

CDP

CDP 2015 CLIMATE CHANGE 2015 INFORMATION REQUEST
IMPERIAL HOLDINGS

MODULE: INTRODUCTION

PAGE: INTRODUCTION

CC0.1

INTRODUCTION

Please give a general description and introduction to your organisation.

Imperial is a diversified multinational industrial, retail and services group operating from 1 245 locations in 31 countries across Africa, Europe, Australia and America. Imperial operates on a decentralised management structure that actively encourages entrepreneurship, innovation and industry best practice.

Imperial is active in three major areas of mobility, namely: Consumer and Industrial Logistics; Vehicle Import, Distribution, Dealerships, Retail, Rental and Aftermarket Parts. Each of the divisions is independently managed and operates within authority limits set by the board, and governance guidelines laid down by the board and executive committee. The divisions are governed by uniform authority limits and policies, which are designed to apply to governance standards appropriate to their industries. Imperial's management system actively encourages acquisition, nurturing and growth of large and small entrepreneurial business units and strives to maximise the synergies between them. Each of the divisions further consists of sub-divisions and/or business units (see Imperial Integrated Annual Report 2014. Each of the businesses has unique features, stakeholders and operating environments. This in the past has created challenges for reporting; however with the implementation of the sustainability management system, reporting has improved and should continue to improve.

With regards to the CDP climate change response some questions have been answered as they relate to Imperial Holdings Ltd. as a group, while other responses where applicable have delved into specific business level detail. This is clearly expressed where appropriate.

Some Imperial key facts:

- > Imperial employs over 52 000 people
- > Has a fleet of over 5 700 trucks as well as access to 5 000 subcontractor vehicles
- > The southern African transport fleet travelled more than 464 million kilometres in 2013/2014
- > Has warehousing capacity of over 1 700 000m²
- > One in three rental car transactions in South Africa is done through Imperial
- > Imperial supplies every meaningful brand of vehicle in Southern Africa
- > Imperial is the leading aftermarket parts supplier in Southern Africa
- > Imperial operates around 1 000 vessels in Europe with a combined load capacity of over 1 million tonnes
- > Imperial transports over 95 million tonnes per annum in Europe
- > Has been listed on the Johannesburg Stock Exchange (JSE) since 1987

CCO.2

REPORTING YEAR

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Wed 01 Jan 2014 – Wed 31 Dec 2014

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Australia
Austria
Belgium
Botswana
France
Germany
Hungary
Lesotho
Luxembourg
Malawi
Mozambique
Namibia
Netherlands
Poland
South Africa
Swaziland
Sweden
United Kingdom
Zambia
United States of America
Nigeria
Paraguay
Ghana
Kenya

CC0.4

CURRENCY SELECTION

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

ZAR (R)

CC0.6

MODULES

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further information

MODULE: MANAGEMENT

PAGE: CC1. GOVERNANCE

CC1.1

Where is the highest level of direct responsibility for climate change within your organisation?

Board or individual/sub-set of the Board or other committee appointed by the Board.

CC1.1A

Please identify the position of the individual or name of the committee with this responsibility

The Group Social, Ethics and Sustainability Committee is the highest level of direct responsibility for climate change within the Group. The committee is comprised of a non-executive chairman, Group Head of Sustainability, CEOs and Chief Executives across all divisions, and a number of executive and non-executive board members, including Group Executive: Risk. The Group Social, Ethics and Sustainability Committee meets quarterly to review and monitor all sustainability risks including those relating to climate change. All material information is elevated to the Group Risk Management Committee and the Board. The role of the committee is to perform statutory duties as contemplated in the Companies Act, No 71 of 2008. In addition and complementary to its statutory duties in terms of the Act the committee assists the company to discharge its social, ethics and sustainability responsibility with regard to the implementation of practices that are consistent with good corporate citizenship with particular focus on the following:

- > The King III Code of Corporate Governance;
- > Imperial's sustainability commitments;
- > Broad-based Black Economic Empowerment (B-BBEE) requirements as described in the Department of Trade and Industry;
- > Combined Generic Scorecard (excluding ownership targets) and associated Codes of Good Practice;
- > Imperial's transformation commitments as described in the group transformation strategy document and division specific B-BBEE plans;
- > Environmental commitments as described in Imperial's Environmental policy framework;
- > Corporate Social Investment (CSI) commitments as described in Imperial's CSI policy;
- > Imperial's Code of Ethics and Corporate Values Transformation remains a key area, however, and the committee will continue to guide and assist Imperial in its quest to reflect the South African social fabric while positioning the organisation positively relative to the economy.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes.

CC1.2A

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator	Comment
Business unit managers	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Behaviour change related indicator	Number of litres saved per km on fuel usage.Reduction in kWh on energy efficiency projects.Number of employees sent on driver training to improve on fuel efficiency.
Environment/Sustainability managers	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Behaviour change related indicator	Implementation, completion and effectiveness of initiatives and reporting. Driving and monitoring energy reduction initiatives.
Other: Equipment Operators	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Behaviour change related indicator	Number of litres saved per km on fuel usage.Efficient driving behaviour rewarded by utilising satellite tracking to monitor driver behaviour and patterns.
All employees	Recognition (non-monetary)	Emissions reduction project Energy reduction project Energy reduction target Efficiency target Behaviour change related indicator	Employees are rewarded for their contributions towards emissions and energy reduction projects and initiatives against internally set targets.

Further information

PAGE: CC2. STRATEGY

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes.

CC2.1A

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Africa Europe United States of America Australia South America	>6 years	The length of time for which risks are considered varies per risk and is informed by a number of factors, such as geographical location, applicable legislation, and nature of an acquisition. The length of time that Imperial Holdings' brand and reputation could be impacted significantly informs the length of time a certain risk is considered.

CC2.1B

Please describe how your risk and opportunity identification processes are applied at both company and asset level.

Imperial Holdings is managed on a decentralised federal management system that encourages entrepreneurship and independent management. Risks and opportunities are therefore spread across the various divisions, which in themselves are diverse and thus exposed to different risks and opportunities. The risk and opportunity identification process is an internal process linked to Imperial Holdings' strategy. Current and potential future risks are informed by numerous factors including geographic location, economic situations, legislation, and nature and maturity of a business.

A Risk Officer is appointed to each Imperial Holdings division, and is responsible for compiling divisional risk registers informed by the business units within that division. These risks are primarily operational risks. The risk registers are formally reported to and reviewed by the divisional finance and risk committee on a quarterly basis. The divisional finance and risk committee comprises of an independent non-executive chairman, division CEO, divisional Finance Director, Group Executive: Risk, internal and external audit. Ultimate responsibility for the divisional risk identification process lies with the divisional CEOs and Group Executive. The divisional risks are then elevated to the Group Risk Committee, a sub-committee of the Group Board, and annually aligned to the strategy. Company level risks, such as brand and reputational risks, are addressed at this level.

CC2.1C

How do you prioritise the risks and opportunities identified?

Imperial Holdings' prioritises risks based on an internal rating scale which takes into consideration the impact and likelihood of the risks. Additionally risks are prioritised based on available resources. 18 Strategic Risks, representing the inherent business risks, have been identified. These risks are not ranked, but are consistently monitored in terms of movements in residual company risk exposure and have developed mitigating strategies. Climate Change, specifically the legislative environment and impact on operations, has been identified as a strategic risk.

