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FORWARD THINKING 
IMPERIAL™

Sustainability Report >> 2011

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fast moving >> *forward thinking*



Imperial manages its business according to a set of core values that determines its strategy and also its aspirations for the future. Our aim is always to provide sustainable services that are affordable in every sense of the word: socially, environmentally and economically.

Our strategy determines our sustainability initiatives while our values guide our approach. We recognise that we have to integrate our sustainability initiatives with our long-term business strategy and in our daily business. Although each Imperial division faces different challenges, and thus has different priorities and perspectives, this integrated approach is bearing fruit as is evidenced by initiatives such as greener buildings and recycling, which are detailed in this report. This, however, remains a challenging task, spanning some 40 000 people across five divisions and three continents, with different key performance indicators and operating platforms.

Key issues for Imperial group 2011

In the prior year, we held a strategic sustainability summit to identify our material issues at group level, set targets, and develop a plan to reach these goals. This plan was approved by the board in December 2010, and progress has already been made in a number of areas by building on earlier initiatives.

During the year we launched a programme to review issues pertinent to each division through divisional workshops and identify the key business drivers of sustainability in each of the divisions.

We also started to create sustainability structures in divisions, which champion the process in each division, in addition to creating a central sustainability focused resource base.

The group has acquired a sophisticated sustainability measurement and management system which will be used to collect data relating to Imperial's carbon footprint, key metrics and GRI indicators and health, safety and environmental incident data. The system will be rolled out in the group over the next 18 months.

Highlights of the year

- As a major road user, Imperial's road safety campaign, called I-Pledge, was internally launched in July 2011 and will be extended beyond the group in the latter part of 2011
- Imperial was admitted to the JSE's Socially Responsible Investment (SRI) Index. The SRI is an independent measure of corporate social responsibility across the key indicators of governance, social and environmental structures and performance
- More than 6 000 of our people received training – from learnerships to executive development programmes
- We again participated in the Carbon Disclosure Project (CDP), a non-governmental organisation representing 475 investors with assets of US\$55 trillion and made good progress towards measuring the global carbon footprint for the group
- Innovative social and environmental initiatives got underway in several divisions
- SA Logistics won the Mail & Guardian Greening the future Award – “Companies with Innovative Environmental Strategies that Improve Business Performance”
- The group spent R36 million on CSI initiatives during the year
- Europcar sponsored the “Green Office Week” initiative in South Africa
- Europcar obtained limited assurance of its carbon footprint and already made progress against its baseline footprint.

Imperial remained healthy and able to weather challenging times in world and domestic markets. We are also in a unique position to make a difference in the industries where we play a dominant role. We are also thankful for the efforts of our people who each contribute to the sustainability of our business and who drive the initiatives that are detailed in this report.

We welcome your feedback on our approach and our progress.

Hubert Brody
Chief executive officer

23 August 2011



2 Key facts at a glance

Imperial Holdings Limited
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	2011	2010
People employed	40 898	35 968
Salaries paid (Rm)	8 713	7 515
Training expenditure (Rm)	116	70
Donations to social responsibility causes (Rm)	36	16
Distance travelled by our road fleet excluding rental vehicles (million kilometres)	488	426
Employee fatalities in road accidents	9	12
Road accidents involving our fleet	1 050	1 211
Environmental incidents	160	120
Electricity purchased (million kW/h)	155	160
Fuel consumed (million litres)	248	232
Biofuel consumed (million litres)	1.3	0.7
CO ₂ emissions (tonnes)	1 010 925	937 838

Further information on the scale of the Imperial group appears in the historical review on page 50, the value added statement on page 20, and the employment section on page 128 of the integrated report, which is available on the group website: www.imperial.co.za.

Organisational profile

Imperial is listed on the JSE Limited with its head office in Johannesburg, South Africa. The operational structure, description of major divisions and markets served, and geographical areas of operation appear on pages 52 and 89 of the integrated report.

This is the seventh report of this nature to be released by the group and the third using the latest Global Reporting Initiative (GRI) guidelines, known as G3.

The directors are responsible for the content of this report and although all reasonable steps have been taken to ensure its accuracy, they can only provide reasonable assurance that reporting systems are accurate. During the year, the group further enhanced systems to monitor the accuracy, completeness and reliability of financial, operational, safety, health and environmental management information. We will continue to refine and improve these processes over time. The report, with the exception of certain economic impacts, has not been externally verified.

Imperial now has five operating divisions spanning logistics, car rental and tourism, vehicle distribution and retail including allied financial services, as well as parts and industrial products distribution. These are independently managed and operate within governance guidelines laid down by the board and the executive committee. The group does not have extensive policies regulating the affairs of these divisions as they operate in different areas and comply with governance standards appropriate to their industries.

Due to the decentralised management structure of the group and the diverse nature of its operating businesses, information is recorded and reported in different formats. The group has, however, used its best endeavours to ensure the sustainability report meets the material reporting needs of stakeholders. Our intention is to give readers a clearer understanding of our operations, the factors that drive them and the impact they have on the economic, social and physical environments in which we conduct our business.

4 Scope and boundary

Imperial Holdings Limited
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The report was compiled for the financial year ended 30 June 2011 and encompasses all Imperial's businesses over which it has operational control. The most recent previous report was issued for the financial year ended 30 June 2010.

Imperial's businesses in Africa, Europe, the United Kingdom and Australia are included in the report. Impacts relating to entities not operationally controlled by the group have been excluded. Leased facilities are treated for reporting purposes as if the group owned them. Assets owned but not operated by the group have been excluded.

Imperial's sustainable development policy recognises that the group consists of a number of diverse businesses, each with its own challenges, stakeholders and operating environment. In addition to functions controlled or initiated at group level, each business has its own sustainability initiatives, designed to address areas of importance in that business and the community in which it operates. This stems from the group's philosophy to empower local and divisional management who are best placed to identify and engage stakeholders on virtually all levels and to ultimately make decisions within agreed guidelines, based on this understanding.

We believe this report represents a balanced and reasonable view of our organisation's economic, environmental and social performance, covering all material topics and indicators. According to the GRI framework, we have elected to rate our report at a C level as we include a number of performance indicators with at least one from each section and a number of management disclosures on these indicators.

Materiality

In choosing the topics included in the report, we considered the requirements and expectations of external and internal stakeholders and prioritised material topics and indicators. Materiality was also determined on an operational basis to provide meaningful and transparent information to stakeholders. Where we have made assumptions on data reflected in the report, we deal with those assumptions and calculations in the particular area of reporting.

Structure and governance

We conduct our business according to the principles of integrity, reliability and trust. Our formal practices encompass systems, structures and a culture of governance to ensure the group acts responsibly to all its stakeholders – economically, environmentally and socially.

Sustainability reporting in the group is comprehensively reviewed annually, while key performance areas are monitored quarterly by the board and monthly by the executive committee. Key performance areas include economic performance, black economic empowerment (BEE) and skills development, as well as safety, health and environmental performance.

The composition of the board, its committees and information on the governance and management structures of the group appear in the corporate governance report on pages 22 to 31 of the integrated report. Information on remuneration policies and practices is in the remuneration report on pages 96 to 103 of the integrated report.

Imperial's nine unifying business principles:

- 1 Commitment to people development
- 2 A performance culture
- 3 Social responsibility
- 4 Transparency through good communication
- 5 Service excellence
- 6 Group business loyalty
- 7 Financial responsibility and capital efficiency
- 8 Nurturing of, and tolerance for, entrepreneurial initiatives
- 9 Rallying around our main brand.

Our core value is to act with uncompromising honesty and integrity. Our code of ethics provides guidance to all staff, management and directors of Imperial and its subsidiaries on adhering to this core value, although we recognise that no single code can address every situation individuals are likely to encounter. As such, this code is not a substitute for employees' responsibility and accountability to exercise good judgement and obtain guidance on appropriate business conduct.

Our divisions also include aspects of ethics in their induction programmes.

Our code of ethics

At all times the group and, where appropriate, our employees will:

- 1 Respect others and avoid any form of discrimination.
- 2 Abide by the laws of the country in which we operate and comply with the code of conduct of all professional and industry bodies to which we belong.
- 3 Avoid any waste, damage and private use of company assets and resources (including time).
- 4 Neither give nor receive bribes.
- 5 At the earliest opportunity, disclose in writing to the appropriate management all gifts received from clients or suppliers beyond a token value.
- 6 Not divulge any confidential information to any party, or improperly use company and client information.
- 7 Market our products and services accurately and charge the agreed fee or a fair fee where no fee was agreed.
- 8 Not seek to advance our personal interests at the expense of the company or our clients.
- 9 Not engage in any activity, directly or indirectly, which results or might result in a conflict of individual interests with the interests of the group.
- 10 Not participate, or involve the company in any way, in any scheme that would cause embarrassment to the company or harm its reputation.

During the year we held a number of management training workshops that were externally facilitated and provided an avenue for employees to give inputs and recommendations to the executive management of the group.

Commitments to external initiatives

The group and its divisions subscribe to a number of charters, principles and other initiatives. These include applicable charters relating to black economic empowerment, the environment, good corporate governance and financial reporting.

Stakeholder engagement

We value our people and recognise that successful businesses are built on loyal, motivated and fulfilled employees. Equally important are the requirements of investors, customers, suppliers and other stakeholders.

The primary stakeholders expected to use this report include investors, customers, suppliers, employees and organs of state.

Our interaction with stakeholders reflects our unique culture and business model. We seek to maximise shareholder value over time through an intelligent regard for the interests of all other stakeholders, from the communities associated with our operations to our business partners. Our divisions are well-equipped and placed to communicate with stakeholders, reflected by examples of engagement activities throughout this report and our integrated report.

We continue to enhance our level of interaction with stakeholders as well as broadening the range of stakeholders with which we interact, recognising that the survival of our business depends on our stakeholders, just as they depend on our business.

The group provides information to its shareholders based on the guidelines of promptness, relevance, openness and substance over form. We strive for balance by reporting both the positive and negative aspects of group performance. Regular presentations and meetings with investors and analysts are held to communicate group strategy and performance. Shareholders also have the opportunity to question the board at annual general meetings.

Stakeholders are defined by GRI as entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products, and/or services; and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives.

Stakeholders in the group include investors, potential investors, employees, trade unions, customers, contractors, suppliers, media communities, civil society, regulators and government departments. A list of our primary investors appears on page 18 of the integrated report. Our customers span virtually every facet of society and include central, provincial and local government, large, medium and small business, various industries and individuals across the world. We select stakeholders to be engaged primarily on the basis of their impact on the group. The frequency of our engagements depends on the type of stakeholder. Investors are engaged at regular scheduled intervals including results announcements, general meetings, one-on-one meetings and investor days. Customers and staff are engaged on an ad hoc basis and at regular scheduled meetings.

