

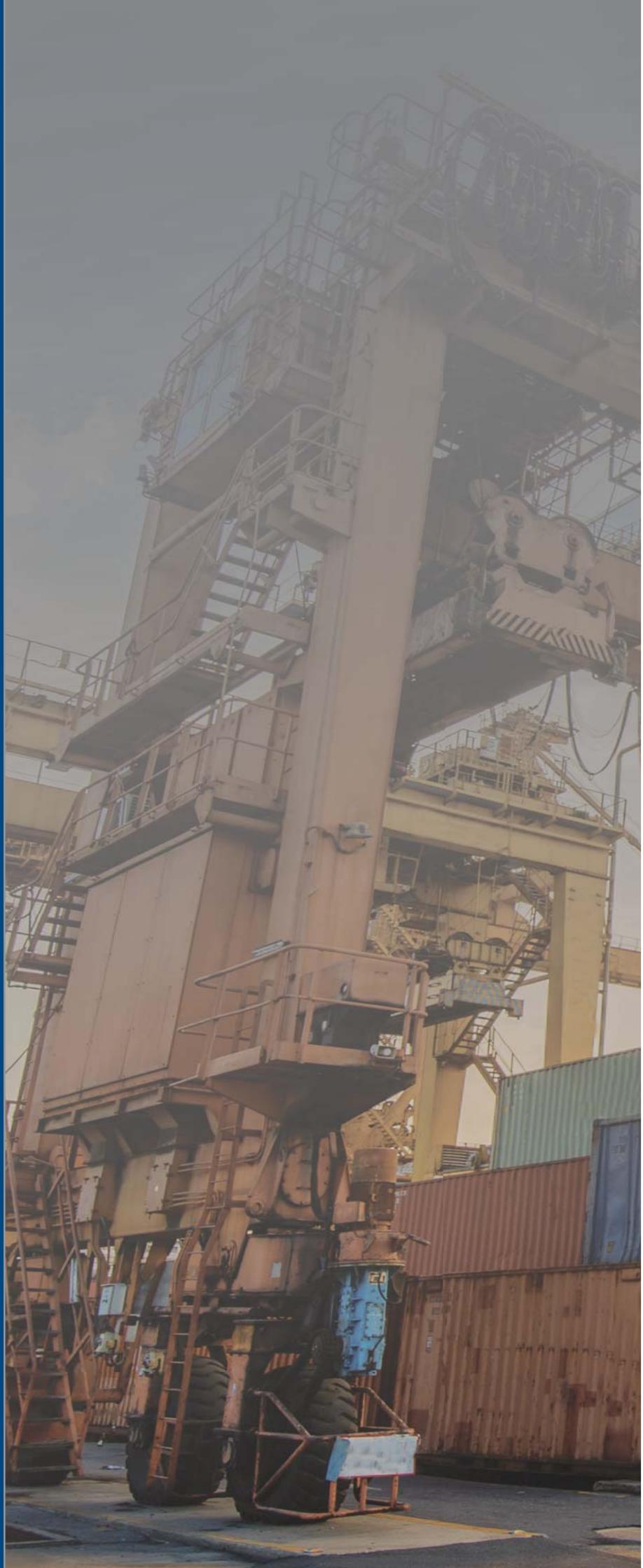


2017

Imperial group overview

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About Imperial

Who we are

Imperial Holdings Limited is a JSE listed South African-based holding company, employing over 49 000 people in 33 mainly African and Eurozone countries, operating exclusively in the logistics and vehicle sectors, as:

Imperial Logistics:

active in transportation, warehousing and distribution management, providing integrated supply chain and route-to-market solutions to global and national market leaders, generating 43% and 45% of group* revenue and operating profit respectively, with 67% of operating profit generated internationally; and

Motus:

operates across the motor vehicle value chain (import, distribution, retail, rental, aftermarket parts, and vehicle-related financial services) generating 57% and 55% of group* revenue and operating profit respectively, with 12% of the operating profit generated internationally.

