

Environmental report

Demonstrate
environmental stewardship

Why environmental stewardship matters

Part of our client proposition is to ensure we are resilient in a changing world and to help our clients, principals and customers (collectively referred to as clients) maintain their resilience. From an environmental perspective, we aim to achieve this by integrating sustainable environmental practices into our everyday operations, being innovative to reduce our environmental footprint and help our clients minimise their climate change-related supply chain risks.

Contract logistics and freight management activities are main contributors to environmental threats such as air pollution, global warming and resource depletion. Stakeholders increasingly expect organisations to participate in a circular economy that limits environmental impact, contains the waste of resources and uses resources efficiently. Successfully delivering on our new strategy, which prioritises people, planet and profit, will enable us to meet these stakeholder expectations.

As a first step, a group-wide climate change and environmental sustainability strategy framework has been developed and approved by the executive and social, ethics and sustainability committees. It confers responsibility for addressing climate change and other environmental issues on the CEOs of each division. The strategy framework guides divisions on the group's approach to climate change and waste, water and biodiversity management. There is still significant scope for improvement in our environmental performance and this will continue to be a focus going forward.

Our focus areas

Reduce our environmental footprint by using resources efficiently and implementing solutions to reduce our carbon footprint and better manage our waste.

Responsibly manage hazardous substances to guard against environmental contamination.

Trends

Some of the trends impacting road freight in Europe include electric truck fleets and more city centres implementing vehicle restrictions to limit pollution and traffic congestion, giving rise to electric cargo bikes for inner-city deliveries. As online shopping and ecommerce grows, consumers will expect express deliveries, further impacting on city logistics. While lack of charging infrastructure in South Africa limits our opportunities to introduce electric vehicles, we will continue to test alternatives. In Bologna, Italy, Palletways is testing small electric trucks to deliver goods to the limited traffic zone in the city centre.

In the automotive industry, original equipment manufacturers (OEMs) are moving to electric vehicle production as stricter environmental regulations drive the need for more sustainable, emission-free transportation. Our expertise in the chemicals and energy sector positions us to support the transition to renewable energy sources, with a contract already secured in Germany to store and charge lithium-ion batteries.

 **Providing the automotive industry with hazmat services:** page 46.

Link to material themes and issues

Theme	Material issue
Deliver shared value as a purpose-driven organisation	<ul style="list-style-type: none"> Deepen legitimacy and enhance organisational visibility.

Our risks

Climate change

Interruptions to day-to-day operations due to damage to property and assets, and detrimental traffic patterns, risk of road accidents and delays in the supply chain due to severe weather conditions.

Environmental contamination

Road accidents that result in damaged tankers while transporting hazardous substances could result in environmental pollution as well as fines or penalties.

Environmental legislation

Compliance with environmental legislation across multiple jurisdictions and the ability to respond timeously to new environmental regulatory requirements. In Europe, new legislation is emerging on nitrous oxide emissions, impacting our road operations, and particulate matter from all combustion processes. Carbon taxes are applicable in South Africa and certain operations in Europe, which impact our cost structures from transportation to storage.

Materiality boundary

	Market Access	Logistics Africa	Logistics International
Fuel consumption		■	■
Electricity consumption	■	■	■
Water consumption		■	
Hazardous substances		■	■
Waste management		■	

Relationship to strategy

- Integrating ESG practices.

GRI indicators

General: 102-11, 102-15, 102-44
Economic: 201-2
Environment: 302-1, 303-1, 305-1, 305-2, 306-2, 306-3, 307-1

Related content

Imperial's CDP submission: <https://www.imperiallogistics.com/policies.php>.



Performance overview

Highlights

Green financing facility

- Working with ING Bank to access a green finance facility with preferential benefits to be used to implement various environmental projects. The preferential benefits depend on the outcomes of an annual EcoVadis rating process. The submission to gain an EcoVadis Transport and Logistics sector rating for the group is underway.
- Logistics International achieved EcoVadis Gold status for the automotive and chemical businesses.

South Africa

- Interstate Bus Lines (IBL) installed a 200,64 kilowatt peak (kWp) solar photovoltaic (PV) system, which is expected to achieve estimated carbon emissions savings of around 351 tonnes of carbon dioxide (CO₂) annually.
- Solar PV installations have been successfully implemented at four sites, producing 763 006 kilowatt hours of solar energy in 2020.
- Waste generated and recycled is reported for the first time.

Nigeria

- Moved our pharmaceutical business in Lagos, Nigeria, to a new warehouse, reducing our reliance on diesel generators for a more stable electricity supply. We renovated the warehouse facility, introducing energy efficient lighting and air-conditioning. The facility supports better workflows and provides employees with a nicer and safer working environment.