CC2.1D

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future.

Main reason for not having a process	Do you plan to introduce a process?	Comment
--------------------------------------	-------------------------------------	---------

CC2.2

Is climate change integrated into your business strategy?

Yes.

CC2.2A

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process.

Imperial is active in three major areas of mobility, namely: Consumer and Industrial Logistics; Vehicle Import, Distribution, Dealerships, Retail, Rental and Aftermarket Parts. Imperial Holdings comprises many entrepreneurial units across its three major areas of mobility. Imperial Holdings' strategy is to build a sustainable and logically structured organisation on the platforms of the three major areas of mobility.

Company and divisional risks are reviewed quarterly, and annually aligned to Imperial Holdings' strategy. In the case of identified sustainability risks, these are also aligned to the sustainability strategy. The strategy in turn determines our sustainability initiatives while our values guide the approach. As a multinational group, each Imperial division faces different risks and opportunities, and thus has different priorities and perspectives. Equally, stakeholders in the different markets and countries in which we operate also have varying expectations and needs. Developing a group strategy from this diverse base requires close consultation to meet divisional objectives while fulfilling group targets.

Imperial Holdings has a dedicated Group Head of Sustainability, the communication channel for Imperial Holdings' divisions. The Group Head of Sustainability sits on the Social, Ethics and Sustainability Committee, meeting quarterly. Information specifically regarding sustainability that is identified to have the potential to influence strategic decision making is elevated to the Executive Committee, which meets every quarter.

Climate change, specifically the legislative environment and the impact on operations, has been identified as a strategic risk for Imperial Holdings and has influenced both short-term and long-term strategy. Loss monitoring clearly demonstrates the need for both short-term and long-term climate change interventions. Examples of recent loss monitoring results related to climate change include: an increase in flooding in Europe and Asia impacting the logistics division, specifically the barges; a significant change in seasonal weather patterns in Europe negatively affecting the Agri-business; increased detrimental traffic patterns, increased vehicle damage and vehicle accidents due to adverse weather conditions in South Africa have resulted in losses for the Logistics division.

Imperial Holdings' short-term strategy (five years) from 2010, relating to climate change has been to:

1. Develop a group-wide sustainability strategy that can be integrated into the three strategic pillars – Consumer and Industrial Logistics; Vehicle import, distribution, dealerships, retail, rental and aftermarket parts and Vehicle-related financial services;
2. Implement a Sustainability Management System;
3. Quantify Imperial Holdings' carbon footprint;
4. Set carbon emission benchmarks for each division;
5. Set carbon emission reduction targets for each division;
6. Develop an appropriate framework for assuring and reporting sustainability performance each year to the same high standards of the financial reporting;
7. Reduce Imperial Holdings' carbon emission intensity targets;

The long-term strategy (ten years) from 2010, relating to climate change is to:

8. Be the leader in carbon emission reduction technologies and processes for Imperial Holdings' operations;
9. Be known as the environmentally responsible option with regards to Imperial Holdings' services and products;
10. Reduce Imperial Holdings' absolute carbon emissions.

Due to changes in legislation, changes in consumer behaviour, changes in customer expectations and demands and reputational importance, the above approach to sustainability and climate change strategy will give Imperial Holdings a competitive advantage.

A substantial business decision relating to sustainability and climate change was to appoint a Group Head of Sustainability at Imperial Holdings group level, as well as Sustainability Executives in each of the respective Logistics divisions, as well as implement the sustainability management system at considerable cost. This allows for focus on carbon emissions reporting (for example CDP) as well as improved communication of climate change issues and initiatives between divisions globally.

CC2.2B

Please explain why climate change is not integrated into your business strategy.

CC2.2C

Does your company use an internal price of carbon?

No, but we anticipate doing so in the next 2 years.

CC2.2D

Please provide details and examples of how your company uses an internal price of carbon.

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers

Trade associations.

CC2.3A

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Carbon tax	Oppose	Imperial Holdings and Imperial Logistics submitted individual legal responses on the South African proposed carbon tax directly to Government National Treasury. These are follow up submissions from the 2011 responses given. More recently Imperial Holdings also submitted its response to the Davis Tax commission, a body set up by National Treasury to look at all taxes.	We support the carbon tax, however with the following major exceptions: <ul style="list-style-type: none"> > The carbon tax as well as the CO₂ emissions levy on new vehicles (already in place) will result in the duplication of taxes. > There is a concern that the carbon tax will not be ring-fenced and will not be used to mitigate the effects of climate change. > The implications for the transport sector and it's consequent implications for inflation and economic development must be carefully considered. > The carbon tax in conjunction with fuel levies and e-tolling should be considered.

CC2.3B

Are you on the Board of any trade associations or provide funding beyond membership?

Yes.

CC2.3C

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Road Freight Association (RFA)	Mixed	<p>The RFA is a facilitating body which influences the state of the Logistics industry, rates, upkeep of the road infrastructure, road safety, freight security, driver interests, cross-border transport, development funding for emerging operators, education, health, the fuel price, law enforcement, labour relations and many other issues related to road freight transport. Sustainability is a core value for the RFA. The RFA supports all efforts to reduce greenhouse gas emissions and climate change, however, the Association strongly believes that South Africa cannot afford another Tax. Primary concerns of the RFA include:</p> <ol style="list-style-type: none"> 1) No viable alternatives exist for the industry; 2) No approved carbon project offsets from Treasury exist that provide the option to reduce the tax burden of operators; 3) The Carbon Tax will not be ring-fenced by Government for use in projects to reduce fuel consumption and carbon emissions, or for green efficiency projects. For as long as this is the case, the Carbon Tax will be viewed as just another initiative to generate revenue. 4) Availability of supply of clean fuels and bio fuels is still an issue. 5) The proposed Carbon Tax will have a serious impact on the cost of logistics, rendering road transport uneconomical. 	<p>The CEO of Imperial Logistics Industrial division sits on the board of the RFA and is the current chairperson, and while Imperial Holdings does not oppose the carbon tax, similar concerns are shared with the RFA.</p>
Southern Vehicle African Renting and Leasing Association (SAVRALA)	Consistent	<p>SAVRALA is the representative voice of Southern Africa's vehicle rental, leasing and fleet management sector. SAVRALA lobbies government to ensure that regulation and legislation affecting its members is fair. SAVRALA also works with public sector agencies, industry associations and key business influencers on key road transport, taxation and finance-related issues. SAVRALA recognises the risks and opportunities posed by climate change, and works with its members to address the issues raised. SAVRALA does not have an independent position on climate change, however is guided by its members.</p>	<p>Imperial Holdings Car Rental division sits the SAVRALA board, and provides guidance on issues, including those climate change related.</p>

CC2.3D

Do you publicly disclose a list of all the research organisations that you fund?

CC2.3E

Do you fund any research organisations to produce or disseminate public work on climate change?

CC2.3F

Please describe the work and how it aligns with your own strategy on climate change

CC2.3G

Please provide details of the other engagement activities that you undertake

CC2.3H

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Emerging legislation and policies, and the risks associated with these are monitored at a head office level. These are reported and the potential impact on Imperial Holdings examined at the Risk Committee and the Social, Ethics and Sustainability Committee. Should a risk or opportunity be identified, this is then elevated to the Group Executive Committee where Imperial Holdings' involvement is decided and actions associated with the legislation/policy are pursued. This ensures that all direct and indirect engagement with policy aligns with Imperial Holdings' strategy.