** Excluding Regent, head office and eliminations.*

**We operate a fleet of over
5 000 TRUCKS
and have access to
2 000 SUB-
CONTRACTOR
VEHICLES.**

**The transport fleet
travelled more than
732 MILLION
KILOMETRES
in the
2017 financial year.**

**We operate around
600 SHIPPING
VESSELS
in Europe with a
combined load capacity of
over one million tonnes.**

**Our warehousing capacity
equates to over
1,7 MILLION
SQUARE
METRES.**

**ONE IN THREE
RENTAL CAR
TRANSACTIONS
in South Africa is done
through Imperial.**

**We supply
ALL MAJOR
VEHICLE BRANDS
in Southern Africa and are
the leading aftermarket
parts supplier.**



Our sustainable development priorities

Our material issues are the priorities and concerns most important to the leadership of Imperial Holdings Limited and its operating divisions, Imperial Logistics and Motus.

By successfully addressing these material issues, we will create value for our stakeholders. Although the material issues reflect the progress that has been made in the renewal of Imperial in recent years, they are forward looking and incorporate factors within and beyond leadership's control.

The process of defining the group's material issues in 2017 included the following direct inputs:

- > Dialogue with and counsel from the Imperial Holdings board of directors and its sub-committees.
- > Engagement with share owners.
- > Interviews to elicit the concerns of stakeholders at group and divisional levels.
- > Reference to the Imperial board's meeting minutes for the year.
- > Group and divisional risk registers.
- > Key issues raised by the media.
- > Input from and approval of the material issues by group and divisional leadership.

The group's sustainable development priorities support the management of three of its material issues. Given the diverse nature of our business activities and geographies, sustainable development priorities and the strategies implemented to manage them are identified at divisional level.

The tables that follow provide an overview of the group's material issues and each division's associated sustainable development priorities, and directs readers to where they can find more information on management approaches and performance.

Imperial's material issues

01 Increase the growth and returns of Imperial Logistics and Motus by delivering superior, defensible value to stakeholders	02 Manage capital effectively
	03 Limit currency risk
	04 Ensure organisational effectiveness
	05 Strengthen legitimacy



IAR online: full disclosure on Imperial's material issues.

Imperial's sustainable development priorities linked to the group's material issues

01 Increase the growth and returns of Imperial Logistics and Motus by delivering superior, defensible value to stakeholders

GROUP PRIORITIES IN SUPPORT OF THE MATERIAL ISSUE	<ul style="list-style-type: none"> > Refine the business and asset portfolios of each division, to further leverage scale, relationships, expertise and shared activities within their chosen sectors. > Define and implement deep value propositions as the essence of client centricity. > Use return on invested capital to assess and enhance the performance and potential of businesses, products and clients. > Respond to the impact of digitisation and disruptive technologies on the businesses, customers, value chains and markets in each division.
MORE INFORMATION	<ul style="list-style-type: none"> IAR page 40: Imperial Logistics review. IAR pages 52: Motus review.

Specific sustainable development priorities

IMPERIAL LOGISTICS	Continually improving integrated and customised services <ul style="list-style-type: none"> > Building client partnerships. > Enhancing competitive advantage through digitisation. > Supplier assessment.
MOTUS	Delivering quality products and services to support a full customer value proposition <ul style="list-style-type: none"> > Customer satisfaction. > Quality control. > Supplier assessment. > Enhancing customer service through digitisation.
MORE INFORMATION	<ul style="list-style-type: none"> SDW: Imperial Logistics and Motus reviews.

04 Ensure organisational effectiveness

GROUP PRIORITIES IN SUPPORT OF THE MATERIAL ISSUE	<ul style="list-style-type: none"> > Flatten structures to focus management, simplify communication, delegate accountability, ensure control, enable collaboration and empower leaders. > Employ and develop executives who can lead the continual change necessary for progress and performance. > Implement human capital policies and practices to enhance productivity, diversity and succession.
MORE INFORMATION	<ul style="list-style-type: none">  <i>SDW: developing effective leadership and empowered people.</i>  <i>IAR page 61: remuneration report.</i>