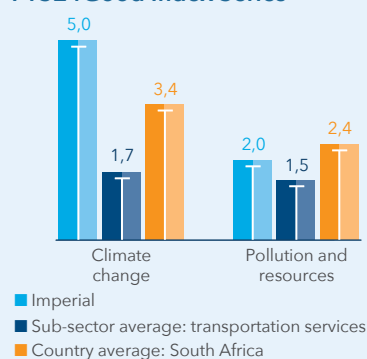
Logistics International

- Achieved ISO 50001 (energy management system) and ISO 14001 (environmental management system) recertification.
- Collated waste metrics for the first time as the division continues to enhance its understanding of waste generation in its operations.

Recognition

- Resolve Solution Partners won the Silver Award and the Environmental Award in the Logistics Achiever Awards. The awards recognise organisations for environmental and social stewardship and for proactively minimising the environmental impact of their supply chain processes.

FTSE4Good Index Series



Key performance indicators

	Market Access	Logistics Africa	Logistics International	Group
Fuel consumed	6 355 622 litres (F2019: 8 037 483 litres)	112 698 911 litres (F2019: 131 304 857 litres)	81 369 062 litres (F2019: 74 796 891 litres)	200 423 595 litres (F2019: 214 139 231 litres)
Electricity purchased	6 356 603 kilowatt hours (F2019: 6 649 859 kilowatt hours)	35 307 912 kilowatt hours (F2019: 64 613 178 kilowatt hours)	28 428 430 kilowatt hours (F2019: 35 615 290 kilowatt hours)	70 092 945 kilowatt hours (F2019: 106 878 327 kilowatt hours)
Carbon footprint ¹	20 171 tCO₂ (F2019: 24 827 tCO ₂)	338 668 tCO₂ (F2019: 421 108 tCO ₂)	216 082 tCO₂ (F2019: 205 797 tCO ₂)	574 921 tCO₂ (F2019: 651 732 tCO ₂)
Water purchased	19 307 kilolitres (F2019: 22 005 kilolitres)	326 109 kilolitres (F2019: 397 801 kilolitres)	60 689 kilolitres (F2019: 68 214 kilolitres)	406 105 kilolitres (F2019: 488 020 kilolitres)

¹ Scope 1, 2 and 3 emissions.

Spills (group)
28 000 litres of ammonia solution by an Imperial sub-contractor
(F2019: one)

Environmental incidents (group)
No fines or penalties incurred for environmental incidents
(F2019: none)

Waste (South Africa)¹
5 820 tonnes
of waste generated

Waste (South Africa)¹
1 070 tonnes
of waste recycled

CDP (group)
B+ rating
This is higher than the global average (C) and the Africa regional average (B-). Our next submission is due in August 2020.

¹ Reported for the first time.

Detailed data table: page 77.

Management approach

Our approach to environmental sustainability is to achieve efficiencies in terms of resource conservation, cost reduction and optimal waste management. The new climate change and environmental sustainability strategy framework is presented as a set of policies and implementation plans to guide divisions in the group's approach to climate change and waste, water and biodiversity management. It also includes a social and environmental responsibility code of conduct for the supply chain. The framework has been distributed group-wide for implementation.

The strategy framework commits the group to:

- Adopting the highest environmental standards in all areas of our operations, by meeting and exceeding all relevant legislative requirements.
- Assessing our organisational activities and identifying areas where we can minimise our impacts.
- Minimising waste through careful and efficient use of all materials and energy.
- Purchasing sustainable products wherever feasible, for example, recycled low environmental impact products and energy from renewable resources.
- Striving towards zero waste to landfill through waste reduction, reuse and recycling.
- Minimising the use of water.
- Improving the efficiency of buildings through environmentally sustainable design with new and refurbished projects.
- Training employees to enhance their understanding of our environmental policy and approaches and to encourage changes in behaviour.
- Reducing risks from environmental, health or safety hazards for employees and others in the vicinity of our operations.
- Adopting a green transport strategy.
- Including environmental and ethical considerations in investment decisions, where appropriate.
- Assisting in developing solutions to environmental problems in our own business and in our sector.
- Continuously assessing the environmental impact of all our operations and setting meaningful and realistic targets to improve our performance.

In South Africa, Imperial Dedicated Contracts' Gauteng and Port Elizabeth operations and Imperial Cargo Business' Paarl operation are ISO 14001 certified as required by a client, and are audited annually by an external service provider to ensure certification is maintained and environmental degradation is prevented.