CC2.3I

Please explain why you do not engage with policy makers

CC2.4

Would your organisation's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

Yes.

CC2.4A

Please describe your board's position on what an effective agreement would mean for your organisation and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21).

Internationally, South Africa has made a voluntary commitment to reduce its greenhouse gas emissions by 34% by 2020 and 42% by 2025 relative to business as usual.

Imperial's board supports the efforts of the international community to develop an emissions reduction agreement to combat global temperature rise based on an economy-wide price on carbon emissions that ensures continued reliability, affordability and economic growth. Imperial also recognises the threat of global climate change and believes that an effective international agreement would utilise all zero and low-carbon resources available to the international community.

Imperial supports the COP21 INDC initiative for reducing greenhouse gas (GHG) emissions. Imperial's commitment to reducing emissions through its GHG programs and intended compliance with GHG emission regulations will contribute to the South Africa's ability to meet its proposed commitments in Paris

Further information

PAGE: CC3. TARGETS AND INITIATIVES

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

No

CC3.1A

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO ₂ e)	Target year	Comment
----	-------	-------------------------	----------------------------	-----------	---	-------------	---------

CC3.1B

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalised base year emissions	Target year	Comment
----	-------	-------------------------	----------------------------	--------	-----------	--------------------------------	-------------	---------

CC3.1C

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
----	---	--	---	--	---------

CC3.1D

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
----	-------------------	------------------------	---------

CC3.1E

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years.

Due to the decentralised structure of Imperial Holdings, gathering, collating, processing and tracking the various divisional data has been a challenge in the past. In the second half of 2011 Imperial invested in a sustainability management system (Enablon). This system collates, processes, tracks and communicates data from each business operating site globally.

Since implementing the sustainability management system, the focus has been on completeness and quality of the data to ensure it accurately reflects the performance of the business units thereby informing business decisions and setting relevant and achievable targets. Internal targets for a number of business units have been identified and set, however Imperial Holdings is still in the process of consolidating targets for the divisions and the group.

As an on-going strategic imperative, Imperial Holdings is continuously implementing a multitude of new technologies and energy efficiency initiatives across their divisions, the strategic objectives of Imperial Holdings is currently focused on expansion. This will be carried out through acquisitions, partnerships and grassroots development. While intensity targets are predicted to decrease over the next 5 years, absolute emissions are predicted to increase. According to current information and a non-comprehensive estimation of predicted growth combined with reduction activities, Imperial Holdings' absolute emissions are estimated to increase by less than 5% over the next 5 years.

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2A

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

- i) Under Imperial Holdings' Car Rental Fleet, Europcar has maintained 98 VW Polo TDI Blue Motion vehicles in their fleet. This good and/or service directly enables a third party to avoid/reduce their GHG emissions.
- ii) The third party is provided with an option to drive a vehicle that consumes less fuel and therefore emits less GHG.
- iii) Designed to improve fuel efficiency and reduce emissions, the VW Polo TDI Blue Motion emits 0,089kg CO₂ per km versus the average of 0,153kg CO₂ per km for the other rental vehicles in its class/group. On average a rental vehicle will travel 30 000km per year, therefore the total GHG emission reduction from the rental of VW Polo TDI Blue Motion versus another vehicle in that rental class/group is 1 920kg CO₂ per year. Thus for the fleet of 98 VW Polo TDI Blue Motion vehicles at Europcar, the annual emissions avoided will be 188 160kg CO₂.
- iv) The assumption used in the above estimation is the average distance a rental vehicle will travel annually. This includes the assumption that Blue Motion vehicles are chosen as often as other vehicles in its class.
- v) Imperial Holdings is not considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC) at present.

Imperial Logistics constantly does route planning and optimisation projects for new and existing customers. These planning sessions and interactions with our clients ensures the most efficient routes, technology and appropriate vehicles are used to obtain maximum efficiencies for both parties, resulting in lower GHG emissions.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes.

CC3.3A

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO₂e savings

Stage of development	Number of projects	Total estimated annual CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation	17	
To be implemented*		
Implementation commenced*		
Implemented*	4	
Not to be implemented		

CC3.3B

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO ₂ e savings (metric tonnes CO ₂ e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency – as specified in CC0.4)	Investment required (unit currency – as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Transportation: fleet	Due to commitment to sustainability and demand from customers, in 2012/13/14, Imperial Holdings invested in an initiative to test the viability of EcoFridge trailers through purchasing 4 trailers. Standard refrigeration trailers are diesel powered and use refrigerants. The EcoFridge is a cryogenic refrigeration system powered by liquid nitrogen which has zero carbon emissions. This is a voluntary initiative aimed at reducing Imperial Holdings' Scope 1 emissions.	60	Scope 1	Voluntary	0	30 000	1 – 3 years	3 – 5 years	Currently there is no monetary saving as the liquid nitrogen cost for one vehicle per year is 43% more than diesel powered refrigeration. The 'investment required' is the amount additional to the cost of purchasing 4 standard refrigeration trailers. The expansion of the fleet is however dependent on a number of challenges being addressed, such as the availability of liquid nitrogen for an expanding fleet.
Transportation: fleet	Due to commitment to sustainability and demand from customers, in 2012/13/14, Imperial Holdings invested in 8 Euro 5 trucks. These trucks only operate on a diesel specification of 50ppm or less and use a fuel additive that reduces the particulate matter and NOx emitted. This is a voluntary initiative aimed at reducing Imperial Holdings' Scope 1 emissions.		Scope 1	Voluntary	0	1 200 000	4 – 10 years	3 – 5 years	While the CO ₂ emissions remain the same in Euro 5 trucks as compared to regular trucks, the Euro 5 trucks emit significantly less particulate matter and NOx gases. Euro 5 trucks on average cost: R1 500 000 in capital outlay; 8% more in maintenance, 10% more in fuel (due the required fuel specification) and 6% more in fuel additives. Therefore there is currently no cost saving for investment in Euro 5 trucks. However, due to the commitment to sustainability and demand from customers Imperial Holdings will continue to invest in this initiative. The 'investment required' is the amount additional to the cost of purchasing 8 standard trucks. The expansion of the Euro 5 fleet, and further into Euro 6, is very dependent on the availability of the correct specification fuel around South Africa.