Specific sustainable development priorities

IMPERIAL LOGISTICS	Developing effective leadership and empowered people <ul style="list-style-type: none"> > Maturing human capital management processes and practices. > Talent management and development. > Promoting workforce diversity.
MOTUS	Developing effective leadership and empowered people <ul style="list-style-type: none"> > Strong, visible leadership and talent management. > Transformation at management level and promoting workforce diversity. > Training and development. > Streamline human resources policies, procedures and practices.
MORE INFORMATION	<ul style="list-style-type: none">  <i>SDW: Imperial Logistics and Motus reviews.</i>



05 Strengthen legitimacy

GROUP PRIORITIES IN SUPPORT OF THE MATERIAL ISSUE	<ul style="list-style-type: none"> > Ensure exemplary ethical practices and governance standards. > Measure, develop and publicise the economic footprint and societal value of Imperial Logistics and Motus. > Ensure local relevance, including black economic empowerment in South Africa and diversity and inclusiveness requirements in other markets. > Maintain regulatory compliance and policy advocacy. 						
MORE INFORMATION	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;"></td> <td><i>SDW: strengthening legitimacy.</i></td> </tr> <tr> <td style="text-align: center;"></td> <td><i>IAR pages 61: governance report.</i></td> </tr> <tr> <td style="text-align: center;"></td> <td><i>IAR pages 67: remuneration report.</i></td> </tr> </table>		<i>SDW: strengthening legitimacy.</i>		<i>IAR pages 61: governance report.</i>		<i>IAR pages 67: remuneration report.</i>
	<i>SDW: strengthening legitimacy.</i>						
	<i>IAR pages 61: governance report.</i>						
	<i>IAR pages 67: remuneration report.</i>						

Specific sustainable development priorities				
IMPERIAL LOGISTICS	<p>Ensuring stakeholder health and safety</p> <ul style="list-style-type: none"> > Health and safety management and compliance. > Product responsibility. 	<p>Maintaining ethical business practices</p> <ul style="list-style-type: none"> > Regulatory compliance and guarding against corruption. > Managing effective labour relations. > Protecting human rights in the African Regions. 		
	<p>Being locally relevant in markets of operation</p> <ul style="list-style-type: none"> > Accelerating transformation progress in South Africa. > Ensuring local relevance. 	<p>Minimising the environmental footprint</p> <ul style="list-style-type: none"> > Environmental compliance and awareness. > Energy consumption and emissions efficiency. > Water and waste management. 		
MOTUS	<p>Accelerating transformation progress in South Africa</p> <ul style="list-style-type: none"> > Broad-based black economic empowerment, including black ownership, enterprise development and inclusive socioeconomic growth. 	<p>Ensuring regulatory compliance</p> <ul style="list-style-type: none"> > Managing, monitoring and auditing compliance. > Compliance training. > Contribution to new and emerging legislation. 		
	<p>Minimising the environmental footprint</p> <ul style="list-style-type: none"> > Water consumption and recycling. > Electricity consumption and emissions efficiency. 			
MORE INFORMATION	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;"></td> <td><i>SDW: Imperial Logistics and Motus reviews.</i></td> </tr> </table>			<i>SDW: Imperial Logistics and Motus reviews.</i>
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GRI G4 index
GRI G4-18 to 21

Our 2017 performance

OUR FINANCIAL PERFORMANCE

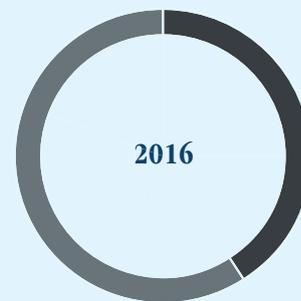
REVENUE

↑ 1% to
R119,5 billion
(43% foreign)
(2016: R118,8 billion)

CONTRIBUTION TO GROUP REVENUE



43% Imperial Logistics
57% Motus



41% Imperial Logistics
59% Motus

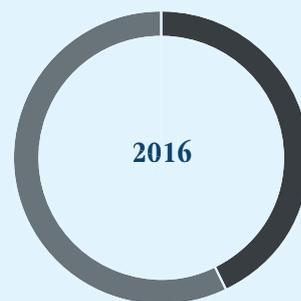
OPERATING PROFIT

↑ 2% to
R6,5 billion
(37% foreign)
(2016: R6,4 billion)