Logistics International operates an ISO 50001 certified energy management system and ISO 14001 certified environmental management system, both recertified during the year. External audits take place annually to ensure ISO certifications are retained. The energy management system covers 90% of the European operation, including sites in Germany, Luxembourg, Netherlands, Poland, Hungary, Sweden and the UK. The data from these systems enables us to respond to changing environmental legislation and government plans.

Environmental management systems

Our internationally accredited sustainability management system collates, processes, tracks and communicates data across all operations, covering owned, managed and leased sites.

The system and ongoing improvements in data collection enable individual businesses to set environmental targets against reliable baselines. The system also allows our companies to share information on environmental issues and initiatives. Internal audit performs regular data integrity checks and limited assurance by external independent service providers is undertaken annually on selected indicators.

While intensity ratios have not been established for the group's carbon footprint, intensity ratios are in place for vehicles purchased to reduce our emissions.

Environmental compliance

Internal audits are conducted in South Africa and Europe to assess critical environmental compliance processes and controls. Where required, external compliance assessments are also undertaken.

Target setting

Emissions reduction targets are set for certain group companies rather than at group-level, which we consider more appropriate given that most of our emissions result from fuel consumption. Consumption depends on distances travelled and loads transported, which are in turn, influenced by client trading volumes and market dynamics.

Stakeholder engagement

Key client and regulator concerns: our environmental performance, how we guard against spills, environmental compliance and our ability to meet their environmental requirements. An added concern in South Africa is the discharge of effluent from our wash bays into the sewerage system.

Key bank, rating agency and community concerns: our environmental impact and climate change.

In some operations, our ability to drive environmental initiatives depends on client willingness, as we use their facilities and must meet their operating standard processes. We work with our clients on solutions to optimise fuel consumption and share with them our research findings and the outcomes of new technologies and solutions tested to deliver energy, water and waste efficiencies. Our clients also have access to our carbon emissions data. An added benefit is Logistics International's Carbon Compensation Scheme, which allows our clients to offset the CO₂ emissions of their vehicle fleets. Pleasingly, the service is gaining traction and may open up new revenue streams for the division's fleet management business.

Our discharge systems are included in our regular environmental performance audits.

We collaborate with our OEMs on ways to make vehicles less emission intensive. Similarly, as a major user of fuel, we engage with our fuel suppliers on improving product ranges to optimise fuel consumption. Our supplier engagements enable us to identify and test new vehicles or product ranges that could potentially reduce our carbon footprint.

In South Africa, a key focus for the year was creating awareness on the impact of human behaviour on the environment, particularly electricity usage. Management raised awareness on energy saving and renewable energy solutions. Regular toolbox talks raise awareness on environmental compliance and lessons learnt from major environmental incidents are shared and preventative actions implemented to prevent repeats.

Looking forward

- Integrate environmental practices into daily operations.
- Achieve the EcoVadis rating required to access the green finance facility.

- Invest in a digitised fleet, leveraging existing and new technology to transform the road freight business and gain efficiencies, including better vehicle performance and fuel and tyre consumption. In addition, better visibility and analytics will enable more informed decision making on issues such as route optimisation.
- Implement systems to enhance our waste management in South Africa and Europe, including improving the integrity of our waste data to better understand our waste streams, reducing waste to landfill and tapping into potential revenue-generating streams associated with waste management. Once all employees return to work, an initial project will be undertaken at Imperial Dedicated Contracts (IDC) (South Africa), which generates the most waste out of our businesses, to understand the different waste streams and associated costs. In time, we will investigate the feasibility of extending similar initiatives in other African markets of operation.

