

**Module: Introduction****Page: Introduction****CC0.1****Introduction**

Please give a general description and introduction to your organization.

Imperial is a diversified multinational industrial, retail and services group operating from over 1200 locations in 31 countries across Africa, Europe, Asia, Australia and America's. Imperial's businesses operate in diverse geographies, industries and markets with different socio-economic, political, regulatory and technological profiles. The complex interplay of opportunities and threats within these environments are addressed with strategies that ensure robust competitive positions. Imperial' strategy seeks to drive capability-based growth and focused value creation through greater strategic clarity and financial discipline at group and divisional level. Our sustainability agenda integrates our activities and shapes our thinking in a way that allows us to go further and make the most of our efforts to do the right thing.

Imperial operates on a matrix linked 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 2016). 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 51000 people, operating in 5 continents
- Has a fleet of over 5 000 trucks as well as access to 2 000 subcontractor vehicles
- The transport fleet traveled more than 745 000 000 million kilometres in 2015/2016
- Has warehousing capacity of over 1 700 000 m<sup>2</sup>
- 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 600 vessels in Europe with a combined load capacity of over 1 million tonnes
- Imperial transports over 90 million tonnes per annum in Europe
- Has been listed on the Johannesburg Stock Exchange (JSE) since 1987

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**CC0.2****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
Fri 01 Jan 2016 - Sat 31 Dec 2016

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**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

Select country
Namibia
Netherlands
Poland
South Africa
Swaziland
Sweden
United Kingdom
Zambia
United States of America
Nigeria
Paraguay
Ghana
Kenya
United Arab Emirates
China

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#### 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)

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#### CC0.6

##### Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email [respond@cdp.net](mailto: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 in CC0.6.

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**Further Information****Module: Management****Page: CC1. Governance**

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**CC1.1****Where is the highest level of direct responsibility for climate change within your organization?**

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

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**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 independent chairman, Group Head of Sustainability, Board Chairman and Deputy Chairman, Group CEO, Chief Financial Officer, and Chief Executives across all divisions, and a number of executive and non-executive board members, including Group Executives: Risk and Talent Management. 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 IV 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;
  - \* Compliance with the regulations of the National Environmental Management Act of the Department of Environmental Affairs (including all the associated National Environmental Management Acts;
  - \*Compliance with all applicable South African Regulations and Acts;
  - 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.
- \*As the group expands its international operating base, and especially as new operations are acquired and integrated into the group, it becomes more complex to ensure that its reputation as a responsible corporate citizen is protected and enhanced. The consistent application of the values that inform our behavior and that of our business partners, as well as of the policies that ensure the highest standards of operation wherever we are in the world, are fundamental in this regard. Ultimately, these depend on a demonstrable commitment to ethics by leaders and managers at every level of the organization. Imperial has a proud tradition of ethical leadership, and the social, ethics and sustainability committee is satisfied that there is a strong ethical culture within the group, enacted and instilled by our leaders, in the combating of climate change.

**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	Incentivized performance indicator	Comment
Business unit managers	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Other: 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. Procurement of fuel efficient fleet.
Environment/Sustainability managers	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Other: 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 Other: Behaviour change related	Number of litres saved per km on fuel usage. Efficient driving behaviour rewarded by utilising satellite tracking to monitor driver behaviour and patterns

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		indicator	
All employees	Recognition (non-monetary)	Emissions reduction project Energy reduction project Energy reduction target Efficiency target Other: 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

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. Imperial's risk assessment process (at divisional and group) considers risks to the relevant operations in the short (1-3 years), medium (3-6 years) and long (>6 years) term. The risks are assessed in terms of timeframe, likelihood, impact and quality of controls .

#### 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 matrix linked management system that encourages independent management. Risks and opportunities are spread across the various divisions, which in themselves are diverse and exposed to different risks and opportunities. The identification process is an internal process linked to Imperial Holdings' and aligned to divisional strategy. Current and potential future risks and opportunities are informed by numerous factors including geographic location, economic situations, legislation, nature and maturity of a business. Identification and assessment of risks and opportunities, begins with Divisional Management at asset level, and are responsible for ongoing monitoring and management of their operating companies' risks and opportunities.