Activity type	Description of activity	Estimated annual CO ₂ e savings (metric tonnes CO ₂ e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency – as specified in CC0.4)	Investment required (unit currency – as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Transportation: fleet	Imperial Holdings Logistics division invested in a ‘logistics optimisation’ initiative spanning 8 operational sites representing 250 vehicles. This included the implementation of vehicle routing and optimisation (OPSI PLATO). While this has significantly improved business efficiency, it has also resulted in decreased emissions. This is a voluntary initiative aimed at reducing Imperial Holdings’ Scope 1 emissions.	500	Scope 1	Voluntary		5 000 000	4 – 10 years	3-5 years	The investment figure provided includes the initial capital cost for the software per vehicle and the the annual licence fee per vehicle, for 250 vehicles. This initiative will be implemented at a further 8 sites representing 400 vehicles within the next years
Transportation: fleet	Imperial Holdings Logistics division has invested in a vehicle management system (FleetBoard) for the Mercedes-Benz truck fleet. This analysis instrument serves to improve the efficiency of the vehicle through measuring mileage, operational status, consumption and evaluation of the driving style (rating). This enables the fleet manager to determine the reasons for high consumption and to use this information to inform driver training. This will also ultimately result in targets being set for drivers based on their scorecard. FleetBoard promotes a 10% reduction in fuel consumption through use of the vehicle management system. While this system has been implemented in the fleet, data measurement has not concluded.		Scope 1	Voluntary			1-3 years	3-5 years	

CC3.3C

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/ standards	In response to local municipalities the Department of Energy and ESKOM (Utility provider), for companies to develop cost-effective plans to reduce electricity consumption, the Imperial Group divisions have implemented a portfolio of leading-edge energy efficiency reduction initiatives and programmes.
Dedicated budget for energy efficiency	Each Imperial division has a dedicated budget for implementing energy efficiency reduction initiatives. These energy efficiency reduction CAPEX's are approved and signed off by each divisional CEO.
Employee engagement	Each Imperial division uses many employee engagement activities, such as training, internal contests, and volunteer opportunities to make employees aware of the importance of GHG management and climate change adaptation to the corporation and elicit ideas and input on how best to integrate this initiative into their day-to-day roles and responsibilities
Internal incentives/recognition programmes	Each Imperial division maintains annual goals and targets tied to employee incentives/recognition programs which help to drive accountability for conservation and carbon reduction efforts within our business
Partnering with governments on technology development	Imperial divisional companies are starting to implement smart meter programs to their individual business units to conserve energy, save money and make smarter energy choices. Direct benefits of the meters include increased access to energy usage and cost information, additional energy management product and service programs and more efficient outage management.
Dedicated budget for other emissions reduction activities	Imperial's Logistics division maintains a Technical Team whose mission is to explore new and emerging technologies relating to fleet, fleet testing, fuel efficiency, fuel reduction technology, energy efficiency and reduction opportunities in the warehouses. In addition, Imperial contributes to research opportunities as deemed appropriate through internal analysis as well as through our customers and universities.

CC3.3D

If you do not have any emissions reduction initiatives, please explain why not.

Further information

PAGE: CC4. COMMUNICATION

CC4.1

Have you published information about your organisation’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication	Status	Page/Section reference	Attach the document
In mainstream financial reports in accordance with the CDSB Framework	Underway – previous year attached	Pages 29 and 33	https://www.cdp.net/sites/2015/81/8881/Climate Change 2015/ Shared Documents/Attachments/CC4.1/2014 Annual Integrated Report. pdf
In voluntary communications	Underway – previous year attached	Pages 40 to 57	https://www.cdp.net/sites/2015/81/8881/Climate Change 2015/ Shared Documents/Attachments/CC4.1/2014 Sustainable Development Report.pdf

Further information

The 2014 Sustainable Development Report provides detail information about Imperials response to climate change including the performance per division, including comparative data against the previous year.

MODULE: RISKS AND OPPORTUNITIES

PAGE: CC5. CLIMATE CHANGE RISKS

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply.

Risks driven by changes in regulation

Risks driven by changes in physical climate parameters

Risks driven by changes in other climate-related developments

CC5.1A

Please describe your inherent risks that are driven by changes in regulation.

Risk driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	General: Internationally, South Africa has made a voluntary commitment to reduce its greenhouse gas emissions by 34% by 2020 and 42% by 2025 relative to business as usual. This has resulted in a proposed domestic carbon tax of R120/tCO ₂ e commencing in 2016 increasing annually by 10% until 2019/2020. It is proposed that a company's direct carbon tax liability will be limited to its Scope 1 emissions, with a basic free allowance to the amount of 60% – 80% of the company's Scope 1 emissions. Company Specific: Scope 1 forms the majority of Imperial's emissions and therefore will result in a substantial direct financial impact on Imperial Holdings. It is also likely that the carbon tax impact on suppliers will be passed on to the customer, therefore increasing operational costs for Imperial Holdings. An example of this would be the predicted 4c – 6c increase of Eskom's electricity tariff due to the carbon tax.	Increased operational cost	1 to 3 years	Direct	Very likely	High	Calculations done by Imperial Holdings estimate the financial implication to be greater than R50 million.	The greatest impact will be on the Logistics division. Current management methods for this division include: <ul style="list-style-type: none"> > continued measurement of emissions > setting targets for fuel consumption reduction > continuing to implement fuel reduction initiatives such as driver training and route planning > Investing in new technologies These are aimed at reducing the impact of the risk by 2016. 	The collective annual cost of management has not been calculated. However the annual cost associated with continued measurement is R1,2 million for the sustainability management system. This cost is budgeted for.

Risk driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	General: Currently, a carbon tax is levied on the sale of new passenger cars. New passenger cars are taxed on CO ₂ emissions above 120g/km at a fixed rate of R90 per g/km. There is a possibility this will increase in the future with implementation of the South African carbon tax. Company specific: The resultant increase in car prices has the potential to impact Imperial's Automotive and Industrial division as increased car prices will decrease customer demand for the goods, and increased car prices will increase capital costs for the Vehicle Distributorship and Car Rental sub-division and Logistics Division.	Reduced demand for goods/ services	1 to 3 years	Direct	Likely	Low-medium	With regards to the Vehicle Retail division, there is expected to be no (R0.0) financial implications for Imperial Holdings as this cost will be passed onto the customer. With regards to the Vehicle Distributorship and Car Rental sub-divisions and Logistics division the increase in the carbon tax will increase the capital costs for the fleets.	In order to manage this risk, the Vehicle distributorship and Car Rental sub-division and the logistics division are increasing their proportion of more fuel efficient vehicles in their fleet mix.	An example of this cost, was the addition of the VW Polo TDI Blue Motion to the Europcar fleet. The cost associated with this was roughly R1,5 million.
Emission reporting obligations	General: The King III Report requirements relating to sustainability recommend an increase in disclosure, thus influencing emissions reporting obligations. South Africa's National Climate Change Response White Paper (2011) also requires an increase in understanding, monitoring, and reporting of climate change mitigation and adaptation. Company specific: This has the potential to increase administrative costs for Imperial Holdings due to the need for additional staff and additional time required for reporting.	Other: Increased Administrative Cost	Up to 1 year	Direct	Very likely	Medium	The initial set up cost of the sustainability management system was in excess of R12 million. Reporting assistance is estimated to exceed R300 000.	The risk is currently managed through the implementation of the sustainability management system. Additionally, external consultants have been appointed to assist with sustainability reporting. This management method is aimed at reducing the impact and likelihood of the risk annually.	The annual cost of the implementation of the sustainability management system, roughly R1,2 million, is budgeted for.
Lack of regulation	Company specific: Imperial Holdings is a multinational organisation. Lack of consistent global regulation presents difficulties in operating, lack of clarity and uncertainty, therefore affecting long-term planning and decision making.	Inability to do business	Unknown	Direct	Likely	Medium	The cost associated with this risk has not been determined.	Currently each country/ region is managed according to its regulatory and operational environment.	Each division has a dedicated sustainability director/ executive and manager to manage such risks.

CC5.1B

Please describe your inherent risks that are driven by change in physical climate parameters.