Our stories

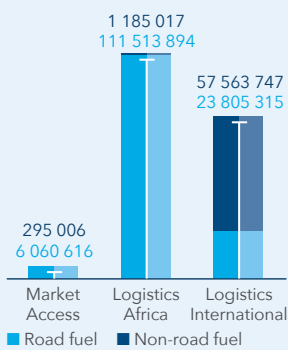
<p>Working with our OEM to improve fuel efficiency</p>	<p>Once WP Transport’s entire truck fleet has been converted to Scania’s new generation trucks, emissions reductions of 225 tonnes and fuel savings of R2,5 million will be achievable for 2021.</p> <p>WP Transport, based in Namibia, operates a fleet of 50 trucks, mostly with superlink tautliner trailers. The fleet operates throughout Namibia, Angola, Botswana, South Africa, Zambia and Zimbabwe, travelling around 10 million kilometres a year.</p> <p>To limit the environmental impact of our fleet and reduce operating costs, we partnered with OEM, Scania Namibia, to replace our fleet with new generation trucks over two years. 24 trucks have been replaced to date.</p> <p>We use the data from our onsite Scania accredited workshop and the onboard computers in the new trucks to compare emissions and fuel consumption between the two fleets. Overall, the new fleet achieves 110 tonnes of emissions reductions – nitrous oxide (-3,8%), particulate matter (-11,2%), hydrocarbons (-7,0%), carbon monoxide (-3,1%) and CO2 (-2,2%). Achievable fuel cost saving amounts to R1,3 million. Scania’s new technology means that service intervals have lengthened by around 30%, reducing truck down time, and oil consumption is less.</p> <p>The OEM’s advancement in technology is critical to WP Transport achieving its goal to reduce its emissions by 15% by 2022.</p>
<p>Testing vehicles that are less emission intensive</p>	<p>Working with our clients, we are testing an electric powered vehicle in Hungry and shifting to an liquified natural gas (LNG) fleet in the UK.</p> <p>In Hungry, we are testing a 24-tonne electrically powered truck on our shuttle services between our warehouse and the plant of a major automotive manufacturer. The 236 kilowatt electric motor provides a range of around 220 kilometres on a single battery charge – the same distance the shuttle trucks typically travel each day. Compared with a conventional diesel-powered truck, the electric vehicle abates around 1,7 tonnes of CO₂ emissions a day.</p> <p>In the UK, we are moving towards a road transport fleet that is powered by LNG. LNG trucks have been successfully trialled in the UK and Germany over the past year, with good results and positive driver feedback. The trials have enabled us to accommodate a request from a major client in the UK to switch to low-emissions vehicles on its supply routes between 19 component manufacturers and its main assembly plant.</p> <p>During planning, we discovered that LNG service stations were only available on eight of these routes. As a result, the decision was taken to install an LNG refuelling facility at our Oxford site, reducing our dependency on roadside facilities. Although LNG trucks are 50% more expensive than their diesel equivalents, LNG provides lower fuel consumption, produces fewer climate-damaging gases and almost no particulates, has a lower fuel purchase price and enjoys tax concessions.</p>

Reducing our environmental footprint

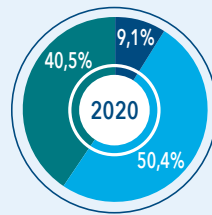
Why this matters

Kilometres travelled	Fuel consumption	Warehouse space
376,2 million road kilometres travelled using a fleet of over 5 000 owned trucks in South Africa and Europe.	Among the highest consumers of fuel in South Africa. Fuel is a major driver of logistics cost.	Operate around 2,4 million square metres of storage capacity that requires electricity for refrigeration, lighting and HVAC ¹ systems.

Fuel consumed (litres)

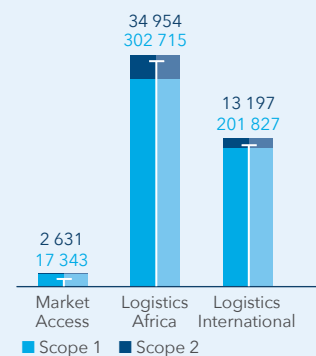


Electricity purchased (kilowatt hours)



- Market Access (6 356 603 kWh)
- Logistics Africa (35 307 912 kWh)
- Logistics International (28 428 430 kWh)

Scope 1 and Scope 2 emissions (tCO₂)



Africa 345 416 kilolitres

of water purchased from municipalities in Africa, of which **94%** is attributable to South Africa.
(2019: 419 806 kilolitres)

Waste management

We dispose of large quantities of hazardous and non-hazardous waste from waste oil, grease and oil rags (vehicle and equipment servicing) to pharmaceutical and food waste on behalf of our clients.

Our transportation activities are the biggest contributor to our carbon footprint, followed by purchased electricity. By achieving lower than average carbon emissions in our transportation activities, we can in turn, pass this benefit on to our clients' carbon footprints. Our Market Access division is not transport intensive, so initiatives are of a smaller scale and mostly focus on electricity saving.



¹ Heating, ventilation and air-conditioning.

Key challenges and initiatives

Operation: logistics divisions

Challenge: in South Africa, limitations in national infrastructure and availability of 50ppm diesel for Euro 5 engines² constrains our ability to use more fuel-efficient trucks. In Europe, newer more powerful trucks with attractive functionality often use more fuel, making balancing performance and keeping fuel consumption constant a challenge. Overseas, we also have to meet more stringent European Union emissions regulations.