CONTRIBUTION TO OPERATING PROFIT



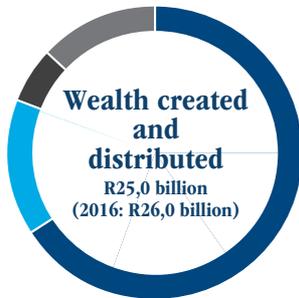
45% Imperial Logistics
55% Motus



43% Imperial Logistics
57% Motus



OUR CONTRIBUTION TO WEALTH CREATION



- 66% Total employee cost
- 15% Paid to providers of financial capital
- 6% Taxes paid to governments
- 13% Reinvested in the group to maintain and develop operations

PAID TO PROVIDERS OF FINANCIAL CAPITAL
R3,7 billion
(2016: R3,3 billion)

TAXES PAID TO GOVERNMENTS
R1,5 billion
(2016: R1,7 billion¹)

PAID TO SUPPLIERS
R91,6 billion
(2016: R90,7 billion¹)

TOTAL EMPLOYEE COST (including payroll tax)
R17 billion
(2016: R17 billion)

WEALTH CREATED PER EMPLOYEE
R511 000
(2016: R498 000¹)



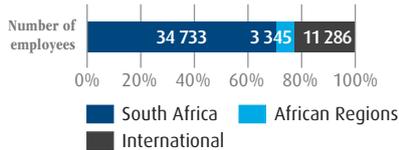
IAR page 35: financial performance.

¹ 2016 restated for continuing operations only.

OUR PEOPLE

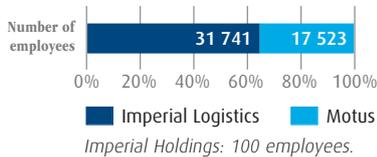
49 364 employees
(2016: 50 291)

Geographic split



- 30% Imperial Logistics Africa
- 10% Imperial Logistics International
- 60% Motus

Divisional split

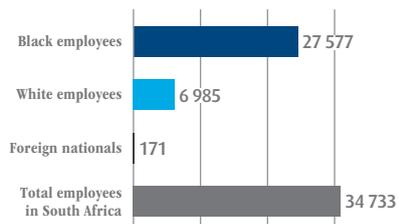


R6 901 training spend
PER EMPLOYEE
(2016: R6 345)

36 hours of training
PER EMPLOYEE
(INCLUDES APPRENTICE TRAINING HOURS)

68% of skills spend
IN SOUTH AFRICA SUPPORTED THE DEVELOPMENT OF BLACK EMPLOYEES.

Workforce in South Africa



TOP MANAGEMENT IN SOUTH AFRICA

Black representation: 19,5% (2016: 19,4%)

Women representation: 14,3% (2016: 16,5%)

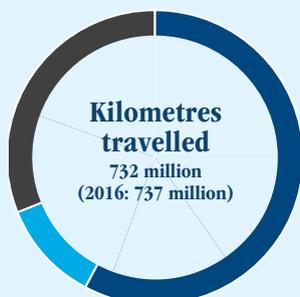
SENIOR MANAGEMENT IN SOUTH AFRICA

Black representation: 29,1% (2016: 24,3%)

Women representation: 30,3% (2016: 20,8%)

Note: given the restructuring of the group in the past year, the work profiling in terms of occupational levels and divisional work structures is work in progress.

PRIORITISING SAFETY



58% Imperial Logistics Africa
11% Imperial Logistics International
31% Motus

ROAD ACCIDENTS (COMPANY)
424
EQUATING TO 0,579 ACCIDENTS PER MILLION KILOMETRES (2016: 678)

ROAD INJURIES (COMPANY)
148
EQUATING TO 0,202 INJURIES PER MILLION KILOMETRES (2016: 145)

ROAD FATALITIES (COMPANY)
4
EQUATING TO 0,005 FATALITIES PER MILLION KILOMETRES (2016: 1)



SDW: developing effective leadership and empowered people (page 12) and Imperial Logistics review (page 22).