Risk driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Company specific: Imperial Holdings being the large diverse organisation it is, operates out of numerous offices, warehouses, and cars/trucks/boats. Should the mean (average) temperature in some areas increase, this would result in an increase in the use of air conditioners and refrigerants.	Increased operational cost	3 to 6 years	Direct	More likely than not	Low-medium	Increased use of air conditioning and refrigerants will increase the operational costs of Imperial Holdings.	Current management is focused on measurement of site specific refrigerant gas and electricity usage through the sustainability management system. This will enable monitoring of trend data, more accurate predictions on future usage and therefore implementation of specific reduction targets. The current management method is aimed to reduce the impact on the organisation should this risk materialise.	Implementation of the sustainability management system exceeded R12 million as a once off capital cost. The cost of running the system is roughly R1,2 million annually, and is budgeted for.
Change in mean (average) precipitation	Company specific: An increase in precipitation usually results in increased congestion on the roads, which in turn increases the number of road accidents. For Imperial Holdings' Logistics division as well the Car Rental sub-division, this results in a decrease in fuel efficiency and well as an increase in number of repairs of vehicles and replacement of vehicles.	Increased operational cost	1 to 3 years	Direct	More likely than not	Medium	The cost associated with this risk has not been determined.	Imperial Holdings Logistics division continues to implement driver training as well as route planning. This aims to reduce the impact of the risk.	The cost associated with the route planning system is roughly R20 000 per vehicle for the software and services with an additional estimated cost of R2 000 per vehicle annual license fee. This is a budget cost.

Risk driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Company specific: Extreme weather events such as hurricanes and flooding pose a significant risk to the Vehicle Import, Distribution, Dealerships and Retail Divisions, in so much as import and export abilities can be impeded, warehouses damaged and disruption in the supply chain caused. A relevant example being the 2011 Thailand floods. Imperial Automotive Retail was negatively affected as they purchase vehicles from local OEMs that import Toyota, Honda, Nissan, Ford and Isuzu, all of which had production halted due to either plant damage or supply chain disruption.	Inability to do business	Up to 1 year	Indirect (Supply chain)	Likely	High	The cost associated with this risk has not been determined.	No specific management methods currently exist for this risk.	As no management exists, there are no associated management costs.
Snow and ice	Company specific: Snow and ice has the potential to negatively impact upon Imperial's Logistics Division, through interruption of operations. For example, snow (as in the previous year) obstructed one of South Africa's major highways and logistics routes in the years 2012/3. This halted those specific operations for three days at significant financial cost.	Increased operational cost	Up to 1 year	Direct	More likely than not	Medium-high	The financial implication for the Logistics division of the 2012 snow delays was roughly R2,4 million.	In order to manage similar future risk scenarios, Imperial Logistics has implemented a vehicle routing and scheduling optimisation system (OPSI Plato) in the fleets. As well as improving efficiencies around time and distance travelled, the systems monitor weather and include this data into planning. This is aimed at reducing the likelihood of the risk.	The cost associated with the system is roughly R20 000 per vehicle for the software and services with an additional estimated cost of R2 000 per vehicle annual licence fee.

Risk driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Induced changes in natural resources	Company specific: The price, volatility, certainty and supply of natural resources poses a risk to all divisions of Imperial Holdings. For example the impacts of climate change on the supply of rubber – unseasonal rains prolonged droughts, warmer average temperature have all adversely affected the growth and productivity of natural rubber resources. The decrease in availability of rubber would severely impact the automotive industry.	Inability to do business	>6 years	Indirect (Supply chain)	More likely than not	High	The cost associated with this risk has not been determined.	No specific management methods currently exist for this risk.	As no management exists, there are no associated management costs.
Change in precipitation extremes and droughts	Company specific: An increase in severe weather events such as hail storms results in increased damage to assets across all divisions. As Imperial Holdings is self insured, this increases the operational costs for the business.	Increased operational cost	Up to 1 year	Direct	Virtually certain	Medium-high	The Vehicle Import, Distribution, Dealerships, Retail division experienced a cost of over R26 million in the years 2013/4 due to hail damage.	Current management methods include building covered/shaded parking/display areas. However due to the nature of the business and the business premises it is not possible to completely eliminate the risk, the management method therefore only reduces the impact of the risk.	The total capital cost for managing the risk have not been calculated.

CC5.1C

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Time-frame	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Company specific: Imperial Holdings' tag line is "Leaders in Mobility". In order to be a global leader they need to be doing just that when it comes to climate change and sustainability. Should there be a perception from employees, customers, and shareholders that Imperial Holdings is not complying with legislation and policy, investing in environmentally responsible initiatives and exploring innovative technologies, the reputational damage may be significant.	Reduced demand for goods/ services	Up to 1 year	Direct	Unlikely	Medium-high	The financial implications of reputational damage have not been quantified, however these are expected to be significant.	Current management methods include stakeholder (internal and external) engagement.	Imperial Holdings, their divisions and business units have all undertaken market research and customer satisfaction surveys at the cost in excess of R50 million, and currently Imperial Holdings has engaged a third party service provider to conduct a further in depth, substantial relationship management stakeholder engagement.
Changing consumer behaviour	General: Recently there has been a fundamental shift in consumer behaviour and beliefs. Consumers are far more aware of their environmental responsibility. While studies have shown that current financial implications still outweigh intrinsic value driven consumer decisions. However, in the near future this balance will shift, thus the demand for and accessibility (in future the carbon tax will be "priced in" to the cost of products and services, thus the "environmentally friendly" products and services may become the financially cheaper option) to more 'environmentally friendly' products and services will increase. Company specific: This will impact the Consumer and Industrial Logistics; Vehicle Import, Distribution, Dealerships and Retail Divisions, as a change in vehicle offerings may be required.	Reduced demand for goods/ services	1 to 3 years	Direct	Likely	Medium	With regards to change in customer expectations/ demands, the financial implication of potentially losing a client or not securing future contracts is considerable.	Current management methods include: <ul style="list-style-type: none"> > Investing in new technology; > Diversification of product offerings; and > Continued stakeholder engagement. 	An example of this cost, was the addition of the VW Polo TDI Blue Motion to the Car Rental fleet. The cost associated with this was roughly R1,5 million.

Risk driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	General: Change in customer expectations/demands: As customers themselves become more compliant with legislation and policy, as well as increasingly environmentally conscious and responsible so their expectations/demands from their suppliers/service providers change. Company specific: For example the Imperial Logistics division provides logistic and supply chain services to a leading South African food retailer. The food retailer in their journey to 'going green' is encouraging Imperial Logistics to do so in return. Imperial Logistics has thus invested in five Euro5 trucks, designed to reduce emissions.	Reduced demand for goods/services	Up to 1 year	Direct	Very likely	Medium-high	With regards to change in customer expectations/demands, the financial implication of potentially losing a client or not securing future contracts is considerable.	Current management methods include: <ul style="list-style-type: none"> > Investing in new technology; > Diversification of product offerings; and > Continued stakeholder engagement. 	An example of the cost of investing in new technology to meet customer demand was the investment in the Euro 5 trucks. This was an investment of R12 million.

CC5.1D

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure.

CC5.1E

Please explain why you do not consider your company to be exposed to inherent risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure.

CC5.1F

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure.