Initiatives in Logistics Africa

- A vehicle replacement programme that ensures trucks are not more than 10 years old. Where possible, trucks are replaced with Euro 5 trucks.
- Strict truck service and maintenance programmes.
- Driver training on how to conserve fuel and, in some group companies, drivers are incentivised to achieve improved fuel consumption.
- Route optimisation software to achieve optimal travelling distances, saving fuel and shortening delivery times.
- Vehicle management systems that measure mileage, fuel consumption and tyre and vehicle maintenance. Some systems also track driving behaviour.
- Regular testing of alternative fuel-efficient trucks such as natural gas trucks.

Initiatives in Logistics International

- A modern truck fleet with a focus on Euro 6 engines, the highest Euro-rating.
- Driver training on how to conserve fuel. Fuel performance is tracked on an increasing number of trucks.
- Route planning systems to save fuel and shorten delivery times.

Operation: group

Challenge: unfortunately, load shedding in South Africa continues as municipal electricity infrastructure buckles under demand, raising our reliance on generators, which not only increases our emissions but also increases operating costs in the way of diesel cost and maintenance. This is also true for some other African countries. In addition, capital constraints in tough economic conditions limit the extent to which solar PV projects can be implemented. In Europe, there is still good scope to reduce the energy consumption of our operations. The challenge is to balance business expectations against a project's payback period.

In South Africa, energy meters measure consumption in real time and identify opportunities to implement energy saving initiatives. Other projects include energy efficient lighting systems and motion sensors as well as air-conditioning timers. Solar PV installations have been successfully implemented at four sites and will continue to be a potential alternative, however, this year Covid-19 has meant the delay of some of our feasibility studies.

Imperial Health Sciences' warehouse in Kenya is insulated to assist with temperature control and uses solar power to heat water. The smaller projects implemented in other African countries include energy efficient lighting and air-conditioning systems, light sensors and the increased use of natural daylight in warehouses.

Logistics International is prioritising energy efficient lighting systems and energy-saving enhancements to IT infrastructure.

Operation: African operations

Challenge: the increasing incidence of prolonged droughts exacerbates water shortages due to poor water infrastructure in some African countries, including South Africa. This impacts our cleaning processes, which for our food, beverage and chemicals businesses, is a critical factor in product quality and preventing product deterioration.

Where feasible, we use rainwater harvesting systems across our African businesses. In South Africa specifically, wastewater recycling units are installed at some wash bays to reduce our demand on municipal water and the volume of effluent discharged into sewers. Imperial Managed Solutions in Kenya recycles wastewater using a licenced recycling plant. Borehole water is used in certain operations in Kenya, Nigeria, South Africa and Zambia, in line with regulatory requirements. In South Africa, water meters provide accurate consumption data, highlight discrepancies in municipal bills, assist to identify water leaks and provide a platform for effective water management initiatives.

Operation: Logistics Africa

Challenge: most of our waste in South Africa, between 60% to 70%, is treated in line with client disposal and destruction requirements. This means that we are only able to implement recycling strategies for less than 40% of the volume of the waste we handle and is within our control.

Waste is disposed of in accordance with the relevant local and national waste management legislation across our countries of operation. Where required, specialist certified service providers are used and traceability, disposal and destruction certificates issued. In Europe, all waste (client and Imperial's waste) is disposed of in line with legislative requirements.

² The highest Euro-rating feasible in South Africa.

Reducing our environmental footprint continued

Client requirements

Our integrated manufacturing logistics solutions enable us to dispose of waste before, during and after the production process. In the international steel and power station sectors, Imperial specialises in the disposal of ancillary and waste products for our clients. Pharmaceutical waste and other products that fail to meet required standards are destroyed in line with client requirements.

Controlled waste

The management of waste within our control is an area of improvement for the group and has been prioritised as part of the ESG pillar of our strategy. We will focus on introducing recycling policies and practices in both our operations and in collaboration with our clients in terms of their products and packaging. We are also working to collate and improve our waste reporting to better understand the waste streams under our control.

In Logistics Africa, a formal waste management system covers all group companies. We also work with our two accredited waste management service providers to find solutions to address waste management challenges and enhance recycling procedures.

Logistics International tracks waste per site, collaborates with recycling service providers, educates employees on recycling and is working towards embedding effective recycling processes and decreasing disposal costs.