OUR CONTRIBUTION TO SOCIETY (SOUTH AFRICA)

R236,2 million, the total value realised

FOR UKHAMBA'S A CLASS SHAREHOLDERS SINCE THE OVER-THE-COUNTER (OTC) LISTING IN NOVEMBER 2013 WITH 11,2 MILLION SHARES TRADED TO DATE.

A transaction to increase the effective black ownership of

IMPERIAL LOGISTICS SOUTH AFRICA TO 51% IS UNDERWAY.

R907 million, total dividend distribution

TO UKHAMBA SHAREHOLDERS (R850 MILLION BEFORE THE OTC LISTING AND R47 MILLION AFTER THE LISTING, OF WHICH R10 MILLION WAS PAID IN 2017).



2 Black women
5 Black men
7 White men

SUPPLIER AND ENTERPRISE DEVELOPMENT SPEND (FOCUSING ON BLACK BUSINESSES)

R57 million
(2016: R43 million)

Launched the Sinawe Fund

WHICH WILL PROVIDE ELIGIBLE SUPPLIERS WITHIN THE LOGISTICS VALUE CHAIN WITH ACCESS TO GROWTH OPPORTUNITIES.

Increased our focus on preferential procurement

ACROSS ALL SPEND CATEGORIES WITHIN LOGISTICS.

Ethics (group data)

Over 2 000 executives and senior managers formally confirmed

THAT THEY HAD NOT BEEN INVOLVED IN ANY CORRUPT ACTIVITY AND WERE NOT AWARE OF ANY SPECIFIC CORRUPT ACTIVITY. (2016: 1 387)

154 tip-offs registered through the whistle-blowing hotline

ALL CASES WERE INVESTIGATED WITH 15 TIP-OFFS STILL PENDING. (2016: 140)

Corporate social investment spend

R32 MILLION INVESTED IN COMMERCIALY STRUCTURED PROJECTS (UNJANI CLINICS NETWORK) AND COMMUNITY INVESTMENT PROGRAMMES (IMPERIAL AND UKHAMBAMBA COMMUNITY DEVELOPMENT TRUST AND THE IMPERIAL ROAD SAFETY PROGRAMME), AS WELL AS THROUGH DONATIONS TO CHARITIES, COMMUNITY INITIATIVES AND NON-GOVERNMENTAL ORGANISATIONS (2016: R29 MILLION).

UNJANI CLINICS NETWORK

31 CLINICS CREATING EMPLOYMENT FOR OVER 90 PEOPLE AND PROVIDING A QUALITY, AFFORDABLE HEALTHCARE SERVICE TO OVER 250 000 PATIENTS TO DATE.

IMPERIAL AND UKHAMBAMBA COMMUNITY DEVELOPMENT TRUST

TOUCHED THE LIVES OF AROUND 29 000 LEARNERS AND ASSISTED OVER 1 000 TEACHERS THROUGH 27 SCHOOL LIBRARIES, WHICH EMPLOY 70 PEOPLE WHO PREVIOUSLY DID NOT HAVE WORK.

IMPERIAL ROAD SAFETY PROGRAMME

R43 MILLION INVESTED IN RAISING ROAD SAFETY AWARENESS SINCE NOVEMBER 2011.

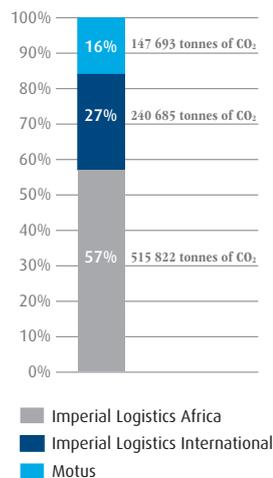
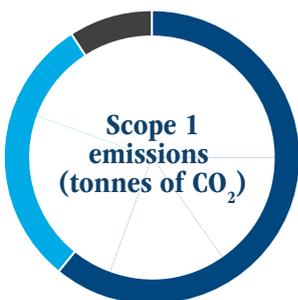


SDW: strengthening legitimacy, Imperial Logistics review (page 33) and Motus review (page 23).