Further information

PAGE: CC6. CLIMATE CHANGE OPPORTUNITIES

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

CC6.1A

Please describe your inherent opportunities that are driven by changes in regulation.

Opportunity driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	Company specific: The carbon tax on new vehicle sales offers Imperial Holdings' Vehicle Retail division an opportunity to be leaders in introducing new innovative technologies in reduced carbon emissions with regards to car models and brands to certain markets.	Increased demand for existing products/services	3 to 6 years	Direct	About as likely as not	Medium	Future financial implications are positive for Imperial Holdings, as investing in lower emissions technologies will reduce carbon tax payable by the group but also include cost saving from less 'built in' carbon tax costs from suppliers.	The methods currently being used to manage this opportunity are: all divisions are encouraged to stay informed of the most recent changes regarding the carbon tax and how it will influence their business; Imperial Holdings' Divisions are also encouraged to stay informed regarding regulatory, technological and market related opportunities; and invest in some pilot studies. For example, Imperial Holdings has invested in a Mercedes Benz that runs off methane gas. This very new pilot study is on-going and may offer a future opportunity for the Car Rental and Vehicle Retail sub-divisions.	The costs for management of this opportunity have not been quantified.

Opportunity driver	Description	Potential impact	Time-frame	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Company specific: Imperial Logistics in Africa and International have invested in a 'green' logistics hubs which primarily uses renewable energy and continue to do so in future projects. All future Imperial Holdings initiatives are planned to be as 'green' as is possible. This adoption of clean technologies may in the future provide opportunities to be involved in CDM projects and/or emissions trading schemes.	Premium price opportunities	>6 years	Direct	Unlikely	Low-medium	The cost related to this opportunity has not been quantified.	Currently this opportunity is managed through accurately measuring the emissions of each initiative and documenting the processes for each initiative for future verification purposes and staying informed of emissions trading regulations and developments.	The cost associated with the management methods are difficult to quantify as they are primarily time based. The annual license and support fee for the sustainability management system, which is budgeted for, is roughly R1,2 million.
Emission reporting obligations	Company specific: Imperial Holdings' Sustainability Management System, implemented due to various emissions reporting obligations, will in the future enable the setting of emissions reduction targets for each Imperial Holding's Division, and if wanted/needed each Business Unit. This will result in more efficient operations and decreased carbon emissions.	Reduced operational costs	1 to 3 years	Direct	Very likely	Medium-high	While there has been an improvement electricity and fuel consumption at business unit level (excluding expansion and acquisitions) due to measuring and monitoring, this improvement has not been translated into a financial saving yet.	Current management methods aim to increase the impact of the opportunity through continued management and training of those operating the system, internal verification of the data completeness and quality, data trending and finally target setting.	The cost associated with the management methods are difficult to quantify as they are primarily time based. The annual license and support fee for the sustainability management system, which is budgeted for, is roughly R1,2 million.

CC6.1B

Please describe the inherent opportunities that are driven by changes in physical climate parameters.

Opportunity driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) precipitation	Company specific: This offers the opportunity to potentially increase logistical operations in supply chain markets due to the route optimisation systems currently in place. Instead of organisations investing a substantial amount of money in systems of their own, it may be financially smarter to contract out to an organisation that is better equipped to deal with traffic congestion, accidents etc. that go hand in hand with increased rainfall.	Reduced operational costs	1 to 3 years	Direct	More likely than not	Low-medium	There are potential significant financial benefits in obtaining more customers and contracts. However, the cost related to this opportunity has not been quantified.	While Imperial Holdings Logistics division currently utilises route planning and optimisation across their fleet, they are constantly collaborating with customers to ensure the service offered meets customer expectations and needs.	The costs for management of this opportunity have not been quantified.
Change in mean (average) temperature	Company specific: An increase in mean (average) temperature may result in more goods requiring refrigerated transport. This offers an opportunity for Imperial Logistics.	Increased demand for existing products/services	1 to 3 years	Direct	Likely	Medium	Imperial Logistics has the potential to benefit financially due to their ability to provide competitive integrated value chain solutions; however expense will be incurred in procuring additional trucks, systems and training essential for increased operations.	The two main management methods include: <ul style="list-style-type: none"> > staying informed at divisional level of the latest climate trends in each country/region and sharing the developments with head office; > developing capacity within the divisions to respond efficiently and effectively to changes within the supply chain due to changes in physical climate parameters. 	The costs for management of this opportunity have not been quantified.

Opportunity driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Company specific: Extreme weather conditions as mentioned under risks, have the potential to completely disrupt the supply chain. This however offers Imperial Holdings the opportunity to investigate local procurement as well as offer more warehousing and logistics services that will be needed due to resource shortages. Extreme weather events also, although posing a threat to infrastructure, offer the opportunity to invest in 'greener' infrastructure. For example, installing rainwater harvesting tanks can reduce the risk of flooding. On the other hand installing rain water harvesting tanks and water recycling facilities at car rental depots in drought prone areas will reduce risk of no water supply which would negatively impact on operations. Another opportunity surrounding extreme weather is the ability to supply climate related insurance products.	New products/ business services	>6 years	Direct	More likely than not	Medium	To invest in greener infrastructure may have negative financial implications for Imperial Holdings initially, however over the longer term the financial implications of the reduction in damage and/or prevention of operations from floods and droughts will be positive. Examples of these are the KIA dealership in Weltevreden Park that spent R4,7 million additional construction costs to develop a 'green' dealership and an additional R10 million was spend on the AUDI Sandton and AUDI Bloemfontein dealerships respectively.	The method used to manage the opportunity regarding investing in greener infrastructure is to use successful examples within Imperial Holdings and promote the methods and learnings throughout the divisions. A successful example is all of Imperial Toyota dealerships are level 3 ECO compliant which is Toyota South Africa Motors' (TSAM) highest environmental standard. Making use of solar panels, an Energy Demand Control System, the use of natural light, movement sensors for lighting, and water recycling. Another example that can be used in this case is the Imperial Kia dealership in Weltevreden Park as well the AUDI dealerships in Sandton and Bloemfontein respectively, which spent an additional costs over and above the construction costs on 'going green'.	The costs for management of this opportunity have not been quantified.

CC6.1C

Please describe the inherent opportunities that are driven by changes in other climate-related developments.

Opportunity driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Company specific: Should Imperial Holdings be seen to be seriously considering the environment in their operations as well as effectively and positively communicating with their stakeholders. This will improve Imperial Holdings' reputation and therefore offer an opportunity to obtain new customers, improve their shareholder value and attract investors.	Increased demand for existing products/services	Up to 1 year	Direct	Very likely	High	There are potential significant financial benefits to improving the reputation of Imperial Holdings through increased investment, improved shareholder value and increased customers.	<p>Methods to manage the opportunity to improve Imperial Holdings' reputation offered by climate change include:</p> <ul style="list-style-type: none"> > improve stakeholder engagement > set emissions reduction targets > continued valuable and ethical reporting on sustainability strategy and initiatives > continued integration of sustainability into core business strategy > strive to be sustainability leaders in the sector. These management methods aim to increase the likelihood and impact of the opportunity. 	As the current management methods are addressed by the sustainability directors and managers within the divisions, there are no additional costs foreseen.