Our approach to stakeholder engagement favours personal interaction but where this is not possible, particularly in divisions with large individual customer bases such as car rental, insurance and motor retail, other methods such as surveys and call centres are used.

In preparing this sustainability report, the group engaged with selected stakeholders to better understand their information requirements.

Overarching policies and management systems

In addition to the broad policies described earlier in this report, further comment is included in the relevant performance indicator sections of this report.

Group companies are members of a number of industry-specific and general associations, including:

- National Business Initiative
- Business Against Crime
- The Southern African Vehicle Rental and Leasing Association (SAVRALA)
- Life Offices Association
- South African Intermediaries Association
- National Automobile Dealers Association
- Road Freight Association
- National Business Foundation
- Retail Motor Industry Organisation
- TBCSA (Tourism Business Council of South Africa)
- SATSA (South African Tourism Services Association)
- SABOA (South African Bus Operators Association)
- SAMBRA (South African Motor Body Repairers Association)
- FASA (Franchise Association of South Africa)
- BUSA (Business Unity South Africa).

Assurance

Imperial's economic impacts have been externally assured to the extent that these form part of the annual financial statements of the group as published in the integrated report. The extent of this assurance is detailed in the audit report on page 93 of the integrated report.

Other areas of reporting are either reviewed internally through specific governance structures such as internal audit, or risk review processes.

Certain key health and safety aspects are externally assured, which includes third-party verification of key installations such as warehouses as well as ongoing audits of environmental spillages and facilities by third-party inspectors appointed by customers.

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The car rental division has obtained limited assurance of its carbon footprint.

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14 September 2011

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Europcar South Africa Carbon Inventory Limited Assurance Statement

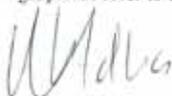
Europcar South Africa (Europcar), a division of Imperial Group (Pty) Ltd, calculated its carbon inventory for its Southern African operations based on the 2010 financial year (1 July 2009 to 30 June 2010).

The carbon inventory included the following emission sources:

- **Scope 1 Direct Emissions:**
 - Emissions from petrol and diesel consumption by non-revenue transfers for internal use. This includes fuel usage by all branches, depots and kiosks within the Group.
 - Emissions from petrol consumption in company-owned vehicles (management vehicles).
 - Emissions from diesel consumption in company-owned generators.
- **Scope 2 Energy Indirect Emissions:**
 - Emissions from consumption of grid electricity at branches, depots and kiosks.
- **Scope 3 Other Indirect Emissions:**
 - Emissions from employee business travel including road travel (petrol cards), air travel and accommodation for all branches, depots and kiosks.
 - Emissions from the manufacture of the paper consumed by personnel for all branches, depots and kiosks.

Deloitte performed limited assurance procedures on the carbon inventory calculation and the methodology to determine the accuracy, transparency and completeness of the calculation. Deloitte applied the International Standards on Assurance Engagements 3000 (revised 2005) for the assurance.

Based on the results of the audit, Deloitte has issued a limited assurance report dated 16th August 2011 to Europcar South Africa for the carbon inventory relating to the 2010 financial year. For the detailed findings, please refer to the report.



Minnesh Ajoodha
Audit Partner

Regional Executive: GJ Gelin; Chief Executive: AJ Swagers; Chief Operating Officer: GAF Pretorius; Audit: DL Kennedy; Risk Advisory: NB Kader; Tax & Legal Services: L Grooming; Consulting: L Bunn; Corporate Finance: JH Mulder; Human Resources: CR Brinkman; Finance: T Brown; Clients: NT Mofhe; Chairman of the Board: M Comber; Deputy Chairman of the Board: R Botha

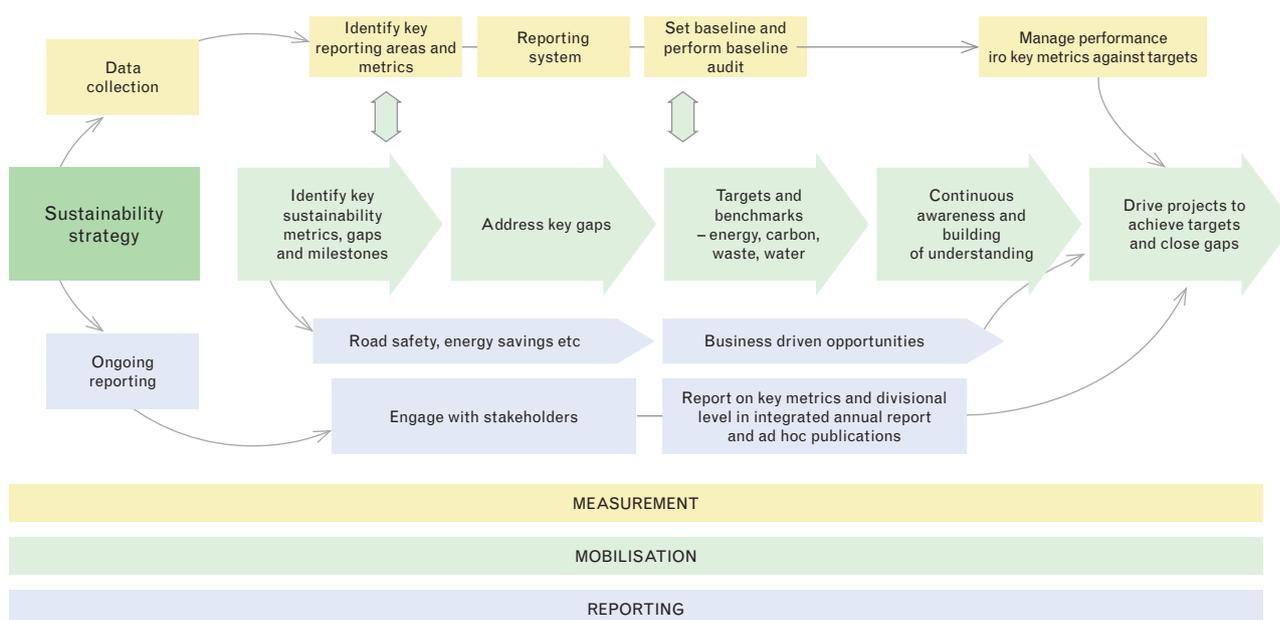
Imperial recognises the business imperative to be a sustainable business in relation to all its key impacts i.e. economic activity, social impacts and environmental impacts, thereby delivering sustainable returns for our shareholders and other stakeholders. This must be aligned with and complement the key values that we chose for the group, which are considered the most important drivers of group sustainability strategy:

- Energy and climate impacts – carbon output
- Social issues – transformation and skills development
- Health and safety (road safety and HIV)
- Waste produced by group operations (discharges to air, landfill and water)

Imperial's sustainability journey is summarised in the sustainability roadmap below, which is broken up into three key workstations, namely measurement, mobilisation and reporting.

The Board approved an all encompassing sustainability roadmap during December 2010. This roadmap, which deals with the key aspects of mobilisation, measurement, reporting and communication across our four key sustainability focus areas and is being implemented throughout the group.

Imperial's sustainability roadmap



To this end, the group has initiated a programme to:

- Review issues pertinent to each division through divisional workshops and identify the key business drivers of sustainability in each of the divisions
- Assess systems/initiatives in place and aspects to be addressed relating to key sustainability focus areas
- Create sustainability expertise and structures in divisions, which champion the process

The group has also acquired a sophisticated sustainability measurement and management system which will be used to collect data relating to Imperial's carbon footprint, key metrics and GRI indicators and health, safety and environmental incident data. This system will be rolled out in the group over the next 18 months.

We aim to use data collected to manage the group's impacts and to drive the key sustainability areas identified for the group as well as those metrics which are relevant to the business of divisions and will be used to develop:

- A set of key performance indicators for each division and the business as a whole, aligned to international and local requirements
- Sustainability data governance and management structures across the group
- A reporting framework for assuring and disclosing sustainability performance on an annual basis

10 Economic contribution

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Management approach

Our economic impacts include direct and indirect impacts on employees, government, suppliers, customers and providers of capital. The direct impact of our business on stakeholders is, however, probably less significant than the indirect impact of our role as a synchroniser of commerce.

During the year, other than the reimbursement of skills development levies and similar reimbursements, we did not benefit from, or rely on, any material government grants, tax relief or other types of financial benefits.

The group is a significant contributor to commerce in general and recognises that sustainable development is built on sound economic performance. Our core business – the transport of goods and people and related industries – is the backbone of economic growth, locally and internationally, without which development would be dramatically curtailed. We aim to run a continuously viable business that will enable us to positively impact our stakeholders.

The group encourages spending on local suppliers at all significant locations of its operations. This follows our decentralised management structure, giving local management the freedom to procure in their area of operation. This is not always possible for divisions, such as those selling and distributing vehicles which rely on particular suppliers for their products.

All significant operations are managed by local management rather than management seconded from elsewhere in the group.

The economic impacts of the group are detailed in the 2011 integrated report and have been cross-referenced in the GRI content index on page 42 of this report.

Management approach

Group operations affect the environment in different ways, both directly through transport operations and indirectly through the products we distribute and sell.

We conduct our business in an environmentally responsible manner, ranging from the way we construct our facilities to the maintenance and operation of our transport fleets, and we are committed to a safe and healthy environment.

Each business unit is responsible for its own environmental policy, taking full cognisance of group principles and local circumstances. At group level, the executive committee takes responsibility for environmental policy, reporting and monitoring and one executive is designated to drive this process. Environmental incidents, trends and related matters are reported to the executive committee and applicable divisional boards monthly and to the group board quarterly.

A number of divisions in the group have received ISO 14001 environmental certifications.

Materials consumed

As the group does not operate any significant manufacturing concerns, it does not affect the environment directly through plants or facilities that consume significant amounts of raw materials. It is, however, a distributor of a wide range of automotive products and therefore has a significant indirect impact. The primary materials consumed by the group are fuel and oil. The group does not use waste (processed or unprocessed) from external sources.

Energy

The group consumes energy in various forms, directly and indirectly. The largest single source of direct energy consumption is fossil fuel for road, water and air transport. Fuel consumption in our fleets is carefully measured, enabling us to establish trends and benchmarks against which improvement targets can be set. Every effort is made to reduce fuel consumption by introducing new technology, regular maintenance and upgrading equipment. Tests continue on new technology aimed at reducing fuel consumption in certain fleets. If successful, this could reduce fuel use by 4 – 5% in these fleets. In addition, South African fleets will gradually be upgraded to Euro 5 standards, depending on the availability of suitable low sulphur fuel.

The largest indirect source of energy used by the group is electricity purchased from external suppliers. We are always conscious of energy use and will explore every possibility of saving energy and reducing CO₂ emissions related to our transport operations and from purchasing electricity. Imperial makes no significant use of renewable energy at present. It has, however, introduced renewable energy on a pilot basis in a logistics depot in Paarl, which is detailed in the case study contained on page 20.

Energy consumption is detailed in the table on page 19.

