IMPERIAL AND SUSTAINABLE DEVELOPMENT 2014

IMPERIAL™

SUSTAINABLE DEVELOPMENT REPORT 2014

REPORT APPROACH AND OBJECTIVES

This report for the year ending 30 June 2014 is the third sustainability report produced by the Imperial group. Imperial publishes a separate Sustainable Development Report with two clear objectives in mind.

Our **first** objective is to explain what sustainable development means for Imperial.

The group has significant scale within its home market of South Africa, and a growing footprint in the rest of Africa, Europe, South America, the United States and Australia. It employs almost 52 000 people who generate revenues in excess of R100 billion through five major divisions.

FOR MORE INFORMATION
Refer to the group overview and strategic intent on pages 10 to 13

These divisions operate under separate management structures to enable decentralised entrepreneurial creativity within the group's clearly-defined strategic, capital, budgetary and governance principles.

In light of the scale and influence of the group, we believe we have a responsibility to clearly explain the economic, social and environmental impacts of the group's businesses, and the strategies adopted in respect of sustainable development issues. We have done this by selecting and reporting on initiatives in six key focus areas.

Our **second** objective in producing a separate Sustainable Development Report is to foster learning and the exchange of ideas across the various parts of the group. We recognise that employees and prospective employees are two of the most important audiences for this report. Case studies highlighting good practice areas throughout the group are therefore included to encourage employees to consider the relevance of these initiatives in their own areas of work. Information in this report is also used by employees on a daily basis to provide information on the group's social and sustainable development initiatives to external stakeholders.

To achieve both of these objectives, the report is designed to be very readable and accessible, highlighting our experience and actions in sustainable development at an everyday level in six key focus areas. Our underlying premise is that sustainability is not separate from, but part of the Imperial DNA and the way we do business.

In compiling this report, the group reviewed the integrated reporting framework of the International Integrated Reporting Council (IIRC) and the reporting guidelines of the Global Reporting Initiative (GRI). This report includes many disclosures from the G4 Sustainability Reporting Guidelines, and the organisation is moving towards core compliance with these newly-introduced guidelines over the short to medium term. An online copy of this report, together with a GRI content index, listing the GRI G4 indicators reported, is available at **www.imperial.co.za**.

This Sustainable Development Report was published on 30 September 2014.

REFERENCE ICONS IN THIS REPORT

FOR MORE INFORMATION
This icon refers readers to related information in the Integrated Annual Report and in this report

ONLINE
This icon refers readers to supplementary information online at www.imperial.co.za

CASE STUDY
This icon refers to case studies illustrating aspects of Imperial's sustainability initiatives

CONTENTS

02 | Performance highlights and awards
06 | Leadership messages
10 | Group overview
12 | Strategic intent
14 | Imperial's focus areas in sustainable development

- 18 | People
- 26 | Job creation
- 32 | Safety
- 40 | Fuel efficiency
- 50 | Environmental and business footprint
- 58 | Social and developmental benefits of our business

64 | Sustainability data for the 2014 financial year

CASE STUDIES

PEOPLE
Europcar South Africa pilots Foundational Learning Competence (FLC) for employees 24 |

JOB CREATION
Unjani Clinic Initiative progress report 29 |

SAFETY
I-Pledge campaigns during 2014 36 |

FUEL EFFICIENCY
Transformation to a green supply chain in Logistics Africa 43 |
Logistics International puts energy efficiency measures in place throughout the business 46 |

BUSINESS AND ENVIRONMENTAL FOOTPRINT
Vehicle dealerships reduce their environmental footprint 55 |

SOCIAL AND DEVELOPMENTAL BENEFITS
Getting quality medicines to the people of Africa 62 |

SUSTAINABLE **DEVELOPMENT** > PERFORMANCE HIGHLIGHTS AND AWARDS

TRAINING SPEND IN 2014 WAS JUST OVER **R170 MILLION** OR

R3 296 PER EMPLOYEE

WATER USAGE DECLINED **2%** to

1 710 520 kL

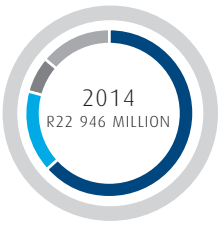
FUEL USAGE DECLINED **4%** TO

259 025 kL

TOTAL EMISSIONS DECLINED **8%** TO

1 085 048 tCO_2

DISTRIBUTION OF VALUE CREATED



- 64% Salaries, wages and other benefits
- 14% Providers of financial capital
- 7% Government in form of taxes and levies
- 15% Reinvestment to maintain and develop operations

- 61% Salaries, wages and other benefits
- 17% Providers of financial capital
- 7% Government in form of taxes and levies
- 15% Reinvestment to maintain and develop operations

DURING THE YEAR UNDER REVIEW:

> **960 ARTISANS** WERE TRAINED IN 2014 THROUGH THE IMPERIAL TECHNICAL TRAINING ACADEMY (ITTA) NETWORK, WHICH IS RECOGNISED AS THE LARGEST PRIVATE TECHNICAL TRAINING PROVIDER FOR TRADES IN SOUTH AFRICA

> THE **IMPERIAL LOGISTICS ACADEMY** WAS ESTABLISHED AND ACCREDITED AS AN INSTITUTE OF EXCELLENCE BY THE TRANSPORT EDUCATION TRAINING AUTHORITY

> WATER RECYCLING AND SAVING INITIATIVES WERE PUT IN PLACE ACROSS THE GROUP. IN THE CAR RENTAL BUSINESS ALONE, APPROXIMATELY **35 MILLION LITRES OF WATER HAVE BEEN SAVED SINCE 2011 THROUGH THE USE OF RECYCLED WATER AT MAJOR FACILITIES IN SOUTH AFRICA.**
ECO MOBILE CAR WASHING UNITS INTRODUCED IN CAR DEALERSHIPS REDUCE THE VOLUME OF WATER REQUIRED TO JUST ONE LITRE PER WASH

AWARDS IN 2014

The Imperial group was awarded the Top Employers South Africa 2014 certification by the Top Employers Institute.

The Logistics Africa division received one gold and three silver Logistics Achiever Awards for:

- An intervention in South African Breweries' below-the-line-value chain (gold award)
- The development of a new outbound logistics process for Sasol Oil (silver award)
- Turning around a previously underutilised and inefficient depot at Exarro (silver award)
- Developing a world-class HSE practice for Shell SA (silver award)

The division was also awarded the Supply Chain Educator Award and the African Access National Business Award in the logistics category.

In the Imperial Shipping group, part of the Logistics International division, 22 vessels (five of them gas tankers) were awarded the Green Award Certification for high-level performance in the areas of quality, safety and environmental protection. The neska branch in Mannheim was awarded the best BASF external warehouse. BASF is a major international chemical company based in Germany. In the vehicles businesses, the following dealerships won Dealer of the Year awards in their various categories:

AUDI CENTRE AIRPORT
IMPERIAL NISSAN
IMPERIAL RENAULT
IMPERIAL COMMERCIALS UK
IMPERIAL HONDA WEST RAND

LINDSAY SAKER IN ALBERTON RECEIVED **THE CLUB OF EXCELLENCE AWARD FROM VWSA IN 2014**, AS WELL AS THE **CUSTOMER CENTRICITY AWARD** AND THE **FIRST PLACE SERVICE CSI** AMONG CATEGORY B DEALERS

IN THE CAR RENTAL BUSINESS,
EUROPCAR
WAS VOTED AFRICA'S
LEADING CAR HIRE COMPANY
AT THE WORLD TRAVEL AWARDS

IMPERIAL TOYOTA
HEAD OFFICE WON THE
TOP PERFORMING GROUP MD AWARD
AT THE **TOYOTA SA PRESIDENT'S AWARDS**

IMPERIAL TOYOTA
IN STRIJDOM PARK WON THE
BEST PERFORMING MEDIUM DEALERSHIP
AT THE **TOYOTA SA PRESIDENT'S AWARDS**

EUROPCAR BRANCHES AT OR TAMBO INTERNATIONAL AND KING SHAKA INTERNATIONAL WON
ACSA FEATHER AWARDS **FROM THE AIRPORTS COMPANY SOUTH AFRICA**

IMPERIAL
SHIPPING GROUP

IMPERIAL
IMPERIAL

MESSAGE FROM MARK LAMBERTI

HIGHLIGHTS

REVENUE GREW **12%** TO
R104 BILLION

OVER
R170 MILLION
SPENT ON TRAINING AND DEVELOPMENT

TOTAL CARBON EMISSIONS DECREASED **8%** TO
1 085 048 tCO_2

Exactly a decade ago, in a different leadership context, I wrote:

"Since my earliest days in business, I have rejected the notion of shareholder supremacy. Clearly the rights of ownership must never be undermined, but equally owners cannot profit at the expense of others who are directly or indirectly associated with the enterprise. More practically, every disaffected stakeholder has the ability to damage the enterprise or to limit its progress, and their reasonable expectations must therefore be addressed. Thirdly, while business is not democratic, the context of modern democracy demands transparency, accountability, and stewardship from all entrusted with assets or power. Finally, it is trite to suggest that business should simply pay taxes on today's profits and leave government to deal with broader society tomorrow – this is an abdication of a leadership obligation in respect of specific societal concerns in a particular business or industry.

Against this background we welcome and embrace reporting and action that ensures the alignment of our corporate behaviour with the long term interests of all stakeholders."

Today these words hold true for Imperial; a multinational group operating in challenging competitive and socio-economic conditions in 29 countries on five continents. With revenues having exceeded R100 billion for the first time this financial year, we are acutely aware that our impact on a wide range of stakeholders is significant. Reporting on issues that touch them is of such importance that we do so in a separate report for the third consecutive year.

Imperial's strategic, leadership, operational, financial and governance imperatives must continue to evolve in concert with the more demanding environment the organisation faces. Our strategies as a parent must be more supportive and precise in adding value to subsidiaries, which themselves must be clear about the aggression and durability of their competitive positions. Our leadership pipeline must be strengthened and transformed to enhance succession and diversity. Our operations must reach new standards of efficiency and productivity in a digital world. Our financial performance must ensure adequate risk adjusted returns as we enter less developed jurisdictions. And our governance structures must resist bureaucratic paralysis as they respond practically to an increasing regulatory burden in more countries.

These are the cornerstones of Imperial's sustainability, which will be assured by our focus on the six major areas relevant to our businesses as covered in this report: people; job creation; safety; fuel efficiency; our environmental footprint and the social and developmental benefits that flow from our specific business activities. Integration is the key. The capabilities and resources devoted to sustainability are part of, and not an adjunct to, our everyday efforts.

This report seeks to provide stakeholders with insight into our progress on the journey of creating a more sustainable corporation and with the measurement thereof. We invite comment and advice from all stakeholders on both.

MARK J LAMBERTI

MESSAGE FROM VALLI MOOSA

IMPERIAL AND SUSTAINABILITY

In the planning stages of this report, we asked ourselves whether it was necessary for the group to produce a separate sustainability review, given that we also publish a comprehensive integrated report.

Our view was that, due to the size of the company and the scale of our presence in the logistics and vehicle value chains, we have a responsibility both to manage our impact on society, people and the environment proactively, and to engage in open discussion on how we do this.

In such a diverse group, the report can also serve another function, which is to ensure that we filter information on the company's sustainability initiatives through the group and promote learning and best practice among the various parts of our business. As diverse as the group is – in terms of sector presence, geography and people – the opportunities to improve performance by informing stakeholders about successful initiatives in the group are still significant.

Imperial's approach to sustainability is best summed up by our actions. Even small wins, such as changing the kind of lighting we use in our warehouses and dealerships, making training available to all of our employees, washing cars in our dealerships with recycled water and driving in a way that is safer and more fuel efficient, have an impact because of the size and scale of the group.

Some facts about Imperial's economic, social and environmental impact illustrate this point:

- In 2014, the group sold over 200 000 vehicles through dealerships in southern Africa, Australia and the UK
- 655 million kilometres were covered by the group's fleet vehicles in Africa and Europe
- The group's businesses generated almost R23 billion of value-added revenue
- Of this total, 64% was paid in salaries and benefits to the group's employees
- R170 million was spent in training throughout the group in 2014, more than 700 000 training hours
- Just over one million tonnes of CO_2 was generated by the group, and 1 710 million litres of water were used in its operations globally

ROAD SAFETY

Sadly, seven of the group's employees lost their lives in vehicle accidents during the year and 49 third-party fatalities occurred in accidents involving the group's vehicles.

Road safety is one issue which clearly illustrates that the group cannot function in isolation from society.

South Africa has one of the highest road fatality rates in Africa, with 32 deaths per 100 000 people on the roads each year. Road accidents are the biggest killer globally of young people aged between 10 and 24. With approximately 14 000 road deaths in South Africa each year, the country has one of the highest per capita road death rates among young people in the world.

In response to the challenges we face on road safety, we implemented the now well-known programme, Imperial I-Pledge, in 2011 and continue to expand its reach. In 2014, we focused particularly on child safety. Publicly-available data highlights a terrible statistic – every day at least three children die on South African roads either because they are not seen by motorists or because they are not properly secured while travelling in a car. Key elements of the Imperial I-Pledge initiative therefore focus on scholar safety and the provision of car seats for children, accompanied by a public awareness campaign around the consequences of not using car seats or seat belts for children.

To date, the campaign has seen the re-implementation of scholar patrol programmes in 400 schools in South Africa, the collection and redistribution of over 2 500 car seats and pledges by over a quarter of a million South Africans to commit to road safety. While I-Pledge started as an effort to make Imperial's own employees more aware of road safety issues, its reach has expanded far beyond this original mandate.

HIGHLIGHTS

ALMOST
52 000
PEOPLE EMPLOYED OVER AFRICA, EUROPE, SOUTH AMERICA, AUSTRALIA AND THE UNITED STATES

TOTAL SALARIES PAID:
R14 BILLION
OR
64%
OF WEALTH CREATED BY THE GROUP

The case study on page 36 gives more detail on these efforts and provides an update on the progress made in the Imperial I-Pledge programme during the year.

The use of technology in road safety is increasingly important in our business. We have now embarked on a process where new logistics vehicles are being equipped with cameras as standard, which not only gives valuable information in the event of an accident, but enables us to prevent accidents by continuously monitoring driver behaviour.

TRAINING AND SKILLS DEVELOPMENT

Our focus on training and skills development is driven by an understanding that employees differentiate our business from those of our competitors and enable us to create value – both in the narrowest sense of shareholder value and in the broader sense of value in society.

In simple terms, Imperial focuses on training and skills development because:

- The group is an industry leader and we know and understand that there is a shortage of essential skills in our industry
- Our own employees need to remain skilled to allow our business to perform ahead of the curve
- And finally, like every employer, we carry the responsibility to allow employees access to broader learning and developmental programmes

Our programmes, on which we spend a significant amount of money, over R170 million in 2014, have a positive impact on our business directly, on the industry skills pool and on society. Imperial's almost 52 000 employees are also parents, community leaders, consumers and potential future entrepreneurs. By allowing each of them access to training and skills development programmes, we are therefore not only meeting our own training needs, but are also raising the level of skills and knowledge in our society as a whole, particularly in the area of much-needed artisanal skills.

FOR MORE INFORMATION
on Imperial's approach to people development, refer to pages 18 to 23. See also the case study on Europcar's Foundational Learning Competence programmes on page 24

USING NATURAL RESOURCES RESPONSIBLY

As we mention earlier, we have not lost sight of the fact that small wins can make a difference across a group as large as Imperial. The culture of the business is highly entrepreneurial and the responsible use of natural resources has become an imperative for many of our managers because they see and understand the business and financial benefits. In this way, responsible environmental practices have become embedded in the way we do business, more effectively than if we had created and prescribed group-wide policies and directives.

Instead, each part of the business was asked to establish a reference site which could be used as an example to promote learning and share best practice. In the vehicle division, for example, the Kia dealership in Weltevreden Park became the first fully solar-powered Kia dealership in the world, and one of South Africa's most environmentally-friendly motor vehicle dealerships. It would now be unthinkable for the group to build a dealership without giving consideration upfront to issues such as water recycling, energy efficiency and other sustainability initiatives, with a long term objective of having zero landfill waste.

This approach has given rise to many smaller initiatives at a business unit level, including the introduction of energy-efficient lighting and water-free wash bays, an increase in the use of water recycling and the use of technology to increase fuel efficiency in the Logistics International division. See the various examples given in the case studies in this report.

In conclusion, I would urge each of our employees to read this report and think about what they can do to make sure we continue to do business responsibly, taking into consideration Imperial's role as a major South African corporate and a leader in its sector. This is the way in which we will further entrench the group's leadership position and support the process of changing and modernising the industries in which it is represented.

VALLI MOOSA

CREATING **VALUE** > GROUP OVERVIEW

LOGISTICS AFRICA

This division comprises logistics businesses within South Africa and the rest of Africa. In South Africa this entails the provision of logistics services across the entire supply chain to clients that span almost every industry. In the rest of Africa, the business goes beyond conventional supply chain management to offer route-to-market solutions in consumer goods and pharmaceuticals.

LOGISTICS INTERNATIONAL

This division comprises the European logistics businesses, which provide complete logistics solutions, including contract logistics, warehousing, inland waterway shipping and container port management, contract manufacturing in the chemical industry and related value-added services across European markets. The division is a leading logistics partner to the automobile, steel, aluminium, paper and chemical industries. During the year, inland waterway shipping commenced in South America.

VEHICLE IMPORT, DISTRIBUTION AND DEALERSHIPS

This division imports and distributes exclusively a range of passenger and commercial vehicles, industrial equipment and motorcycles on behalf of original equipment manufacturers (OEMs) (Hyundai, Kia, Renault, etc). Vehicles are retailed through 126 owned dealerships in South Africa and through six dealerships in Australia. In the rest of Africa, the division is targeting the distribution of vehicles with a focus on right-hand drive markets which can be accessed from its South African base. The South African dealerships are distribution channels for the group's financial services, insurance, vehicle servicing and parts businesses.