2020 review Africa

- Road fuel usage decreased 15% due to smaller fleets in line with our asset-right strategy and fewer kilometres travelled as a result of restrictions to contain the spread of Covid-19. Electricity purchased dropped 45% in South Africa mostly due to the consolidation of businesses, which is expected to continue for the remainder of the calendar year as well as the closure of the consumer packaged goods business. Scope 3 emissions were 46% lower as a result of travel restrictions and the increased use of video-conferencing.
- Water purchased from councils decreased by 18% due to consolidation and closure of some major water consuming businesses in South Africa, smaller fleets, lower business activity and increases in water sourced from alternative sources (mostly boreholes) of 4% and 27% for South Africa and the balance of African markets, respectively. In addition, the recent droughts in Namibia resulted in less frequent washing of vehicles.
- Solar PV installations in South Africa produced 763 006 kilowatt hours of solar energy.
- Completed an in-depth analysis to understand the impact of South Africa's carbon tax in terms of non-road-related equipment such as boilers and generators on site. Some businesses exceed the 10 megawatt hour combined stationary combustion tax threshold. We have started the process to register with the Department of Environmental Affairs and the South African Revenue Service.
- In South Africa, we installed a solar PV system at a Bloemfontein site (see page 75) and motion sensors to control lights in the offices and warehouse at our Garfield Road site in Alberton, Gauteng, as well as rainwater harvesting tanks.

- Imres opened a hub in Dubai to service Africa, removing the need to route product through the Netherlands. This has considerably reduced our environmental footprint and shortened travel times. Imres also installed an energy efficient light emitting diodes (LED) system in its new leased warehouse in Lelystad, Netherlands.
- Moved World Wide Commercial Ventures Limited's (WWCVL) operations in Lagos, Nigeria, to a new warehouse, reducing our reliance on diesel generators for a more stable electricity supply (see page 75).
- WP Transport, based in Namibia, started converting its truck fleet to Scania's new generation trucks (see page 71) and will investigate the feasibility of natural liquid gas as a substitute for diesel fuel in trucks, which could potentially reduce its carbon emissions by as much as 25% and operating costs by 20%.
- 5 820 tonnes of waste was generated in South Africa, with 59% classified as safe disposal materials¹ (food and edibles that have exceeded their shelf life), 26% being general waste (materials and rubble taken to landfills) and 15% being hazardous waste (oil, grease, sump effluent and oil filters etc.). 1 070 tonnes (18%) of this waste was recycled, with 71% (target: 80%) of the general waste stream being recycled. The metrics have shown that much of our general waste is rubble, needing to go to landfill, and that our key recyclable items are paper, cardboard, cans and bottles as well as metals.
- Imres recycled 61 320 kilograms (100%) of packaging material (boxes and paper) in the 2019 calendar year, and has implemented a few simple waste initiatives, including the donation of computers to schools. It has also banned bottled water and plastic and paper cups.



¹ Safe disposal materials are unlikely to be recycled because the impact of reusing the materials has not been fully researched.

Logistics International

- Road fuel usage decreased 9% due to fewer kilometres travelled and lower company travel by employees as a result of restrictions to contain the spread of Covid-19. In addition, the division's use of biodiesel increased 211% as Food Tankers in Sweden made a complete switch to this fuel type. Non-road fuel usage increased 18% due to increased shipping activity compared to F2019, when shipping was impacted by low water levels. The 20% decrease in electricity purchased is mostly due to Covid-19's heavy impact on warehouse activity, however, there was also a slight improvement in energy consumption due to new LED lighting. Scope 3 emissions were 30% lower as a result of travel restrictions. Water consumption reduced 11% due to better reporting and site closures.
- Started to monitor waste streams in more detail to understand our waste generation and where improved waste management

initiatives could be implemented. Results are showing that most waste is generated by our clients and that Imperial has limited influence.

- Reported waste metrics for the first time, while not as robust as our other environmental metrics, the data gives us a base from which to make improvements. The quality of the data has improved over the year with a better understanding among businesses on what they need to report.
- Reduced the number of printers in the German operation by 25%, which will reduce the amount of paper used, reduce costs and is driving a change towards paperless office behaviour. The new printers track printed sheets, which will enable us to measure paper usage. It is hoped that the reduced printer fleet will also contribute to a reduction in electricity consumption.