Opportunity driver	Description	Potential impact	Time-frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	Company specific: Provides an opportunity to expand Imperial Holdings product/service offerings.	Premium price opportunities	Up to 1 year	Direct	Very likely	Medium-high	A change in consumer behaviour offers the opportunity for increased demand for Imperial Holdings' product/service offerings, and thus a positive financial implication.	<p>Methods to manage this opportunity include:</p> <ul style="list-style-type: none"> > investing in and piloting new technologies > this is relevant for the Logistics division (supply chain efficiencies and refrigeration technologies are an example); > improved stakeholder engagement specifically around market research and customer expectations; > staying informed of innovative approaches to various different operations as well as new technologies. > These management methods aim to increase the likelihood and impact of the opportunity. 	Although there will be costs associated with the aforementioned actions, they will differ between divisions and have not been quantified for this opportunity.

CC6.1D

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure.

CC6.1E

Please explain why you do not consider your company to be exposed to inherent opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure.

CC6.1F

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure.

[Further information](#)

MODULE: GHG EMISSIONS ACCOUNTING, ENERGY AND FUEL USE, AND TRADING

PAGE: CC7. EMISSIONS METHODOLOGY

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO ₂ e)
Scope 1	Mon 01 Jan 2007 – Mon 31 Dec 2007	853 240
Scope 2	Mon 01 Jan 2007 – Mon 31 Dec 2007	139 220

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2A

If you have selected “Other” in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

CC7.3

Please give the source for the global warming potentials you have used.

Gas	Reference
Other: HFC-134a	Other: GHG Protocol
Other: R402a	Other: GHG Protocol
Other: R404a	Other: GHG Protocol
Other: R507 or R507a	Other: GHG Protocol
Other: R406a	Other: GHG Protocol
Other: R22	Other: GHG Protocol

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page.

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further information

Please find attached; Imperial Holdings Emission Factors for CC7.4

Attachments

[https://www.cdp.net/sites/2015/81/8881/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/Imperial Emission Factors 30 06 2015 CDP Submission.xlsx](https://www.cdp.net/sites/2015/81/8881/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/Imperial%20Emission%20Factors%2030%2006%202015%20CDP%20Submission.xlsx)

PAGE: CC8. EMISSIONS DATA – (1 JAN 2014 – 31 DEC 2014)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory.

Operational control.

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO₂e.

846 104,23

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e.

211 786,50

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No.

CC8.4A

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations.

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Data Management	The group has a decentralised structure with many diverse businesses and facilities. Although every reasonable measure is taken to ensure the accuracy of collected data, the possibility of small variations always exists. Imperial Holdings utilises an advanced, central sustainability reporting system across all the divisions for the collection, management, tracking and reporting of data. This system has built-in validation checks, which has resulted in increased data reporting accuracy. The majority of uncertainty exists with new employees misunderstanding the system and finger errors when inputting data into the system.
Scope 2	Less than or equal to 2%	Metering/ Measurement Constraints	While most of the data can be easily obtained, a number of sites are not receiving their monthly utility bills stating their monthly electricity consumption. Thus in the absence of the actual usage, estimations have to be made. These estimations are based on a consistent formula using reliable sources for determining the inputs to the estimations.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions.

No third party verification or assurance.

CC8.6A

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)

CC8.6B

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions.

No third party verification or assurance.

CC8.7A

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements.

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organisation?

No.

CC8.9A

Please provide the emissions from biologically sequestered carbon relevant to your organisation in metric tonnes CO₂.

[Further information](#)

PAGE: CC9. SCOPE 1 EMISSIONS BREAKDOWN – (1 JAN 2014 – 31 DEC 2014)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes.

CC9.1A

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO ₂ e
Africa	599 740,03
Europe	238 148,16
Oceania	1 971,06
United States of America	6 244,94

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC9.2A

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO ₂ e)
Vehicle Retail	45 819,34
Vehicle Distributorships	21 125,03
Financial Services Division	693,10
Imperial Holdings	21,80
Logistics Division	778 444,94

CC9.2B

Please break down your total gross global Scope 1 emissions by facility.

Facility	Scope 1 emissions (metric tonnes CO ₂ e)	Latitude	Longitude

CC9.2C

Please break down your total gross global Scope 1 emissions by GHG type.

GHG type	Scope 1 emissions (metric tonnes CO ₂ e)

CC9.2D

Please break down your total gross global Scope 1 emissions by activity.

Activity	Scope 1 emissions (metric tonnes CO ₂ e)

CC9.2E

Please break down your total gross global Scope 1 emissions by legal structure.

Legal structure	Scope 1 emissions (metric tonnes CO ₂ e)

Further information

PAGE: CC10. SCOPE 2 EMISSIONS BREAKDOWN – (1 JAN 2014 – 31 DEC 2014)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1A

Please break down your total gross global Scope 2 emissions and energy consumption by country/region.

Country/Region	Scope 2 metric tonnes CO ₂ e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)
Africa	179 271,50	162 365,45	0
Europe	28 334,33	56 102,37	0
Australia	1 282,00	1 451,37	0
United States of America	2 898,61	5 398,97	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division.

CC10.2A

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO ₂ e)
Vehicle Retail	65 222,90
Vehicle Distributorships	33 052,08
Financial Services Division	2 599,58
Imperial Holdings	31,82
Logistics Division	110 880,07

CC10.2B

Please break down your total gross global Scope 2 emissions by facility.

Facility	Scope 2 emissions (metric tonnes CO ₂ e)

CC10.2C

Please break down your total gross global Scope 2 emissions by activity.

Activity	Scope 2 emissions (metric tonnes CO ₂ e)

CC10.2D

Please break down your total gross global Scope 2 emissions by legal structure.

Legal structure	Scope 2 emissions (metric tonnes CO ₂ e)

Further information

PAGE: CC11. ENERGY

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 25% but less than or equal to 30%.

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organisation has purchased and consumed during the reporting year.

Energy type	MWh
Fuel	3 227 919,65
Electricity	225 248,05
Heat	
Steam	
Cooling	

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type.

Fuels	MWh
Diesel/Gas oil	2 313 645,23
Motor gasoline	246 115,39
Biodiesels	463,18
Liquefied petroleum gas (LPG)	8 295,79
Jet gasoline	38 009,26
Residual fuel oil	567 983,80
Lubricants	21 522,27
Kerosene	2 210,03
Natural gas	29 674,70

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3.

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor		

Further information

PAGE: CC12. EMISSIONS PERFORMANCE

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased.

CC12.1A

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	8		The decrease was due to the Vehicle Distribution division disposing of the National Airways Corporation (NAC) of which the final disposal took place during 2014, resulting in a significant decrease in use of jet gasoline and aviation fuel – roughly a 50% decrease in emissions for the division
Divestment			
Acquisitions			
Mergers			
Change in output	449	Decrease	This decrease was due to consolidation and restructuring, specifically in the Vehicle Distribution and Vehicle Retail and Logistics divisions. The Vehicle Distribution and Vehicle Retail division consolidated a number of dealerships in their portfolio decreasing their divisional emissions by roughly 12%; and the Logistics division also consolidated a number of similar logistics business in South Africa to meet business requirements in terms of efficiencies, resulting in less transport fleet, decreasing the emissions for the Logistics division by 7%.
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per unit currency total revenue.

