustainable South Africa in which the Black people (African, Coloured, Indian and Chinese origin people) can participate meaningfully in the mainstream economy.

“The Broad-Based Black Economic Empowerment (B-BBEE) programme provides a legislative framework for the transformation of South Africa’s economy. The Broad-based Black Economic Empowerment Act, [No. 53 of 2003], as amended, aims to advance economic transformation and enhance the economic participation of black people in the South African economy.”

– South African Government*



B-BBEE Overview

A company’s B-BBEE level is dependent on its overall score, which, in turn, is based on the points achieved in each development area. Acknowledging the nuances of different industries and sectors, several sector codes and industry scorecards also exist. The Road Freight Sector scorecard looks at the following development areas:

Equity Ownership	Management Control	Employment Equity	Skills Development	Preferential Procurement	Enterprise Development	Socio-Economic Dev.(CSI)
Weighting: 20	Weighting: 10	Weighting: 15	Weighting: 15	Weighting: 20	Weighting: 15	Weighting: 5
Focus on ensuring that equity is redistributed	Focus on equitable management control; includes employment equity and management control	Focus on employment equity across a variety of groups	Focus on skills development for employees who are black and/or female and/or disabled	Procurement from B-BBEE compliant suppliers and qualifying small enterprises	Enterprise development contributions and sector-specific programmes	Commitments directed towards socio economic development; focused on income-generating activities and sustainable access to the economy
Criteria: Voting rights and economic interest	Criteria: Board participation, top management, senior management, middle management & disabled employees	Criteria: Black disabled employees, split between skilled and unskilled employees, Black and female employees at various levels	Criteria: Black, female and disabled beneficiaries; expenditure	Criteria: Spend across B-BBEE suppliers, qualifying small enterprises, black and women owned enterprises	Criteria: 3% of NPAT	Criteria: 1% of NPAT

B-BBEE at Imperial

Imperial's vision is “to enable Imperial Logistics SA to be recognised as one of the most transformed company that contributes to meaningful economic transformation in South Africa.”

Imperial is a purpose-led organisation actively seeking opportunities and partnerships to create value for all stakeholder groups. An important component of this is its commitment to transformation and to implementing B-BBEE reforms across the business.

Imperial recognises the importance of advancing economic transformation across South Africa from a moral perspective and is also cognisant that its B-BBEE rating benefits the company and its clients. Imperial's brand image, its brand as an employer of choice and its ability to attract and retain talent are strengthened by its commitment in driving transformation. Its score also increases Imperial's competitiveness for new clients and benefits existing clients and principals because, as a supplier, Imperial's ratings affect their scorecards.

This commitment is visible in its rating: Imperial achieved a Level 2 B-BBEE rating against the Road Freight Sector scorecard in both F2019 and F2020.

[View Imperial's B-BBEE certificate here](#)

In working to advance economic transformation and complying with B-BBEE requirements, Imperial takes a multi-pronged, collaborative approach.

The CEOs and managing directors of all Imperial companies in South Africa are accountable for the performance of their businesses, including adherence to B-BBEE guidelines, with incentives linked to transformation progress.

Looking at Imperial's Greatest Asset (its people), it is focused on driving transformation with key initiatives aimed at closer alignment between Imperial's leadership profile and South Africa's demographics. This includes transforming its workforce and incorporating diversity into the business.

Beyond Imperial, Imperial works with clients, partners, suppliers and the public sector to drive progress. It is involved in discussions with sub-contractors and suppliers on their B-BBEE ratings, minimum requirements and opportunities to improve. In F2019 and F2020, Imperial supported SMMEs through two flagship programmes - the Sinawe Fund and the Unjani Clinics network - and various other initiatives aimed at supporting these small and medium businesses. It also continues to create opportunities for people within the regions in which it operates.



APPENDIX

Table 7: Preferential procurement spend analysis

Indicator	F2019 spend (R billions)	%	F2020 spend (R billions)	%
Total measured procurement spend	9,0		9,0	
Weighted PP spend with all BEE compliant Suppliers	9,4	71%	9,7	70%
PP spend with all QSEs & EMEs	2,9	22%	2,9	21%
PP spend with all 51% black owned enterprises	3,7	28%	3,9	28%
PP spend with all 30% black women owned enterprises	1,1	8%	1,3	9%

In F2020, Imperial invested over R25 million in ESD initiatives, including minority investments in companies as well as provision of interest-free loans. These contributions, in addition to the financial support to conduct business, also unlocked R2 million in interest cost savings.

Going the Extra Mile, Imperial is also driving transformation through its CSI initiatives, particularly the Unjani Clinic network, and its investments in healthcare and education.

In F2020, the Unjani Clinics initiative impacted over 300 000 lives, created more than R100 million value for society in the form of cost savings and GDP uplift, supported more than 100 jobs and created over R15 million value for suppliers and partners.

