

# 03 Ensuring stakeholder health and safety



## WHY THIS IS A PRIORITY

The nature of our businesses, whether we are transporting people and products by road in South Africa or warehousing and distributing of pharmaceuticals in Africa and hazardous goods in the international operation, requires that our health and safety controls are robust and protect all our stakeholders and ensure the wellbeing of our employees.

Failure to manage health and safety may result in increased costs, or a compliance breach that could lead to prosecution and the loss of key employees.

## RISKS AND CHALLENGES

### ALL REGIONS

- > **Health and safety risks.**

### SOUTH AFRICA

- > **Road safety** given that South Africa has one of the highest per capita road death rates globally.
- > **Reputational risk** from incidents involving sub-contractors.

## HEALTH AND SAFETY MANAGEMENT AND COMPLIANCE

Our safety committees across all regions meet quarterly and where necessary, we use external consultants to drive OHS compliance and best practice. We investigate all accidents and incidents, whether or not they result in injury or occupational disease, to have a clear understanding of what constitutes unacceptable risk and the preventative measures we need to implement. OHS checks are conducted monthly in all companies by internal safety specialists and external certified experts.

### IMPERIAL LOGISTICS AFRICA

South African statistics, together with our research, indicate that driver fatigue and speed are the biggest causes of fatal accidents. Our fatigue management policy provides guidelines on working hours, rest periods, healthy eating, exercise and accident prevention due to fatigue. It also ensures compliance with the Amended Occupational Health and Safety Act (2008) and our agreement with the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). The policy is reviewed twice a year to take into account new risks arising from driver experiences.

Our drivers in South Africa are required to pledge their compliance to Imperial Logistics' code of conduct for responsible driving. The code covers issues including the use of cellphones while driving, exceeding speed limits, wearing safety belts and observing rest hours. We provide continuous driver training facilitated by accredited in-house driver trainers or external service providers that meet our training standards.

The following measures are also in place to enforce a strong safety culture:

- > Tracking of driver behaviour using advanced vehicle tracking and monitoring systems to ensure that optimal driving techniques are applied.
- > Breathalyser testing and speed control mechanisms in vehicles.
- > Regular mandatory maintenance and safety inspections of vehicles.
- > Independent reviews of accidents to provide better insight into root causes.
- > On-board cameras to assist with accident analysis, and help drivers understand near misses and identify prevention measures.
- > Audits on driver safety.

All members of the NBCRFLI in South Africa are eligible to join its Wellness Fund Health Plan and contributions are made through the wage bill. The fund entitles members and up to two eligible spouses to certain medical benefits, and drivers testing positive for HIV are immediately referred to the fund's HIV treatment programme at no additional cost.

### IMPERIAL LOGISTICS INTERNATIONAL

Our management systems meet the following internationally recognised quality, environment, health and safety standards:

- > The International Labour Office's guidelines on OHS management (NLF/ILO-OSH 2001).
- > ISO's specifications for OHS management (BS OHSAS 18001) and standards related to quality management systems (ISO 9001).
- > The Authorised Economic Operator's guidelines on safety and security for customs procedures.
- > Verband der Automobilindustrie's quality management for service providers to the automotive industry (VDA 6.2).

We engage with our employees on the prevention of work-related incidents and illnesses, and how to manage stress. On return to work from a long absence due to illness, we interview employees and use their feedback to inform a healthier working environment.

The trucks we use to transport bulk liquid chemicals are fitted with a number of safety measures, including active brake assist, tyre-pressure warning systems, light emitting diode (LED) daytime running lights, lane departure warning systems, built-in rain and light sensors, semitrailer coupling sensors and breathalysers linked to engine immobilisers.

*The Road Transport Management System (RTMS) in South Africa is an industry-led, voluntary self-regulation scheme that promotes a number of road safety initiatives. RTMS is applicable in 89% of our companies which are all RTMS accredited.*

*We take strict measures to ensure the safety of our drivers and the potential impact they may have on other road users. This is a critical area of focus for us in South Africa where roads are among the most dangerous in the world. In the rest of Africa, this is less of a focus as only 20% of our revenue is derived from road transportation. All our drivers have valid professional driving permits and undergo regular health examinations.*

*In Germany, we hold memberships in employer liability insurance associations to ensure our full compliance with our strict health and safety obligations as an employer.*

*Our employees receive ongoing training on the safe handling of chemicals, how to use protective clothing and adherence to health and safety regulations.*

## Supporting the primary healthcare needs of our truck drivers

### R823 000

CONTRIBUTED TO THE TRUCKING WELLNESS PROGRAMME  
(2016: R805 000).

We support the Trucking Wellness programme, a primary healthcare initiative run by the NBCRFLI in South Africa. The programme operates 22 permanent roadside wellness centres along major routes, as well as a fleet of 15 mobile wellness centres that travel across the country to visit road freight companies. Visitors can access basic medical assistance, and other support such as information and counselling, from registered nurses and counsellors.

We sponsor five permanent roadside centres, two of which are situated at our premises. The centres operate mostly at night, the most convenient and accessible time for long-distance truck drivers, and its wellness services are available to truck drivers, their partners, commercial sex workers and the broader community.

During the year, the Trucking Wellness programme delivered healthcare education to 86 692 visitors and provided treatment to 44 691 patients. Over 50 nurses and peer educators are employed by the programme.