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0,000010	Metric tonnes CO ₂ e	Unit total revenue	11	Decrease	Revenue increased roughly 5% through organic growth and expansion of the operations. Carbon emissions decreased by roughly 7%, however, decreased significantly less proportionally due to divestment, restructuring (consolidating offices), emission reduction activities and outsourcing of certain operations. Therefore a reduction in the tCO ₂ /unit total revenue is observed.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per full time equivalent (FTE) employee.

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
20,47	Metric tonnes CO ₂ e	FTE employee	5	Decrease	Due to the business consolidation and restructuring Imperial Holdings decreased their full time equivalent (FTE) employees by 2.2%. Due to the carbon emissions decreasing proportionally less due to divestment, restructuring (consolidating offices and businesses), emission reduction activities and outsourcing of certain operations, a reduction in the tCO ₂ /FTE employee can be seen

CC12.4

Please provide an additional intensity (normalised) metric that is appropriate to your business operations.

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	metric tonnes CO ₂ e				

Further information

PAGE: CC13. EMISSIONS TRADING

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1A

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO ₂ e	Details of ownership

CC13.1B

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organisation originated any project-based carbon credits or purchased any within the reporting period?

CC13.2A

Please provide details on the project-based carbon credits originated or purchased by your organisation in the reporting period.

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO ₂ e)	Number of credits (metric tonnes CO ₂ e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance

Further information

PAGE: CC14. SCOPE 3 EMISSIONS

CC14.1

Please account for your organisation's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO ₂ e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, not yet calculated				
Capital goods	Relevant, not yet calculated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	11 262,40	Yes. This figure represents the carbon emissions from transmission and distribution (T&D) losses for South African operations. Electricity data (total kWh) for South Africa was drawn from the sustainability management system, this figure was then multiplied by the emission factor of 0,05 (the difference of Eskom's generated factor 1,00 and Eskom's consumed factor of 1,05).	88.00%	The data is noted to be of a relatively high quality as 88% of the data is sourced from meters and/or electricity bills and input into the sustainability management system, the possibility of finger errors does however exist. 12% of the total kWh is based on a m ² calculation.
Upstream transportation and distribution	Relevant, not yet calculated		N/A		
Waste generated in operations	Relevant, not yet calculated		N/A		An example that falls into this category: Imperial Holdings disposes of large quantities of lubricants used in the operations – most notably servicing of vehicles, ships and equipment. An oil recycling project is currently being implemented.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO ₂ e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Business travel	Relevant, calculated	5 039,24	<p>Yes. This figure represents the carbon emissions</p> <ol style="list-style-type: none"> 1) Business air travel and 2) Rental car mileage for business purposes. <p>1) Business air travel is calculated using the following categories: Short-haul (<1 600km) Economy Class 0,0925 kg CO₂/passenger km; Short-haul (<1 600km) Business Class 0.1387 kg CO₂/passenger km; Long-haul (>1 600km) Economy Class 0.0826 kg CO₂/passenger km; Long-haul (>1 600km) Business Class 0,2396 kg CO₂/passenger km. The emission factors used are derived from the GHG Protocol Cross-Sector Tool. All data is gathered directly from the Imperial Holdings divisions. No use of a third party (travel agent) is used in the data collection and collation. An 'Air travel distance calculator' is provided, whereby flight legs and leg distances have been pre-populated. Divisions select which legs and the number of legs travelled, the tool calculates the total distance (passenger km) and this total distance is then inserted into the sustainability management system, and the CO₂ emissions are calculated by the system. The flight distances are sourced from the web (www.airrouting.com and www.worldairportcodes.com).</p> <ol style="list-style-type: none"> 2) The Imperial car rental policy states that all car rentals by staff should be from an Imperial owned business. The majority are therefore rented from Europcar. All details of the rental vehicle (kms travelled and fuel type) are provided on the invoice. This information is then entered into the sustainability management system. The data is split between diesel vehicles (0.1979kg GHG/km) and petrol vehicles (0,207kg GHG/km²). Emission factors are sourced from the GHG Cross-Sector Tools – Mobile Distance(UK) (2009). 		
Employee commuting	Not relevant, calculated	789,88	Business mileage (km) in private vehicles is captured on the sustainability management system. This is categorised according to petrol and diesel vehicles		While this is calculated, it is not deemed material as it contributes less than 10% to Scope 3 emissions. Therefore, no reduction initiatives will be implemented to address this category.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO ₂ e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Upstream leased assets	Not evaluated				
Downstream transportation and distribution	Relevant, not yet calculated		<p>Yes. Imperial Holdings has added the KPI of ‘Sub-contractor kilometers traveled’ to the sustainability management system. The following categories are available:</p> <ul style="list-style-type: none"> > Subcontractors – Road – light goods vehicle – petrol – <= 1.25t [t [metric].km]; > Subcontractors – Road – light goods vehicle – diesel – <= 3.5t [t [metric].km]; > Subcontractors – Road – heavy goods vehicle – rigid – >3.5<7.5t [t [metric].km]; > Subcontractors – Road – heavy goods vehicle – rigid – 7.5 – 17t [t [metric].km]; > Subcontractors – Road – heavy goods vehicle – rigid – >17t [t [metric].km]; > Subcontractors – Road – heavy goods vehicle – articulated – >3.5-33t [t [metric].km]; and > Subcontractors – Road – heavy goods vehicle – articulated – >33t [t [metric].km]. <p>While data is available, this data is not considered to be accurate or complete currently and thus not reported. Going forward this KPI is to be fully investigated and implemented in Imperial Logistics.</p>		
Processing of sold products	Not evaluated				
Use of sold products	Not evaluated				
End of life treatment of sold products	Not evaluated				
Downstream leased assets	Not evaluated				
Franchises	Not evaluated				
Investments	Not evaluated				
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions.

No third party verification or assurance.

CC14.2A

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes.

CC14.3A

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year.

Sources of Scope 3 emissions	Reason for change	Emissions value (%)	Direction of change	Comment
Fuel – and energy-related activities (not included in Scopes 1 or 2)	Change in output	22.91	Increase	Electricity consumption has increased in South Africa due to organic growth, therefore the transmission and distribution losses will increase.
Business travel	Change in physical operating conditions	10.85	Increase	Due to additional sites being opened in South America, this has resulted in increased business travel commuting considering the fact that these sites are managed by our Europe offices, were it not for this long distance travel, our overall commuting is relatively down. In addition to these changes in operating conditions, there has been a company-wide commitment to travel less and increase the use of video conferencing.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our customers

CC14.4A

Please give details of methods of engagement, your strategy for prioritising engagements and measures of success

Imperial Holdings Car Rental sub-division provides customers with the carbon emissions of their car rental on the invoice. This applies to both individuals as well as businesses. Businesses frequently request the carbon emissions related to their car hire for a period, often this is for the purposes of calculating and reducing their carbon footprint. This engagement was prioritised as the largest impact of Imperial Holdings' Car Rental sub-division is the downstream use of the cars. Success would be measured by an increase in rentals of more fuel efficient vehicles.

CC14.4B

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment

CC14.4C

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details

CC14.4D

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further information

MODULE: SIGN OFF

PAGE: CC15. SIGN OFF

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Rafiek Sharfuddin	Group Head: Sustainability	Environment/Sustainability manager

[Further information](#)

CDP 2015 CLIMATE CHANGE 2015 INFORMATION REQUEST