VEHICLE RETAIL, RENTAL AND AFTERMARKET PARTS

This division's extensive network of franchised vehicle dealerships is the largest in South Africa. Dealerships are also distribution channels for the group's financial services, insurance, vehicle servicing and parts businesses. In the commercial sector, this division owns and operates standalone commercial dealerships in South Africa and the United Kingdom. It also manufactures and sells caravans, canopies and accessories, rents vehicles in Southern Africa, operates the largest pre-owned motor vehicle dealer network in South Africa, as well as panelshops that repair vehicles for the rental fleet, the consumer market and insurance companies. The aftermarket parts business is involved in the wholesaling and distribution of vehicle parts and accessories.

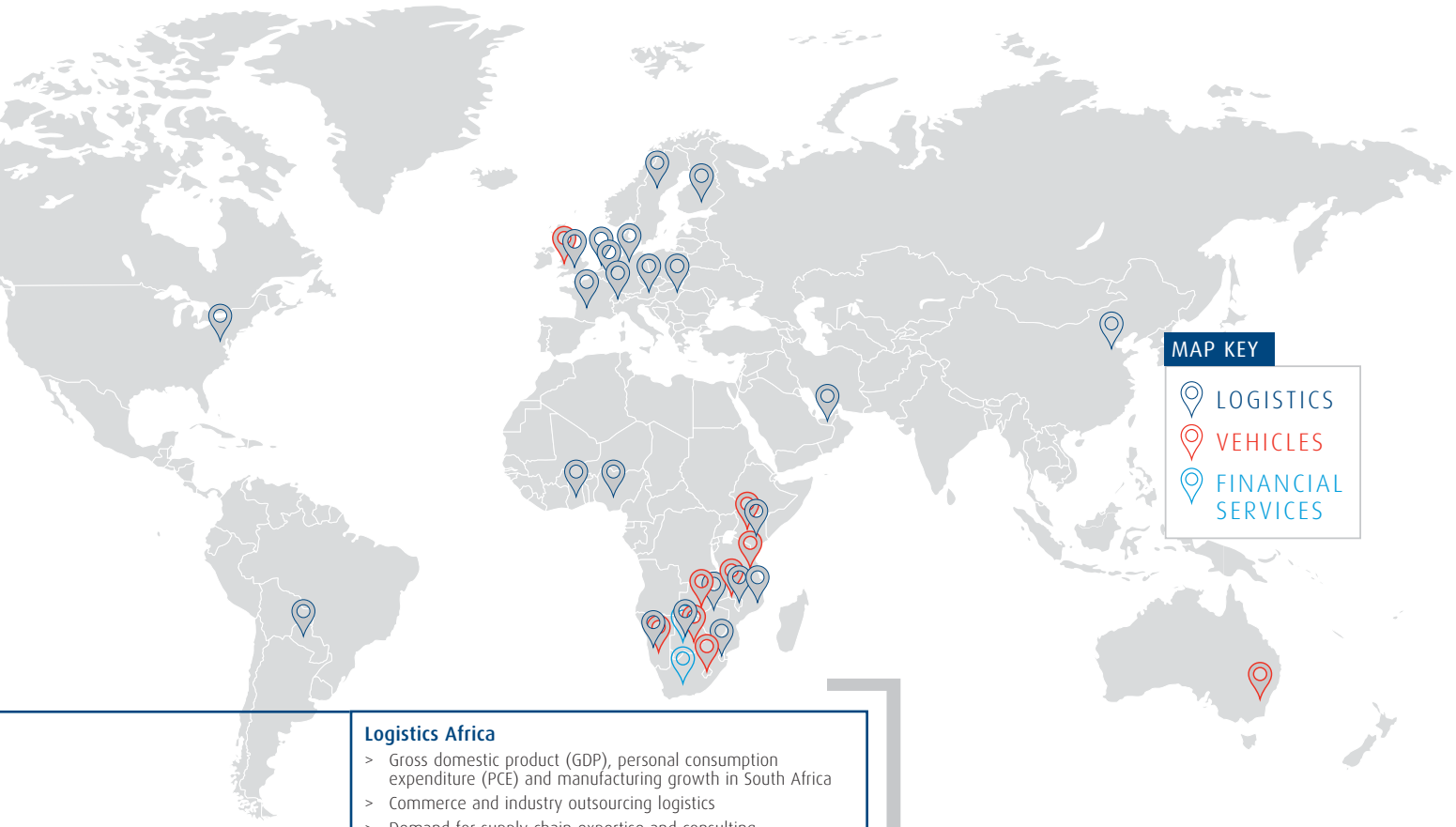
FINANCIAL SERVICES

Financial Services houses the group's insurance, financial and vehicle-related product interests.

Regent is a provider of motor-related, value-added insurance products for both passenger and commercial vehicles. Motor-related products are distributed through dealer and vehicle finance channels. Approximately one third of its business originates through Imperial dealerships, with the balance through independent dealerships, OEM partnerships and call centres. The business also supplies life insurance products to the emerging market which are distributed through independent brokers and increasingly through affinity schemes.

Liquid Capital comprises the creation and sale of service, maintenance and extended warranty products associated with the automotive market and shares profits from alliances on the sale of financial services.

Other businesses in this division are Ariva, which provides private vehicle leasing solutions and Imperial Fleet Management (IFM), an alliance with WesBank, which provides full maintenance leasing (FML) and other fleet management solutions to corporate, parastatal and small, medium and micro-enterprise clients.



Logistics Africa

- Gross domestic product (GDP), personal consumption expenditure (PCE) and manufacturing growth in South Africa
- Commerce and industry outsourcing logistics
- Demand for supply chain expertise and consulting
- Rising wealth and urbanisation in selected African countries
- Value proposition to multinational principals
- Footprint of distributorships in chosen markets

Logistics International

- Growth of German economy and international trade
- Increasing outsourcing of specialised contract logistics
- Elimination of excess capacity in shipping and container logistics

Vehicle Import, Distribution and Dealerships

- PCE growth in South Africa
- Relative stability of the South African Rand
- Appeal of exclusive import brands and features
- Growing and ageing motor vehicle parc
- Aftersales service, parts and product demand
- Availability of consumer credit

Vehicle Retail, Rental and Aftermarket Parts

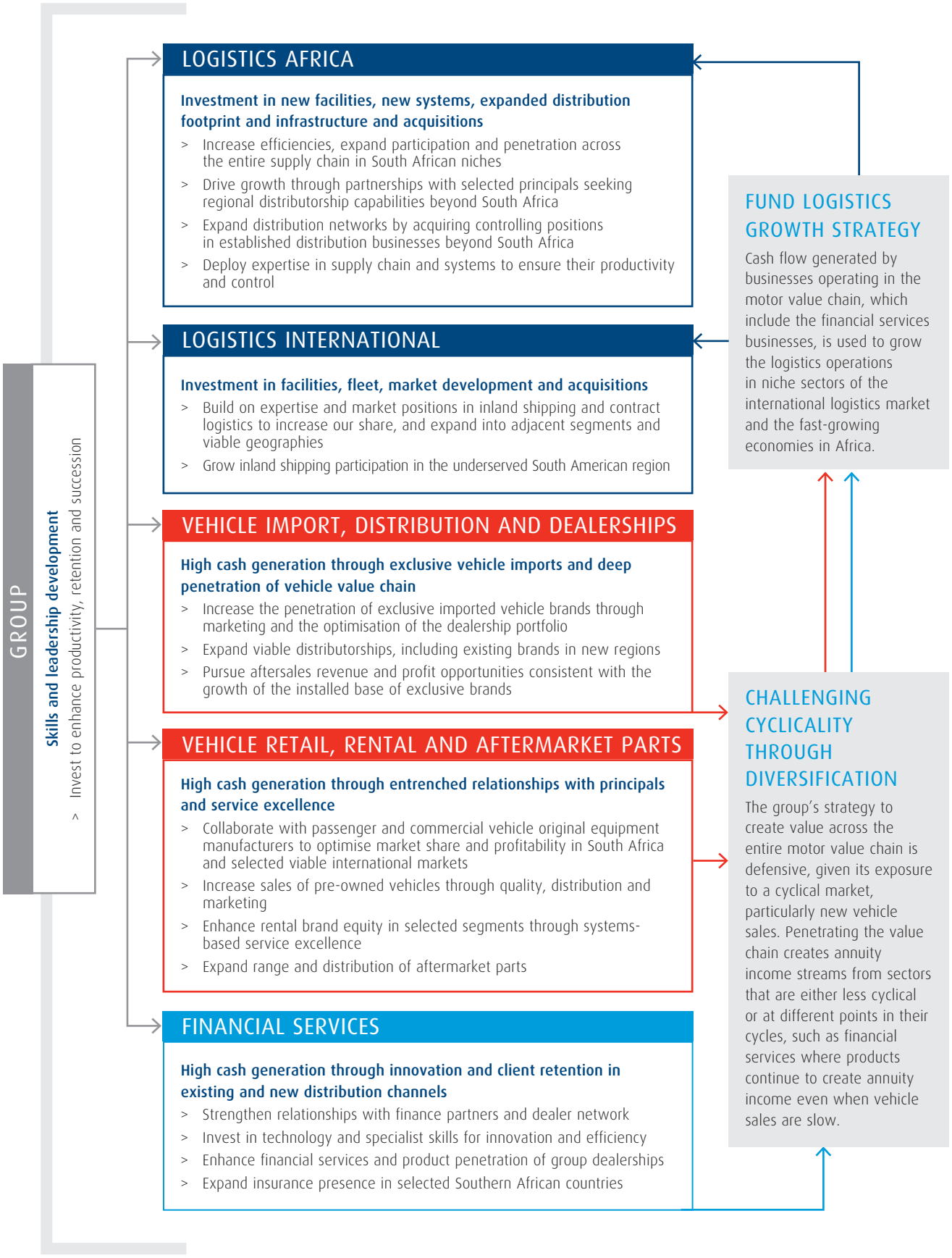
- PCE growth in South Africa
- Infrastructure development
- Growing and ageing motor vehicle parc
- Dealership optimisation
- Availability of consumer credit

Financial Services

- Underwriting cycles
- Investment markets
- Product and service innovation

GROWTH ENABLERS

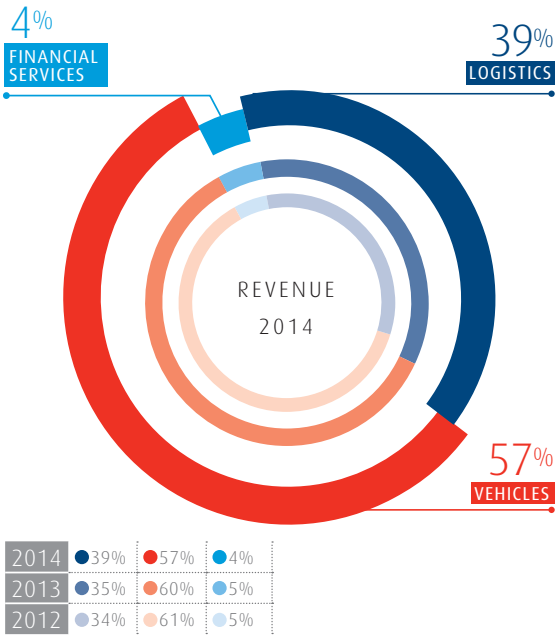
CREATING VALUE > STRATEGIC INTENT

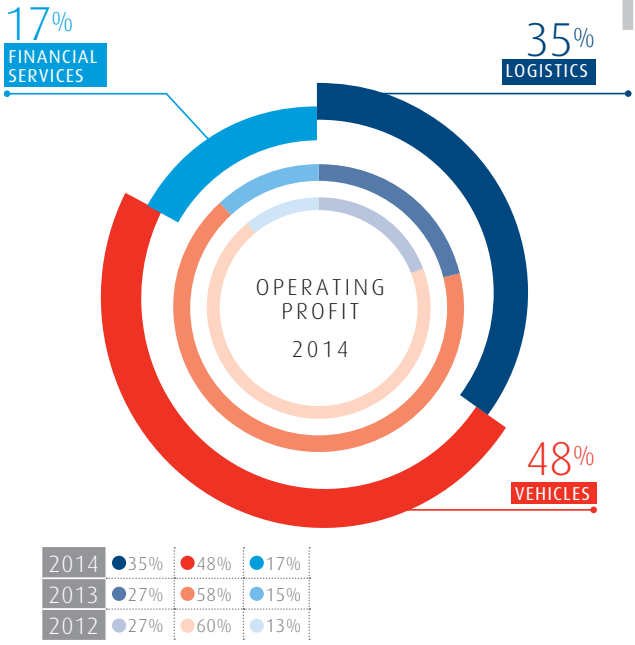


THE BROAD STRATEGIC DIRECTION

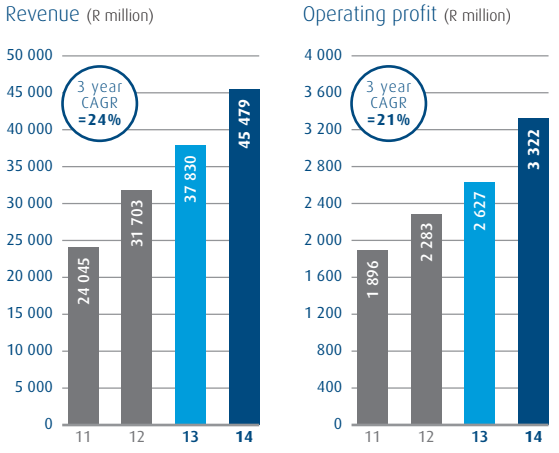
of Imperial is unchanged. We will invest the cash flows generated by two distinctly different South African vehicle businesses in other sectors of mobility, both locally and internationally. Building on the entrepreneurship, expertise and market positions which flowed from our earliest days as a motor dealership, we will strive to expand our activities in carefully selected segments of the logistics, vehicle and vehicle-related financial services markets.

GROWTH TREND IN SEGMENTAL SPREAD

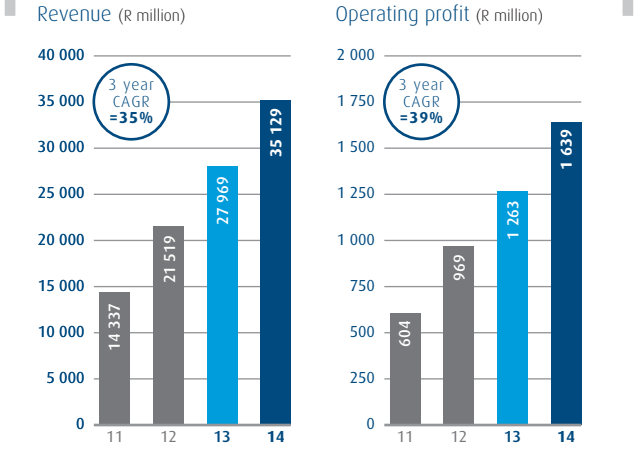




GROWTH TREND IN NON-VEHICLE BUSINESS



GROWTH TREND IN FOREIGN BUSINESSES



CAGR: compound annual growth rate

PLEASE REMOVE
ALL VALUABLES AND
PERSONAL BELONGINGS
FROM YOUR VEHICLE
THANKING YOU
MANAGEMENT
DESIGNATED SMOKING
AREA
ToyotaCare
ENVIRONMENTAL
PROTECTION KIT
GLASS
PLASTIC

IMPERIAL'S FOCUS AREAS IN SUSTAINABLE DEVELOPMENT

In this section we highlight the sustainable development issues that are most important to us and outline how we are addressing them

FOCUS AREAS IN SUSTAINABLE DEVELOPMENT FOR THE GROUP IN 2014

OUR SIX SUSTAINABLE DEVELOPMENT FOCUS AREAS

1. PEOPLE
> Talent management, skills development and transformation

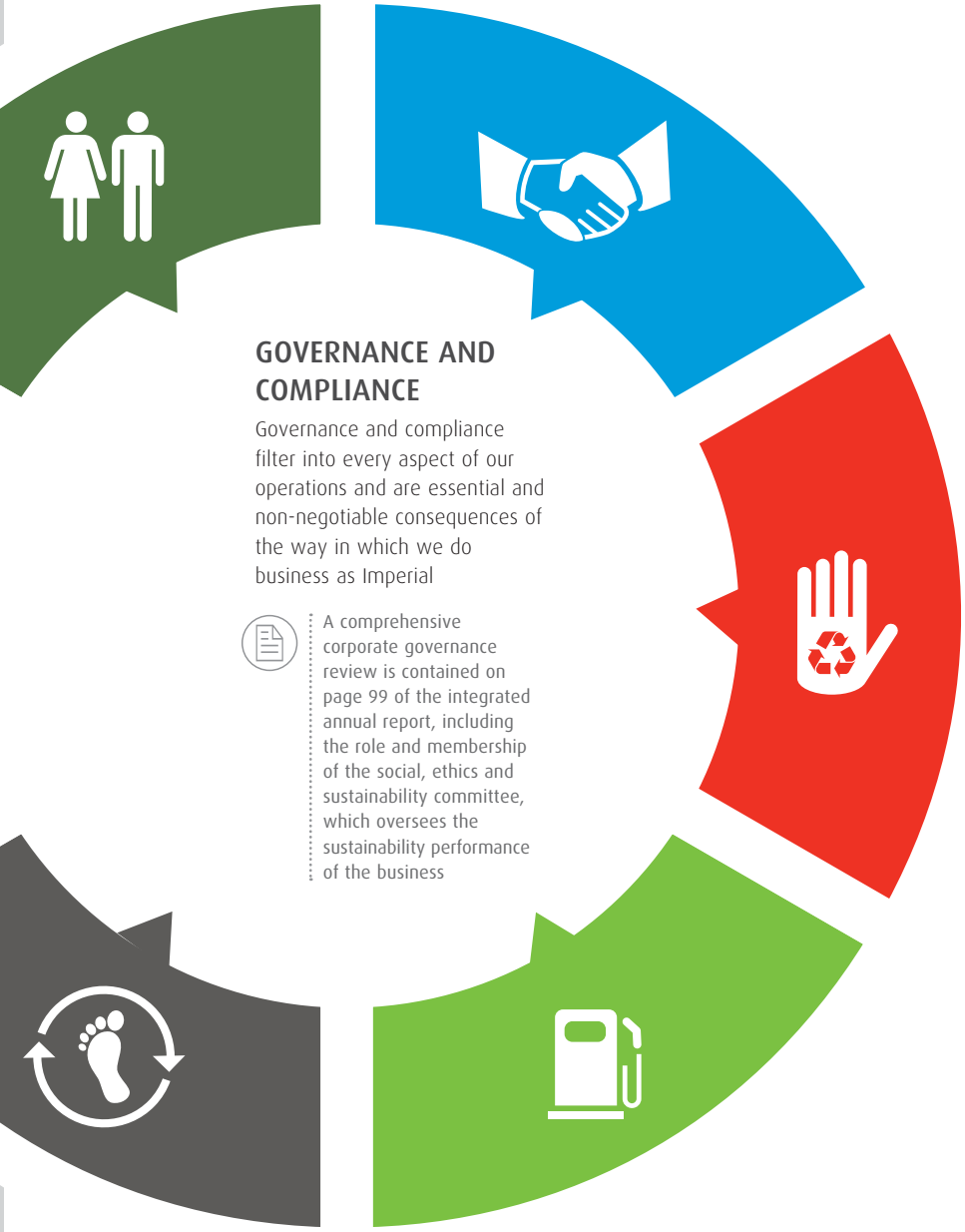
2. JOB CREATION
> The group's enterprise development and youth training initiatives

3. SAFETY
> Potential risks to employees, clients, third parties and goods

4. FUEL EFFICIENCY
> Initiatives to reduce fuel usage and cost
> Engagement on proposed carbon tax legislation in South Africa

5. ENVIRONMENTAL AND BUSINESS FOOTPRINT
> Water and energy management
> Waste management
> Environmental compliance
> Prevention and containment of spillages

6. SOCIAL AND DEVELOPMENTAL BENEFITS OF OUR BUSINESS
> Developmental, and health benefits arising from our business
> Community development and social programmes



GOVERNANCE AND COMPLIANCE

Governance and compliance filter into every aspect of our operations and are essential and non-negotiable consequences of the way in which we do business as Imperial

A comprehensive corporate governance review is contained on page 99 of the integrated annual report, including the role and membership of the social, ethics and sustainability committee, which oversees the sustainability performance of the business

HOW WE IDENTIFIED OUR FOCUS AREAS FOR REPORTING

The Imperial group is extremely diverse, both geographically and in terms of the spread of businesses in the group's portfolio.