A Risk Executive is appointed to each Imperial Holdings division, responsible for compiling divisional risk registers informed by the business units within that division. The 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 committee comprises of an independent non-executive chairman, division CEO, divisional Finance Director, Group Risk Executive, internal and external audit. Ultimate responsibility for the divisional risk identification process lies with the divisional CEOs and Group Executive Risk. The divisional risks are then elevated to the Group Risk Committee, a sub-committee of the Imperial Group Board, and annually aligned to the strategy. Company level risks, such as brand and reputational risks, are addressed at this level. The Group Risk Committee assists the board in recognising material risks and in ensuring that the requisite risk management culture, practices, policies and systems are implemented and functioning effectively. Risks are also identified at the strategic level and communicated and discussed with divisions to ensure alignment.

#### CC2.1c

##### How do you prioritize the risks and opportunities identified?

Imperial Holdings' prioritizes risks based on an internal rating scale which takes into consideration the impact and likelihood of the risks. Additionally risks are prioritized based on available resources. Strategic Risks, representing the inherent business risks, have been identified. These risks not ranked, but not quantified due to the strategic nature and are consistently monitored in terms of movements in residual company risk exposure and mitigating strategies have been developed

for associated risks. Risks are responded to through acceptance, transfer, avoidance or reduction strategies, taking risk appetites and tolerance levels into consideration and implementing mitigation strategies. Climate Change, specifically the legislative environment and impact on operations, has been identified as a strategic risk. The same process is followed for opportunities. Opportunities are identified, assessed and ranked through a process of assessing the potential value of the opportunity to Imperial. Where relevant, opportunities are incorporated into the group strategic planning process. Imperial Logistics uses a software called Barnowl which is a fully integrated Governance, Risk Management, Compliance and Audit Software tool. In the event that Climate Change poses a risk, it would be highlighted and prioritized

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#### 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

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#### CC2.2

**Is climate change integrated into your business strategy?**

Yes

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#### 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, Passenger and Industrial Logistics; Vehicle Import, Distribution, Dealerships, Retail, Rental and Aftermarket Parts. Imperial Holdings comprises of 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 operating in 31 countries, 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's business strategy have also been influenced by further factors relating to climate change such as:

\*Increased energy costs: In South Africa specifically, the awaited introduction of a carbon tax coupled with the increase in electricity and fuel prices has driven the need to improve energy efficiency, resulting in reduced GHG emissions from business operations.

\*Reputation and ethical responsibility: Integration of climate change into Imperial's business strategy comes from the group value to act responsibly and to conduct business in a transparent and ethical manner. Imperial strives to manage their climate change risks and impacts to ensure that the group's reputation as a responsible corporate citizen is maintained at the highest standard.

\*Changes in customer awareness and expectations: The group's customers may require environmentally sound products and services that assist them in achieving their sustainability targets and is in line with their own sustainability values.

Imperial Holdings' short/medium-term strategy (5 to 10 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 (fifteen 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, consumer behaviour, customer expectations and demands, reputational importance, and Imperial's reduction in energy costs through the implementation of renewable energy Imperial's short and long terms strategy to sustainability and climate change 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, and has led to various carbon emissions reduction projects throughout the group

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CC2.2b

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

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**CC2.2c****Does your company use an internal price on carbon?**

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

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**CC2.2d**

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

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**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

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**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	Support with major exceptions	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. During November 2015, the long awaited second Draft Carbon Tax Bill for public comment was issued. The publication of the Draft Carbon Tax Bill provided an opportunity for further comments on the design and technical details of the carbon tax policy and administration. However, it should be noted that the final tax rate, exemptions, and the actual date of implementation will be determined by the Minister of Finance through the annual Budget process, planned implementation date was meant to be 1 January 2016. The	We support the carbon tax, however with the following major exceptions: - 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 its 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.

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		carbon tax will be implemented together with complementary measures like a reduction in the electricity levy and other measures to recycle revenue.	

**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	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: 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	The CEO of Imperial Logistics South Africa is a member of the board of the RFA, and while Imperial Holdings does not oppose the carbon tax, similar concerns are shared with the RFA. Imperial's engagement with the RFA includes input on sustainable transport and carbon reduction initiatives for the industry to consider.

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?
		transport uneconomical.	
Southern Vehicle African Renting and Leasing Association (SAVRALA)	Consistent	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 recognizes 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.	An Imperial Holdings Car Rental division executive is a member of the SAVRALA board, and provides guidance on issues, including those climate change related and guidance on policy development.

