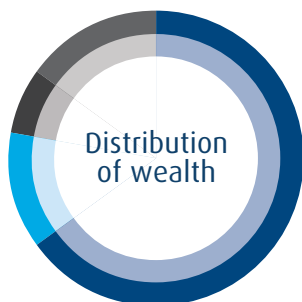




# – DEMONSTRATING SOCIAL VALUE –

## *Strengthening legitimacy among all stakeholders*

*Imperial creates value in society through its business activities and the way in which it conducts them, generating both social and economic benefits.*



- 65% Total employee cost (2015: 64%)
- 13% Paid to providers of financial capital (2015: 12%)
- 7% Taxes paid to governments (2015: 6%)
- 15% Reinvested in the group to maintain and develop operations (2015: 18%)

This includes the distribution of food into remote areas in Africa, as well as the safe storage and transportation of life-saving medicines. For the Vehicles division, entry-level car buyers can access affordable options for car lease and purchase, as well as competitively priced insurance products. We engage with regulators to understand what controls we need to put in place to ensure compliance and to provide input into regulatory developments. In South Africa, our business activities such as our procurement spending and talent management are geared towards transforming the economy to ensure the meaningful participation of black (African, Coloured and Indian) South Africans, and our ongoing driver training and safety initiatives in the Logistics division aim to secure the safety of our drivers and other road users.

Over and above our day-to-day business activities, our enterprise development and corporate social investment (CSI) initiatives provide further benefits towards education, access to healthcare in Africa and the promotion of national road safety in South Africa.



## HIGHLIGHTS

### Employee accountability for compliance

Launched an online group compliance confirmation process to ensure that our senior employees are aware of Imperial's policies. The process also requires these employees to confirm that they have not contravened our internal edicts.

### Linking transformation progress to performance incentives

Increased the weighting within the performance and remuneration incentive structure for growth in black representation at senior and middle management level, and performance against the BEE scorecard.

### Imperial and Ukhamba Community Development Trust

Provided six new libraries to public schools primarily in under-privileged township areas, reaching over 23 000 scholars.

### Unjani Clinics

Johnson & Johnson joined the Unjani Clinics project, providing the funds to expand the network to 35 clinics over the next three years.

### Road safety

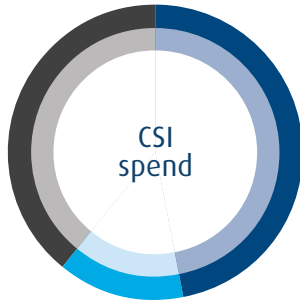
Extended the previous Scholar Patrol Improvement project to include pedestrian safety and introduced Bongie, Buckle Up Buddy; a fun-loving character to communicate key road safety messages to children

## Our opportunities

- > Competitive advantage gained from being able to comply with legislation in highly regulated industries.
- > Positioning as a valuable corporate citizen builds brand, reputation and the ability to secure new and retain current clients.
- > Engagement with communities on shared interests and concerns.

## Our risks

- > Compliance with a wide range of legislation.
- > A drop in the black economic empowerment (BEE) scorecard rating.
- > Social unrest.



47% Education (2016: R13,6 million)  
 14% Road safety (2016: R4,0 million)  
 39% Community-based projects (2016: R11,4 million)

ENTERPRISE DEVELOPMENT

**R43**  
million

ALLOCATED TO ENTERPRISE DEVELOPMENT INITIATIVES IN SOUTH AFRICA, WITH A FOCUS ON BLACK BUSINESSES (2015: R43 MILLION).

UNJANI CLINICS AND CLINIC-IN-A-BOX™

**R11,9**  
million

ALLOCATED TO AN ENTERPRISE DEVELOPMENT PROJECT THAT EMPOWERS BLACK WOMEN PROFESSIONAL NURSES THROUGH THE OWNERSHIP OF PRIMARY HEALTHCARE CONTAINER CLINICS IN TOWNSHIPS AND RURAL COMMUNITIES (2015: R11,6 MILLION).

WEALTH CREATED

**R26,0**  
billion

(2015: R24,4 billion)

TOTAL EMPLOYEE COST (including payroll tax)

**R17,0**  
billion

(2015: R15,6 billion)

PAID TO PROVIDERS OF FINANCIAL CAPITAL

**R3,3**  
billion

(2015: R3,0 billion)

WEALTH CREATED PER EMPLOYEE

**R507 000**

(2015: R475 000)

TAXES PAID TO GOVERNMENTS

**R1,8**  
billion

(2015: R1,5 billion)

PAID TO SUPPLIERS

**R92,9**  
billion

(2015: R86,1 billion)

ROAD SAFETY

KILOMETRES TRAVELLED

**737**  
million

(2015: 746 million)

ROAD ACCIDENTS (company)

**678**

EQUATING TO 0,920 ACCIDENTS PER MILLION KILOMETRES (2015: 517).

ROAD INJURIES (company)

**145**

EQUATING TO 0,197 INJURIES PER MILLION KILOMETRES (2015: 103).

ROAD FATALITIES (company)

**1**

EQUATING TO 0,001 FATALITIES PER MILLION KILOMETRES (2015: 6).