A rigorous approach to selecting the content for this report and the issues and initiatives to be covered was therefore required. To ensure relevance, we decided to focus this report around six key themes which we believe represent the most significant issues in sustainable development across the range of our businesses, and which have a direct impact on our financial and operating performance.

We identified these issues through divisional workshops and discussions with senior executives. The areas covered also reflect stakeholder views as voiced by the company's various stakeholders during the year, including through client surveys undertaken in almost every part of the business.

As part of the board approval process, members of the relevant board committees were specifically requested to consider the completeness of the report and to comment on whether the issues covered were a good reflection of the most material sustainability concerns arising from the group's operations.

01 PEOPLE

PEOPLE AT A GLANCE

MOST CRITICAL ISSUES

Talent management, skills development and transformation

INCLUDED IN GROUP-LEVEL STRATEGIC RISK REGISTER

RELEVANCE ACROSS ALL DIVISIONS

Highly relevant and material across all divisions

RELEVANT PERFORMANCE INCENTIVES

Senior incentive structures carry a weighting of up to 20% towards achievement of transformation targets

CONCERNED STAKEHOLDER GROUPS – EMPLOYEES, MANAGEMENT, GOVERNMENT, INVESTORS

KEY MEASURES 2014

TRAINING HOURS PER EMPLOYEE (HOURS/EMPLOYEE)
14

TOTAL TRAINING HOURS
715 000

Figures for training data and spend exclude data for Logistics International

FOR MORE INFORMATION
Refer to pages 28 and 32 of the Integrated Annual Report and the group-level sustainability data, pages 68 to 69

TRAINING SPEND/ EMPLOYEE (R)
3 296

NUMBER OF EMPLOYEES
51 671

TOTAL TRAINING SPEND, INCLUDING INFRASTRUCTURE AND SKILLS LEVY (R'000)
170 000

OUR MANAGEMENT APPROACH

During the period under review, Imperial embarked on a concerted talent management process. With the increasing scarcity of key management skills, the growth of the group into new markets and segments, and increasing demands on senior management in a more complex operating environment, talent management and succession have become critical considerations at group level. This implies a pronounced shift in the role of continuous learning and people development – from an operational function to a strategic imperative. Strategy around talent management and succession is set by the CEO in conjunction with the senior management team and implemented through line management.

The group maintains a strong focus on training, with employees at all levels having access to training and development opportunities. Training programmes are aligned with performance management though the creation of personal development plans for employees.

An internal psychometric assessment centre has been established, to assess potential new recruits and enable high-performance individuals to be identified and promoted internally. This centre is staffed by a number of psychologists and psychometrists. Psychometric assessments are conducted for recruitment, developmental and promotional purposes. Traditionally, recruitment for senior roles at Imperial has mainly been from within the organisation, but the growth of the group and the focus on new areas of business have meant that a broader skills pool now needs to be tapped. The expansion of the group has also driven a focus on different aspects of human capital management. For example, an expatriate policy is now being developed as a result of the group's expansion into Africa and beyond.

The primary goal of the group's transformation initiatives is to ensure the sustainability and societal alignment of the group over the long term and to contribute positively to the development of the South African economy and society. It is also essential for the business to achieve an acceptable empowerment rating in each of its divisions to assure their competitive position within each industry is maintained and enhanced.

Sustainable transformation is addressed in the group by focusing on three areas:

- **People development** – the training and development of employees across the group with an emphasis on the identification and advancement of black talent. Initiatives cover the spectrum from technical training, through supervisory functions to executive levels
- **Promotion and recruitment** – ensuring employment equity targets can be met by appointing black people to management positions across the group through recruitment and promotion
- **Employee value proposition and engagement** – measuring employee perceptions and levels of satisfaction periodically through internal climate surveys. 18 factors were measured during our last survey, including topics such as job satisfaction, organisational commitment, overall evaluation of Imperial as an employer, leadership climate, work team climate, employee engagement, diversity management, remuneration and job stress.
  The results of the evaluation were generally favourable, with high scores in areas such as job satisfaction, employee engagement and work team climate

While the group has made significant progress in the overall level of transformation to date, the pace of transformation at senior levels remains a concern. In response, we have put in place programmes designed to increase the representation of employment equity groups in two areas – dealer principals (the managers of our dealerships) and experienced finance professionals, specifically Chartered Accountants, who can be deployed in the broader group. The latter programme is known internally as 'Project 60'.

Both programmes have targets and processes associated with them to ensure an additional 100 black managers are responsibly deployed into our talent pool by December 2015.

FOCUS **AREAS** > PEOPLE – CONTINUED

IMPERIAL'S TRANSFORMATION STRATEGY

VISION

For Imperial to be recognised as a leader in the development of human capital at all levels, with the prime objective in South Africa, being the closer alignment of the group's employee and leadership profile with the national demography

CORE INITIATIVES

To develop employees and prepare them for promotion whilst ensuring cultural readiness for changes throughout the group

To attract and promote talented black employees to suitable positions

PEOPLE DEVELOPMENT AND CULTURAL READINESS

- Imperial Technical Training Academies
- Middle management leadership programmes
- Imperial Leadership Academy
- Branding

PROMOTION AND RETENTION

- Target black appointments for group executive committee and divisional boards
- Employment equity targets per division
- Executive oversight and veto over senior appointments
- Attention to board profiles at group and divisional level
- 20% weighting in senior incentive structures

SUPPORTED BY THE GROUP EXECUTIVE AND PEOPLE DEVELOPMENT FUNCTION

- SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE
- DIVISIONAL EMPLOYMENT EQUITY AND TRANSFORMATION COMMITTEES
- SCORECARDS AND INDEPENDENT VERIFICATION AGENCIES
- TRAINING QUALITY ASSURANCE REVIEW
- CULTURE SURVEY

GOVERNANCE, MONITORING, REVIEW AND ASSURANCE

DEVELOPING THE EMPLOYEE VALUE PROPOSITION AT IMPERIAL

Imperial's value proposition for employees centres on the ability of the individual to succeed in an empowered and performance-driven entrepreneurial culture.

Tangible benefits for employees are however no less important. One such benefit is the consistently high quality of training programmes which employees can access and the sustained focus on personal development.

In addition, as a result of the tremendous diversity of operations across the group, we have been able to create a scheme whereby employees benefit from valuable rebates on in-house products and services – the 'Imperial Mall'. The group's buying power is further harnessed to enhance this employee offering.

Currently 14 952 employees, or 32% of our workforce, are members of the Imperial Mall and over 5 880 employees signed up as members during the financial year under review. We estimate that employees have saved at least R2,7 million during the financial year by using the Mall, benefiting from the 330 product brands which are available on the site. An element of excitement is added by regular competitions, with prizes including a scooter, car and weekends away.

The Mall continues to enjoy a consistently high rate of usage. Each month there are on average 500 employees signing up, 17 500 logging onto the site and close to 4 500 voucher requests.

IMPERIAL'S HUMAN RIGHTS POLICY

Imperial subscribes to the highest international standards when it comes to the protection of human rights. These include principles embodied in the Universal Declaration of Human Rights, and in the South African constitution.

We encourage all entities with which we do business to observe laws and internationally recognised labour rights standards, ensure training and education on labour rights for employees and to refrain from knowingly employing anyone who has contributed to the violation of labour rights. We will not hesitate to terminate agreements and relationships with contractors or suppliers who contravene international human rights standards and, in particular, use forced labour or prohibited child labour.

All cases involving discrimination complaints that were received during the year were investigated, disciplinary hearings held if appropriate and, where allegations were substantiated and the circumstances warranted it, the offending employees were dismissed.

No instances have been identified where freedom of association or collective bargaining have been found to be at material risk. None of our operations have been identified as having a significant risk of child labour or forced or compulsory labour.

In 2014,
960
ARTISANS
WERE TRAINED THROUGH IMPERIAL'S THREE TRAINING ACADEMIES

DURING THE YEAR,
171
CERTIFIED TECHNICIANS
QUALIFIED SUCCESSFULLY THROUGH THE ACADEMIES IN VARIOUS TRADES

AT YEAR-END, THERE WERE
944
APPRENTICES REGISTERED
AND UNDER TRAINING

> OPERATIONAL STRATEGIES AND INITIATIVES

The vehicles businesses depend on the availability of skills and the ability to attract a sufficient number of qualified people for the diverse roles required.

In South Africa, competencies in the areas of management, technical and administrative, science and maths skills remain scarce.

Strategy in respect of people management has the following components:

- Recruitment of appropriately-skilled employees
- Extensive training and development of existing employees, including graduate programmes to support employees without qualifications or who want to improve the level of their existing qualifications
- Specific programmes covering chartered accountants, executives, management and artisans

Performance is measured through the outputs achieved through these programmes, primarily the number of employees who successfully completed the courses concerned.

Artisan training is undertaken through the Imperial Technical Training Academy (ITTA) network, which has operated since 2008 in the Western Cape and 2009 in Gauteng, and is recognised as the largest private technical training provider for trades in South Africa. The ITTA employs a mix of practical apprentice training and theoretical training combined with on-the-job experience. Advanced technical training to technicians throughout South Africa is also provided at Hyundai South Africa's training centre in Boksburg.

The **Vehicle Retail, Rental and Aftermarket Parts Division** nominates a large proportion of the student intake of the Imperial Technical Training Academy. Franchises send auto mechanic apprentices for training through the apprentice programme. Since June 2013, the division has received revised employment equity targets which must be achieved by all franchises.

Divisional targets relate to the number of apprentices attending the academy and achievement of equity targets. The division has made steady progress towards achieving these internal targets.

As well as providing essential training to Imperial group employees, the academy assists public colleges in producing pipelines of correctly-skilled and employable youth through a bridging academy designed by Imperial, which is now part of the National Development Framework for trades. It is also involved in the technical high school turnaround strategy in two provinces.

FOCUS AREAS > PEOPLE – CONTINUED

The **Car Rental business** is centred on service delivery, with people and people development critical to achieving business growth, transformation and sustainability objectives.

The car rental business' people development strategy for 2014 covered a range of areas reflecting the diverse requirements across the business, including:

- The shortfall of employees in critical skills sets at junior, middle and senior management level
- Basic numeracy and literacy deficits, which impact on further growth and development of many employees. This need is met through the Foundational Learning Competence (FLC) learning programme in English Communication and Maths Literacy.

FOR MORE INFORMATION
Refer to the FLC case study on page 24

- Improving administrative proficiency – an issue which affects almost every business area
- Internally-delivered training on new operating systems under the new reservation and accounting system, Project Evolve

One key challenge faced in implementing these programmes was the lack of available, experienced and willing workplace mentors to assist with practical application of the knowledge gained. This is being addressed through mentor development programmes.

In 2015, existing initiatives will be continued and a learning programme specifically for people with disabilities will be introduced.

Auto Pedigree, which sells pre-owned vehicles, provides employees with ongoing support to perform at an optimal level. Talent management programmes identify high-level performers who are then earmarked for future promotion and receive further training in accordance with individual development programmes.

In 2014, four of Auto Pedigree's employees went through management development programmes to prepare them for senior positions. Our experience is that there is a noticeable change in the behaviour of employees who undertake these programmes. To satisfy demand for competent motor vehicle sales employees, a sales cadette programme has been introduced at Auto Pedigree.

The **Aftermarket Parts business** has designed and developed a Leadership Development Programme and, during 2014, concluded the first course under this programme. It is embarking on a second programme for junior and middle management in July 2014, in an attempt to build a succession pipeline and retain key skills. A supervisory programme will be introduced in July 2014 to ensure that supervisors can develop the requisite leadership and management skills.

In the logistics businesses, the talent pipeline is crucial for sustainability and to support business growth objectives.

In **Logistics International**, an expert in talent management and skills development was recently appointed by the business. The ageing workforce in Europe poses a specific challenge for the European operations. The division participates in regional vocational training and job fairs to attract new labour market entrants.

In Poland, the business has taken on six logistics students for a three-year programme to be offered for the first time from September 2014, which includes both classroom time and work experience. Also in Poland, Panopa Logistics is offering a programme to bring forklift drivers up to the required company standard. The programme includes four days of classroom work and at least 15 hours of driving experience, as well as mechanical knowledge and an occupational safety component.

In **Logistics Africa**, people development strategies focus on the areas of people management, skills development and training. Transformation objectives are met through these workstreams and supported through group-level transformation incentives.

Human resource policies, procedures and programmes in Logistics Africa are aimed at ensuring that the division has access to the human resources required to achieve long term objectives and strategies.

A strong talent pipeline is crucial, as is a skilled workforce. The business performance of the division would be impaired if there was no skilled pipeline of talent and if the Broad Based Black Economic Empowerment (BBBEE) scorecard of the division was not a competitive and morally acceptable level.

A primary focus is performance management. The division has rolled out performance management in all operating units, which has led to succession planning and the identification of High Performance and Potential Individuals (HPPIs), for whom development plans have been generated.

The Logistics Africa framework governing education and professional development includes three elements:

- The Imperial Logistics Academy
- Workplace entry programmes
- Industry collaboration

The latter is focused on alignment with the government's National Skills Development Strategy III (NSDSIII), where the business works together with industry and professional bodies to support employees with skills training, career progression and personal development.

Significant achievements during the year included:

- Establishment of the Imperial Logistics Academy and accreditation with the Transport Education and Training Authority (TETA), positioning the Imperial Logistics Academy as an Institute for Sector Occupational Excellence
- Acquisition of Ikaheng HR Services to complement education and training provided through the Imperial Logistics Academy. Ikaheng is a commercial training provider to industries in South Africa and the rest of Africa, with a focus on the empowerment of people in various economic sectors through operator and legal compliance training
- Expanding its educational drive to benefit logistics and supply chain industries in Africa through its implementation partner, the Imperial Health Sciences Supply Chain Academy

FOR MORE INFORMATION
Refer to the case study on page 62

> THE IMPERIAL LOGISTICS ACADEMY

After three years of development and investment of R3,3 million to date, Logistics Africa established its Imperial Logistics Academy during 2013. The academy aims to provide Imperial Logistics employees with customised training programmes aligned to national qualifications. It also offers a range of short courses and professional development events that complement learnership programmes.

During the year, the academy finalised curricula for qualifications in business management, warehouse supervision, transport supervision, business administration and transport and warehousing fundamentals, customised to reflect the best practice in the division. Subject matter experts from the division contribute to the training programmes by way of content development, guest lecturing and mentorship, allowing skills transfer internally within the group, as well as externally. The academy enrolled a total of 275 students for learnership programmes in 2014. In assessing the viability of the Imperial Africa Logistics Academy, in-depth research was conducted to assess the skills landscape within Imperial Logistics and to ensure that the academy's offering addressed the most urgent skills gaps within the organisation.

WORKPLACE ENTRY PROGRAMMES

Close relationships are maintained with further and higher education institutions across South Africa by means of sponsorships, guest lecturing and participation in career programmes.

A key strategic theme for the Imperial Africa Logistics Academy is building a pipeline of graduates across further and higher education, to feed into bursary and internship programmes. A dedicated graduate development manager is employed by the academy to engage with these institutions and to promote the Imperial Logistics brand to graduates across South Africa. 65 graduates are currently engaged in internship programmes within Imperial Logistics entities.

In the **Financial Services businesses**, people development is a particularly relevant consideration given the service orientation of the business.

The product value proposition to markets and clients is delivered through interaction with people. Client centricity and unquestionable market conduct are core tenets of the organisational value set and culture.

Our workforce needs to both reflect the demographics of our clients and differentiate our offering through the delivery of sound financial advice, product and excellent service. As we operate in an increasingly competitive and highly-regulated market, we also require strong capabilities in the areas of product development, actuarial skills, pricing, marketing, sales, client relationship management, claims management, technology and compliance. The availability of these skills in the marketplace is low and in some cases very scarce, especially in areas such as actuarial skills.