MINIMISING OUR ENVIRONMENTAL FOOTPRINT

Scope 1 and 2 emissions

904 200 tonnes of carbon dioxide (CO₂)
(2016: 1 009 819 tonnes OF CO₂)



61% Imperial Logistics Africa
30% Imperial Logistics International
9% Motus

ENVIRONMENTAL INCIDENTS

53 with one fine
(2016: 63 with no fines or penalties)

WATER CONSUMPTION

1 559 545 kilolitres
(2016: 1 767 582 kilolitres)

FUEL USAGE (ROAD AND NON-ROAD)

274 707 kilolitres
(2016: 296 870 kilolitres)

ELECTRICITY PURCHASED

223 459 megawatt hours
(2016: 229 371 megawatt hours)



SDW: strengthening legitimacy, Imperial Logistics review (page 36) and Motus review (page 29).

GRI G4 index
GRI G4-EC1



Report from the chairman

of the social, ethics and
sustainability committee

Valli Moosa

We are living in a time of increasing concern about the poor ethical climate in South Africa and elsewhere in the world.

In this context we understand that we have the responsibility as a corporate citizen and as the social, ethics and sustainability committee to put in extra effort to guard against unethical breaches. We operate within a strong

ethics framework, enforce our zero tolerance stance by decisively dealing with corruption and collusion, and continuously reinforce how we expect our employees to behave. Our goal is to ensure that we leave no room for corrupt and unethical conduct within our commercial and social activities.

In a multinational of Imperial's size and with our geographic footprint, protecting and enhancing our reputation as a responsible corporate citizen through the consistent application of our values is a complex task. We drive this through a demonstrable commitment to ethics by our leaders and managers at every level of the organisation. Imperial has a proud tradition of ethical leadership that sets the correct tone from the top, supported by our code of ethics and policies that ensure the highest standards of operation wherever we are in the world.

We have finalised a group code of conduct that will act as an overarching reference, and serve to align the various codes across the group with best practice ethics management. We continued to provide our employees with related training and over 2 000 executives and senior employees formally confirmed that they have read our anti-bribery and corruption policy, have not been involved in any corrupt activity or anti-competitive behaviour and are not aware of any specific activity of this nature.

In Logistics International, we delivered training to our employees on our anti-bribery policy and on laws relating to competition. We are also introducing a supplier code of conduct to ensure that our service providers adhere to our values and policies, and we are developing a set of guidelines on competition law and a sponsoring and donations policy.

In addition to our code of ethics, we also adhere to the principles embodied in the Universal Declaration of Human Rights, the South African Constitution and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

The social, ethics and sustainability committee is satisfied that there is a strong ethical culture within the group. This is supported by the fact that only one material ethical breach was reported during the year and the offender has been dismissed following an investigation and disciplinary hearing.



SDW: strengthening legitimacy; more information on ethics management.

The fourth King Code of Governance Principles (King IV) provides greater clarity on the role of social and ethics committees, and requires them to set strategies and objectives for organisational ethics, responsible corporate citizenship, sustainable development and stakeholder inclusiveness. We have re-constituted Imperial's social, ethics and sustainability committee to comprise a majority of non-executive directors, including Dr Kana, the chairman of the Imperial board. This has resulted in fresh ideas and new perspectives, with the collective capabilities of the committee focussed on providing greater value for Imperial and its stakeholders. The committee's terms of reference have been revised to align to King IV and we have adopted a diversity policy for the board that embraces the benefits of differences in skill, regional and industry experience, background, race and gender. We have also set a voluntary target to increase the representation of women on the board by at least one member and will give preference

to a female candidate when a vacancy arises.

A large portion of Imperial's business operates on South Africa's roads, which continue to be ranked among the most dangerous in the world. Unlike other sectors, there is no clear definition or standard in South Africa for what constitutes a fatality in the logistics industry. Our internal classification categorises accidents into those where our drivers are at fault, and the much larger category where the incident is ruled the fault of a third party.

Our responsibility to our drivers, passengers and other road users is to ensure that our drivers are taught optimal, safe driving behaviour and that our trucks meet the highest standards of roadworthiness. Ongoing driver training that meets strict training standards is delivered in all our logistics businesses and our trucks are fitted with systems that monitor driving behaviour, breathalyser testing kits, speed control mechanisms and cameras to promote a strong safety culture.