Water

The group consumes water from external sources for ancillary operations including offices, washing facilities and limited other uses. The most significant volumes of water used relate to car rental vehicles where large numbers of vehicles are washed every day and road tankers which have to be internally washed to high standards allowing the transport of different materials successively in the same tanker. Total water consumption is tabulated on page 19.

12 Environmental impacts continued

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There are no water sources or related ecosystems/habitats significantly affected by our use of water. The group is, however, an indirect user of water resources through its inland waterway shipping operations in Europe, where it applies best practice to ensure its impact on water resources is limited.

Biodiversity

With the exception of logistics operations on roads in southern Africa and in Europe and on inland waterways in Europe that cross biodiversity-rich habitats, none of our primary operations or facilities that could have an adverse impact is situated in such habitats.

Biodiversity impacts associated with the use of internal combustion engines in ships and automobiles as well as the use of aircraft are not measured. The group is aware of the potential impact of spillages of products carried for reward and takes appropriate measures to minimise related risks. These include compliance with local environmental and related legislation as well as internal systems of control appropriate to the materials transported such as route planning to divert dangerous materials being transported around sensitive or high risk areas.

CASE STUDY

Springbok Atlas *Conservation on Wheels* – mobile biodiversity education



Springbok Atlas teamed up with Ezemvelo KZN Wildlife to launch the *Conservation on Wheels*, project. The project, which aims to promote education of biodiversity and its importance especially in rural communities and among children, has been started in the KwaZulu-Natal province of South Africa.

A bright, eye-catching luxury bus will head out to the rural communities as a mobile classroom and education centre, bringing the conservation education to the people. The bus is equipped with DVD player and screens, and can thus be used as a mobile theatre, as well as for transferring groups of

adults and child learners to different ecosystems to gain hands-on learning experience, aiding their understanding of the importance of conservation.

“We specifically chose eye-catching and fun branding for the vehicle to increase the visibility and awareness and help make the project more memorable,” says Craig Drysdale, Springbok Atlas GM Coach Charter.

The successful implementation of this project means that rural areas can be reached relatively cost-effectively with up-to-date information and technology, thus enhancing understanding of biodiversity, nature conservation, health and other issues.

Emissions, effluents and waste

Climate change and Imperial's carbon footprint

Transport operations generate harmful gases and particulates through the emissions of internal combustion engines and turbines used in automobiles, ships and aircraft. Imperial does, however, renew its transport fleets regularly where viable, achieving lower emission levels associated with newer technology.

Imperial contributes to indirect emissions through electricity purchased, the largest indirect source of CO₂ emissions by the group.

Imperial recognises the effect of global warming on the environment and continues submitting data to the Carbon Disclosure Project. We are aware that managing fuel consumption and greenhouse gas emissions presents both opportunities and risks with potential consequences for our operations, suppliers and customers in the environments in which we operate.

The carbon footprint of the group was measured again this year. An environmental consultancy with global presence and experience was engaged to assist in measuring our carbon footprint and a customised calculation tool developed using the World Business Council on Sustainable Development's greenhouse gas (GHG) reporting protocol. Data was collected from all companies over which we have operational control by means of a GHG data-collection template. The data was verified at company and divisional level and consolidated into a group-wide GHG data matrix. Our car rental division also obtained third-party assurance of its carbon footprint. The results of the measurements are summarised below.

Imperial's carbon footprint results

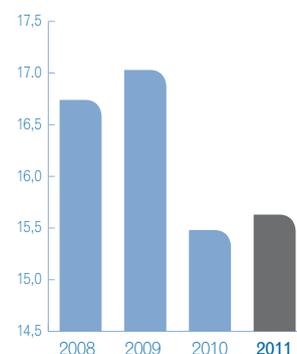
Total CO ₂ emissions		Scope 1 CO ₂ emissions		Scope 2 CO ₂ emissions	
2011	2010	2011	2010	2011	2010
1 010 925	937 838	847 673	783 525	163 252	154 313

CO₂e signifies the equivalent solid weight of carbon output.

Various measurements and benchmarks were considered. Given the diverse nature of businesses in the group, the most meaningful measurements between divisions were tonnes of carbon output per head and tonnes of carbon output per million rand turnover. These measurements are being used to develop divisional and group targets. The graph illustrates the group's carbon output/turnover intensity since 2008, which has decreased significantly from that year.

A number of initiatives are underway to lower our carbon output. These include the introduction of Euro 5 trucks in Logistics SA.

Co₂e tonnes per (Rm turnover)



CASE STUDY

Extra distance measurement reduces carbon emissions

By measuring 'extra distance', logistics practitioners can make better, more informed decisions relating to transportation strategies that will, in practice, eliminate waste within the supply chain, from resource deployment to unnecessary routes and fuel consumption. The concept of 'extra distance' has the potential to substantially reduce greenhouse gas (GHG) levels emitted through transportation, while simultaneously unlocking supply chain cost savings.

Phase II of the 'extra distance' study undertaken between 2009 and 2010, that was reported on in the 2010 sustainability report and which focused on two FMCG secondary distribution networks, proved that it is possible to simultaneously achieve positive economic and environmental results. The 'extra distance' case study showcases a successful supply chain management balancing act.

Background

New regulations will require that companies reduce energy use or face penalties. In addition, pressure from customers, shareholders and other stakeholders continues to mount for companies to cut energy usage, and reduce carbon and other harmful emissions and wastage.

When it comes to the issue of environmental responsibility, until recently, freight transportation was a negligible consideration in corporate strategy. However, current business practices such as international sourcing and quick turnaround times have rocketed 'green' issues up the corporate awareness ladder. The ultimate challenge remains to find ways in which 'green' can simultaneously reduce costs, increase revenues and improve the environment.

Phase II: 'extra distance' case study

Phase II of the 'extra distance' case study continued the analysis and related supply chain performance improvement. The study was undertaken through a partnership between Imperial Logistics, the University of Plymouth, Cardiff University and two blue chip FMCG/retail companies.

This phase of the project applied the 'extra distance' tool to two FMCG/retail secondary distribution networks based in Gauteng. The tool measures any non-value-added or unnecessary distance travelled in a distribution network due to supply chain uncertainty. The metric of 'extra distance' is defined as the difference between the distance that vehicles actually ran and the distance that they would have needed to have run if:

- The transport operation had received accurate and timely information on the volumes to be moved
- There had been no unexpected delays at loading or unloading points
- There had been no operational failures within the distribution network
- There had been no congestion on the journey that could have been foreseen.

Company A was a retailer implementing the second phase of the study, Company B, a dry ambient goods manufacturer, was undertaking the analysis from scratch. The retailer has over 300 outlets throughout the country, serviced by a network of three distribution centres (DCs). The manufacturer required over 300 multi-drop deliveries a day to a total of 1 800 locations. The transport operations within these networks are outsourced.

The teams aimed to build on lessons learnt within 'extra distance' Phase I, through further testing and extending the supply chain performance improvement through quantitative analysis. Not only was it important to understand the root causes of unnecessary travel distance generated by various supply chain functions and external factors, but it was a priority to design accurate, sustainable monitoring processes to ensure maintenance of current performance, and ensure future improvements.

Results, analysis and initiatives

Through improved transport planning, Company A decreased 'extra distance' within the supply chain by a further 5,9%, from 6,7% to 0,8% compared to Phase I. This represents an additional cost saving of around R20 million and the elimination of 518 tons in CO₂ emissions between the project phases. Network efficiency improved significantly, with vehicle utilisation improving from 50% to 69% and an increase was seen in units moved per kilometre from 4,63 to 4,72.

Company B faced an interesting challenge, with an associated variable cost of R2 million attributed to 'extra distance', of which 75% thereof was directly generated by customer behaviour. Of the distance travelled 16,8% was 'extra distance'. It was found that a 19% transportation saving could be realised by cutting out these kilometres with 109 tonnes of CO₂ eliminated in a year.

In essence, just three factors drove Company B's unnecessary kilometres. These were 'late notification of volume to be moved' and 'unplanned returns to customer facilities', both originating from within the network, yet impacted significantly by the customer. The third factor of 'unplanned road congestion' is an external factor that to a large extent cannot be controlled.

Conclusion

Sustainable supply chain optimisation does not require a choice between making economic sense and ensuring that environmental factors are addressed. It needs a fine balance between both. The concept of 'extra distance' provides a quantitative way in which these two elements can be positively impacted, simultaneously.

Ultimately, 'extra distance' provides us with a way in which to assess how efficient or inefficient a distribution network is, the root causes of blockages within the transportation system and the potential cost and CO₂ emission savings that can be made. 'Extra distance' provides the facts and forecasts for supply chain management teams that are willing to achieve consistent improvement.

Effluents and waste

The primary physical waste products generated by the group are tyres, batteries and used oil.

Tyres are retreaded when safe to do so or, where this is no longer feasible, disposed of through recycling channels operated by tyre manufacturers or by third-party recycling organisations that dispose of tyres responsibly. Uses for waste tyres include agricultural and marine applications as well as the production of compounds used in asphalt.

Batteries are disposed of according to local regulations on the disposal of lead and similar products.

Used oil is sent to recycling agencies that collect used oil and recycle it for further use. Used oil and related products are not dumped or released into municipal sewage systems.

The only significant source of effluent in the group is wash-bay runoff caused by washing operational transport fleets. Hazardous effluent may result from substances carried on behalf of customers, particularly in the tanker businesses of the logistics division. Stringent policies are in place and appropriate steps taken to ensure this effluent is disposed of responsibly. In addition, a number of initiatives have been launched in the past year to recycle wash-bay runoff, limiting the amount of effluent generated and reducing the amount of water that would ultimately have to be purchased. The group does not generate any other industrial waste. Quantities of waste generated through normal office operations are not measured.

16 Environmental impacts continued

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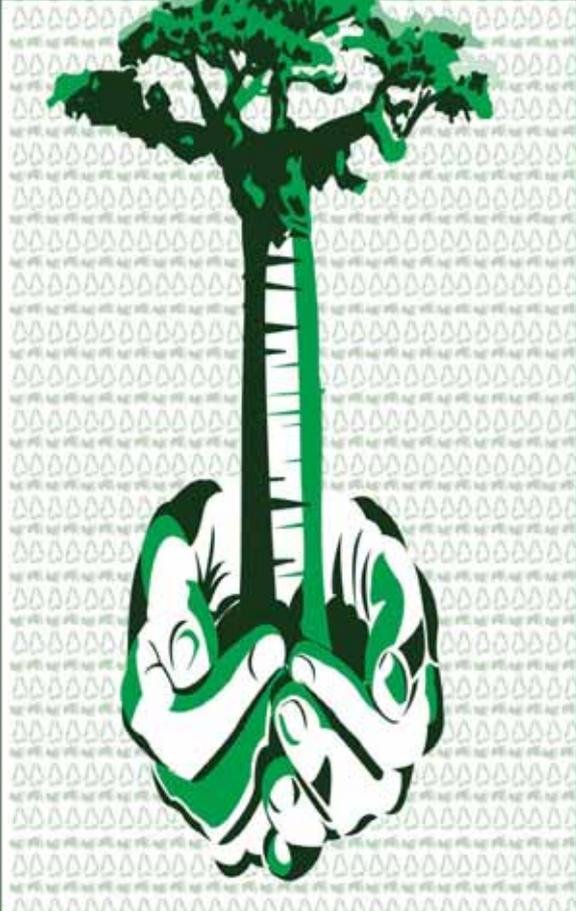
Given our belief that recycling should be an integral part of the lifecycle of all materials, other waste management initiatives in the group include:

- Print cartridges are recycled, in some instances by individuals who make a living from this form of recycling
- Used lubrication oil, fluorescent tubes, vehicles, batteries, tyres and other waste generated by group operations are recycled or responsibly disposed of
- Recycling water used at washing facilities for trucks and cars.