Talent management is proactively addressed at all levels of management in the business and is given continued focus at the divisional board level, including through the board's various sub-committees, Regent's executive committee and other management fora.

Three key objectives of Regent's human capital management policy are:

- Building a diverse workforce
- Being an employer of choice
- Building human capital excellence

To achieve these objectives, the business is currently deploying the following programmes:

- Enhancement of the division's performance management programmes, including the introduction of 360 degree appraisals
- The introduction of a leadership pipeline
- Leadership development initiatives
- Regulatory training programmes, including Financial Advisory and Intermediary Services (FAIS) accreditation
- Learnership programmes
- Study assistance programmes
- The deployment of an e–learning platform
- Implementation of a new job evaluation system
- Upgrade of the IT system for human resources

Performance against the division's human capital management objectives is measured with reference to metrics covering workforce diversity, being an employer of choice and building human capital excellence. The business met targets and milestones as planned in most areas, although challenges remain in meeting the desired level of black management representation at middle, senior and top levels of the organisation.

CASE **STUDY** > EUROPCAR SOUTH AFRICA PILOTS FOUNDATIONAL LEARNING COMPETENCE (FLC) FOR EMPLOYEES

EUROPCAR SOUTH AFRICA PILOTS

FOUNDATIONAL LEARNING **COMPETENCE**

FOR EMPLOYEES

THE NEED FOR A PRACTICAL SKILLS DEVELOPMENT INTERVENTION

In South Africa, the low level of educational outcomes presents a number of challenges. Low levels of literacy and numeracy, in particular, are obstacles to the progression of employees' careers and their own personal development.

In response, the Europcar South Africa business initiated a pilot project in January 2014 to run the Foundational Learning Competence programme (FLC). FLC is a nationally-recognised, one-year learning programme consisting of two six-month modules – communication with a focus on English and mathematical literacy.

WHY FLC?

The South African Qualifications Authority (SAQA), an oversight body set up to monitor and regulate training and skills development initiatives, formally recognised the FLC programme in 2012 and encourages employers to run FLC programmes for employees. SAQA envisions that in time, FLC will replace the fundamental unit standards of all qualifications in the National Qualifications Framework (NQF). Completion of FLC also opens doors for employees to study further. For example, FLC must be obtained before an occupational qualification at NQF Level Three and Four can be awarded.

WHO IS PARTICIPATING IN OUR PILOT FLC PROJECT?

Our programme has been implemented with a group of ten learners, five of whom are current employees and five of whom are youth participants who have been given the opportunity to join Europcar on a fixed-term contract for the duration of the programme. This allows practical work experience and mentorship for these young people. Europcar has structured the pilot programme to ensure a balance between time spent in formal classroom learning, and time spent in the workplace acquiring practical business skills.

In the selection process, existing employee participants were identified as development candidates and were assessed for programme readiness. For youth participants, a database of learner applicants was screened and promising candidates were interviewed, with shortlisted candidates then assessed for programme readiness.

WHAT ARE THE CHALLENGES?

Employee uncertainty about the benefits of the pilot programme still needs to be addressed, and trust with employees built over time to ensure this is viewed as a helpful and meaningful intervention. Perceptions that FLC is primarily for young and junior employees might potentially limit uptake with older or more experienced employees. This needs to be managed through communicating the successes of the programme and demonstrating the opportunities it may unlock.

WHAT HAS THE IMPACT BEEN?

Initial assessment results for the 2014 participants reported an average score of 33% for the English and 17% for the Maths Literacy modules. Upon completion of the programme at the end of the 2014 calendar year, we expect the average score for participants to have shifted to 65% for English and 50% for Maths Literacy.

More difficult to measure – but no doubt as important – has been the noticeable increase in personal confidence among the participants, as well as their increased engagement in the workplace. These individuals feel they are now more eligible for occupational development opportunities.

"I've improved my English. I know how to use the right punctuation in my everyday language and writing. I feel more confident when using English because it is not my home language, and I always felt a little shy when speaking it."
– Mmatlala Maupi, Youth Learner

"The FLC programme is very important to me and it helps a lot when it comes to communication skills. It helps me to plan my daily work better. My English has improved a lot and I do not have communication problems anymore." – Clifford Zungu, Car Park Supervisor, OR Tambo Airport

TOTAL PROGRAMME COST

The FLC pilot project has cost just over R300 000 to implement, of which approximately half relates to accredited training partner costs and the balance was used for supporting stipends for the youth participants.

SCALING UP

Europcar intends to extend the FLC opportunity to a further ten participants in 2015, once again to a combination of current employees and youth participants, should the pilot project prove successful in terms of the targets set.

02

JOB CREATION

CONCERNED STAKEHOLDER GROUPS – EMPLOYEES, MANAGEMENT, GOVERNMENT, INVESTORS

JOB CREATION AT A GLANCE

MOST CRITICAL ISSUES

Enterprise development and youth training initiatives

The potential instability resulting from high levels of youth unemployment

RELEVANCE ACROSS ALL DIVISIONS

An emerging area of focus within the group

The issue is particularly relevant for businesses operating in South Africa, where the integration of new entrants into the labour market is challenging and high levels of youth unemployment threaten social cohesion

TOTAL NUMBER OF LEARNERSHIPS

2 186

LEARNERSHIPS: BLACK FEMALES

282

OUR MANAGEMENT APPROACH

South Africa has one of the highest rates of youth unemployment in the world. This issue has a direct impact on the group, particularly in those parts of the business where service orientation is most critical. The lack of job opportunities means that young people are not able to acquire employable skills, which in turn creates a skills deficit when an employment opportunity arises. This impacts business performance and creates considerable formal and on-the-job training needs that have to be addressed through training and personal development programmes. High levels of youth unemployment also pose a potential threat to social cohesion.

Initiatives undertaken in response to this issue fall broadly into two categories, those which are closely linked to the group's human capital development approach and which focus on bridging potential employment candidates into the workplace, and enterprise development schemes, which target job creation and the development of small and medium-sized enterprises to generate future employment growth.

OPERATIONAL STRATEGIES AND INITIATIVES

In the **Vehicles businesses**, the ability to draw new entrants into the business from the available skills pool is critical for growth. Many of the group's training programmes target the recruitment and training of potential employees who otherwise lack the ability to access full-time employment successfully. Youth development programmes are in place to employ people from the potential skills pool. An artisan training programme is also in place whereby artisans are provided with on-the-job training, and this recruits approximately 75 individuals each year.

FOR MORE INFORMATION
A further example of this type of programme is the Foundational Learning Programme (FLC) undertaken by Europcar, which is described in the case study on page 24. Half of the learners included In this programme are group employees and half are potential recruits who currently lack the capacity to participate in full-time employment

The 'Spotters' programme in Auto Pedigree also targets young unemployed individuals – see the boxed text overleaf.

FOCUS AREAS > JOB CREATION – CONTINUED

JOB CREATION AND EMPLOYMENT BRIDGING PROGRAMMES IN AUTO PEDIGREE

In the dealership environment, it is often challenging for new entrants to the labour market to secure long term employment. Auto Pedigree has therefore introduced the 'Spotters' programme, through which previously-disadvantaged individuals are identified and employed. 'Spotters' are given initial responsibilities relating to lead generation and lead management, with those who excel being considered for full-time employment.

An additional programme has been created with the Wholesale and Retail Sector Education and Training Authority (W&RSETA). In conjunction with the SETA, unemployed graduates are interviewed and placed on sales and marketing programmes with Auto Pedigree for a year. Six of the 2013/14 candidates employed through this programme will be offered full-time contracts with Auto Pedigree at the end of the year. In 2015, it is envisaged that 12 or more candidates will be included In the programme and that it will be run annually with increasing numbers if successful. So far all of the SETA candidates have been employed permanently in the business. The experience gained in the 12-month programme enables them to fit into the organisation with relative ease.

These strategies are designed to support the development for the business of a pool of credible and qualified sales employees, across gender and racial groups.

The **Car Rental business** has adopted a proactive enterprise development approach which seeks to maximise owners' equity and foster creditworthiness and cash-flow viability in the businesses which are supported, by contributing towards capital equipment. Through enterprise development initiatives, the business has established five black-owned car rental agencies in Bela Bela, Mafikeng, Mogale City, Thohoyandou and Newcastle in South Africa.

To ensure the success of the businesses supported, the company facilitates training programmes, technical and other assistance, provision of expert or specialised advice and information and guidance on running a successful car rental company. Total capital investment per annum in the five black-owned agencies which have been created is R8,8 million.

Job creation efforts in the division also resulted in the creation of 107 additional permanent, entry-level jobs between July 2013 and May 2014 for drivers and car park attendants, through insourcing previously outsourced services.

In the **Aftermarket Parts business**, apprenticeship programmes and learnerships have been offered to new labour market entrants. On-the-job shadowing is used to create interest and support the ability of the business to attract potential employees.

In the **Logistics businesses**, this issue is most critical in the South African context. As in other areas of the business, job creation initiatives are typically linked to training and/or enterprise development programmes.

An enterprise development initiative with Mzanzi Transport was begun in South Africa in 2012 in conjunction with an owner driver, whose business has grown from one truck in 2012 to ten trucks currently. The success of the initiative is as a result of constant engagement between Logistics Africa and the beneficiary, as well as the support provided to the beneficiary by Imperial Logistics.

Support given by Logistics Africa includes financial support, through an interest-free loan of R1,6 million payable over five years, business support in terms of mentoring and coaching, and the opportunity to sub-contract for substantial contracts through preferential procurement.

Added to this, the dedication and the willingness to develop business skills and acumen by the beneficiary has been a major factor in the growth and success of the business.

The division has also put a bridging programme in place for graduates, in partnership with the City of Ekurhuleni and the Economic Development Department, with the objective of enabling unemployed graduates to enter the job market.

The purpose of this project is to bridge the gap between unemployment and employment, by successful skills development initiatives which provide graduates or learners with solid life skills and real work-readiness skills. The target group for this project is unemployed graduates in the Ekurhuleni Municipality. Graduates embark on a programme of 12 months duration. They sign a fixed-term contract with the city and Logistics Africa provides workplace experience and coaching. Funding for the programmes was obtained from TETA and all the interns were placed on a transport supervision learnership.

The programme began in September 2013 and Logistics Africa placed 19 interns in positions within their various operating companies. The interns also attended a two-day work readiness programme run by the company 'Free to Grow'. This programme focuses on preparing the interns to enter the world of work.

CASE **STUDY** > UNJANI CLINIC INITIATIVE PROGRESS REPORT

THE UNJANI CLINIC INITIATIVE

The Unjani clinic concept has been improved over the last year based on operator feedback.

CLINICS TO BE OPENED TO
JUNE 2017
WILL CREATE BETWEEN
72 AND 108 JOBS
FOR PEOPLE IN THE COMMUNITIES.

As outlined in Imperial's 2013 report, Logistics Africa has created an entrepreneurial concept – the Unjani clinic – to create jobs and simultaneously deliver improved healthcare to disadvantaged communities close to the business' areas of operation.

Each clinic creates two to three jobs initially (a professional nurse, clinic assistant and security/maintenance provider). When patient numbers exceed 450 per month, additional resources may be required. We plan to open another 36 clinics over the next three years (to June 2017), which will create between 72 and 108 jobs for people in the communities in which we operate and significantly improve the quality of primary healthcare.

To support the ongoing work of the clinics, Imperial has established a non-profit company, Unjani Clinics NPC, with a dedicated team of six employees. Each clinic is owned and operated by a professional nurse, selected on the basis of rigorous criteria and interviews.

The initiative has been structured in a way which will deliver economic, health and social benefits to the community, while being commercially sustainable. The development of the clinics, for example, is supported by professional enterprise development agreements and a support manual which will assist existing and new clinics with day-to-day operational issues. Computerised systems (for example patient management, financial and ordering systems) have been investigated for implementation over the next period, to improve controls and operating efficiencies. Improvements to the current clinic structure have been made, based on feedback from existing owner/operators and these changes will be rolled out as new clinics are established.

CASE STUDY > UNJANI CLINIC INITIATIVE PROGRESS REPORT – CONTINUED

WE PLAN TO OPEN
16 CLINICS
IN THE PERIOD TO JUNE 2015
PROVIDING APPROXIMATELY
20 000 PATIENTS
WITH IMPROVED PRIMARY HEALTHCARE

> **Our aim is to roll out 36 new clinics by June 2017,** a target we are confident of meeting

Two significant challenges are ongoing training and regulatory compliance. Training programmes have been developed and training providers are being sourced to assist current and future operators with continued professional development.

In terms of regulatory compliance and licensing, we continue to engage with the Department of Health to obtain clarity and recognition for the Unjani Clinic programme.

We plan to open 16 new Unjani clinics by June 2015 in Ekurhuleni, the City of Johannesburg and the City of Tshwane, creating between 32 and 48 jobs and providing approximately 20 000 patients with a better quality of primary healthcare.

Performance targets for the Unjani Clinics are driven by the patient numbers visiting the clinic – these targets are 180 patients per month on average for the first year of operation, 250 per month on average in the second year and 350 per month on average in year three, increasing by 50 patients each year to year five. We also measure and manage the patient consultation cost and products utilised as part of the service. All performance measures are managed and reported on monthly. At existing clinics, which have been operating for just less than two years on average, patient target numbers are being met, and in some cases exceeded. Across all the clinics, 250 patients are being seen per month and patient feedback has been very positive.

Unjani clinics planned for 2015 will provide high quality healthcare for approximately 20 000 patients in communities as well as between 32 and 48 jobs for operators

03 SAFETY

SAFETY AT A GLANCE

MOST CRITICAL ISSUES

Potential risks to employees, clients, third parties and goods

Poor road conditions, particularly in Africa, and a lack of awareness about road safety

INCLUDED IN GROUP-LEVEL STRATEGIC RISK REGISTER

Included in the remedial risk register, but not as one of the top ten group-level risks

RELEVANCE ACROSS ALL DIVISIONS

Particularly relevant in Logistics Africa, where 41% of injuries occur

Safety is also a key priority in the car rental business, where the focus is on both driver safety and ensuring that the division's cars have been through the requisite pre and post rental safety checks

RELEVANT PERFORMANCE INCENTIVES

Safety metrics are included in driver incentives in the logistics businesses in the group

CONCERNED STAKEHOLDER GROUPS – EMPLOYEES, MANAGEMENT, GOVERNMENT, INVESTORS

KEY MEASURES 2014

KILOMETRES TRAVELLED
654 524 251*

ROAD ACCIDENTS
1 505

ROAD INJURIES (COMPANY)
111

FOR MORE INFORMATION
Refer to the group-level sustainability data, pages 70 to 71

* Excludes car rental kilometres

ROAD FATALITIES (COMPANY)
7

ACCIDENTS PER MILLION KILOMETRES
2,29

In the Logistics Africa division new vehicles are equipped with safety features including on-board cameras. Vehicles travel 24/7 with headlights illuminated

OUR MANAGEMENT APPROACH

Road safety is a key priority for the Imperial group, as it is concerned with all aspects of the mobility offering. Leadership in this sector implies leadership on road safety issues, especially in the South African context where road accident rates and pedestrian fatalities are high.

In response to this challenge, Imperial has developed the I-Pledge campaign, which acknowledges that the group needs to address the issue of road safety from a societal and behavioural perspective.

OPERATIONAL SAFETY STRATEGIES AND INITIATIVES

All of the Imperial businesses undertake safety programmes in some form. The issue is particularly material for the logistics and car rental businesses, and safety is a major focus in the South African logistics operations due to the scale of the business and the risks inherent in the nature of the division's operations.

The **Logistics Africa division** has almost 20 000 employees and close to 6 000 vehicles on the road, of which 450 are Light Duty Vehicles (LDVs). Just less than half a billion kilometres are travelled by the division each year. In its warehouse operations, the division manages, owns or leases 120 warehouses, a total of just over 1 000 000m^2 in warehousing capacity. The nature and scale of these operations presents risks, as well as the fact that the division's vehicles travel some of the most hazardous road systems in the world.

Safety is addressed through various interventions, including:

- The ongoing training of drivers
- Adherence to legal and industry safety standards and requirements
- In-house, as well as external auditing of warehouse facilities
- Awareness, including through risk committee meetings
- Driver wellness

The division is an active participant in the I-Pledge programme. It has implemented a 'lights-on' project, where Imperial drivers undertake to drive with headlights continuously on, as well as speed management programmes, including remote monitoring. One of the biggest challenges faced by the division, however, relates to the behaviour of other road users, both vehicle users and pedestrians.

Driver road safety awareness is continually strengthened through programmes such as poster campaigns on all trucks and warehouses and toolbox talks. Driver training programmes have been strengthened and in October 2013 a 'call-to-action' event was held in KwaZulu-Natal to instil road safety principles. Vehicle safety options include ABS (antilock braking systems), EBS (stability control), in-cab cameras, lane assist, proximity control and seat belt alarms. Vehicles are regularly maintained and monitored, and regular roadworthiness tests are conducted.

Consideration is also given to driving hours and driver focus and attention, which are critical safety aspects. Monitoring and control of these areas have been intensified and a fatigue measurement pilot is underway.

FOCUS AREAS > SAFETY – CONTINUED

WELLNESS IS INTRINSICALLY RELATED TO **DRIVER SAFETY**, AND EMPLOYEES HAVE ACCESS TO

22 EXTERNAL WELLNESS CLINICS

CO-FUNDED BY THE DIVISION

ONE OF THE LARGEST OF THESE CLINICS, AT THE TUGELA TRUCK STOP, RECEIVES SOME

3 500 PATIENTS PER ANNUM

> OPERATIONAL SAFETY STRATEGIES AND INITIATIVES - CONTINUED

Disciplinary action is taken where necessary, including in cases of unauthorised activities or unsafe behaviour, such as the failure to wear seat belts and the use of cruise control in urban areas.

Employee training and re-training is undertaken on a continuous basis. The division currently employs 40 full-time driver trainers who are qualified driver assessors.