 **Detailed data table:** page 77.

Our stories

<p>Highlighting our new solar PV system at IBL in South Africa</p> <p>IBL installed a 200,64 kWp solar PV system, which is expected to provide 355 megawatts of power each year and achieve estimated carbon emissions savings of around 351 tonnes of CO₂ annually.</p>	<p>IBL's head office in Bloemfontein operates a large mechanical workshop. The increasing frequency of power outages in the Mangaung Metropolitan Municipality was identified as a high risk to the business. While generators are used at the site, the company wanted to implement a more sustainable and greener solution to mitigate ever increasing electricity costs, provide a consistent power supply and lower its carbon footprint.</p> <p>Following a robust feasibility study, IBL installed a 200,64 kWp solar PV system. While still tied to the grid, IBL is less dependent on municipal power. Operational in October 2019 and measured over six months to March 2020, the 608 solar panel system has achieved an average saving of approximately 10 000 kilowatt hours per month in purchased electricity compared to the same period in the prior year. This equates to an average monthly cost saving of R9 000, taking into account electricity tariff increases.</p> <p>Based on the project's success, IBL is exploring the feasibility of more installations at other depots.</p>
<p>Highlighting our new pharmaceutical facility in Nigeria</p> <p>WWCVL's new facility is more energy efficient, supports better workflows and provides our employees with a nicer and safer working environment.</p>	<p>In October 2019, WWCVL moved into its new facility in Lagos. The move was necessary as the old location, consisting of two separate sites, no longer met our health and safety requirements, was not able to accommodate our growth and was not connected to a reliable source of power. As a pharmaceutical business that must maintain controlled temperatures to ensure product safety, the building's old infrastructure and equipment, and our high reliance on generators, meant that we were consuming energy inefficiently. One site did not even have a water source, which meant water had to be purchased daily for all requirements.</p> <p>The cost to build a new warehouse was estimated at USD25 million with a minimum of 30 months needed for construction. Alternatively, a new location was sourced with dilapidated warehouses but with connection to utilities and the space to accommodate growth for the next six years. The site was renovated with a budget costing only 8% of the cost to build a new facility and was completed within six months.</p> <p>The renovated facility boasts modern and energy efficient equipment and electrical fittings, and is designed to support efficient workflows for goods and people, maximise storage space and improve cooling within the warehouse. Additional windows were provisioned for the offices, increasing natural light, reducing electricity consumption and creating a healthier work environment. Underground water tanks support rainwater harvesting and the old furniture and fittings were refitted to the new office design. Ceiling mounted air-conditioners were installed in passages as opposed to individual offices, further reducing power requirements. Automatic perimeter lights were also installed.</p>

Managing hazardous substances

Why this matters

Fuel delivered	Hazardous substances
More than 2,6 billion litres of fuel delivered in South Africa.	A significant player in the bulk and packed fuel and gas sector in South Africa and the European chemical industry, as well as a primary supplier of fuels into various countries in sub-Saharan Africa.

Growing global consumer activism with increased focus on green logistics, means that a key differentiator for our chemical and energy operations and our clients is demonstrable environmental protection measures.

We have specialised capabilities (skills, processes and equipment), based on four decades of experience, to handle, move and store hazardous products in line with increasingly stringent occupational health and safety standards and rigorous regulatory requirements across regions.

Key challenge and initiatives

Operation: logistics divisions
Challenge: managing the storage and distribution of hazardous substances while protecting our employees and guarding against spills and environmental contamination.

All environmental incidents and spills are thoroughly investigated and reported. The lessons learnt are used to continuously improve processes.

South Africa

Our robust safety, health, environmental and quality (SHEQ) practices cover specialised training, journey management and driver and vehicle fitness. Periodic compliance verification is undertaken on the quality of equipment maintenance. Imperial is the only accredited cyanide transporter in Southern Africa, with accreditation from the International Cyanide Management Institute.

When transporting fuel, customised advanced dispenser technology minimises the risk of fuel product contamination. Tanker Services use an automated system to brief and debrief drivers. The system does not allow a driver to clock in unless they have had the required 12 hours' rest and have taken their chronic medication. It also stores driver certificates, licences, training, ratings, medical information and incident reports.

IDC uses SQAS¹ third-party assessments to evaluate its performance in transporting hazardous and low hazardous products at its Gauteng and KwaZulu-Natal depots. The system enables clients to assess our performance. The European Chemical Industry Council manages the SQAS system and ensures its integrity.

IDC is also a member of the Responsible Care® initiative, a voluntary commitment by the global chemical industry to drive continuous improvement in SHEQ performance.

Europe

We operate 17 dangerous goods warehouses in Europe that have robust temperature control systems and the latest safety-enhancing technology, including:

- State-of-the-art fire prevention systems, automatic fire doors and resistant floor coating. An example is our hazardous material (hazmat) warehouse in Rieste, Germany, where the walls and doors are fireproof and smoke detectors on pallet racks activate an integrated sprinkler system and automatically send an alert to the local fire brigade when activated. Water used to fight fires is prevented from penetrating floors so that it can be safely collected for professional disposal.
- Specialised high-security gas cylinder chambers, sophisticated gas warning systems, technical ventilation to avoid high-risk air mixes, explosion protection and CO₂ fire extinguishing systems. Absorption units rapidly filter escaping gas, ensuring that only uncontaminated waste air is fed back into the atmosphere.