Imperial not only maintains internal recycling campaigns but also contributes to recycling awareness outside the group. Our Europcar business was a lead sponsor of the Green Office Week initiative in South Africa, helping to create awareness of the issues facing our planet but also contributing practically by providing information and the means to address our environmental impacts.

OUR PLANET NEEDS YOU



JOIN THE GREEN REVOLUTION.

Europcar

Green Office Week (GOW) is an initiative to create awareness amongst companies, and their people, to implement eco-friendly practices at work. From 18-21 April 2011 organisations will be tasked to make changes to their everyday work practices to reduce their environmental footprint, save money and lend our planet a helping hand.

Many South African companies have joined the Green Revolution, now it's time for you to commit to making a difference.

CLICK HERE to receive your green resource toolkit and become part of the Revolution.

www.facebook.com/gowithgreen

CLICK HERE TO OPT OUT.



The table on page 13 contains details of other emissions and discharges by group operations.

CASE STUDY

Europcar goes green

On 20 June 2008 Europcar International was awarded the first ever green charter for a car rental business. This is the culmination of Europcar's commitment to sustainable development and demonstrated their responsible stance towards addressing climate change.

Europcar South Africa embarked on a rigorous process to ensure that it has benchmarks and measurements in place to continually monitor and improve its contribution to combating climate change. Europcar adopted the International standard for GHG accounting and reporting (Developed by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI)) and have undertaken a full carbon footprint audit through Deloitte.

Europcar measures Scope 1 or direct emissions that occur at sources that are controlled by Europcar operations, Scope 2 or indirect emissions that account for the generation of purchased electricity and Scope 3, which comprises all other indirect emissions as a consequence of the activities for the company including the purchased fuel, paper, business travel, employee commuting, etc.

Europcar's philosophy is encapsulated by the following policy statement:

"At Europcar South Africa, we believe that we have a responsibility to care for and protect the environment in which we operate and are committed to improving environmental performance across all our business activities. We will continue to seek inventive ways to conserve our precious global resources and protect the environment. This is proof of our commitment to the environment and society. We also encourage our business partners to support us in this effort. We recognise our key impacts to be in the areas of:

Energy use	Emissions to air/water
Materials use	Water use
Waste generation	Transport procurement

We will strive to:

- Adopt the highest environmental standards in all areas of operation, by meeting and exceeding all relevant legislative requirements
- Assess our organisational activities and identify areas where we can minimise our impacts
- Minimise waste through careful and efficient use of all materials and energy
- Purchase sustainable products wherever feasible (e.g. recycled, low environmental impact products and energy from renewable tariffs)
- Publicise our environmental position
- Train employees in good environmental practice and encourage employee involvement in environmental action
- Reduce risks from environmental, health or safety hazards for employees and others in the vicinity of our operations
- Adopt a green transport strategy, including a travel to work policy
- Aim to include environmental and ethical considerations in investment decisions where appropriate
- Assist in developing solutions to environmental problems in our own business and in our sector
- Continually assess the environmental impact of all our operations and set meaningful and realistic targets to improve our performance."

Europcar has also developed a series of action plans to supplement each of its environmental policy objectives.

Environmental incidents

There has been an encouraging improvement in the volume of spills during the year although the number of spills increased. In line with stringent and detailed procedures, all spills were immediately cleaned and corrective action taken to minimise the environmental impact. Where the group did not have the required equipment available to fully rehabilitate the spill area, external services were used. Steps are also taken to prevent repeat incidents where possible through refresher training and sharing lessons learned.

We record any incident of an environmental nature, even as small as one litre of fuel spilt, and are pleased to report that no significant environmental incidents occurred during the year. The 160 incidents with an environmental impact all emanated from the logistics division. This division transports cargo on behalf of customers and although all reasonable steps are taken to ensure that cargo, hazardous or otherwise, is not spilt, accidents are an inherent and particular feature of road travel. Effective systems are in place to limit and, if possible, eliminate harmful effects resulting from spillages.

Compliance and fines

Imperial is not aware of any pending environmental litigation and no fines or penalties were imposed in the 2011 financial year for non-compliance with environmental regulations and permits. Any infringement of regulations, permit or licence conditions is reported to the relevant regulators and corrective action taken as soon as practical in all circumstances.

Key environmental data

	2011	2010
Fuel and oil (million litres)		
Fossil fuel consumed	248	231
Bio-fuel	1,3	0,7
Energy		
Electricity purchased (million kW/h)	155	160
Water use (000m³)		
Purchased	2 328*	2 300*
Environmental incidents		
Number of incidents	160	120
Environmental incidents per million kilometres	0,33	0,28

*Does not include all sources

CASE STUDY**Imperial cargo constructs a green South African logistics headquarters****Project overview**

IMPERIAL Cargo recently invested in a new, 'green' logistics hub in the Western Cape. According to project architect, Demo Salerno, "Solar power usage is one important element, but the combined use of natural elements such as building orientation and natural ventilation and lighting make this project noteworthy."

Clean Energy Solutions (CES) were appointed to design, engineer, install and commission photovoltaic solar renewable green energy solutions to power the new headquarters, as an off grid project. IMPERIAL Cargo has, at this point in time one of the largest photovoltaic installations in the province.

The project has enabled clean, renewable energy usage at the site for the next 20 years. Located between Paarl and Wellington, a region that experiences some of South Africa's hottest summers and heaviest rainfall in winter, this greenfields development project harnesses the power of each of these natural resources.

The IMPERIAL Cargo hub includes an office building for 120 employees, 2 000m² of warehousing, as well as wash bays and a workshop. The office building, for example, runs on electricity generated by the CES solar system on the warehouse roof. All IT on the site therefore runs on clean power, with the solar system being able to serve as a UPS for three days even if there is no sunlight. Motion sensors tell the building where the people are and lights are switched off automatically in empty offices. On cold days when there is extra capacity within the solar system, the building switches off some air conditioning from the outside grid power to the solar system.

Key benefits

From an environmental impact perspective, the solar power system will separate the equivalent of only just 31 tons of CO₂ annually.

From a financial perspective, based on the assumption that electricity tariffs were to increase by 15% year-on-year, the cost of installation of the power generation system will be recouped within 6,5 years. Therefore, electricity generated through the system will essentially be free after 6,5 years, excluding system maintenance costs such as battery replacement required after 10 years. By comparison, the industry average payback period for such a system is between 8 and 10 years. This is before the incoming "Carbon Tax" (February 2012) is factored into the payback period.

The required loading from the Metro electrical department has been reduced by half, which has generated a 44% cost saving per month.

A further important saving, however, was the reduction of water consumption and the limited amount of water that is contaminated and released back into the environment.

Over and above the financial considerations, the benefits of this investment include the use of clean, renewable and sustainable electrical energy and setting a corporate responsibility baseline and renewable energy leadership in the logistics and supply chain management industry.

Key challenges

The decision facing IMPERIAL Cargo was not whether to use renewable energy as a viable alternative, but how to do this most cost effectively and with longevity. A second challenge needing to be addressed was that of water conservation. Within the Western Cape, water shortages remain a significant challenge. Business is a significant contributor to consistently high-water consumption. IMPERIAL Cargo considered this a critical challenge to be addressed through the solution. A third challenge needing to be overcome required IMPERIAL Cargo to establish its own sewage system and plant.

The ultimate result was the development of a green, self-sufficient logistics hub for the company. All sustainability avenues, including an innovative water management system and utilisation of renewable energy, have been taken.

Working with the elements

“Being green is about understanding what makes a building work in its natural environment. Using the elements that are there.” (Architect, Demo Salerno)



Solar arrays



Inverters and batteries

Solar Power

Electricity generation using solar power is one of the primary features of the project. The renewable energy-driven solution was designed to be incorporated into and onto the new warehouse structure. Furthermore, the design was fashioned in such a way as to minimise the visual impact, while delivering the electrical energy demands of the new office campus.

Solar geysers are used instead of their electrical counterparts. Lighting to all areas uses CFLs and/or LED lamps. Lighting to all internal areas are switched on through motion sensors and/or lux level meters – allowing for a non-used area to have its lights switched off automatically. Window offices have the lighting switched off when the sunlight exceeds a lighting level that complies with the OSH Act. All water heating is done through the system's three solar heater geysers. This includes water heating for staff and truck drivers, the entire office building and the workshop.

The solar solution comprises 11 identical sub-systems.

Each sub-system supplies energy using an average of five "peak sun hours" at a tilt angle of seven degrees. This translates to a daily electrical energy availability of 83,4 kW/h from the complete system. Annually, the photovoltaic system will therefore generate and deliver in excess of 30,4 kWh.

The system is supplemented by the use of the national power grid for a limited selection three-phase equipment. Apart from these few items, the entire system, including external lighting for the four hectare site, internal lights, plugs and single-phase air conditioners, operates on the solar-generated power.

Natural light and ventilation

The study of natural light was important in developing the design of the various buildings. Each building was orientated to cater for the best natural light and ventilation possible, thereby harnessing the strengths of the surrounding natural environment.



Natural light on buildings

Truck wash water treatment plant

The design brief for the new IMPERIAL Cargo headquarters required that substantial water savings should be achieved and an effective water treatment plant was therefore installed, which enabled the company to re-use water from the wash bay to wash trucks and thereby achieve cost savings as well as natural resource savings.

The system comprises eight sections, with each one being customised for a specific purpose. The system separates particles, oil, floc particles and soap from the used water. Only one cubic metre of water will be released into the municipal sewer per 30m³ of water used per day. The rest will be recycled.

The operation and maintenance of the plant has been designed to be as user-friendly as possible. Importantly, every plant employee is receiving formal training and certification. Training includes the operational and administrative requirements of plant operations, employee performance management and plant performance tracking.

IMPERIAL Cargo is in the process of testing and calculating the amounts of water being saved. It is also in the process of investigating ways in which to improve environmental friendliness of truck-washing detergents, assessing the option of using bacteria to eradicate excess oil at the treatment plant. This would mean that even oil waste will not have to be carted away, but will be treated on site.