CC2.3d

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

CC2.3e

Please provide details of the other engagement activities that you undertake

CC2.3f

**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.

At Divisional level, Imperial Logistics and the Vehicle Import, Retail and Aftermarket Parts have their own separate Social, Ethics and Sustainability Committee's, comprising the CEO's of every operating entity, assisted by dedicated Sustainability Champions. These committee's meet quarterly where activities that may influence Policy are discussed, with their own set Sustainability agendas and work plans, all within the framework of the Imperial Holdings broader sustainability

strategy. The Imperial Holdings Group Head of Sustainability attends this meeting and give direction where necessary. Decisions and projects undertaken at these meetings are filtered down to the respective sustainability champions in the respective operating entities for implementation and monitoring.

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### CC2.3g

Please explain why you do not engage with policy makers

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### Further Information

Imperial Holdings also publicly disclose a list of research organization's that we fund. Details of the other engagement activities that we undertake and fund are: Imperial Holdings plays a leading role in Road Safety Initiatives, Funding and support of Roadside Wellness Clinics with respect to HIV/Aids, establishment and continuous support of primary health care clinics, establishment and continuous support in school library projects. Well entrenched Group strategy and implementation in Road Safety, Health Care and Education.

### Page: CC3. Targets and Initiatives

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### CC3.1

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

No

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### CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
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**CC3.1b**

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
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**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
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**CC3.1d**

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
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**CC3.1e**

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
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**CC3.1f**

**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 new sustainability management system (Enablon). This system collates, processes, tracks and communicates data from each business 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, however Imperial Holdings is still in the process of consolidating targets for the divisions and the group.

While Imperial Holdings is presently implementing a multitude of new technologies and energy efficiency initiatives across their divisions, the strategic objectives of Imperial Holdings are 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.

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**CC3.2**

**Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?**

Yes

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**CC3.2a**

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	Imperial Logistics is a major service provider to the Fast-Moving Consumer Goods (FMCG) Industry. Continuous research is being conducted to improve fuel consumption (diesel and petrol), both in more economical engines, as well as methods to reduce fuel consumption due to the consumption of energy from refrigeration installations (e.g. solar panels installed on trailers which can charge batteries. From the battery pack various elements within the truck can be operated). These directly impact on a Principle's (client) Scope 3 emissions.	Avoided emissions	Other:	0%	Less than or equal to 10%	
Group of products	Imperial Logistics runs a large fleet of trucks and fuel efficiency is a major consideration. Truck modifications to reduce fuel consumption (Scope 1 emissions) include research into testing of a hydrogen unit which produces hydrogen energy from water (H2O). It is a "hydrogen-on-demand system" whereby hydrogen is injected into the fuel system as and when needed. This enhances the combustion process and reduces harmful gasses being emitted. These directly impact on a Principle's (client) Scope 3 emissions	Avoided emissions	Other:	0%	Less than or equal to 10%	

**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 CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	
To be implemented*	8	500
Implementation commenced*	8	3665.92
Implemented*	1	60
Not to be implemented	0	

### CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	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, 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	60	Scope 1	Voluntary	0	300000	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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	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
	powered by liquid nitrogen which has zero carbon emissions. This is a voluntary initiative aimed at reducing Imperial Holdings' Scope 1 emissions.								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, 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	1300000	4-10 years	6-10 years	While the CO2 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: R150 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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	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
									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. This initiative is due to continue until 2018 and potentially further (until investment into Euro 6 trucks).
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. Imperial Holdings Logistics division has invested in a vehicle management system (FleetBoard) for the Mercedes-Benz truck fleet. This analysis instrument	500	Scope 1	Voluntary	0	5500000	4-10 years	6-10 years	The investment figure provided includes the initial capital cost for the software per vehicle and the the annual license fee per vehicle, for 250 vehicles. This initiative will be implemented at a further 8 sites representing 400 vehicles within the next 3-5 years

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	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
	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.								
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		Scope 1	Voluntary	0	500000	4-10 years	6-10 years	The investment figure provided includes the initial capital cost for the software per vehicle and the the annual license fee per vehicle