Employee selection criteria have also been reviewed and improved. Professional Driving Permit (PDP) screening is mandatory to ensure that drivers holding illegally-obtained licenses are excluded.

Where incidents do occur, they are reported and investigated according to a comprehensive event investigation protocol. Accident investigation courses were introduced to a broader audience during 2014, with 50 employees in South Africa having received training in accident investigation so far in the division. When a fatality is reported, an independent managing director from another logistics business within Imperial reviews the accident and gives an independent analysis. In the case of a fatality, these reports are sent to the group CEO within 24 hours and reviewed by the group social, ethics and sustainability committee and the main board. A third-party specialist accident re-creator makes their own assessment and a post-assessment debriefing takes place focusing on the causes and the accident and the lessons to be learned from it.

Wellness is intrinsically related to driver safety, and employees have access to 22 external clinics co-funded by the division. One of the largest of these clinics, at the Tugela Truck Stop, receives some 3 500 patients per annum. The division also operates three in-house clinics which receive over 2 000 employee drivers per annum.

Areas of concern in relation to driver wellness are blood pressure, vision, diabetes and hearing. HIV testing is provided and nutritional awareness is offered as part of the wellness programmes in place. The division is currently investigating the provision of nutritional awareness programmes in depots.

In **Logistics International**, this issue is also material, although the geographical context in which the division operates poses a lower risk than in the group's southern African operations.

In the Vehicles businesses, safety issues relate primarily to workshops where employees are exposed to potential safety hazards.

In the **Vehicle Import, Distribution and Dealerships division**, dealerships are audited for safety on a regular basis and each dealership is given a percentage score indicating compliance with audit requirements.

The division's objective is to achieve a 90% compliance rating in 2015, from average levels of 79% currently. A health and safety officer has been appointed to assist in achieving this goal.

In the **Car Rental business**, safety issues are material in three aspects of operations:

- **Product safety** – ensuring only safe vehicles are available for rental
- Creating a **safe work environment** for employees
- **Road safety** – for employees, clients and communities

The quality of service is measured by client feedback through internationally-benchmarked surveys.

EXAMPLES OF SAFETY INITIATIVES UNDERTAKEN IN THE CAR RENTAL BUSINESS ARE:

PRODUCT SAFETY CENTRE	Employees follow a strict 34-step quality and safety checklist on each vehicle pre-rental and post-rental, ensuring vehicles are in a safe condition and adhere to all safety requirements. ISO accreditation has been undertaken on all of the division's quality and client service processes
SAFE WORK ENVIRONMENT	Internal safety audits, training and briefing sessions for all employees. External safety auditing and accreditation of head office and all major depots, airports and branches
ROAD SAFETY AWARENESS FOR EMPLOYEES AND CLIENTS	Safe driving messaging in rental vehicles

> Creating a **safe work environment** for employees

CASE **STUDY** > I-PLEDGE CAMPAIGNS DURING 2014

I-PLEDGE CAMPAIGNS

As a business whose core focus lies within the transport and logistics arena, it is critical that Imperial supports the drive towards ensuring responsible and safe road usage by motorists and pedestrians within the South African environment.

Based on this premise, Imperial developed I-Pledge in 2011 as a platform for activation of a number of road safety initiatives. Although the initiative has run for only three years, headway has been made in positively changing the attitudes of citizens, particularly in South Africa, around safe road usage.

THE PROBLEM

According to a World Bank report, South Africa has one of the highest road fatality rates in Africa, with 32 deaths per 100 000 people each year.

Research and commentary around road safety statistics identify general disregard for road rules and a lack of education on safety precautions and responsible road usage as the major contributors to accidents.
For example, it was found that more than 570 children in South Africa are killed in pedestrian accidents each year because a motorist did not see them. Another 250 die because an adult did not strap the child in when travelling in their cars.

As a leading transport and logistics company in South Africa, we believed that we needed to become active in road safety campaigning, which led to the development of the Imperial I-Pledge road safety programmes.

A scholar on patrol. To date the campaign has trained almost a quarter of a million learners in South Africa on road safety

An I-Pledge safety briefing in progress

THE SOLUTIONS

The campaigns developed through the Imperial I-Pledge platform ensure that we make a tangible difference to road safety, as we outline below.

SCHOLAR PATROL IMPROVEMENT PROJECT

We believe that tackling the problem at a grassroots level is a solid start to increasing road safety education, by empowering young people to become change agents. As a result, we developed the Scholar Patrol Improvement project which aims to reinstate scholar patrols in schools. Through this simple action, we aim to educate teachers and scholars around the basics of road safety.

The project started in October 2012 and aims to reach 20 schools a month. By the end of the 2014 financial year, we had been successful in reinstating scholar patrols in 400 schools in Gauteng, the Western and Eastern Cape, KwaZulu-Natal, Mpumalanga and the Free State.

CAR SEAT FOR KIDS CAMPAIGN

We identified a strong need to increase education not only about strapping a child in when travelling, but also ensuring that they are strapped in correctly. Following a successful outreach in 2012 with 947, a radio station in Gauteng in South Africa, Imperial I-Pledge again partnered during the financial year with the station to undertake an education campaign for all parents to highlight the importance of following best practice.

Leading up to and during Transport Month in October 2013, Imperial I-Pledge and 947, drove awareness around strapping children in, and took this a step further by issuing a call-to-action to all parents in Johannesburg to donate their used car seats to a less privileged child.

The campaign culminated in a mock roadblock in Germiston, in the East of Johannesburg in October 2013, with the aim of creating awareness around child safety. Metro Police officers pulled over parents and caregivers who did not have children strapped into a car seat or motorists whose children were not using seat belts. Experts were on hand to provide advice to parents about the importance of child safety.

TOLL ROUTE CONCESSIONAIRES CAMPAIGNS

I-Pledge is constantly looking for ways to ensure that we make South African roads safer for everyone and that we contribute towards increasing support for other organisations who share the same philosophy.

The N3 Toll Concession (N3TC) and the N1/N4 Bakwena toll routes in South Africa have previously been recorded as those which have high volumes of traffic during the busy holiday periods including April and December. As a result, in December 2013 and April 2014 – for the third consecutive year – I-Pledge partnered with the relevant toll concessionaires to increase patrol support on these routes over the holiday periods and to create stronger law enforcement visibility.

Ten patrol vehicles were supplied to the N3 toll concessionaire and two vehicles to the N1/N4 Bakwena toll concessionaire to increase and boost route surveillance, patrol support and post-accident care activities during the busy holiday seasons.

In addition, for the December period 2013, the N3 toll concessionaire, together with Community Medical Services (a group of volunteer paramedics) and Angels in Motion (volunteer counsellors in Ladysmith), supported victims of accidents. In the course of this initiative three vehicles supplied by Europcar, part of the Imperial group, were used as a support unit operating in the Van Reenen's Pass, a high risk area on the N3 between Johannesburg and Durban.

CASE STUDY > I-PLEDGE CAMPAIGNS DURING 2014 – CONTINUED

I-PLEDGE 2014 PROGRAMME SUMMARY: GOALS AND OUTCOMES

PROGRAMME	GOALS	OUTCOMES
SCHOLAR PATROL IMPROVEMENT PROGRAMME	The main aim of this project is to educate young people around proper road usage as pedestrians. We aim to change their mindset around best practice on the roads and to give them more insight – in a fun way – about how they can use roads more safely This work can ultimately save lives, but through the programme we also aim to demonstrate our commitment to educating the communities in which we operate, to increase awareness of road safety issues and to empower people to become change agents	To date this campaign has trained almost a quarter of a million learners on road safety, including 2 660 learners who received specific instruction in handling patrols, and 1 140 teachers from more than 30 different communities in the main regions in South Africa As a result of the programme, nine kilometres of zebra crossings have been painted and over the past year our reach has expanded from Gauteng to the Western and Eastern Cape, KwaZulu-Natal, Mpumalanga, and the Free State
CAR SEATS FOR KIDS CAMPAIGN	The aim of the Car Seats for Kids campaign was to create stronger awareness around the importance of strapping children in when travelling in the car and to drive a stronger understanding of the correct way in which this should be done In addition, a key objective was to collect as many car seats as possible – through donations – so that these can be restored, safety checked and supplied to less privileged families	Our target was to collect 1 500 seats and at the end of the campaign we managed to collect just over 2 500, through donations from the greater Gauteng community, as well as through a number of corporate donations including from Imperial businesses such as Europcar, Imperial Select and Midas
TOLL ROUTE CONCESSIONAIRE PROJECT	This project aimed to assist Road Incident Management Services in attending to – and reporting on – incidents along the N3, N1 and N4 routes during the busy holiday seasons. Additionally, vehicles were on hand to help motorists requiring roadside assistance, including with fuel, tyre changes and breakdown support	The Toll Route Concessionaire support project was highly successful over the most recent holiday period (April 2014), providing assistance to 12 vehicles that broke down and attending to four separate accidents through the provision of vital post-accident care on the N1. The presence of additional law enforcement vehicles resulted in a reduction of fatal accidents on the N4 to seven from nine in 2013, and to 56 on the N3, compared to 75 in 2013

04

FUEL EFFICIENCY

FUEL EFFICIENCY AT A GLANCE

MOST CRITICAL ISSUES

The introduction of fuel efficiency measures across operations remains a key priority, particularly for the logistics businesses

Engagement on the proposed carbon tax legislation, which is likely to be introduced in some form into our major market of South Africa

RELEVANCE ACROSS ALL DIVISIONS

Highly relevant to all logistics businesses, which account for 87% of the group's fuel usage and where fuel is a significant portion of costs

Fuel efficiency is closely managed in the vehicles and financial services businesses. The car rental business, for example, has implemented fuel efficiency targets based on the kilometres travelled by clients. Although this fuel is not accounted for in the group's fuel usage or scope 1 data, the business tries where possible to ensure that this resource is used effectively

RELEVANT PERFORMANCE INCENTIVES

Drivers' monthly incentives are based on efficient driving patterns and behaviour

CONCERNED STAKEHOLDER GROUPS – EMPLOYEES, MANAGEMENT, GOVERNMENT, INVESTORS

KEY MEASURES 2014

VOLUME OF FUEL USED*(kL)
259 026

VOLUME OF OIL USED (kL)
3 034

* This measure includes petrol and diesel (used both for road transportation of goods and people in the course of business and for employees). It excludes heavy fuel oil, aviation gasoline and jet fuel used in parts of the business which are not concerned with road transportation

FOR MORE INFORMATION
Refer to the group level sustainability data, pages 70 to 71

SCOPE 1 EMISSIONS** (tCO_2)

868 511

** This measure includes all sources of scope 1 emissions such as diesel, petrol, gases and heavy fuel oil, as defined in the GHG protocol.

OUR MANAGEMENT APPROACH

In the Imperial group, fuel efficiency is managed primarily at a business unit level. Examples of fuel reduction and conservation initiatives undertaken in the relevant business units are described later in this section.

The logistics businesses maintain a focus on fuel efficiency, whether by optimising logistics routes, driving or navigating vehicles in a fuel-efficient manner or by investing in vehicles which are energy efficient.

In South Africa, the proposed introduction of a carbon tax is an issue on which the business engages with policy makers at a group level, as the impact of the proposed legislation is potentially broader than fuel cost. Currently, an emissions tax is levied on the sale of new passenger cars.

New passenger cars are taxed on CO_2 emissions above 120g/km at a fixed rate of R90 per g/km. There is a possibility this will increase in future with implementation of the South African carbon tax.

The resultant increase in car prices has the potential to impact profitability in Imperial's vehicles businesses as increased car prices will most likely dampen vehicle sales, at least in the short term.

The proposed legislation may also result in an increase in electricity tariffs, which would lead to increases in operational costs across the group's South African operations.

Submissions on the proposed legislation were made during the initial consultation phase with business in 2011 and have been subsequently updated, with the group's concerns being covered by more detailed legal submissions.

The essence of the group's submissions on the proposed legislation covers the following aspects:

- The proposed timing of the introduction of a carbon tax. The group believes that the phasing-in period of five years currently envisaged does not allow time to ensure the development of appropriate mitigating technology such as fuel quality improvements, the development of alternative modes of transport including rail infrastructure, the availability of carbon credits for purchase and the introduction of other measures in the policy suite which would underpin the proposed legislation and create a coherent policy framework
- The potential for duplication between the proposed carbon tax and the current emissions tax on new vehicles
- Concerns that the revenues of the carbon tax will not be earmarked and employed to mitigate the effects of climate change
- The impact of the tax on the transport sector and consequent inflationary and economic development impact

FOCUS AREAS > FUEL EFFICIENCY – CONTINUED

> OPERATIONAL STRATEGIES AND INITIATIVES

In the Logistics businesses, fuel makes up a large portion of the running cost of our vehicles. Any reduction initiatives will therefore have a direct positive effect on both emissions and costs.

In **Logistics Africa**, all prime mover truck tractors have been tested on major routes in South Africa and an in-depth test was conducted over the last 12 months to compare fuel consumption figures, as well as numerous other performance aspects.

Through this process we have been able to determine the best performing vehicles. The top three will be our choice of vehicles to be purchased in the new financial year. To achieve consistency in fuel consumption will be a challenge. However, to overcome this we purchase high-specification vehicles with intelligent auto-shift gearboxes controlled electronically. These assist drivers in optimising consumption.

Reducing fuel consumption brings with it positive business benefits, but the division also focuses on the reduction of carbon emissions, as these are directly linked to fuel consumption. In South Africa, however, we face a limitation in this regard, as the most emissions-efficient vehicles we can run are Euro 3 vehicles. Higher vehicle specifications cannot be operated in South Africa as fuel of the correct specification is not available in all areas of the country. Where we can obtain fuel of the correct specification and Ad Blue (diesel exhaust fluid which is necessary for the correct functioning of these engines), we operate Euro 5 vehicles on a test basis in conjunction with clients.

Fuel efficiency targets are set at the level of operating companies in the division, where individual performance targets have been put in place, based on the types of trucks in use, the distances travelled and the nature of the business.

Imperial signed the Energy Efficiency Pledge with the Department of Energy, Business Unity SA and the National Business Initiative (NBI) during 2012.

This pledge represents a proactive step in the division's sustainability journey, and is a clear indication of its commitment to integrating sustainability practices into its core business. Several projects have been undertaken in line with this pledge, such as the audit by the National Cleaner Production Centre (NCPC) at 23 of our major sites countrywide, including warehouses and dealerships. Most of the vehicle retail dealerships, car rental businesses, automotive distributorship businesses and insurance businesses have undertaken individual energy efficiency audits and have implemented action plans to retrofit facilities where possible. They have also taken advantage of Eskom rebate programmes including, for example, a survey by an energy specialist of the group's Jacobs depot in Durban, which resulted in the introduction of a range of energy-saving solutions to reduce the company's carbon footprint and simultaneously deliver operational savings.

Other group businesses are also undertaking fuel efficiency and reduction initiatives. In the **Car Rental business** the fleet procurement strategy has been to ensure that vehicles selected meet the Euro NCAP 5 rating criteria. The category mix representation has also been changed, with a lower percentage of large vehicles and an increased proportion of more fuel-efficient vehicles. Internal policies to reduce and improve logistics relating to the relocation of fleet have reduced wastage in terms of non-productive kilometres driven.

We track the results of these changes by measuring the carbon emissions per kilometre driven by our clients. This has fallen by 4% in absolute terms during the year despite a 17% increase in kilometres driven, exceeding the 3% target for reductions which we set ourselves.

CASE **STUDY** > TRANSFORMATION TO A GREEN SUPPLY CHAIN IN LOGISTICS AFRICA

TRANSFORMATION TO A GREEN **SUPPLY CHAIN**

IN LOGISTICS AFRICA

Imperial's Logistics Africa division believes that 'green' initiatives should clear three hurdles. They must be financially, environmentally and socially acceptable. Transformation to a green supply chain is a three-fold process, which requires:

- Researching and evaluating the benefits, costs and means of 'greening' supply chains
- Measuring the company's carbon footprint and identifying the levers for change
- Embarking on initiatives supported by a strong business case

This approach has enabled the division to continuously pick up trends, understand drivers of change and engage with business partners to green clients' supply chains, as well as its own business.

Logistics Africa has demonstrated that through a focus on best practice across the supply chain, it can deliver operational and economic benefits, while simultaneously limiting carbon footprint and waste, and reducing environmental impact. Through making the right procurement decisions, working closely with business partners and employees and the intelligent application of supply chain modelling, excessive and inessential transportation is eliminated.

The company has embarked on a number of greening initiatives supported by a strong business case, as detailed overleaf.

CASE STUDY > TRANSFORMATION TO A GREEN SUPPLY CHAIN IN LOGISTICS AFRICA – CONTINUED

SPOTLIGHT 1:

THE ESTABLISHMENT OF LOGISTICS INTEGRATION CENTRES (LICs) WHICH REDUCE COSTS AND CARBON FOOTPRINT WHILE IMPROVING EFFICIENCY

Improved tools for optimised planning and cost management, which offer the ability to measure efficiencies and track benefits are just some of the rewards being reaped by the retail group Woolworths since transforming its supply chain, with assistance from two Logistics Africa companies – Resolve, which houses the division's professional services and consulting capabilities, and Imperial Distribution Services.

The transformation process began when Woolworths identified the need to vertically integrate its supply chain beyond the traditional operations of warehousing and distribution to achieve improved service levels, competitive advantage and supply chain sustainability. As a starting point, the client, with assistance from Resolve and Imperial Distribution Services, quantified the current logistics costs embedded in purchases from suppliers. The result of the modelling culminated in the development of a business case for Woolworths to optimise distribution services by offering transport services to their suppliers.

It was agreed that an LIC should be established to house the required planning and reporting capabilities, to support performance improvement and to provide a high level of visibility of operations. The LIC would become a key enabler for Woolworths to offer a competitive service to suppliers. Through the reporting capabilities of the LIC, it has been possible to improve the operational efficiency of transport year on year.