“The innovation that has been shown in bringing this self-sufficient logistics hub into reality has been exciting to be a part of. We have overcome all the challenges by taking lessons from our surrounding environment and harnessing our natural resources without wastage. We have taken real costs out of our internal systems.” Christo Theron, IMPERIAL Cargo

24 Environmental impacts continued

Imperial Holdings Limited
Sustainability Report 2011

Products and services

Businesses in the group sell a variety of transport-related products including motor vehicles, industrial equipment and aircraft, related spares and accessories. Although vehicle manufacturers continually strive to increase the percentage of products that can be recycled, certain parts are not recyclable and contribute directly or indirectly to pollution.

Services rendered by the group contribute to pollution in various ways. Pollution caused by the use of group assets by third parties is not measured and has not been included in the environmental data schedule. This includes the car rental fleets.

Environmental management requirements are addressed in conjunction with suppliers and customers whose products fall into high environmental risk categories.

CASE STUDY

Ecological, economical and logistically sophisticated

The 'Rail 11' concept has been established to utilise existing transport space for freight headed for Sweden and to minimise the costs of empty runs and at the same time shift general cargo volumes from the road to the more environmentally friendly railway.

To accomplish this, a Europe-wide network of cargo handling terminals was created at which the railway wagons with paper are unloaded before being loaded with general cargo and pallet goods. neska Schiffahrts- und Speditionskontor GmbH in Düsseldorf as well as the paper terminals of Pohl & Co. GmbH in Berlin and Cologne are integrated into the 'Rail 11' project at the major German traffic hubs of Berlin, Düsseldorf and Cologne. Staff of neska coordinate the flows of goods and transport space on a 'just in time' basis and arrange the return shipments to Sweden in Northern Europe since mid-December 2010.



Ecological: Paper reels delivered via rail from Sweden are unloaded at the cargo handling terminals of the neska Group.



Economical: neska employees coordinate commodity flows for return shipment of general and palletised cargo to Sweden.

Management approach

The growth of the group from a small service station could not have been accomplished without respect for individuals and high standards of ethical behaviour. These fundamental responsibilities to all stakeholders – be they shareholders, employees, customers or competitors – are ever present. We realise that no business can exist for its own sake or for the benefit of a single stakeholder and we strive for balance between returns to shareholders and our social responsibilities as a responsible corporate citizen.

Labour practices and decent work

Employment

Imperial employs more than 40 000 people and relies on these individuals to sustain its growth and contribution to society. Without their loyal support and the support of their families in turn, this group would have looked very different today. Over the years, we have steadily created work opportunities, reflected in our workforce growing from 1 720 in 1987 to over 40 000 in 2011.

The geographical breakdown of Imperial's workforce is shown below.

Geographical breakdown	2011	2010
South Africa	34 757	30 528
Rest of world	6 141	5 440
Total	40 898	35 968

Further details on employment are included on page 128 of the integrated report.

Labour/management relations

Management approach and employee relations' policy

The group recognises its employees as important stakeholders in its businesses. We believe a relationship of trust and respect fosters an environment where employees share responsibility for the performance and reputation of the group. We also believe no business can thrive without nurturing harmonious labour relations and a sound relationship with employees, backed by fair, equal and consistent policies.

We recognise the basic rights of employees to freedom of association, collective negotiation of agreements of service, the lawful withholding of labour as a result of disputes and protection against victimisation.

The rights of employees as individuals are protected while structures are in place to maintain discipline in the workplace and to fairly resolve grievances.

Employees have the right to associate with employee organisations of their choice and to expect recognition of these organisations as largely representing the interests of a particular group of employees.

Maintaining healthy relationships with trade unions, particularly those recognised as representing a particular segment of the group's workforce, is very important to us. In line with our philosophy of decentralised management, our policy stipulates that responsibility for sound labour relations rests with each business and substantive negotiations are decentralised as far as practical.

Procedures exist in group companies for negotiation and consultation on changes to conditions of employment or the structure of the organisation.

We expect our contractors and suppliers to subscribe to the same principles as Imperial.

Employees represented by unions or collective bargaining agreements

A large number of employees in the group are represented by trade unions and covered by collective bargaining agreements. The coverage is, however, not the same in each division or even in the underlying operating businesses. Most of the larger industry-representative unions have membership in the operating divisions but a comprehensive list is not provided due to the number of different unions in the diverse industries represented by our operating divisions.

Minimum notice periods

Notice periods relating to structural operational changes are governed by legislation and by collective agreements at operational level.

Occupational health and safety

Practices on recording and notifying occupational diseases and accidents

Imperial employs more than 40 000 people, many of whom work under challenging conditions in the transport industry. It is our responsibility to ensure that risks to our employees' health and safety from work activities are properly controlled, as we want all our employees to return safely home at the end of the working day. Thus, our vision is zero fatalities and no injuries in our workplaces, and we try at all times to take every possible measure to secure the health and safety of our employees.

Due to the nature of Imperial's business, most accidents and fatalities reported in the group result from road accidents. For this reason, accidents and fatalities are not always within the control of the group and although a number of steps have been taken and are taken continuously, road accidents do occur. Our efforts are concentrated on what we view as preventable accidents and fatalities that result from factors we do control such as driver training, adequate rest periods for drivers and proactive route planning.

All accidents, injuries and fatalities in the group are reported at every board meeting of Imperial Holdings and monthly at every executive committee meeting. Any employee fatality is immediately reported to the board and the executive committee.

Although several divisions operate in white-collar environments where risks are limited, health and safety is a priority in more industrial operations, such as our logistics, aviation and motor workshops.

Primary safety measurements include lost-time injuries and vehicle accident rates in the transport operations. Training is the cornerstone of safety and, where appropriate, extensive health and safety training is provided, for example handling hazardous products and advanced driver training.

To assess risks and take necessary corrective steps, Imperial's operations (in cooperation with workers and unions) report and investigate:

- Accidents and other incidents, whether or not they cause bodily injury
- Suspected and confirmed cases of occupational disease
- Any other situation in which there may be an unacceptable risk.

Appropriate procedures have been implemented in our various divisions for reporting and analysing health and safety incidents. This information is dealt with at executive and risk committee level in our various divisions to continually improve in this area. All accidents require investigation and results are used to devise measures to reduce the probability of recurrence.

In high-risk operations, such as transporting hazardous products, health and safety is managed by professionally staffed loss control departments and specific procedures have been implemented to protect employees and the public from exposure to hazardous substances.

A number of measures have been introduced in our transport operations to improve health and safety. Truck stops for drivers have been established on the Durban/Johannesburg route. Imperial also supports, financially and otherwise, roadside wellness clinics established by stakeholders in the road freight industry on main transport routes throughout South Africa. Imperial has sponsored three of these clinics. Imperial has an occupational health clinic for employees in Wadeville, where our transport workforce is largely concentrated.

HIV/Aids

Imperial acknowledges the gravity of HIV/Aids as a medical, social and economic reality and fully recognises the tragic implications associated with this pandemic, as well as the potential scale of its socio-economic and business implications. The group works with all stakeholders to comprehensively manage the HIV/Aids threat and to:

- Support efforts to prevent the further spread of the disease
- Reduce fears and dispel myths
- Protect the rights of employees with HIV/Aids
- Work with stakeholders in informing and supporting efforts to arrest the pandemic

Due to the impact the pandemic could have on the group, Imperial has formulated group-wide policy guidelines to:

- Ensure fair and consistent treatment of all employees who have contracted HIV/Aids
- Ensure the protection and rights of employees who may have contracted HIV/Aids and, in particular, to ensure they are not discriminated against and that their need for confidentiality and job security is protected
- Provide a framework for educating employees and management on HIV/Aids. The aim is to slow the spread of the disease, motivate employees to participate in confidential testing and treatment, and direct them to facilities and programmes for treatment. Management education programmes are aimed at dealing with employees affected with HIV/Aids in the workplace
- Provide guidelines on actions to reduce the impact of HIV/Aids in the workplace
- Establish procedures to facilitate voluntary confidential testing and counselling to allow employees to establish their status and access counselling services
- Establish procedures to facilitate the treatment and further counselling of employees living with HIV/Aids

Given the nature of the transport industry and the vulnerability of its employees to HIV/Aids, an industry-wide programme was implemented to control the disease. Imperial played a leading role in the development and implementation of this programme. This programme's aims include:

- Extensive education and awareness throughout the road freight sector
- Establishing a national provider network for confidential HIV testing, treatment and counselling as well as after-care services for employees in the road freight sector living with HIV/Aids

Safety committees

In a number of our divisions, health and safety committees staffed by management and employee representatives have been established. These committees deal with workplace health and safety issues and make recommendations to management for continual improvements to the working environment.

Road accidents

By far the majority of accidents, injuries and fatalities result from road accidents, unfortunately an inherent risk in many of the group's operations. The frequency of these events is to some extent due to pressures on our roads. In addition, greater use of the Imperial transport fleet results in a corresponding increase in accidents.

The group measures accident and fatality frequency per million kilometres travelled as we believe this is the most appropriate measure for our operations. During the year, the operated fleet travelled 488 million kilometres (2010: 426 million), translating to a fatality rate of 0,02 (2010: 0,03) per million kilometres travelled, which compares favourably with similar developing economies and even with some developed economies.

CASE STUDY

I-Pledge campaign – Imperial road safety campaign gaining momentum as employees commit to making South African roads safer

Imperial CEO, Hubert Brody, is enthusiastic about the campaign: "I am extremely proud that our employees have accepted the challenge to be better road users. As a group with some 40 000 employees in South Africa, 6 800 trucks, fleets which cover nearly 500 million kilometres annually in southern Africa and a large presence in the automotive industry, we are in the unique position to take the lead in making a significant difference in the safety of our roads."

Road safety is of primary concern to Imperial. With approximately one in six new passenger cars being sold by our group, one in three rental vehicles being supplied and over 5 000 commercial vehicles being driven on behalf of our customers, Imperial is central to road usage in South Africa.

We also realise that we are part of a global community where road safety has been recognised as a high priority as the United Nations General Assembly has proclaimed this decade as a *Decade of Action for Road Safety*.

Worldwide, 1,3 million people die in road accidents every year, twenty to fifty million more sustain non-fatal injuries, and as a result of a rapid increase in motorisation without an improvement in road safety strategies, 90% of road deaths occur in low- and middle-income countries who drive less than half of the world's registered vehicles. By virtue of South Africa's developmental stage, the geography of our cities, and our socio-economic conditions, South Africans are obliged to commute and travel long distances. This leaves our people particularly vulnerable to traffic accidents.