In pursuit of our goal to achieve zero harm in all our businesses, much of the committee's time is spent managing and monitoring safety performance and road accidents. Fatalities are interrogated and all accidents are investigated internally and by independent external specialists. This provides a clear understanding of what constitutes unacceptable risk and better insight into root causes so that we can implement effective preventative measures. Despite our best efforts, we are sad to report that four of our employees lost their lives in accidents during the year. We convey our sincere condolences to the families, friends and colleagues of Sebeleka Zebulon Mahlatji, Siyabonga Mtetwa, Lesima Samson Mokoena and Sello Nelson Dube.



SDW: Imperial Logistics review; more information on road safety (page 22).

More broadly, we use our insights and experience to inform transport policy in South Africa and to raise public road safety awareness. Over the past five years, our Imperial Road Safety programme has taught children how to walk safely along our roads,

educated parents on the necessity of using car seats to secure children in cars, sponsored cars that patrol highways during holiday seasons and tackled the issue of non-roadworthy trucks. We share our road safety information with Arrive Alive and, in return, it covers our safety events in its publications, enabling us to reach large audiences.

While the talent process at the top three levels of the organisation continues to be managed at an Imperial Holdings level, we have devolved talent management and succession planning for lower management levels and other critical positions into the divisions, which have clearer insight into their specific talent needs. Our efforts over the past two years to enhance our human capital management capabilities have improved our understanding of the kind of talent we currently have and where skills gaps may develop in future. Our drive for organisational effectiveness across the group, has led to the appointment of new leaders and provided talented employees with the opportunity to take on more responsibility and progress their development through training and on-the-job mentoring. The human capital systems being implemented in each division will further support effective strategic workforce planning through more accurate people data and are expected to be fully operational by 2019. While our initiatives will provide benefits for Imperial, they will also create value for our employees who will be able to manage their careers through clear progression pathways and development plans.



SDW: developing effective leadership and empowered people; more information on talent management (page 06).

We fully support South Africa's national policies on employment equity and transformation, and acknowledge that we are behind in the transformation of our executive and senior management. The talent programmes in our South African businesses, emphasise our need to accelerate the progress of black candidates into senior roles. Similarly, we are implementing initiatives in Europe to increase the number of women in senior

positions. We believe that diversity is directly linked to Imperial's strength, durability and sustainability, and we go beyond just meeting diversity targets and strive to achieve real cultural change within our businesses. To drive transformation as a long-term integrated business process, we introduced a diversity programme during the year to sensitise our leaders and provide them with a safe environment in which to have honest conversations about how transformation can and should be implemented in Imperial. In addition, Imperial's chief executive officer (CEO) is encouraging collaboration with other companies that have made substantial progress in transforming their workforces, to learn from their experiences.

The social, ethics and sustainability committee monitors progress against transformation targets and it takes a firm stance with management on increasing the rate of change. However, it is also cognisant that there are no easy solutions, particularly when skill and experience is required to drive performance during tough economic conditions and to respond to strategic challenges. Pleasingly, a number of initiatives have been implemented during the year to accelerate Imperial's transformation progress, including a transaction that will increase Imperial Logistics South Africa's black ownership to 51% and the publication of our first full broad-based black economic empowerment (BBBEE) scorecard, which will be available to stakeholders from October 2017.

Our ability to contain our environmental impact contributes to our competitiveness by lowering our output costs, and given that environmental considerations are a growing feature of tender requirements, particularly in logistics. Consolidated targets for the

group or the divisions are not set given the decentralised nature of Imperial, and the difficulty of forecasting the carbon footprint in some of our logistics businesses as this is influenced by client trading volumes. Our focus therefore is on ensuring the accuracy of our data and the implementation of efficiency initiatives. During the year, Imperial Logistics Africa launched five environmental performance standards to further support its environmental management framework and a target to recycle 80% of Imperial Logistics South Africa's general waste was set for the medium term. We were very pleased to accept an Enviro Award in the 2016 Logistics Achiever Awards for our energy monitoring initiatives in Imperial Logistics South Africa.