SPOTLIGHT 2:

THE DEVELOPMENT OF A NEW BUSINESS MODEL THAT SAVES MONEY, IMPROVES EFFICIENCY AND BENEFITS THE ENVIRONMENT

Dramatic changes within the South African fast moving consumer goods (FMCG) sector and retail environments are demanding new supply chain strategies from companies aiming to remain competitive. For Resolve's clients, the solution was a new business model – previously unseen and untested in South Africa. It was adopted to provide clients with a competitive advantage in their industries, and a sustainable response to the powerful factors shaping their markets.

The solution adopted was the integrated management, planning and execution of all distribution activities from a central control room for all Resolve's clients, across all sites. It has resulted in an average increase of 7% in efficiency for Resolve's clients (measured by the number of drops per vehicle). This increase in efficiency translates into a total fleet reduction of 15 vehicles and an annualised distribution cost saving of approximately R12 million.

Operational and environmental benefits have also been achieved. Companies are increasingly putting environmental considerations high on the business agenda, and Resolve's new business model is enabling its clients to reduce their carbon footprint. Planning and execution management tools ensure that the fleet is travelling optimal distances, thereby avoiding unnecessary kilometres and extra carbon emissions. The results extrapolated from key operations show distance savings of 4,5% (net of fleet savings), resulting in a reduction in emissions in excess of 400 tonnes of CO_2 per annum.

SPOTLIGHT 3:

COLGATE PALMOLIVE BENEFITS FROM THE NEW, STATE-OF-THE-ART WAREHOUSING AND LOGISTICS FACILITY LAUNCHED BY IMPERIAL RETAIL LOGISTICS

Imperial Retail Logistics, a group company of Imperial Logistics, launched a new, state-of-the-art warehousing and logistics facility during 2013, with green design aspects and advanced logistics functionality. The facility boasts features such as ultra-flat flooring with high load bearing capacity. The building has cross-docking facilities, offering high flexibility in materials handling. Cross-docking facilities enable the implementation of 'flow-through' and 'stock-and-distribute' strategies for products, significantly enhancing flow efficiencies. A contract for warehousing and distribution services has been awarded to Imperial Retail Logistics by Colgate Palmolive, which will be one of the first companies to benefit from this new facility.

Resolve's new business model has resulted in distance savings of 4,5% for clients, and emission reductions of approximately 400 tonnes of CO_2 per annum

IMPERIAL
IMPERIAL
IMPERIAL
IMPERIAL

CASE **STUDY** > LOGISTICS INTERNATIONAL PUTS ENERGY EFFICIENCY MEASURES IN PLACE

LOGISTICS INTERNATIONAL PUTS

ENERGY EFFICIENCY **MEASURES**

IN PLACE THROUGHOUT THE BUSINESS

Given the nature of our business, continuously maximising our energy and fuel efficiency – and reducing any associated emissions – are some of our most important goals at Imperial. Every part of our diverse company, all over the world and right down to the smallest business unit, is expected to identify and implement energy efficiency measures wherever possible.

Our Logistics International division – headquartered in Duisburg, Germany – offers a broad range of logistics services to industries such as automobiles, chemicals and steel. Shipping and cargo are two of the lynchpins of the division. Businesses in the Logistics International division implemented a number of energy efficiency measures during the year. A few examples are captured in this case study.

SPOTLIGHT 1:

PANOPA BUSINESS UNITS INTRODUCE ISO ENVIRONMENTAL MANAGEMENT SYSTEMS

Within the Logistics International division, the Panopa group focuses on the niche market of contract logistics. For Panopa's businesses, proactive protection of the environment has meant a particular emphasis on:

- Using recyclable materials
- Reducing our consumption of raw materials, energy and water
- Reducing waste and emissions
- Improving the business' economic efficiency by taking suitable environmental protection measures

Incorporating environmental management into all parts of the business systematically is a priority. In line with this, two business units in the Panopa subsidiary Gillhuber received the DIN EN ISO 14001 certificate during the year under review – a significant achievement. This process provides a comprehensive framework for effective environmental management by reducing waste, improving resource efficiency and – as a consequence – managing costs. Other sites in the Panopa group also had their existing DIN EN ISO 14001 status re-certified and extended during the year.

SPOTLIGHT 2:

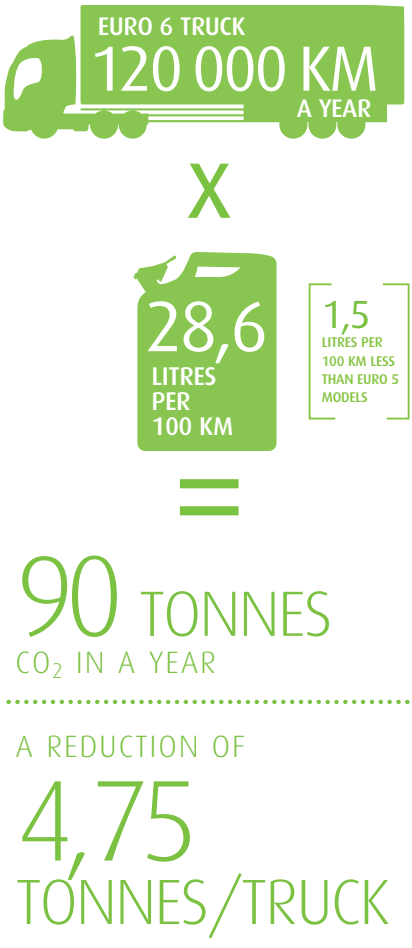
LEHNKERING'S FLEET BEGINS THE CHANGEOVER TO "EURO 6" STATE-OF-THE ART TRUCKS

As a logistics and production services provider for the chemical industry, and as part of the Logistics International division, the Lehnkering group owns and operates a fleet of approximately 290 trucks, transporting materials such as liquid bulk chemicals, liquid food and liquid gas. Ensuring that this fleet is as environmentally friendly as possible means that Lehnkering is continuously investigating the latest equipment and most innovative technology available. As part of this commitment, Lehnkering has already begun modernising its fleet by upgrading to the state-of-the art Euro 6 trucks which are both more carbon-friendly and more fuel efficient.

Euro 6 refers to a European Union (EU) regulation that addresses truck emissions specifically, and Euro 6 trucks utilise the latest engine technology so that they emit significantly less carbon dioxide than the previous generation of Euro 5 trucks.

Trucks meeting Euro 6 regulation also use up to 5% less fuel compared to the Euro 5 trucks, translating into a reduction of 1,5 litres per 100 kilometres. Whilst this may sound like a small saving, the compounded effect is noteworthy.

The goal is to have replaced 244 trucks with the new Euro 6 trucks by 2018 – translating into a reduction of 1 159 tonnes of CO_2.



ASSUMED CO_2 REDUCTION PER YEAR THROUGH MODERNISATION WITH EURO 6 TRUCKS*

YEAR OF REPLACEMENT	NUMBER OF TRUCKS REPLACED	YEAR OF IMPACT	CO_2 SAVINGS PER YEAR IN TONNES	CO_2 SAVINGS ACCUMULATED IN TONNES
2014	51	2015	242	242
2015	55	2016	261	503
2016	56	2017	266	769
2017	58	2018	276	1 045
2018	24	2019	114	1 159
TOTAL	**244**			

* Assumed savings are based on average data of the current number of vehicles

CASE STUDY > LOGISTICS INTERNATIONAL PUTS ENERGY EFFICIENCY MEASURES IN PLACE – CONTINUED

SPOTLIGHT 3:

IMPERIAL SHIPPING MAKES USE OF 'ECO-DRIVING' TO IMPROVE FUEL EFFICIENCY

Eco-driving is a term used to describe the energy efficient use of vehicles, by driving in a way which minimises fuel consumption and the emission of carbon dioxide.

For the Imperial Shipping Group, which focuses primarily on inland shipping, the opportunities for eco-navigating exist on the waterways of Europe, rather than on the road. By carefully monitoring a vessel's fuel consumption from the bridge of the ship, the optimal navigating speed can be determined, i.e. the speed at which the best ratio between fuel consumption and transport performance is achieved. On-board monitoring processes rely on precise and very detailed information, for example the rate of fuel consumption, the fuel temperature and the flow volume. Using this information, the crew can adjust the speed of the ship, and choose which path in the river offers least resistance, to maximise the vessel's fuel efficiency.

"The implementation of eco-driving has shown us that monitoring the energy efficiency of shipping can reduce our fuel consumption by up to 10%," says Henning Bosch, Managing Director (Strategy and Fleet Management) at Imperial Shipping, "and in turn this also lowers carbon emissions from our fleet."

Using specialised equipment, called volumeters, which allow navigators to measure consumption with a high degree of precision, the engines on most of Imperial Shipping's vessels give constant feedback on Specific Fuel Oil Consumption (SFOC). Even the smallest changes of speed and fuel usage can make a difference. The volumeters capture the exact measurements of fuel flow and report them in real time to a display monitor located in the bridge of the ship. The crew is then able to respond to this real-time data display.

Most of Imperial Shipping's fleet is already equipped with this on-board monitoring equipment and the rest of its existing fleet will be retrofitted with these 'fuel watches' in the 2015 financial year.

"Currently, Imperial is one of the most efficient logistics service providers on the Rió Parana, due to our technical innovation," says Jens Kleiner, Managing Director Of Imperial Shipping Paraguay.

GAS 91

05

ENVIRONMENTAL AND BUSINESS FOOTPRINT

ENVIRONMENTAL AND BUSINESS FOOTPRINT AT A GLANCE

MOST CRITICAL ISSUES

Water and energy management

Waste management

Environmental compliance

Prevention and containment of spillages

RELEVANCE ACROSS ALL DIVISIONS

Relevant across all divisions, but most significantly in the logistics and vehicles businesses as the number and scale of operational sites are significant

CONCERNED STAKEHOLDER GROUPS – EMPLOYEES, MANAGEMENT, CLIENTS, GOVERNMENT, INVESTORS

KEY MEASURES 2014

ELECTRICITY PURCHASED (MWh)
224 669

WATER PURCHASED (MILLION LITRES)
1 710

FOR MORE INFORMATION
Refer to the group-level sustainability data, pages 70 to 71

DURING 2014

224 669 MWh OF ELECTRICITY WAS PURCHASED BY THE GROUP, AT A TOTAL COST OF APPROXIMATELY

R400 MILLION

1 710 MILLION KILOLITRES OF WATER

WAS PURCHASED FROM MUNICIPALITIES, FOR USE PRIMARILY IN THE WASHING OF VEHICLES

ENVIRONMENTAL INCIDENTS

104

PERCENTAGE OF OIL RECYCLED

65%

OUR MANAGEMENT APPROACH

The group has a large number of operational sites, both in South Africa and internationally. These operations consume water, electricity and other natural resources and generate waste products, all of which require pro-active management to conserve resources and reduce costs and waste.

There is a strong focus on this area across the group. Investments were made during the year at many operational sites to reduce the consumption of natural resources such as water and electricity, including a number of innovative methods of reducing water usage and thereby cost. Examples of these initiatives are provided in the case studies included in this section.

Some of our operations by their nature carry the risk of environmental contamination from spillages of oil, fuel or other substances. During 2014, 104 environmental incidents occurred, the majority of which were small spillages of chemicals, fuel or oil. Environmental incidents are defined as those incidents having an impact on the environment, including spills of chemicals, oils and fuels.

No fines in relation to environmental issues were incurred by the group during the year. Quality systems and environmental management procedures are in place at the relevant operations to manage this potential impact.

Due to the nature of our business, oil is a significant waste stream and its release into the environment is strictly controlled. Waste oil is generated in the servicing of vehicles in the logistics businesses, which is undertaken in-house, as well as in the servicing of client vehicles in dealerships.

Measures have been taken to ensure Imperial group businesses dispose responsibly of oil and to increase the proportion of oil recycled. A group-level agreement is in place for the resale of used oil with a specialised company which enables waste oil to be cleaned and re-used.

During 2014, over three million litres of oil was recycled, approximately 65% of the group's oil purchases.

OPERATIONAL STRATEGIES AND INITIATIVES

In the Vehicles businesses, the washing of motor vehicles in dealerships constitutes a significant portion of water usage and many of the group's dealerships have put in place water saving projects to reduce the volume of water consumed and the resultant cost to the business. In many cases, water saving initiatives have also involved changes to the cleaning fluids used, such as a transition to biodegradable soaps, to ensure that the impact of the operations on the environment is minimised.

In June 2013, the **Vehicle Retail, Rental and Aftermarket Parts division** has embarked on a 'greening' action plan to minimise resource utilisation and wastage. This includes:

- Professional handling of waste and hazardous materials
- Reducing water usage in wash bays
- Reducing electricity consumption at all branches

Currently, there are no set guidelines or targets guiding actions in this area. However, the impact of initiatives by retail branches will be measured annually from 2014 and we expect that as they go through this process, we will see a reduction in waste and consumption figures.

To date, water and energy savings in the vehicle retail business have resulted in:

- Investment by 37% of our sites in energy-saving lighting technologies
- 22% of viable sites switching to recyclable wash bays. Viable sites are those where the scale or size of the operation and the volume of water used makes investment in water recycling facilities economically viable
- 96% of all sites making use of professional waste management firms

The **Vehicle Import, Distribution and Dealerships division** has put in place water recycling initiatives at its operations and has started using Eco Mobile car wash dispensing units at dealerships.

These units enable each car to be washed using only one litre of water.

FOR MORE INFORMATION
Refer to the case study on page 55

A subsidiary company, Pandae Green Solutions, was established in 2014 to manage some of the company's waste and recycling processes. The company will measure its performance in terms of the amount of waste salvaged or recycled. Performance targets will be set and more detailed reporting will be undertaken in future periods when this business is fully established.

FOCUS AREAS > ENVIRONMENTAL AND BUSINESS FOOTPRINT – CONTINUED

In the **Car Rental business**, water use and the recycling of waste oil, windscreens, client in-car waste, paper, tyres and batteries are closely managed.

The following actions have been taken to reduce the environmental impact of operations in this area:

- Water recycling facilities have been installed at all major vehicle turnaround facilities
- Windscreens are recycled responsibly through the supplier and the number of windscreens being replaced has been reduced
- Oil is recycled responsibly through an approved vendor
- Tyres and batteries are responsibly recycled through suppliers

The impact of these measures is calculated by monitoring:

- Water savings achieved through the recycling of water
- Windscreen glass measured in tonnes recycled and units replaced

In 2014, water recycling savings achieved were 10,5 million litres and total savings since 2011 have been 35 million litres. Further reductions in usage will only be possible through investment in greenfield recycling wash bay facilities.

The optimisation of operations is ongoing and new opportunities are continuously assessed for implementation of initiatives to reduce the environmental footprint of the business.

Oil is drained and collected weekly by a specialist contractor, who recycles and re-sells waste oil

IN THE CAR RENTAL BUSINESS APPROXIMATELY

35 MILLION LITRES OF WATER

HAS BEEN SAVED SINCE 2011 THROUGH THE USE OF RECYCLED WATER AT OUR MAJOR FACILITIES IN SOUTH AFRICA.

WATER RECYCLING IN CAR CAR RENTAL BUSINESS SAVES MILLIONS OF KILOLITRES ACROSS SOUTH AFRICA

South Africa is a country where water scarcity is a pressing issue. Water is an important part of Imperial's daily operations. In the vehicle retail and rental part of the business particularly, products need cleaning on a daily basis. Recognising the context in which we operate, the value and strategic importance of this critical resource is understood by all employees. During the year under review, targeted efforts to reduce our business' impact in relation to water were undertaken across our operations.

Our Europcar and Tempest operations wash on average 70 000 vehicles a month, resulting in significant water usage. Water recycling was an obvious area for immediate intervention and a systematic national roll-out plan was executed.

In 2009, a water recycling plant was installed at the vehicle turnaround facility at Durban's King Shaka Airport, which services both the Tempest and Europcar operations.

This was followed by installations in Port Elizabeth (Eastern Cape) and George (Western Cape) in 2010, followed by Cape Town International Airport and Jet Park in Gauteng – our two largest vehicle turnaround facilities – in 2011. Nelspruit's facility became operational in 2012, and 2013 saw the addition of water recycling at Lanseria Airport and Kramerville in Johannesburg.

Approximately 35 million litres of water have been saved since 2011 through the use of recycled water at our major facilities in South Africa. Savings have stabilised as the programme has been rolled out through the business.

In **Logistics Africa** there is significant emphasis on reducing environmental impacts and implementing good environmental management practices.

Environmental performance is one of the aspects against which operating companies are evaluated during the tender process and in ongoing performance monitoring with clients. It is therefore a key factor in winning and retaining contracts. There are two major workstreams underway in the logistics business in this area:

- **Water management** to conserve water at facilities that have washbays, by implementing water recycling plants and installing rainwater harvesting systems where there is sufficient roof space. Logistics Africa currently accounts for over 50% of water usage in the group. Water is used primarily for the washing of vehicles, particularly in heavy industries such as mining where vehicles require washing after transporting products such as coal, and also in the transportation of more sensitive cargoes such as foodstuffs and petroleum products, where attention needs to be given to the cleanliness of the vehicle used for transportation
- **Energy management** is undertaken to minimise energy usage by retrofitting owned buildings with energy-efficient lighting. Logistics Africa accounts for just over 30% of the group's electricity purchases as it runs a large number of warehouses and depots throughout the region

Achievements during 2014 include:

- The retrofitting of modern lighting technology at seven logistics buildings in Gauteng, South Africa
- The installation of water recycling plants and rainwater harvesting systems at sites in Gauteng. At full production, the recycling plants are designed to achieve an average of 85% water saving

FOCUS AREAS > ENVIRONMENTAL AND BUSINESS FOOTPRINT – CONTINUED

WITH AROUND
1 000
VEHICLES, SHIPS AND PUSH BARGES
DIESEL AND HEAVY FUEL OIL CONSUMPTION MAKE A SIGNIFICANT CONTRIBUTION
TO THE ENVIRONMENTAL FOOTPRINT OF THE BUSINESS

A major challenge in undertaking such initiatives is the geographic spread of operations In Logistics Africa. During 2014 the division focused on the implementation of projects in Gauteng.

In the forthcoming year, effort will be focused on rolling out both water and energy reduction projects to other South African facilities which are high electricity consumers. Performance metrics are still to be developed. Performance targets for electricity use and air business travel are currently under review.