Considering this alarming state of affairs, Imperial decided to launch a campaign for road safety, which is called the I-Pledge campaign, because, as said in the campaign material, 'Safer, friendlier roads start with you'. At the outset, the campaign is aimed at convincing as many of our own employees to take the I-Pledge, a moral commitment to be a more responsible road user, be it as a driver, a pedestrian, a cyclist, or a vehicle technician. To date, more than 20 000 of our employees have taken the I-Pledge. The pledge serves as a constant reminder to consider other road users, to be courteous and tolerant and change an attitude of 'get there first' to an attitude of 'get there safely'.

During the campaign, 45 000 reflective bibs will be handed over to pedestrians to increase their visibility on the roads at night and to raise awareness among pedestrians of their particularly vulnerable position on the roads. Messages about road safety are being displayed in the workplace, and the campaign is being communicated to staff through a web-based interactive programme aimed at keeping the interest in the campaign alive, thereby reinforcing its important message.

When the internal campaign is complete with a sufficient number of internal pledges, the campaign will be rolled out to the general public with a high profile media presence and the innovative use of social media.

We believe that if a meaningful number of road users have taken the I-Pledge and made a personal commitment to contribute to safer and friendlier roads, it will make a tangible difference to commuting and travelling in southern Africa. Our own staff of 40 000 people form a meaningful group of road users. If they all take the I-Pledge and tell the South African community of road users that they have done so, it will help reduce the human tragedies, suffering and costs brought about by the indiscriminate carnage on our roads.

Benchmarking

A benchmarking exercise was undertaken as part of the accident and fatality-reporting programme to compare our performance with other companies.

Road accident and fatality statistics for South Africa were obtained from Arrive Alive, which operates under the wing of the Department of Transport. Fatalities for South Africa are reported by Arrive Alive per 100 million vehicle kilometres travelled per category of vehicle and in total. The numbers differ substantially from those in the USA and Europe due to factors such as differences in roads, vehicle populations and the attitude of drivers.

Although Imperial compares well to national statistics for truck accident fatalities (0,02 fatalities per million kilometres compared to 0,08 nationally), we are investigating whether a more meaningful benchmark can be created by comparing the performance of similar divisions in the group. This would allow us to use the statistics of the best-performing divisions as a benchmark when assessing other divisions operating in the same sphere of business such as long-distance transport or short-distance urban delivery. Such internal benchmarking would provide a powerful management tool to reduce overall fatality and accident rates.

Trend analysis

Since 2006, the number of fatalities per million vehicle kilometres travelled has trended slightly downward. It is also reassuring to note that this trend is continuing.

The key safety statistics for the group are detailed below.

	2011	2010
Total road accidents	1 050	1 211
Total road injuries (company)	96	127
Total road fatalities (company)	9	12
Environmental incidents	160	120
Accidents per million kilometres	2,15	2,84
Injuries per million kilometres (company)	0,20	0,30
Fatalities per million kilometres (company)*	0,02	0,03
Environmental incidents per million kilometres	0,33	0,28

Compliance

During the year, fines of R5 521 000 (2010: R5 024 203) were paid for non-compliance with traffic legislation.

Employment equity

Equity and practices

Because our employment equity strategy is not just a legal requirement but an integral part of our business strategy, we are actively pursuing employment equity targets and continually improving our position. The group is committed to providing equal opportunities for all employees, regardless of ethnic origin or sex.

Equally, we believe employee participation is in the best interests of a business. The group's diverse nature and policy of decentralisation mean each business unit executes this approach according to its own circumstances. All business units in South Africa have formalised their employment equity policies and submitted plans to the Department of Labour. Each South African company in the group compiles and submits its own progress reports to the department in terms of the Employment Equity Act.

Imperial's employment equity programme includes:

- Recruitment programmes to employ talented employees from historically disadvantaged groups at all levels
- Implementing human resource development programmes aimed at enhancing the skills of employees from historically disadvantaged groups
- Accelerating the advancement of historically disadvantaged employees to all levels in the organisation
- Compliance with applicable legislation and targets.

Historically disadvantaged South Africans' (HDSAs) career paths and skills development plans

In tandem with our commitment to the principles of equal opportunities for all, we continually strive to make the best use of our human resources by building on existing strengths and developing employee potential. Given the group's need for skilled human resources, our approach is based on the following principles:

- Advancement of HDSAs through group-wide employment equity initiatives and skills development programmes
- Economic empowerment of HDSAs with emphasis on Imperial's own employees but also the broader community
- Social upliftment of HDSAs
- Elimination of workplace discrimination based on race, colour, sex, pregnancy, marital status, sexual orientation, age, disability, religion, belief, HIV/Aids, political affiliation, language and birth.

The group's programmes are particularly aimed at:

- Selecting, employing, advancing and promoting all employees on the basis of merit and experience
- Rewarding equally for work of equal value, taking into account merit and experience
- Providing training programmes and facilities for improving the productivity and skills of employees who demonstrate the required aptitude to enable them to advance in the trades and in technical, administrative and managerial positions.

Reporting

In compliance with section 22 of the South African Employment Equity Act, a summary of our progress as submitted to the Department of Labour has been included in our annual financial statements. See page 128 of the integrated report.

Investing in people

Developing people for our future and that of the country

At Imperial, we recognise the value of training and developing our people. It is fundamental to ensuring our ongoing sustainability and relevance to the many industries in which we operate. Human resource development is therefore a core element of Imperial's human resources and transformation strategies. It includes technical and artisan training for junior and semi-skilled staff, training for middle management and leadership, and equity skills attraction and development, across all brands in the Imperial Holdings group.

Our approach to people development is not limited to an internal focus on initiatives that develop our own skills' pipeline. In a national context of critical skills shortages, unemployment and poverty, we recognise the need for organisations to partner with government in uplifting education and skills development for marginalised South Africans. A significant portion of our CSI funds are channelled to the Imperial and Ukhamba Community Development Trust, which promotes effective learning and teaching at seven under-resourced schools in impoverished communities in Gauteng.

The comprehensive scope of Imperial's investment in people – both internally for its own business purposes and externally for the benefit of the country – is captured in a people-development report published with this sustainability report and is available on our website at www.imperial.co.za. It stands as testament to our unwavering commitment to sustainable business practice and our belief that our people are the heart of our operation.

Web-based, online learning framework

Imperial also offers an online academy to learners on supervisory and leadership development. It is a web-based framework that provides comprehensive learning programmes and content. Through this website, we aim to create a blended learning experience in which the benefits of both the e-learning process and human trainer are combined. The online academy is accessible through the people development link on the [Imperial website at http://www.imperial.co.za](http://www.imperial.co.za).

Online careers

An online (web-based) career section has been created and linked to the Imperial website. The objective is to attract quality staff and give prospective job applicants an opportunity to apply directly to Imperial. The HRD unit scans and assesses these applications continually.

The group invested R116 million (2010: R70 million) in training over the past financial year including skills development levies and infrastructure.

Annual training	Hours 2011	Hours 2010
Senior management	19 862	19 324
Middle management	105 265	111 378
Professional, production and technical staff	841 571	623 292
Administrative and maintenance staff	412 917	181 951
Total	1 379 615	935 945

People development

The competitive edge of any organisation is really a result of the quality and skill of its people. The truth is that the base of skilled people in our country is not growing at nearly the rate required to support our economy, and the skills shortage remains the main threat to GDP growth targets. This requires a pronounced shift in the role of learning – from a mere operational function to a more strategic function. As globalisation increases, competition and higher demand for skills will likewise increase.

Imperial group is tackling the challenge of “closing the skills gap” head-on, focusing on the development of a skills’ pipeline that ensures the delivery of skills on all levels of the group.

Imperial’s people development initiatives are indicative of our response and determination to develop the skills we need for competitive engagement. The strategy must be seen as part of the group’s broad talent management strategy where the focus is on both the effective recruitment of skilled people from outside and internal development.

It is also our belief that, through investment in education and training, we will not only make a strategic investment for the sake of our organisation but improve the lives of others, leaving our community and country with a lasting social contribution.

In addition to these, training interventions are also conducted by divisions throughout the group, focusing among others, on supervisory, technical/specialist, marketing, sales, and management topics.

Through our graduate development programmes, we attract top young graduates from a number of universities and put them through management development programmes to strengthen the ranks of our middle management cadre. A number of learnerships are also offered throughout the group.

The group has constructed two modern technical training academies where apprenticeships and learnerships towards technicians are presented. With vehicle technology becoming increasingly complex, automotive technicians now require a much broader base of knowledge than they did in the past. Today’s auto mechanics need to be equipped with the technological know-how to operate sophisticated diagnostic computers. An efficient motor industry requires a team of competent, well-trained artisans.

Through this training we will ensure effective maintenance of the world’s most technologically advanced motor vehicles.

Imperial's black economic empowerment policy

Imperial's transformation initiatives are not concentrated solely on equity but extend to all other areas of the business, from enhancing representation at board level to preferential procurement and skills development, which was prioritised during the year. The group is committed to transformation and empowerment and will continue to pursue and enhance all facets of empowerment in its businesses.

Imperial views black economic empowerment as a multifaceted and integrated process underpinning broader transformation. In line with government policy, this includes aspects such as human resources development, employment equity, enterprise development, preferential procurement as well as investment, ownership and control of enterprises and economic assets.

Our policy is based on the following principles:

- Imperial accepts the economic contribution of individual entrepreneurship, given the socio-economic make-up of South African society, and believes black economic empowerment should be broad-based and as inclusive as possible to ensure previously disadvantaged communities benefit as widely as possible from these initiatives.
- Imperial prioritises the empowerment of its own HDSA employees and their families and accepts its role in the empowerment and social upliftment of the broader community as a responsible corporate citizen.
- Imperial accepts that real empowerment can only be achieved through increased economic growth, and the continued growth of its business therefore remains a priority. Without sufficient growth, black economic empowerment will be relegated to mere wealth redistribution.
- Human resource development and skills transfer is a critical component of black economic empowerment and underpins the successful implementation of any empowerment programme. Black employees and entrepreneurs will not be able to successfully manage and control enterprises unless they have the required skills.
- Imperial recognises its responsibility to its shareholders to continually provide an attractive return on their investment and empowerment initiatives must consider the interests of shareholders as stakeholders in the business.
- Imperial supports the system of industry charters developed by government. Group companies strive to achieve charter targets where these have been developed for their industries.

Black economic empowerment is a strategic imperative in the group, managed and co-ordinated at executive board level. The primary components of Imperial's black economic empowerment programme are set out below:

Transformation

We believe corporate sustainability in South Africa largely depends on a successful transformation programme. Societies with entrenched racially or ethnically defined disparities are unlikely to be politically and socially stable and economic growth and stability is unlikely in such an environment. It is therefore critical that the process of economic transformation be accelerated to bring the majority of black South Africans into the mainstream economy, not only by providing employment but also to give them meaningful economic participation and to share increasingly in wealth creation from economic activities.

The objective of the group's transformation initiatives is to ensure the sustainability and relevance of the group over the long term in its industries and to positively contribute to the development of the South African economy and society as a whole.