Our corporate social investment programmes continue to do good work and deepen our relationships with societies. In addition to the road safety programme, we support access to primary healthcare through the Unjani clinics located in townships and local communities in South Africa. This is also an enterprise development programme that empowers black women professional nurses and the clinics relieve some of the pressure on over-burdened government health facilities. During the year, our contribution supported the operation of the 25 Imperial clinics and funding from other corporates supported the expansion of the network to 31 clinics employing over 90 people. Since its inception in 2013, the project has helped over 250 000 patients.

Our contribution to skills development in South Africa ranges from the training of apprentices through our training academies and the monetary support provided to education-related projects, to the sponsoring of bursaries and our investment in the Imperial and Ukhamba Community

Development Trust (the Ukhamba Trust). Of the learners registered for a learnership during the year, 90% are black and 68% of our skills spend in South Africa supported the development of our black employees. The Ukhamba Trust's 27 fully resourced libraries at public schools in primarily under-privileged communities south of Johannesburg, touch the lives of approximately 29 000 learners, assisting over 1 000 teachers and employing 70 people who were previously unemployed. A total of R3,7 million was provided to 86 children of our employees to assist them with their university studies.



SDW: strengthening legitimacy; more information on our transformation efforts, environmental performance and corporate social investment.

Imperial remains deeply committed to strengthening its legitimacy among all its stakeholders and will continue to focus on maintaining high governance standards through appropriate governance structures, ensuring ethical leadership, prioritising its local relevance in all operations and responding to critical social and environmental concerns.

VALLI MOOSA

Chairman of the social, ethics and sustainability committee

GRI G4 index
GRI G4-1 to 2



Our approach to sustainable development

As an international group of companies, we strive at all times to exercise due care in how we go about our commercial activities and in our dealings with our stakeholders.

Our divisions operate in markets with different socioeconomic, political, regulatory and technological profiles. In each case, the complex interplay of opportunities and threats is closely monitored to ensure we respond appropriately with strategies that strengthen our legitimacy and ensure robust competitive positions. The nature of the divisions' markets and the expectations of their stakeholders determine their sustainability initiatives. We aim for shared value creation for all our stakeholders and demonstrate our social relevance by identifying viable new business activities that create concurrent economic and societal value.

Authority and accountability for all aspects of sustainable development is held by the social, ethics and sustainability committee, a sub-committee of the board. Responsibility is formally delegated by the board to the CEO, who in turn delegates responsibility to his direct reports and sequentially throughout the organisation.

The committee's chairman is an independent non-executive board member, and the

committee is attended by the board's chairman and deputy chairman and non-executive and executive board members, as well as the group CEO, representatives from each division, the group head of sustainability and the group risk executive. The committee meets quarterly to review and monitor sustainability performance at group and divisional level, and all material sustainability risks are elevated to the risk management committee and the board. Information that may potentially influence strategic decision-making is reported to the divisional operating boards.

The social, ethics and sustainability committee performs statutory duties, as set out in the Companies Act, No 71 of 2008, for the group and on behalf of our subsidiary companies. In addition, it assists the group in discharging its social, ethics and sustainability responsibilities and implementing practices consistent with good corporate citizenship, with particular focus on King IV and BBBEE requirements, our sustainability, transformation, environmental and socioeconomic development commitments, and the group's code of ethics and corporate values.

During the year, the social, ethics and sustainability committee considered the following issues:

- > Imperial's standing in terms of the goals and purposes of the ten principles set out in the United Nations Global Compact Principles, the Organization for Economic Cooperation and Development (OECD) recommendations regarding

corruption, the Employment Equity Act and the BBBEE Act.

- > The promotion of equality, prevention of unfair discrimination and reduction of corruption.
- > Imperial's contribution to the development of communities.
- > Environmental, health and public safety, including the impact of our activities and products or services.
- > Consumer relationships, including Imperial's advertising, public relations and compliance with consumer protection laws.
- > Labour and employment, including Imperial's standing in terms of the International Labour Organisation (ILO) Protocol on decent work and working conditions, as well as our relationships with organised labour and the development of our employees.

GRI G4 index

GRI G4-15, G4-34 to 36, G4-42, G4-45 to 47, G4-49