## 2017 PERFORMANCE

### EMPLOYEE HEALTH AND SAFETY

	2017	% change	2016	2015
<b>Africa</b>				
Road kilometres travelled (million)	422	(5%)	443	473
Road accidents (company)	105✓	(42%)	181	78
Road injuries (company)	43✓	(39%)	70	28
Road injuries (per million kilometres travelled)	0,102✓	(35%)	0,158	0,0059
Road fatalities (company)	4	300%	1	5
<b>International</b>				
Road kilometres travelled (million)	85	8%	79	71
Road accidents (company)	209#	57%	133	42
Road injuries (company)	9✓	13%	8	9
Road injuries (per million kilometres travelled)	0,106✓	5%	0,101	0,127
Road fatalities (company)	0	0	0	0

Note: The increase in road accidents and injuries during 2016 when compared to 2015 is due to more stringent safety reporting criteria introduced during that reporting year.

✓ Satisfied with performance.

# Area for improvement.

### Training our truck drivers to drive well

Imperial Logistics South Africa has completed the first phase of standardising in-house driver training across all operating companies. All instructors have received training on our new training delivery methods and have been assessed to ensure they meet our minimum standards. In 2018, we will start the second phase of the programme to deliver the training to our heavy-duty vehicle drivers. We expect to complete the roll out by 2019 and thereafter all instructors will be assessed internally on an annual basis.

In partnership with Scania, a world-leading provider of transport solutions, Imperial Logistics International provides our truck drivers in Poland with theoretical and practical eco-driver training. Started in March 2016, 30 drivers have been trained to date. Driving style is analysed using telematic devices and criteria such as braking, speed, idling and fuel consumption. Based on this information, a trainer will prepare practical instructions on how each participant can improve their driving style. We estimate that the fuel savings from the correct implementation of these instructions is between 0,5 and one litre per 100 kilometres travelled. The project provides multiple benefits including reduced wear and tear on parts, emissions reduction and increased road safety.

**2017 PERFORMANCE – continued****Ensuring our passengers are safe**

During the year, we acquired 55% of Itumele Bus Lines (IBL), a public transportation company, making passenger safety an additional priority. IBL is RTMS certified and a number of safety measures are in place including roadworthy testing every six months, annual driver training and medical fitness tests, monitoring of driving behaviour and hours, as well as passenger loading, pre-trip inspections on vehicles and onsite brake testing. We have also introduced a driver incentive scheme which rewards drivers for good driving.

**Keeping our employees safe**

Imperial Logistics International appointed a head of health and safety in November 2016, responsible for guiding our OHS officers and communicating OHS issues to management. In addition, nine health and safety guidelines, developed together with topic experts, were released to further improve the safety culture among employees. The guidelines, which cover both regulatory requirements and company standards, will standardise the management of OHS across the business.

A uniform set of key OHS performance indicators is being developed by the QEHS and sustainability department as part of a new QEHS policy. This continues to be a work in progress and will enhance OHS management and reporting going forward.

**PRODUCT RESPONSIBILITY**

As a distributor of consumer goods including food and over-the-counter medical products, we are contractually bound to inform our principals of any potential risks to consumer health and safety. We procure all goods directly from principals and products are barcoded to enable traceability. At Imperial Health Sciences, our controls ensure that medicines entering African countries through our channels are genuine. We assist our clients to serialise their products, so that from the point of production to the point of usage, there is a chip, barcode or traceability measure to verify that the product is not counterfeit.

As the pharmaceutical industry is highly regulated, our pharmaceutical operations are subject to internal and external regulatory reviews. We appoint registered pharmaceutical professionals to ensure we comply with legislation and principal-specific standards and processes. We also implement the warehousing and distribution procedures needed to reduce the risk of product deterioration. Similarly, principals of consumer goods regularly audit our warehousing and distribution standard operating procedures. Our trained health and safety teams provide further assurance that we adhere to standards and regulations with oversight from the Imperial Logistics risk team.

We undertake regular trade visits to retailers and any concerns over product handling are communicated to the responsible executive for correction.

Where products fail to meet required standards, these are destroyed in accordance with the guidelines stipulated by the principals. We obtain certificates of destruction as proof that products have been adequately disposed of.

*We consider regulatory requirements, best practice and industry guidelines, as well as our own expertise, to ensure the safe receipt, storage and distribution of goods.*

*All Imperial Health Sciences and Pharmed operations are licensed with their local regulatory authorities, and Imperial Health Sciences is ISO 9001: 2008 certified in Ghana, Kenya and South Africa.*

**Reducing the exposure of our employees to hazardous substances**

Tank cleaning stations are a fundamental part of transporting liquid products by road, however the tanks usually contain hazardous residue which requires our employees to enter the tank to ensure proper cleaning. This creates a significant safety risk and rescues are often complicated and dangerous.

In Krems, Austria, we use a new environment friendly automatic closed cleaning circuit. It is used for the most difficult cleaning treatments, which comprise around 12% of the station's total treatments. The cleaning circuit minimises tank entry by around 95% and reduces the amount of water required by recapturing, pre-filtering, heating and reusing the cleaning mixture without compromising the quality of the cleaning process. In addition, wastewater is recycled so that in total water consumption is reduced by around 5,3%. The cleaning process is also quicker, taking 48 minutes as opposed to 59 minutes in the conventional system, delivering better service times to our clients. Currently this new technology is supporting around 50 cleaning processes a month and feedback from our clients and employees is positive.

We invested €1,5 million in the circuit and expect our return on the investment to be about eight years. Based on the success of the project, we will consider implementing this technology when renovating cleaning stations in the future.