Trucks transporting chemicals and loading areas are fitted with state-of-the-art equipment. For example, some trailers have multi-chamber tanks, where some can be heated and others are rubber-lined to transport corrosive chemicals. Other safety features include stability systems, level indicators and immobilisers that prevent vehicle movement if ladders are lowered or valves are open.

Frequent training and instructions are delivered to drivers and product handlers to ensure the safe handling of hazardous substances. Technical aids and modern assistance systems also support decision making.

2020 review

- 28 000 litres of ammonia solution was spilt in Witbank, South Africa, by an Imperial sub-contractor.

¹ Safety and Quality Assessment for Sustainability.

Key data

	2020		2019	2018
FUEL CONSUMPTION				
Market Access				
Road fuel usage (litres)	6 060 616*	▼	8 037 483	13 126 290
Non-road fuel usage (litres)	295 006		–	–
Logistics Africa				
Road fuel usage (litres)	111 513 894*	▼	130 186 325	143 375 188
Non-road fuel usage (litres)	1 185 017	▲	1 118 532	1 063 923
Logistics International				
Road fuel usage (litres)	23 805 315*	▼	26 004 574	25 051 935
Non-road fuel usage (litres)	57 563 747	▲	48 792 317	61 319 452
Total fuel consumption (litres)	200 423 595*	▼	214 139 231	243 936 788
PURCHASED ELECTRICITY				
Market Access (kilowatt hours)	6 356 603*	▼	6 649 859	6 192 376
Logistics Africa (kilowatt hours)	35 307 912*	▼	64 613 178	67 148 135
Logistics International (kilowatt hours)	28 428 430*	▼	35 615 290	29 812 455
Total purchased electricity (kilowatt hours)	70 092 945*	▼	106 878 327	103 152 966
EMISSIONS				
Market Access				
Scope 1 emissions (tCO ₂)	17 343*	▼	21 845	35 623
Scope 2 emissions (tCO ₂)	2 631*	▲	2 560	3 537
Total Scope 1 and Scope 2 emissions (tCO ₂)	19 974*	▼	24 405	39 160
Scope 3 emissions (tCO ₂)	197*	▼	422	442
Total emissions for Market Access (tCO₂)	20 171*	▼	24 827	39 602
Logistics Africa				
Scope 1 emissions (tCO ₂)	302 715*	▼	355 352	386 687
Scope 2 emissions (tCO ₂)	34 954*	▼	63 962	68 484
Total Scope 1 and Scope 2 emissions (tCO ₂)	337 669*	▼	419 314	455 171
Scope 3 emissions (tCO ₂)	999*	▼	1 794	1 795
Total emissions for Logistics Africa (tCO₂)	338 668*	▼	421 108	456 966
Logistics International				
Scope 1 emissions (tCO ₂)	201 827*	▲	187 788	216 731
Scope 2 emissions (tCO ₂)	13 197*	▼	16 488	15 995
Total Scope 1 and Scope 2 emissions (tCO ₂)	215 024*	▲	204 276	232 726
Scope 3 emissions (tCO ₂)	1 058*	▼	1 521	1 391
Total emissions for Logistics International (tCO₂)	216 082*	▲	205 797	234 117
WATER PURCHASED FROM MUNICIPALITIES				
Market Access (kilolitres)	19 307*	▼	22 005	18 320
Logistics Africa (kilolitres)	326 109*	▼	397 801	485 709
Logistics International (kilolitres)	60 689*	▼	68 214	96 320
Total water purchased from municipalities (kilolitres)	406 105*	▼	488 020	600 349
WASTE (LOGISTICS AFRICA)¹				
General waste (tonnes)	1 501		–	–
Safe disposal (tonnes)	3 438		–	–
Hazardous waste (tonnes)	881		–	–
Total waste (tonnes)	5 820		–	–
Recycling (tonnes) ²	1 070		–	–
Percentage of general waste (%)	71		–	–
Waste oil recycled (litres)	49 213		–	–
SPILLS				
Number of significant spills	1	■	1	–
ENVIRONMENTAL COMPLIANCE				
Fines or penalties for environmental incidents	0	■	0	0

¹ First year of reporting.

² Paper, cardboard, cans and bottles.

Methodology used: Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition). The boundary used is operational control.

Key

■ Satisfied with performance.

■ Area for improvement.

* Assured (see the independent limited assurance report).