During 2014, **Logistics International** continued implementing measures for the monitoring of greenhouse gas emissions and waste streams across the business. The objective is to form a more detailed picture of the main contributions to the footprint of the business. Once this information is collected, a strategy can be developed detailing how emissions can be reduced and thereby costs, for example by using new environmentally-friendly technologies, operating recyclable equipment, developing reduction initiatives for consumption of raw materials, water and energy and reducing and avoiding waste.

During the year, various parts of the business started implementing some reduction initiatives to manage their environmental and business footprint.

The Imperial Shipping group took measures to optimise fuel oil consumption and improve fuel efficiency by implementing a fuel monitoring system on vessels. This allows the vessels to control fuel consumption and therefore to navigate in a way which is more environmentally friendly and cost-efficient

- On sites at Panopa and Lehnkering, energy usage was reduced by replacing lighting systems with modern and environmentally-friendly lights
- With more than 1 000 vehicles, ships and push barges, diesel consumption makes a significant contribution to the environmental footprint of the business. In line with our commitment to developing more environmentally-friendly logistics services, Lehnkering started modernising its fleet with Euro 6 trucks to reduce the diesel consumption. Other fuels are being tested as potential alternatives to diesel
- The neska group continued to develop resource-protecting concepts by establishing combined transportation services using rail and ship and thereby reducing emissions
- We continue to manage waste streams in line with current practice in Germany, which is one of the leaders in Europe in this area. German federal waste management policy requires companies to reduce and to eliminate waste by implementing strategies like waste recovery and waste avoidance. Based on our corporate policy, we strive to reduce and avoid waste in our everyday business

In the forthcoming year, particular focus will be placed on raising awareness of sustainability issues, to support the development of sustainability practices across the business. Systems for the reporting of non-financial data still have to be optimised so that data can be used to set performance targets for electricity, fuel and water usage. New opportunities for reduction initiatives are continuously under investigation.

CASE **STUDY** > VEHICLE DEALERSHIPS REDUCE THEIR ENVIRONMENTAL FOOTPRINT

VEHICLE DEALERSHIPS REDUCE THEIR ENVIRONMENTAL FOOTPRINT

"Over the last five years, the group has been successful in incorporating thinking on environmental issues into the company DNA. This started with showing how there was a financial case to be made for change – for example to reduce water usage and increase energy efficiency. In many cases this is now part of the way Imperial operates. It is unthinkable, for example, for a dealership to be opened where energy and water efficiency are not considered in the design phase." – Valli Moosa, Chairperson of the Social, Ethics and Sustainability Committee

As noted in the quote above, the challenge to reduce the total environmental footprint of our business can only be addressed on the ground, in the way we do business every day. During the year under review, we encouraged all our business units to identify opportunities for savings and efficiencies. Dealerships in the **Vehicles businesses** found a number of smart and innovative ways to reduce their environmental footprint.

CASE **STUDY** > VEHICLE DEALERSHIPS REDUCE THEIR ENVIRONMENTAL FOOTPRINT – CONTINUED

SPOTLIGHT 1:

HYUNDAI INVESTS IN LOCAL TECHNOLOGY TO SAVE WATER AND COSTS

Hyundai dealerships across South Africa took up the challenge of reducing their water consumption and cutting costs, while simultaneously supporting local technology and innovation. During the year, all Hyundai dealerships introduced the Eco Mobile Car Wash Dispensing Units (also known as MDUs) into their daily processes.

Managing our business and environmental footprint – particularly waste and water management – is a priority for Imperial, and the introduction of this new technology was identified by Hyundai as a way to make an immediate difference in day-to-day operations.

The MDU is a mobile machine that is used to clean the exterior of cars. The machine uses a specially-developed cleansing formula and microfibre cloths to ensure a high quality car wash. The only water used by an MDU is the water to rinse the dirt off the microfibre cloths – usually about one litre per vehicle. The Eco Wash machines use less than 300ml of cleansing product, and cleaning agents are water based, instead of oil or kerosene based, which means they are biodegradable.

The MDU was developed by local South African company, Eco Wash, together with the University of Stellenbosch, in an effort to minimise the use of water, energy and space.

A traditional high-pressure car washing machine at a dealership might use between 18 and 38 litres of water per minute, with a wash taking 12 minutes on average. This adds up to between 200 and 420 litres of water per high-pressure wash, meaning the process is both water intensive and costly.

Building dedicated car wash facilities in our car dealership workshops and showrooms is expensive, both in terms of construction and in terms of the costs of extra space. The introduction of the MDUs eliminates the need for car wash facilities in new dealerships. Waste traps also do not have to be installed or serviced monthly if the MDUs are being used by a dealership. In fact, the MDUs do not even need to be connected to a water or electricity supply to be used because they are entirely manual, meaning a vehicle can be washed wherever it is parked, and the units consume very little energy. The frequency of damage to vehicles is also reduced because cars do not have to be moved for cleaning.

> In the 2014 financial year, average monthly water consumption at **Hyundai Randburg** in Gauteng decreased by 13,5% from 296kL to 256kL, on introduction of the MDUs. The cost of the

machines has already been offset as a result of the savings made

- **Hyundai Centurion** achieved an immediate saving on their water bill – R158 432 was saved during the 2014 financial year, and annual water consumption reduced by 55%. The cost of the machines has already been offset as a result of the savings made
- **Hyundai Strijdom Park** has reduced water usage by approximately 2 640kL over the course of the year – this equates to a saving on the water bill of R6 900 per month. The dealership has also noticed a reduction in electricity costs and consumables since the implementation of the MDUs

At these three dealerships alone, over 3 000kL of water has been saved since the introduction of the Eco Wash machines.

In total, the Hyundai group has received almost R1 million in rebates from the Water Board since the introduction of the Eco Wash cleaning system.

SPOTLIGHT 2:

HULL DEALERSHIP (UK) INTRODUCES LIGHTING CHANGES TO REDUCE ENERGY USAGE

Imperial's commercial dealership in the Hull region in the UK decided to address its carbon footprint in 2013. By evaluating and implementing a new lighting solution it was able to reduce operating costs and also to improve the work environment for employees.

Prior to the implementation of the change in the dealership's lighting, energy usage was high, efficiency was not optimal and there was poor lighting in the workshop and parts warehouse. The team started to investigate a number of options to identify the best possible solution to these challenges.

Firstly, it was agreed to replace the standard fluorescent tubes and sodium halide bulbs used in the dealership with more efficient, longer-lasting LED equivalents to reduce energy consumption.

Secondly, the dealership explored the possibility of introducing more natural light into the parts area. This simple but effective fix was achieved by reducing the size of the workshop's roller shutter door by 50%, and installing a large window above it. The introduction of natural light has reduced the demand for artificial lighting significantly, particularly during the hours where there is full daylight. It has also significantly reduced heat loss due to the new and smaller roller door.

"The project has been a great success because we have more natural light now in the parts department due to the new window being in place. This has also stopped us needing the lights on all day." – John Coates, Parts Supervisor.

The project has resulted an overall energy reduction of 59 663 kWh. This represents a reduction of approximately 30% in both the energy consumed at the Hull branch and in the carbon emissions produced. The annual savings made as a result of the change have already paid back the investment cost of the LED bulbs. The business can now enjoy the savings over the next five years – the balance of the typical life of these bulbs.

SPOTLIGHT 3:

WATER RECYCLING REDUCES VAALRIDGE AUTO'S WATER USAGE

Management at the Vaalridge Auto BMW Dealership in Gauteng, South Africa, have a track record of implementing initiatives to reduce the business' footprint.

Having implemented a full electrical retrofit to save energy in the previous financial year, their next project was to address water usage at the dealership to evaluate where savings could be made.

In March 2014 an "E-washa" water recycling plant was installed in the dealership's wash bay. A significant reduction in usage and costs could be seen immediately.

As a result of the recycling plant's introduction, Vaalridge Auto reduced their water usage by 69%, from an average of 386 kilolitres a month (measured between November 2013 and February 2014) to 164 kilolitres for the month of April 2014. Costs also reduced by 67% as a result, from an average of R5 622 per month (November 2013 to February 2014) to R1 872 in April 2014.

"We're looking to introduce rainwater harvesting as our next project – we have a large roof in the main dealership and we're turning our attention to making use of that." – Naveen Ramparsad, Dealer Principal, Vaalridge Auto.

VAALRIDGE AUTO **REDUCED THEIR WATER USAGE** BY

69%

FROM **386 KILOLITRES** TO

164 kL

PER MONTH

COSTS ALSO REDUCED BY 67%

06

SOCIAL AND DEVELOPMENTAL BENEFITS

SOCIAL AND DEVELOPMENTAL BENEFITS AT A GLANCE

MOST CRITICAL ISSUES

Development and health benefits arising from our business

Community development and social programmes

FOR MORE INFORMATION
Refer to the group-level sustainability data, pages 72 to 73

CONCERNED STAKEHOLDER GROUPS – EMPLOYEES, MANAGEMENT, GOVERNMENT, INVESTORS

KEY MEASURES 2014

SOCIAL DEVELOPMENT SPEND, INCLUDING UKHAMBA TRUST CONTRIBUTIONS
R13,7 MILLION

CONTRIBUTION TO I-PLEDGE
R4,3 MILLION

OUR MANAGEMENT APPROACH

All areas of the business contribute directly and materially to social and community development projects.

Direct contributions totalled over R18 million in the 2014 financial year and were made in two major areas – education, through the Ukhamba Community Development Trust, and road safety, through the I-Pledge campaign.

FOR MORE INFORMATION
on the I-Pledge campaign, refer to page 36

Further to these two focus areas, the business engages in social upliftment projects in many of the communities in which it operates. These projects are generally initiated and undertaken at a business unit level, in response to the specific needs of local communities and the capacity of the business to support them. They include significant work in the area of HIV/Aids and wellness conducted in the Logistics Africa division, but which has broader societal relevance given the nature of the disease.

Over and above these contributions, Imperial creates value in society and maintains its social relevance through its business activities and the way in which it conducts them. The shared value created in this way is sustainable, as both economic and societal benefits are generated. Examples include the distribution of foods and pharmaceuticals to remote locations in Africa, the safe storage and transport of life-saving medicines in Africa,the provision of entry-level car buyers with affordable options for car lease and purchase and the provision of competitively priced and value-for-money insurance products to emerging consumers.

FOR MORE INFORMATION
Refer to the case study on page 62

In addition, the significant training spend of the group (R170 million in the 2014 financial year) supports the development of a more educated and better skilled workforce, and job creation and enterprise development initiatives (as described on pages 26 to 28) have started to address the pressing issue of youth unemployment, which increasingly has the potential to become a destabilising factor in our society and business environment.

The following sections give an update on the work of the Ukhamba Community Development Trust, an illustrative case study on shared value (pharmaceutical distribution in Africa) and examples of social upliftment projects conducted through the business.

FOCUS **AREAS** > SOCIAL AND DEVELOPMENTAL BENEFITS – CONTINUED

"A unique feature that makes us different is our daily interaction with the learners." Shayda Arbee: Executive Manager – Imperial and Ukhamba Community Development Trust

THE UKHAMBA COMMUNITY DEVELOPMENT TRUST

The significant and meaningful success of the Imperial Ukhamba Community Development Trust, established in 2003 by the late Bill Lynch, former CEO, and Hafiz Mohamed, the former deputy CEO and CFO of Imperial, is one of the group's proudest and most significant achievements. All operating businesses in the group make a contribution to the Trust and these contributions totalled R7,3 million in the 2014 financial year. In addition, the Trust derives revenue from its 6% holding in Ukhamba, which in turn holds some 10% of Imperial group shares. An over-the-counter (OTC) scheme has been established to enable Imperial's black employees to realise value from their holding in the trust more easily.

FOR MORE INFORMATION
Refer to the Chairperson's review on page 29 of the Integrated Annual Report

The work of the Ukhamba Trust is exclusively concerned with education projects. Since its establishment, trustees have approved financial outlays exceeding R50 million for teaching and learning programmes, co-curricular and extra-curricular resources, teacher training and skills development, capital projects, curriculum development programmes and, increasingly, the establishment of school libraries.

The Trust aims to support high-impact, high-quality interventions and direct involvement in the poorest communities, largely in the neglected southern corridor of Johannesburg. They prioritise support for programmes that reach the largest possible number of learners and which are undertaken in schools with a good management team and learning environment, and which have shown steady and reliable improvements in their annual national assessment outcomes.

To date, the Trust has provided support for setting up of 13 school libraries, boasting sophisticated resources and on average, two paid librarians per school. Unutilised

classrooms are revamped into a pristine library and study centre and stocked with a start-up collection of 5 000 to 6 000 books as well as resource and reference materials for study, research, lesson planning and preparation. Libraries are open from early morning each day, as well as each Saturday, and during school holidays. To date, the initiative has touched the lives of 11 000 previously disadvantaged children through the library and school project.

Librarians, formerly unemployed township youth, are trained in providing reading classes for leaners from grade one to grade seven in primary schools, and reading and comprehension support for learners in grade eight and nine. The Trust employs 24 librarians across its projects in South Africa.

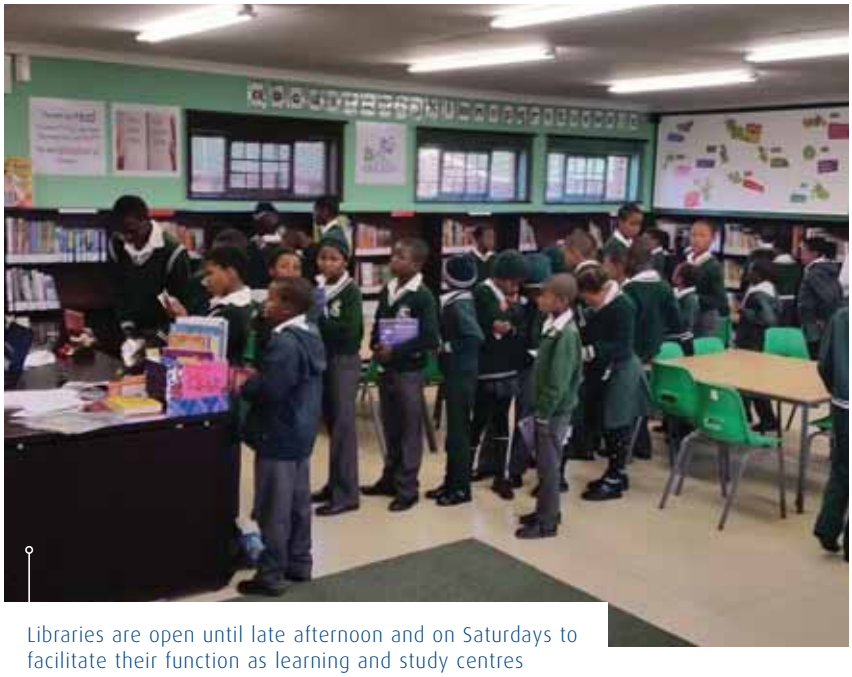
A graded and guided reading programme is at the centre of the Trust's engagement with its portfolio of schools. It is mandatory that participating schools schedule one hour per week of reading for every learner in grades one to seven. The reading programme is closely monitored by senior Imperial and Ukhamba employees for its effectiveness in developing reading competence and comprehension.

The provision of libraries will become the major focus area for the Ukhamba Trust in the future, as the project is showing dividends in the form of improved literacy, engagement and social skills, all of which are essential for preparing learners for the workplace in the future.

Other examples of social upliftment projects undertaken by businesses in the Imperial group include:

- A partnership with the Ukhamba Development Trust to support the latter's holistic approach to ensuring an environment conducive to learning at seven schools in the south of Johannesburg
- Europcar is a founding member and has been a patron of the Nelson Mandela Children's Fund since its inception in 1995, donating a percentage of every inbound international rental to the Fund. To date, more than R1,5 million has been donated to the Nelson Mandela Children's fund
- Europcar also provided mobility support for Reach for a Dream, Columba Leadership, a provider of values-based leadership programmes to empower young people from difficult backgrounds, and GOLD Peer Education, a programme supporting the fight against HIV/AIDS, high-risk behaviours, poverty and abuse among the youth
- Kia Motors became one of Smile Foundation's core donors three years ago, and has helped support seven of the 11 academic hospitals in South Africa. It has enabled the Smile Foundation, together with the National Department of Health, to assist many underprivileged children with plastic and reconstructive surgery and has supported children with psychological, speech and occupational therapy. In addition to improving the quality of life for these children and their families, the funding was also used to support Smile Foundation's Academic Skills Programme. This programme actively develops the skills of South Africa's medical fraternity within these hospitals. Nurses also benefited from the funding and were able to attend courses on wound care, pain management and basic life support. The 2014 financial year's donation of R1,6 million was used at the Tygerberg Academic Hospital. The funding was used to support an anaesthetist, as well as four intensive care unit nurses. The use of additional employees within the hospital has drastically reduced the patient backlog and the hospital is now in a position to assist patients with the necessary healthcare in a smaller time frame
- HIV/AIDS and wellness projects undertaken in the Logistics Africa division. The logistics industry provides a wellness programme called 'Trucking Wellness'. This initiative provides roadside wellness centres for drivers at truck stops, as well as mobile wellness centres providing the same service at company level. Logistics Africa is involved with and sponsors three roadside wellness centres and operates a further four in-house wellness centres in Alrode, Wadeville and Driehoek. The Driehoek centre was established during 2014. Total spend on these programmes during the financial year was R8,2 million. These centres provide primary healthcare and HIV/AIDS awareness training and refer employees who are HIV positive to the industry's treatment programme. At wellness centres HIV/AIDS awareness training takes place through a peer educator before drivers or employees enter the clinic

The above are a few examples of support that has been offered to a range of community projects during the year under review.



Libraries are open until late afternoon and on Saturdays to facilitate their function as learning and study centres

CASE **STUDY** > GETTING QUALITY MEDICINES TO THE PEOPLE OF AFRICA

GETTING QUALITY

MEDICINES TO THE PEOPLE

OF AFRICA

The Imperial Health Sciences Supply Chain Academy, part of Logistics Africa, is one of Africa's leading providers of training and development for people working in the public health supply chain.