In striving to continually drive transformation and improve its rating, Imperial's priorities are to:

Drive employment equity targets at management levels and develop the skills of black people

Achieve 25% of total procurement spend with 50% black-owned businesses and 7% of total procurement spend with 30% black women-owned businesses

Achieve 20% of total procurement spend with qualifying small enterprises (QSEs) and exempt micro-enterprises (EMEs)

Spend 3% of the South African net profit after tax (NPAT) on enterprise and supplier development (aligned to the dti Codes target)

Spend 1% of the South African NPAT on socio-economic development (aligned to the dti Codes target)



Abbreviations

B-BBEE	Broad-Based Black Economic Empowerment
BPI-P	Business Process Insights Platform
CPG	Consumer Packaged Goods
CSI	Corporate Social Investment
DFE	Digital Freight Exchange
ESD	Enterprise Supplier Development
F2019	Financial year 2019 – runs from July 2018 to June 2019
F2020	Financial year 2020 – runs from July 2019 to June 2020
FMS	Fuel Management System
GDP	Gross Domestic Product
GWF	Global Women’s Forum
HEPS	Headline Earnings Per Share
ICAS	Independent Counselling and Advisory Service

JSE	Johannesburg Stock Exchange
KPIs	Key Performance Indicators
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
NBCRFLI	National Bargaining Council for the Road Freight and Logistics Industry
OEMs	Original Equipment Manufacturers
PAYE	Pay-As-You-Earn (income tax)
SHEQ	Safety, Health, Environmental and Quality
SMMEs	Small, Medium and Micro-enterprises
UIF	Unemployment Insurance Fund
UN SDGs	United Nations Sustainable Development Goals
WEF	World Economic Forum
VAT	Value Added Tax



Glossary

Clients	Buyer of capabilities or solutions from Imperial.
Contract logistics	Offering in which Imperial works with clients and principals to integrate logistics functions including warehousing, distribution and synchronisation management into their end-to-end supply chain.
Data lakes	Centralised repository of structured and unstructured data in natural format.
GDP uplift	Increase in GDP as a result of the multiplier effect; calculated as GDP increase (or income/salary) multiplied by the inverse of the marginal propensity to spend and, if applicable, multiplied by a domestic spend multiplier.
LLP services (lead logistics provider)	Offering in which Imperial manages multiple supply chain functions on behalf of its clients and principals. Typically, a contract logistics relationship that is at the height of its maturity.
Market Access	Offering in which Imperial takes ownership of product inventory, thus providing clients and principals with access to end-customers through an integrated logistics and sales service.
One Imperial	Imperial working collectively as a provider of integrated, end-to-end market access and logistics solutions that deliver simplicity, flexibility and visibility to clients and principals.
Partners	Third parties such as subcontractors, with which Imperial partners to form an ecosystem, to serve clients and principals.
Principals	Brand owners, manufacturers or commercial sellers from which Imperial purchases stock and sells through “Route to Market Solutions.”
Road freight	Offering in which Imperial manages the transport of goods on behalf of clients and principals.



Assumptions

In building the socio-economic model, the following assumptions were made:

1. GDP Multiplier:

The spend multiplier has been calculated using the marginal propensity to consume of approximately 70%^{xi} which yields a multiplier of 3,33. The domestic spend proxy used is 77%.^{xii}

2. Socio-economic value of fatal accidents:

The socio-economic value of a life has been calculated using the total cost to the economy due to road fatalities and the number of lives lost in road accidents per year. The average socio-economic cost per fatal accident amounted to R4,5 million.^{xiii}

3. Household size:

Lives impacted have been calculated by considering the average household size of an employee in South Africa which is 3,2.^{xiv}

4. Direct and indirect jobs supported:

The number of direct and indirect jobs supported has been quantified using average salaries calculated from Imperial's data and publicly available data.^{xv}

5. Interest savings on loan:

Interest rate on loans is assumed to be 10%^{xvi}, which is reflective of the prime interest rate during F2019 and F2020.

6. Environmental harm:

The impact of greenhouse gases on the environment is quantified using the cost of carbon which is estimated at \$50/tonne.^{xvii}

7. Cost savings for patients at Unjani Clinics:

Savings are quantified using a combination of cost and time savings. For patients in urban areas, it is assumed that 20% would use a private clinic or hospital (at R450 per consultation) in the absence of Unjani Clinics (at R200 per consultation). It is also assumed that patients will save time because of shorter waiting times at clinics (4 hours less) and reduced travelling time for those living in rural areas (4 hours less).

8. Lives impacted through the use of the Wellness Clinics:

Each time a patient is tested positive for HIV, it is assumed to impact the lives of future sexual partners as awareness of the HIV status would hopefully encourage increased caution and reduce transmission. It is assumed that on average, each person will have 12 partners throughout a year. It is also assumed that the distribution of condoms will prevent the spread of disease, and impact lives of those using condoms, and their partners, in a positive way. It is assumed that an individual will be sexually active 54 times a year.

9. Lives saved:

A road related fatality rate was determined using the number of lives lost due to road accidents, and the number of people travelling during a defined period. The fatality rate per person travelling during the festive season is estimated to be 0,01%. Child deaths near schools were also translated into a fatality rate using number of school children and road related deaths close to school grounds. The probability of child fatality while walking is estimated at 0,016%.



Sources

Accessed in May 2021

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- viii NCBI; [Challenges of quality improvement in the healthcare of South Africa post-apartheid: A critical review](#)
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With thanks to **Imperial**

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