Imperial is characterised by entrepreneurial energy focused through a federal system with nine unifying principles. Social responsibility is entrenched as one of the nine principles.

34 Social performance continued

Imperial Holdings Limited
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We have focused our efforts to attain sustainable transformation by addressing two business processes as the main thrust of our initiative:

- People development – training and development of human resources across the group with emphasis on identifying and advancing black talent. Initiatives cover the spectrum from technical training, through supervisory functions up to executive levels.
- Promotion and attraction – ensuring employment equity by appointing black people to management positions throughout the group via recruitment and promotion.

The success of these processes has to be anchored by organisational readiness at all levels to empower our people and embrace diversity.

Ancillary to the primary objective is achieving an acceptable empowerment rating in each of our divisions to assure their competitive position in each industry and accurate reporting of our broad-based black economic empowerment and employment equity statistics to relevant bodies. The DTI scorecard deals with broad-based empowerment allowing for the inclusion of the previously disenfranchised both within the organisation and the communities in which we operate and, as such, is receiving attention through a variety of business processes.

This transformation strategy, including its governance and monitoring, is depicted below.

Equity ownership

The South African government has set certain targets for equity ownership by black people through industry charters as well as the empowerment scorecard issued by the Department of Trade and Industry. Imperial recognises that a substantial increase in the number of black people with ownership and control of enterprises is a critical factor in the successful implementation of black economic empowerment.

In March 2004 Imperial concluded a transaction with Ukhamba Holdings, a black-owned company established by Imperial some years ago, through which Ukhamba acquired a stake of 10,1% in Imperial. Ukhamba also appointed a representative to the Imperial board of directors.

In June 2005 Imperial concluded a transaction with Lereko Mobility (Pty) Limited which now owns some 2,7% of Imperial's equity valued at over R700 million. Lereko has appointed two representatives to the Imperial board of directors.

Including the direct black ownership held by Ukhamba and Lereko, Imperial's aggregate direct and indirect BEE shareholdings exceed the requirements of government charters.

Third-party debt for the Lereko BEE transaction was settled on 1 October 2010. Lereko Mobility sold sufficient Imperial and Eqstra shares to settle this debt leaving some 5,8 million Imperial and Eqstra shares in Lereko until 2015 or a year earlier, at the discretion of Imperial. These shares will then be delivered to Imperial and Eqstra in part settlement of the vendor finance. Dividends will be generated from the debt settlement date to the vendor finance settlement date, benefiting Lereko shareholders. A dividend of R11 million was paid to Lereko shareholders in April 2011.

Enterprise development

Ukhamba Holdings

Ukhamba Holdings was formed in 1998 by the Imperial group to support and create financial security for Imperial's black, Indian and coloured employees and to encourage them to participate in business and benefit economically from the group's operations. Imperial owns 46,9% of Ukhamba and provided R15 million as seed capital to help Ukhamba make meaningful investments.

The Ukhamba Trust, which owns 47,1% of Ukhamba Holdings, benefits 15 000 black, Indian and coloured employees of the group and 6% of Ukhamba Holdings benefits previously disadvantaged communities through the Imperial and Ukhamba Community Development Trust.

In 2004, Ukhamba Holdings acquired 22 million deferred ordinary shares representing 10,1% of the Imperial group. The scheme is earnings based and these shares will convert to ordinary shares over an estimated seven-year period.

In March 2004, units in the B scheme were allocated to 15 000 black, Indian and coloured employees then employed by the Imperial group. All B scheme holders automatically became beneficiaries of the Ukhamba Trust. These units were awarded according to length of service with the Imperial group.

Five tranches, representing nearly 7,8 million deferred ordinary shares, have already converted to ordinary shares in Imperial Holdings Limited. This represents tangible wealth enhancement for Ukhamba and its shareholders. The converted ordinary shares are unencumbered and listed on the JSE Limited. This is a unique achievement in creating real wealth for more than 15 000 historically disadvantaged individuals who also receive their share of dividend payouts from the converted shares.

For all the Ukhamba deferred ordinary shares to convert, Imperial had to meet pre-determined performance targets. The market slump since 2007 dramatically affected trading conditions and prevented Imperial from achieving set targets. This, in turn, impacted on the rate at which the deferred ordinary shares convert. Since all deferred ordinary shares have not converted to ordinary shares by 2011, the conversion period has been automatically extended to 2018.

The emphasis in Ukhamba's various business ventures is on skills transfer and black economic empowerment. Senior employees in its subsidiaries are appointed from previously disadvantaged groups. These employees can rely on the support of experienced Imperial management, enabling them to acquire the necessary skills to run their businesses.

Ukhamba is in the process of restructuring its investment portfolio and for this purpose is in the process of disposing of the majority of its unlisted investments.



Ukhamba

Imperial Holdings Limited
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BEE procurement

Imperial has an active programme to increase procurement from BEE providers, and good progress is being made with accreditation at divisional level. In some divisions, procurement from BEE enterprises has grown significantly over the past years to exceed 50% of their total discretionary procurement expenditure.

Companies in the Imperial group also use Ukhamba Holdings and its subsidiaries as empowerment providers where possible.

SMME development and job creation

Through the establishment of Ukhamba and its subsidiaries, a significant number of jobs have been created.

The growth record of the Imperial group is well established and while some of this growth was through acquisition, a significant number of new positions was created by organic growth in its divisions. Imperial now employs more than 40 000 people.

Divisions contribute to small, medium and micro-enterprise development through dedicated programmes to establish and foster these businesses.

Corporate social investment

Imperial's operating divisions and underlying businesses have their own corporate social investment programmes and initiatives that range from providing internships for learners studying travel and tourism to sponsoring vehicles for worthy causes and Aids initiatives. Programmes are managed at business-unit level and are appropriate to the circumstances of each business and the community in which it operates. In addition to these programmes, all divisions contribute a portion of the CSI budget to a central fund, the Imperial and Ukhamba Community Development Trust.

CASE STUDY

Getting the basics right



Since 2005, the Imperial and Ukhamba Community Development Trust has focused on improving the standard of education at under-resourced schools in Johannesburg.

In the six years that the Imperial and Ukhamba Community Development Trust has been active at schools in the south of Johannesburg, traditionally an isolated and poverty-stricken area with high unemployment rates and a lack of infrastructure, a steady improvement in literacy and numeracy skills has been observed.

"We take an holistic approach with emphasis on curriculum development" explains project manager Shayda Arbee "thus ensuring that all the children in our chosen schools have the necessary tools to achieve in life. This translates into assistance with textbooks, reading material, teaching aids, teacher training workshops, sports equipment, excursions and anything else that is needed to supplement what the Department of Education has provided, in order to encourage an environment conducive to learning".

The trust serves the seven previously disadvantaged schools of Inkululeko Yesizwe Primary in Vlakfontein, Tshepana and Rekghutlile Primary Schools in Orange Farm, Finetown Primary, Qalabotjha and Leshata High Schools and Moses Marin Technical School in Eikenhof, as well as providing assistance in motor mechanics to John Orr Technical School.

"Our driving force lies in our commitment to enhance the level of teaching and learning in the schools we adopt", adds Arbee. "These must be sustainable, well-managed schools which need assistance – in return they must make a commitment to the developmental goals that the school, the Gauteng Department of Education and the trust jointly make. Our approach has been to develop each aspect of the curriculum progressively and to spread our resources gradually to other schools."

In 2011 the trust is focusing specifically on libraries and improving levels of literacy, reading and comprehension. "Since our involvement in these schools we have come to realise that the learners' results are so much better when they have an oral exam as opposed to a written examination", maintains Arbee. "This means that their problems are often not with the subjects themselves but typically with their reading and writing skills and their understanding and comprehension of the English language."

To this end, the trust has already ensured that the four primary schools under its wing have fully functional, well-equipped libraries that are up and running and serving the needs of the children. By November this year a further two libraries and resource centres at the high schools should be completed.

While curriculum development remains the core focus, the trust has also invested in the following building projects:

- An administration block and resource centre for Inkululeko Yesizwe Primary
- A hall, kitchen and resource centre at Tshepana Primary
- A resource centre and staffroom at Leshata High School, which is due for completion in November 2011.

In accordance with its holistic approach to education, Imperial has also established sporting facilities and play gyms at most of its schools, and provides extra-curricular sporting and cultural activities with the support of the staff and management of both Imperial and Ukhamba Holdings.

"We host annual sports tournaments and quizzes, and provide inter-league sports and activities such as public speaking and drama classes," says Arbee.

"Unlike many other corporate CSI programmes, our staff are very involved in the trust and wholly support what we do. On weekends Imperial employees give freely of their time to help out with sports tournaments – refereeing, coaching, handing out sandwiches – whatever is needed. They come and read to the primary school children and do their bit to help induce a real and sustainable culture of learning."

For more information please visit www.imperialukhambatrust.co.za

The Imperial and Ukhamba Community Development Trust was established in 2003 by Imperial Holdings and Ukhamba Holdings. The logo reflects the trust's activities, namely assisting underprivileged children of the rainbow nation. The trust was established to help impoverished communities improve the standard of education at schools. This is achieved by providing adopted schools with textbooks, reading material, teaching aids, teacher training workshops, sports equipment and excursions.

The project started in 2004 with the adoption of two schools in Vlakfontein. Vlakfontein is an informal settlement in the south of Johannesburg. We continue to support one of those schools, the Inkululeko Yesizwe Primary School.

In 2007 another two schools were adopted, Finetown Primary and other schools in Grasmere and Tshepana Primary in Orange Farm, with the assistance of the Gauteng Department of Education. With the enthusiastic support of the new schools, the benefits of the programme have emerged relatively quickly. All new educators have attended motivational workshops and a curriculum-development workshop, to ensure all material donated is used effectively, and that everyone understands the expectations of the trust.

The trust is presently concentrating on primary education. The trustees believe that if a culture of learning is established in the foundation years, grade 12 results will automatically improve.

Once trustees are confident sufficient sustainable progress has been made at a school, the school is placed on a maintenance budget and a new school adopted.

Donations

Imperial's donations to social responsibility programmes during the year were as follows:

	2011 R'000	2010 R'000
Cash and in-kind donations	36 000	16 105

Human rights

The group subscribes to the principles embodied in the Universal Declaration of Human Rights, and in the constitution of the Republic of South Africa. The group also supports the four key groupings fundamental to the rights of human beings at work, identified by the International Labour Organisation:

- Freedom of association
- The abolition of forced labour
- Equality
- The elimination of child labour.

The group:

- Recognises that business enterprises are also obliged to respect, ensure respect of, prevent abuses of and promote fundamental human rights
- Acknowledges that its operations have economic, social, cultural and environmental consequences
- Recognises that all human beings are entitled to fundamental human rights
- Recognises its rights and complies with its duties in terms of the constitution of the Republic of South Africa and all other relevant local legislation in the various countries in which the group conducts its operations.

