



# – OUR MATERIAL SUSTAINABILITY ISSUES –

The group’s material issues reflect the most important considerations in the board’s deliberations and management’s thinking in managing the business, to ensure the group’s ongoing ability to deliver capability-based growth and focused value creation for its stakeholders. The process to refine and reaffirm the group’s material issues in 2016 included the following direct inputs:

- > The key questions and concerns of stakeholders at both group and divisional levels, determined through engagement with executive and senior leadership who are responsible for stakeholder relationships.
- > Feedback from the investment community garnered through ongoing engagement with investors and analysts throughout the year.
- > Reference to the Imperial board’s key discussions and considerations during the year.
- > Input from group and divisional leadership.

 More information on the group material issues and Imperial’s associated strategic responses, relevant management actions and performance can be found in the Integrated Annual Report on pages 26 to 33.

IMPERIAL’S MATERIAL ISSUES	
1	DRIVING FOCUSED GROWTH
2	MANAGING CAPITAL EFFECTIVELY
3	<b>DEVELOPING EFFECTIVE LEADERSHIP AND EMPOWERED PEOPLE:</b> ENSURE STRONG LEADERSHIP FOR PERFORMANCE AND SUSTAINABILITY, AND EMPOWER PEOPLE TO DELIVER
4	IMPROVING SYSTEMS AND DRIVING INNOVATION
5	<b>STRENGTHENING LEGITIMACY AMONG ALL STAKEHOLDERS:</b> MAINTAIN HIGH GOVERNANCE STANDARDS AND ENSURE THE GROUP CONTRIBUTES MEANINGFULLY TO SOCIETY

**OUR SUSTAINABLE DEVELOPMENT STRATEGY RESPONDS SPECIFICALLY TO TWO OF THE GROUP’S FIVE MATERIAL ISSUES**

 GRI G4-18 to 21

THE GROUP'S MATERIAL SUSTAINABILITY ISSUES DISCUSSED UNDER THE PEOPLE, SOCIAL AND ENVIRONMENT LINKS OF THE SUSTAINABLE DEVELOPMENT REPORT WEBSITE ARE REFLECTED BELOW.

*Developing effective leadership and empowered people*

**OUR PEOPLE**



- > Our workforce
- > Managing organisational effectiveness including talent management
- > Promoting workforce diversity
- > Training and development

*Strengthening legitimacy among all stakeholders*

**DEMONSTRATING SOCIAL VALUE**



- > Wealth created
- > Regulatory compliance
- > Accelerating transformation progress in South Africa
- > Contributing to socioeconomic development
- > Education
- > Road safety
- > Healthcare

**MINIMISING OUR ENVIRONMENTAL FOOTPRINT**



- > Environmental management
- > Fuel consumption and emissions efficiency
- > Energy and water consumption
- > Waste management
- > Environmental compliance
- > Prevention and containment of spillages



Reflecting the diverse nature of the group's business activities and geographies, sustainable development priorities and strategies are identified and implemented at a divisional level. The table below reflects the material sustainability issues for each division, and each divisional review (accessible under the divisional review link) covers how these issues are managed and the division's performance for the 2016 reporting year.

**IMPERIAL HOLDINGS**

Developing effective leadership and empowered people

Strengthening legitimacy among all stakeholders

**Logistics South Africa**

Talent management, and training and development

**Managing economic performance in a challenging environment:** Commodity prices and competition

**Maintaining ethical business practices:** Compliance, managing effective labour relations and occupational health and safety

**Driving client centricity:** Building customer partnerships

**Ensuring employee health and safety:** Driver health and safety

**Supporting local economies:** Accelerating transformation progress in South Africa

**Minimising the environmental footprint:** Energy consumption, fuel and emissions efficiency, and water

**Logistics Rest of Africa**

Talent management, and training and development

**Managing economic performance in a challenging environment:** Economic disruptors, environmental factors and disintermediation

**Maintaining ethical business practices:** Compliance, occupational health and safety, and mitigating corruption risk

**Driving client centricity:** Building customer partnerships, and customer health and safety

**Ensuring employee health and safety:** Health and safety in the distribution warehouses

**Supporting local economies:** Local employment and procurement, development of healthcare in Africa

**Minimising the environmental footprint:** Energy consumption, fuel and emissions efficiency, and waste management

**Logistics International**

Attracting talent, promoting gender diversity at senior and executive level, and training and development

**Managing economic performance in a challenging environment:** Increasing competition, environmental factors and labour costs

**Managing compliance and guarding against corruption:** Code of conduct and regulatory compliance

**Employee relations and wage agreements:** Union negotiation and legislative requirements

**Ensuring employee health and safety:** Centralising health and safety management, risk assessments and employee training

**Minimising the environmental footprint:** Energy consumption, and fuel and emissions efficiency

**Vehicle Import, Distribution and Dealerships**

Employee turnover, talent management, training and development

**Managing economic performance in a challenging environment:** Impact on returns and defending market share

**Delivering quality products and services:** Brand awareness and reputation, customer satisfaction, and customer health and safety

**Ensuring compliance with laws and regulations**

**Accelerating transformation progress in South Africa:** Broad-based black economic empowerment and promoting workforce diversity

**Minimising the environmental footprint:** Water consumption and recycling, and energy consumption

**Vehicle Retail, Rental and Aftermarket Parts**

Talent management, training and development

**Managing economic performance in a challenging environment:** Impact on returns and headcount

**Delivering quality products and services:** Customer satisfaction, quality control and supplier assessments

**Ensuring compliance with laws and regulations**

**Accelerating transformation progress in South Africa:** Broad-based black economic empowerment and promoting workforce diversity

**Minimising the environmental footprint:** Water consumption and recycling, and energy consumption