The academy was founded to address the desperate need for supply chain skills in Africa's public health environment, especially in warehousing best practice.

Weak links in this supply chain can have dire consequences, including restricting access to drugs needed to prevent and treat AIDS, malaria, tuberculosis and other deadly diseases. Qualified pharmacists and warehouse employees often do not understand basic supply chain strategy and methodologies. Historically, poor pharmaceutical warehouse management, including cold chain management, has resulted in medicinal product and vaccine decay and subsequent inefficiencies and loss of product. As a result, much-needed medicines and vaccines do not reach patients in time, leading to poor health services and unnecessarily high death rates.

IN-DEPTH UNDERSTANDING OF WAREHOUSE OPERATIONS AND BEST PRACTICE

In 2005, the Imperial Health Sciences Supply Chain Academy introduced its first education offering, the warehouse management operations course, for warehouse managers and supply chain management practitioners in governmental, public and private sector organisations in African countries. The course is internationally recognised and designed to equip delegates with an in-depth understanding of warehouse operations and best practice, promoting a multi-disciplinary and integrated approach in line with warehousing trends. Material covers elements of warehousing – from operations and procurement to distribution and other key components of managing the health supply chain system.

PLAYING A CRITICAL ROLE IN THE PUBLIC HEALTH SECTOR

Today the Imperial Health Sciences Supply Chain Academy offers programmes from basic to post graduate level, and plays a critical role in the development of individuals working at all levels of the public health sector, helping them to perform their roles more efficiently and to understand how their functions fit into the public health supply chain and influence its performance.

In addition to the Warehouse Operations Management Programme, two further basic level courses are now offered, the Supply Chain Performance Improvement Programme and the Executive Change Management Programme.

Based on ISO accredited best practice, the Supply Chain Performance Improvement Programme aims to enhance the performance of public health supply chains. A specific objective of the programme is to outline a systematic approach to achieving regulatory compliance on which to build operational efficiencies.

The Executive Change Management Course assists managers with the often complex and challenging process of implementing and managing change.

ACQUIRING MANAGEMENT SKILLS

The Supply Chain Academy's certificate level qualification – the Certificate in Health Supply Chain and Logistics – aims to equip graduates with the skills needed to follow a path into management positions in an organisation. Candidates are provided with the basic concepts of managing innovation, technology, people and systems within a healthcare supply chain environment.

The certificate level programme has been development by the Imperial Health Sciences Supply Chain Academy in conjunction with the Da Vinci Institute, a renowned Johannesburg-based private university established in 1992 to create managers with the competence to lead their organisations.

DEGREE AND POST GRADUATE QUALIFICATIONS

Degree and post graduate qualifications are also offered by the Imperial Health Sciences Supply Chain Academy. The Bachelor of Commerce in Business Management has been customised for supply chain employees. Developed by the Da Vinci Institute in conjunction with the Chartered Institute of Purchasing and Supply, it aims to develop managers who understand the importance of socio-economic transformation within a supply chain environment.

The academy's Masters Diploma in Supply Chain Management is aimed at managers with a bachelor degree or similar qualification. It is designed to accelerate the development of managers by giving them a thorough overview of the strategic aspects of business and the way each function interlinks, and is offered in partnership with the University of Stellenbosch's Business School.

DELIVERING REAL BUSINESS BENEFITS

From 2007 to 2013, 214 delegates from all over Africa attended the Warehouse Operations Management courses run in South Africa by the Imperial Health Sciences Supply Chain Academy. Feedback from graduates revealed that after completing the programme, they were able to make tangible, sustainable and measurable improvements within their organisations.

"In my country, we developed standards of organisation and operation for pharmacies in public health facilities. We assessed the level of compliance with standards in 54 pharmacies, and then made recommendations and developed a project upgrade plan for the pharmacies – in terms of equipment, infrastructure, training human resources and activities within the pharmacy." – A graduate of the Imperial Health Sciences Supply Chain

Another graduate revealed that he had successfully implemented "regular spot-checks of key products, close follow-up of products at risk of expiring, good filing of documents and filing relating to physical inventory" following the course.

The introduction of key performance indicators, improvements in distribution and scheduling and enhanced quality management programmes were also among the improvements that graduates reported making once they returned to their home countries.

SUSTAINABILITY DATA FOR THE 2014 FINANCIAL YEAR

Sustainability data included in this report is based on information provided through the Imperial sustainability management system implemented during the 2012 financial year and piloted during 2013. Significant investment was made in the system and in its implementation to ensure that robust, group-level data could be published.

Comparative data is not provided in some cases, as it existed previously on legacy systems. Although data gathered through the system is subjected to a range of checks, it is not subject to external assurance at this stage. This is the group's medium term objective.

Data includes all operations managed by Imperial, whether or not they are wholly owned by the company. As is general practice with the reporting of sustainability data, information provided for managed subsidiaries which are not wholly owned by the group relates to 100% of the managed entity.

Mercedes-Benz

SUSTAINABILITY **DATA** > FINANCIAL

SUSTAINABILITY DATA

Note on sustainability data

The data below represents the key sustainability data collated for the Imperial group for 2014. Comparative numbers are shown where relevant and where data is available for the 2013 financial year.

Data relating to head office functions is included under the Financial Services division. These are largely management and administrative functions and therefore similar in profile to the financial services businesses.

The data reported includes many disclosures from the G4 Sustainability Reporting guidelines of the Global Reporting Initiative (GRI).

ONLINE
Refer to www.imperial.co.za for a GRI content index.

Economic data

	2014	2013
Revenue (Rm)	**103 567**	92 382
Operating profit (Rm)	**6 185**	6 090

1 Diluted core earnings exclude once-off and non-operational items

DILUTED EPS
↑ 1%
1 666 CENTS
PER SHARE

BASIC CORE EPS
↓ 3%
1 815 CENTS
PER SHARE

BASIC HEPS
↓ 10%
1 625 CENTS
PER SHARE

BASIC EPS
↓ 2%
1 687 CENTS
PER SHARE

DILUTED CORE EPS[1]
UNCHANGED
1 790 CENTS
PER SHARE

1. Diluted core earnings exclude once-off and non-operational items.

Value-added statement for the year ended 30 June 2014

	2014 Rm	%	2013 Rm	%
Revenue	**103 567**		92 383	
Paid to suppliers for materials and services	**80 621**		71 364	
Total wealth created	**22 946**		21 019	
Wealth distribution				
Salaries, wages and other benefits (note 1)	**14 576**	64	12 824	61
Providers of capital	**3 368**	15	3 518	17
– Net financing costs	**926**	4	744	4
– Dividends, share buybacks and cancellations	**2 120**	9	2 497	12
– Dividends to non-controlling interests	**322**	2	277	1
Government (note 2)	**1 748**	7	1 438	7
Reinvested in the group to maintain and develop operations	**3 254**	14	3 239	15
– Depreciation, amortisation and recoupments	**2 408**		2 316	
– Future expansion	**846**		923	
	22 946	100	21 019	100
Value-added ratios				
– Number of employees (continuing operations)	**51 671**		51 007	
– Revenue per employee ('000)	**2 004**		1 811	
– Wealth created per employee ('000)	**444**		412	
Notes				
1 Salaries, wages and other benefits				
Salaries, wages, overtime, commissions, bonuses, allowances	***13 316***		*11 739*	
Employer contributions	***1 260***		*1 085*	
	14 576		*12 824*	
2 Central and local governments				
South African normal taxation	***1 125***		*995*	
Withholding and secondary tax on companies	***11***		*9*	
Foreign tax	***349***		*196*	
Rates and taxes	***82***		*94*	
Skills development levy	***62***		*52*	
Unemployment Insurance Fund	***95***		*69*	
Carbon emissions tax	***24***		*23*	
	1 748		*1 438*	

SUSTAINABILITY DATA > PEOPLE

People

	2014						2013
	Vehicles		Logistics		Financial Services	Group Total	Group Total
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International			
Number of employees	**7 462**	**11 761**	**23 198**	**8 074**	**1 176**	**51 671**	51 007
Training spend (R'000)	**252 700**	**34 271**	**99 472**	**–**	**11 283**	**170 296**	174 941
Training spend/employee (R)	**3 386**	**2 914**	**4 288**	**–**	**9 595**	**3 296**	3 430
Number of training hours*	**100 866**	**239 058**	**366 766**	**–**	**8 329**	**715 019**	1 046 989
Number of training hours/employee	**13,52**	**20,33**	**15,81**	**–**	**7,08**	**13,84**	21

* *In the 2013 integrated report, the training hours included the apprentices working hours as training and these are now excluded. The 2013 numbers have been restated accordingly.*

Employment equity data relating to South African workforce (for the 12 months to 30 June 2014)

	African	Coloured	Indian	White	Foreign Nationals	2014	2013
Permanent employees							
Top management	**7**	**4**	**14**	**132**	**2**	**159**	167
Senior management	**44**	**24**	**79**	**437**	**4**	**588**	576
Professional specialists/mid-management	**412**	**290**	**424**	**2 104**	**12**	**3 242**	3 282
Skilled junior management	**4 008**	**1 447**	**1 079**	**3 961**	**46**	**10 541**	10 643
Semi-skilled	**9 907**	**2 313**	**831**	**2 094**	**55**	**15 200**	16 611
Unskilled	**5 455**	**753**	**93**	**95**	**25**	**6 421**	6 154
Total permanent employees	**19 833**	**4 831**	**2 520**	**8 823**	**144**	**36 151**	37 433
Non-permanent employees	**1 957**	**354**	**184**	**118**	**2**	**2 615**	1 826
Total	**21 790**	**5 185**	**2 704**	**8 941**	**146**	**38 766**	39 259

Geographical breakdown of workforce	2014	2013
South Africa	**38 766**	39 259
Rest of world	**12 905**	11 748

IMPERIAL
AERO TRUCK
Smoother
IMPERIAL
RETAIL LOGISTICS
ISUZU
250

SUSTAINABILITY DATA > SAFETY, BUSINESS FOOTPRINT AND FUEL EFFICIENCY

Safety

	2014					
	Vehicles		Logistics			
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International	Financial Services	Group Total
Kilometres travelled	71 370 075	70 733 538	463 884 531	44 021 466	4 514 641	654 524 251
Road accidents	408	912	106	33	46	1 505
Road injuries (company)	24	36	46	5	–	111
Road fatalities (company)	–	–	7	–	–	7
Accidents per million kilometres	5,7	12,9	0,2	0,7	10,2	2,3
Injuries per million kilometres	0,3	0,5	0,1	0,1	–	0,17
Fatalities per million kilometres	–	–	0,011	–	–	0,011

Environmental and business footprint

	2014					
	Vehicles		Logistics			
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International	Financial Services	Group Total
Electricity purchased (MWh)	30 197	60 033	77 268	54 176	2 995	224 669
Water purchased from municipalities (kL)	103 141	491 178	915 393	191 323	9 488	1 710 523
Environmental incidents	–	–	104	–	–	104
Environmental incidents carrying fine or other penalty	–	–	–	–	–	–

Fuel efficiency

	2014					
	Vehicles		Logistics			
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International	Financial Services	Group Total
Fuel usage (kL)	14 044	17 982	207 677	18 685	638	259 026
Scope 1 emissions (tCO_2)	36 673	47 443	578 765	204 178	1 452	868 511
Scope 2 emissions (tCO_2)	35 560	65 637	81 842	30 685	2 813	216 537
Total scope 1 and 2 emissions (tCO_2)	72 233	113 080	660 607	234 863	4 265	1 085 048

	2013					
	Vehicles		Logistics			
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International	Financial Services	Group Total
	77 680 104	63 716 159	495 045 841	54 774 530	6 136 542	697 353 176
	433	589	175	–	55	1 252
	60	23	45	–	–	128
	–	–	9	–	–	9
	5,6	9,2	0,4	–	9,0	1,8
	0,8	0,4	0,1	–	–	0,18
	0,0	0,0	0,013	–	–	0,013

	2013					
	Vehicles		Logistics			
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International	Financial Services	Group Total
	31 231	55 212	68 074	51 547	2 781	208 845
	522 070	335 885	749 163	123 515	9 051	1 739 684
	–	2	121	–	–	123
	–	–	–	–	–	–

	2013					
	Vehicles		Logistics			
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International	Financial Services	Group Total
	14 972	17 804	213 863	23 688	657	270 984
	38 544	55 238	618 699	262 411	1 492	976 384
	34 512	57 702	79 309	31 605	2 663	205 791
	73 056	112 940	698 008	294 016	4 155	1 182 175

SUSTAINABILITY DATA > SOCIAL AND DEVELOPMENTAL BENEFITS

Social and developmental benefits

	2014						
	Vehicles		Logistics		Head Office (principally I-Pledge) and Financial Services	Imperial Group	Group Total
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International			
Socio-economic development spend (R'000)	**6 633**	**3 433**	**1 973**	**–**	**898**	**5 205**	**18 143**

Breakdown of socio-economic development spend

	2014	2013
Contribution to Ukhamba Development Trust (R)	**10 054 262**	7 850 000
Contribution to I-Pledge (R)	**4 300 000**	8 000 000
Other socio-economic development initiatives (R)	**3 788 741**	6 775 001
Total (R)	**18 143 376**	25 634 511

HIV and wellness spend

Over and above socio-economic development spend, the following was spent by Africa Logistics on wellness programmes in 2014

	2014
Wellness clinic spend (R)	**861 450**
Contribution to the Wellness Fund on behalf of Logistics Africa	**7 307 689**
Total (R)	**8 171 153**

	2014
Traffic or road infringement fines (R)	**9 787 979**

Note: most of these fines are recovered from the employees

There were no significant breaches related to human rights, corruption or any anti-competitive behaviour that were brought to the attention of the social, ethics and sustainability committee or executive compliance and governance meetings

	2013						
	Vehicles		Logistics		Head office (principally I-Pledge) and Financial Services	Imperial Group	Group Total
	Import, Distribution and Dealerships	Car Retail, Rental and Aftermarket Parts	Logistics Africa	Logistics International			
	4 329 000	3 850 054	535 606	–	1 269 850	15 650 001	25 634 511

CORPORATE INFORMATION

DIRECTORS

Non-executive

TS Gcabashe*, (Chairperson) BA (Botswana), MURP (Ball State Univ, USA), PED, IMD Lausanne
HR Brody, BAcc (Hons), CA(SA)
T Dingaan, BProc, LLB, LLM, HDip (Tax)
S Engelbrecht*, BSc, MBL, MDP (Insead)
RL Hiemstra, BCompt (Hons), CA(SA)
P Langeni*, BCom (Acc)
MJ Leeming*, BCom, MCom, FCMA, FIBSA, AMP (Harvard)
MV Moosa, BSc
RJA Sparks*, BCom (Hons), CA(SA), MBA
A Tugendhaft (Deputy chairperson), BA, LLB
Y Waja*, BCom, CA(SA)
* *Independent*

EXECUTIVE

MJ Lamberti (Chief Executive), BCom, MBL (Wits), PPL (Harvard), CD (SA)
M Akoojee, BAcc (Hons), CA(SA), CFA
OS Arbee (Chief Financial Officer), BAcc, CA(SA), HDip(Tax)
MP de Canha
PB Michaux
GW Riemann (German)
JJ Strydom, BBus Sc, FIA, CFA, MBA
M Swanepoel, BCom Acc (Hons)

Executive Committee

MJ Lamberti (Chairperson), M Akoojee, OS Arbee, MP de Canha, BJ Francis, PB Michaux, JJ Strydom, M Swanepoel

Audit Committee

MJ Leeming (Chairperson), T Dingaan, P Langeni, RJA Sparks, Y Waja

Remuneration and Nomination Committee

RJA Sparks (Chairperson), TS Gcabashe, P Langeni, A Tugendhaft

Risk Committee

Y Waja (Chairperson), OS Arbee, N Bell, S Engelbrecht, BJ Francis, RL Hiemstra, MJ Lamberti, MJ Leeming, A Osman, G Rudman, A Tennick

Social, Ethics and Sustainability Committee

MV Moosa (Chairperson), B Adam, OS Arbee, MP de Canha, BJ Francis, TS Gcabashe, MJ Lamberti, R Levin, MR Sharfuddin, M Swanepoel, A Tugendhaft, RA Venter

Assets and Liabilities Committee

HR Brody (Chairperson), OS Arbee, RL Hiemstra, MJ Lamberti, MJ Leeming, R Mumford, WF Reitsma, JJ Strydom, M Swanepoel

Group Internal Audit Executive

G Nzalo, BCom, CA (SA), CIA

Group Treasurer

WF Reitsma, BTech Banking, MCom, FIBSA, CAIB, PBSA, FIFM

Group Legal Advisor and Company Secretary

RA Venter, BCom, LLB, LLM

Group head of Risk

BJ Francis, BCompt (Hons), CIA

Group Head of Sustainability

MR Sharfuddin, BBA, IMP (Insead)

Business address and registered office

Imperial Place
Jeppe Quondam
79 Boeing Road East
Bedfordview
2007

Postal address and contact numbers

PO Box 3013
Edenvale
1610

Telephone +27 (0) 11 372 6500
Facsimile +27 (0) 11 372 6550

Name and registration number

Imperial Holdings Limited
1946/021048/06

Share transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

Telephone +27 (0)11 370 5000
Facsimile +27 (0)11 370 5487

Website

www.imperial.co.za

Email

info@ih.co.za

JSE information

Ordinary share code: IPL
ISIN: ZAE000067211
Preference share code: IPLP
ISIN: ZAE000088076

Shareholders' diary

Final dividend payment:	29 September 2014
Annual general meeting:	4 November 2014
Interim results released:	24 February 2015
Interim dividend payment:	30 March 2015
Final results released:	26 August 2015
Final dividend payment:	28 September 2015

STUDIO 5

SUSTAINABLE DEVELOPMENT REPORT 2014

IMPERIAL PLACE
JEPPE QUONDAM
79 BOEING ROAD EAST
BEDFORDVIEW
2007

POSTAL ADDRESS
PO BOX 3013
EDENVALE
1610
SOUTH AFRICA

WWW.IMPERIAL.CO.ZA