Accordingly, the group is committed to:

- Adhere to sound corporate governance principles and ethical and fair business practices
- Respect the fundamental human dignity of its employees
- Ensure equality of all its employees and ensure safe and healthy working conditions
- Ensure the right of freedom of association and freedom of expression of its employees and prevent any form of discrimination
- Prohibit the use of all forms of slave labour, child labour and forced labour
- Respect the civil, cultural, economic, political and social rights of its employees and observe fair labour practices
- Adhere to national legislation and policies to ensure the preservation of the environment in the countries in which it operates.

The group will not hesitate to terminate agreements and relationships with contractors or suppliers that 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 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.

No operations have been identified as having a significant risk of child labour or forced or compulsory labour.

Society

Bribery and corruption

Imperial is implacably opposed to corruption: Imperial does not offer, pay or accept bribes in our dealings in the marketplace and does not tolerate any such activity by our employees.

In addition, employees should not accept or solicit any non-minor gifts, hospitality or other favours from suppliers of goods or services.

The group has instituted a secure and accessible channel through which 'whistle-blowing' can take place in confidence and without risk of reprisal.

Employee training includes awareness of the group's anti-corruption policy.

Political contributions

It is the policy of the group not to make contributions to political parties and no such contributions were made during the year.

Competition and pricing

The group believes in free competition and encourages both external and internal competition in all business units.

Product responsibility

Customer health and safety

The health and safety of customers are of paramount importance to Imperial. Individual businesses in the group that deal directly with customers have policies to preserve customer health and safety. Due to the decentralised nature of the group's business, each unit is responsible for formulating and applying a policy appropriate to the environment in which it operates. Certain business units do not have customer health and safety policies, primarily those whose operations do not involve direct interaction with customers. Where appropriate, customer health and safety policies and procedures are communicated to customers.

In addition, customers are advised of legal safety and health requirements in accordance with applicable legislation.

CASE STUDY

neska Cologne certified according to GMP+ standard



The Cologne branch of neska Schiffahrts und Speditionskontor GmbH is a specialist in proper storage and handling of animal feed. TÜV Rheinland confirmed this by granting neska certification according to the internationally recognised GMP+ standard. GMP stands for Good Manufacturing Practice and is based on quality management in accordance with DIN EN ISO 9001:2008. Up to 25 000 tonnes of sugar beet pellets are stored in a warehouse measuring 10 000m² in the Cologne district of Gremberghoven. These pellets, in addition to grit, sugar and cellulose, are transhipped via a dry cargo handling facility at neska's Stapelkai. The certificate confirms that neska meets the requirements concerning trade, collection, storage and transhipment of animal feed. Compliance with the standard is monitored by TÜV at regular intervals.

Products and service labelling

The group does not manufacture products of any significance and therefore relies on product manufacturers to provide labelling and product information. Where such labelling or information is found to be inadequate from a marketing, safety or regulatory perspective, appropriate measures are introduced to ensure that labelling or information is upgraded and complies with local regulations.

Regular customer satisfaction reviews are conducted in various businesses. Reviews are conducted informally and formally, independently and in conjunction with the manufacturers of products sold and distributed by the group.

Marketing communications

Advertising is conducted in a variety of mediums by individual business units targeting markets and customers appropriate to these businesses. The company has no record of any charges having been laid by competitors or the public regarding unfair or misleading advertisements or practices.

Customer privacy

Businesses in the group dealing with retail customers generally have policies and procedures to maintain customer privacy.

Contact details and further information

For further information, please refer to the Imperial website: <http://www.imperial.co.za>.

Contact person for sustainability: Rafiek Sharfuddin, tel: +27 (0)11 372 6500, email: rsharfuddin@ih.co.za.

G3	C	C+	B	B+	A	A+
Mandatory						
Self-declared	✓					
Optional						
Third-party checked						
GRI-checked						
Report application level	C	C+	B	B+	A	A+
G3 profile disclosures	Report on: 1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 – 4.13, 4.16 – 4.17		Same as requirement for Level B	
G3 management approach disclosures	Not required		Management approach disclosures for each indicator category		Management approach disclosures for each indicator category	
G3 performance indicators and sector supplement performance indicators	Report on a minimum of 10 performance indicators, including one from each of: social, economic and environment		Report on a minimum of 20 performance indicators, including one from each of economic, environment, human rights, labour, society, product responsibility		Respond on each core G3 and sector supplement* indicator with due regard to the principal of materiality by either: (a) reporting on the indicator or (b) explaining the reason for its omission	

Status

✓	fully reported
–	partially reported
✗	not reported
n/a	not applicable

1. Strategy and analysis

1.1	Statement from the CEO and chair	✓
1.2	Description of key risks and opportunities	✓

2. Organisational profile

2.1	Name of the reporting organisation	✓
2.2	Major brands, products and services	✓
2.3	Operational structure	✓
2.4	Location of organisation's headquarters	✓
2.5	Countries of operations	✓
2.6	Nature of ownership and legal form	✓
2.7	Markets served	✓
2.8	Scale of the reporting organisation	✓
2.9	Major decisions	✓

3. Report parameters

3.1	Reporting period	✓
3.2	Date of most recent previous report	✓
3.3	Reporting cycle	✓
3.4	Contact point for questions	✓
3.5	Report content and stakeholders	~
3.6	Boundary of the report	✓
3.7	Specific limitations on the scope of the report	✓
3.8	Joint ventures, subsidiaries, leased facilities	✓
3.9	Data measurement techniques	~
3.10	Restatements of information	~
3.11	Significant changes since previous report	~
3.12	GRI content index	✓
3.13	Independent assurance for the report	✗

Disclosure items and performance indicators**4. Governance, commitments and engagement**

4.1	Governance structure	✓
4.2	Indicate if chair of the highest governance body is also an executive officer	✓
4.3	Independent members of the highest governance body	✓
4.4	Recommendations to highest governance body	✓
4.5	Linkage between compensation and the organisation's performance governance	✓
4.6	Avoidance of conflicts of interest	✓
4.7	Qualifications of highest governance body	✓
4.8	Internal values, codes of conduct and principles	✓
4.9	Management of economic, environmental and social performance	✓
4.10	Evaluation of the highest governance body	✓
4.11	Precautionary approach	✗
4.12	Voluntary initiatives	✓

Disclosure items and performance indicators**4. Governance, commitments and engagement**

4.13	Memberships	✓
4.14	Stakeholder groups	~
4.15	Selection of stakeholders	~
4.16	Stakeholder engagement	✓
4.17	Key issues of stakeholder engagement	✓

Economic performance indicators**Disclosure of management approach**

EC1	Economic value generated and distributed	✓
EC2	Financial implications of climate change	~
EC3	Benefit pension plan obligations	✗
EC4	Financial assistance from government	~
EC6	Spending on locally based suppliers	✓
EC7	Local hiring in senior management	✓
EC8	Infrastructure investments for public benefit	~
EC9	Indirect economic impacts	~

Environmental performance indicators**Disclosure of management approach**

EN1	Materials used by weight or volume	✓
EN2	Percentage of materials used that are recycled input materials	~
EN3	Direct energy consumption by primary energy source	✓
EN4	Indirect energy consumption by primary energy source	✓
EN5	Energy saved due to conservation and efficiency improvements (Add)	✗
EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result (Add)	✗

Disclosure items and performance indicators

EN7	Initiatives to reduce indirect energy consumption (Add)	~
EN8	Total water withdrawal by source	~
EN9	Water sources significantly affected by water withdrawal (Add)	✓
EN10	Percentage and total volume of water recycled and reused (Add)	~
EN11	Protected areas	✓
EN12	Impacts of activities on protected areas	✓
EN13	Habitats protected or restored (Add)	n/a
EN14	Strategies, current actions and future plans for managing biodiversity impacts	✗
EN15	IUCN Red List species (Add)	n/a
EN16	Greenhouse gas emissions	✓
EN17	Other relevant indirect greenhouse gas emissions	✗
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	~
EN19	Emissions of ozone-depleting substances	✗
EN20	NOx, SOx and other air emissions by weight	✗
EN21	Total water discharge by quality and destination	✗
EN22	Total waste by type and disposal method	✗
EN23	Total number and volume of significant spills	✓
EN24	Hazardous waste (Add)	✗
EN25	Water sources and habitats affected by water discharges (Add)	✓
EN26	Environmental impacts of products/services	~
EN27	Percentage of products sold and their packaging that are reclaimed	✗
EN28	Non-compliance with environmental regulations	✓
EN29	Environmental impacts of transportation (Add)	✓
EN30	Environmental protection expenditures (Add)	~

Social performance indicators – labour practices and decent work**Disclosure on management approach**

LA1	Workforce by employment type, employment contract, region	✓
LA2	Employee turnover by age group, gender and region	✓
LA3	Minimum benefits (Add)	✗
LA4	Employees covered by collective bargaining agreements	✗
LA5	Notice period, consultation and negotiation on operational changes	~
LA6	Joint health and safety committees	~
LA7	Injury, occupational diseases, lost days, etc	~
LA8	Training on HIV/Aids etc	✓

Disclosure items and performance indicators

LA9	Health and safety agreements with trade unions (Add)	✗
LA10	Training per year per employee	✓
LA11	Lifelong learning (Add)	✗
LA12	Performance and career development review (Add)	~
LA13	Diversity	~
LA14	Male/female remuneration (Add)	✗

Social performance indicators – human rights**Disclosure on management approach**

HR1	Investment agreements	~
HR2	Suppliers and contractors	~
HR3	Employee training on human rights (Add)	~
HR4	Discrimination	~
HR5	Freedom of association, collective bargaining	~
HR6	Child labour	~
HR7	Forced labour	~
HR8	Security personnel trained on human rights (Add)	✗
HR9	Incidents involving rights of indigenous people (Add)	✗

Social performance indicators – society**Disclosure on management approach**

SO1	Impact assessment of operations on communities	~
SO2	Percentage and total number of business units analysed for risks related to corruption	~
SO3	Percentage of employees trained in organisations anti-corruption policies and procedures	~
SO4	Action taken in response to incidents of corruption	~
SO5	Public policy development and lobbying	✗
SO6	Contributions to political parties (Add)	✓
SO7	Anti-competitive behaviour (Add)	✓
SO8	Non-compliance with laws and regulations	✓

Social performance indicators – product responsibility**Disclosure on management approach**

PR1	Health and safety of products	~
PR2	Non-compliance with health and safety regulations (Add)	✗
PR3	Labelling of products and services	~
PR4	Non-compliance with product and service labelling regulations (Add)	✗
PR5	Customer satisfaction (Add)	~
PR6	Marketing communications	✗
PR7	Non-compliance with marketing communications regulations (Add)	✗
PR8	Complaints regarding breaches of customer privacy and losses of customer data	✗
PR9	Value of significant fines for non-compliance relating to provision and use of products and services	✓



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