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	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
	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.								
Transportation: fleet	Europcar (Business Unit of Imperial's Car Rental Division) continues to maintain 98 VW Polo TDI Blue Motion vehicles in their fleet. 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. This voluntary initiative is estimated to reduce Europcar's Scope 1 emissions. The expected lifetime of this initiative is one year for the current fleet, however new fleets will be introduced annually.	188	Scope 1	Voluntary	0	13132294	4-10 years	3-5 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	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
Energy efficiency: Building services	Implemented by Imperial Logistics South Africa, this project involved retrofitting old, energy inefficient technologies with new, energy efficient technologies in two of their sites: Goldfields Logistics and Imperial Cargo solutions. This voluntary initiatives aims to reduce Scope 2 emissions and is expected to last at least 8 years	90.57	Scope 2 (location-based)	Voluntary	1372380	2391491	1-3 years	6-10 years	
Energy efficiency: Building services	The following projects are to be implemented by Imperial Logistics South Africa: Implementing the above 'energy efficiency project' at a further 12 sites in Gauteng. Completing the feasibility study looking at the implementation of renewable energy at Garfield Logistics Park. Retrofitting of the Freightmax Belfast facilities. These voluntary initiatives aim to reduce Scope 1 and 2 emissions and are expected to last at least 12 years	3370.53	Scope 1 Scope 2 (location-based)	Voluntary	3303401	5715679	1-3 years	11-15 years	
Transportation: fleet	Imperial Logistics South Africa are currently testing a more energy efficient vehicle – a compressed natural gas powered truck tractor coupled with a 12m	16.82	Scope 1	Voluntary		2028322	1-3 years	3-5 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	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
	refrigerated double axel trailer and diesel powered cooling unit. The tCO2e savings provided represents average tons/truck/annum, and the investment required represents the cost of one truck. This is a voluntary initiative to reduce Scope 1 emission, and is expected to last								
Energy efficiency: Building services	Installation of PV System		Scope 2 (location-based)	Voluntary	300000	1300000	4-10 years	6-10 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 programs.
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

Method	Comment
	corporation and elicit ideas and input on how best to integrate this initiative into their day-to-day roles and responsibilities
Internal incentives/recognition programs	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 have started 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	Imperials 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.
Compliance with regulatory requirements/standards	Imperial Logistics developed a set of five environmental performance standards, all directly or indirectly focused on best practice technologies to reduce Greenhouse Gas Emissions and contribute towards mitigating the impacts of Climate Change.

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#### CC3.3d

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

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#### Further Information

Please see attached document on the Imperial Logistics Environmental Management Standards

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#### Attachments

<https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC3.TargetsandInitiatives/Management Standards Full Document Ver 1 Rev 0.pdf>

#### Page: CC4. Communication

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#### CC4.1

Have you published information about your organization'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	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed online Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/Sustainable%20Development%20Report%202016.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2016.pdf</a>	The previous column is not allowing us to attach the website link, as the report is an online Web Based Report. All Documents can be accessed via the following link: <a href="http://imperial-reports.co.za/reports/iar_2016/sdr_2016/">http://imperial-reports.co.za/reports/iar_2016/sdr_2016/</a> Full disclosure sustainable development report including historical trend
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed online Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/Sustainable%20Development%20Report%202015.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2015.pdf</a>	The previous column is not allowing us to attach the website link, as the report is an online Web Based Report. All Documents can be accessed via the following link: <a href="http://imperial-reports.co.za/reports/iar_2015/sdr_2015/">http://imperial-reports.co.za/reports/iar_2015/sdr_2015/</a> Full disclosure sustainable development report including historical trend
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/Sustainable%20Development%20Report%202014.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2014.pdf</a>	Full disclosure sustainable development report including historical trend
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/Sustainable%20Development%20Report%202013.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2013.pdf</a>	Full disclosure sustainable development report including historical trend
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/CC4.1/Sustainable%20Development%20Report%202012.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2012.pdf</a>	Full disclosure sustainable development report including historical trend

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2011.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2011.pdf</a>	Full disclosure sustainable development report including historical trend
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2010.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development Report 2010.pdf</a>	Full disclosure sustainable development report including historical trend
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Completed Sustainable Development Report. Various pages and sections	<a href="https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development report 2009.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainable Development report 2009.pdf</a>	Full disclosure sustainable development report including historical trend

## Further Information

### Attachments

<https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC4.Communication/Sustainable Development Report 2016.pdf.pdf>

<https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC4.Communication/Sustainable Development Report 2015.pdf>

## 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	Timeframe	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 <sub>2</sub> e proposed to commence in 2018 increasing annually by 10% for 5 years. It is	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 either in direct carbon taxes or indirectly through the fuel levy, depending on where Treasury wishes to source the funding from	The greatest impact will be on the Logistics division. Current management methods for this division include: - 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	The collective annual cost of management has not been calculated. However the annual cost associated with continued measurement is R1.2million for the sustainability management system. This cost is budgeted for. The cost of external assurance for Scope 1 and 2 is R750 000.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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.</p> <p>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.</p>							at reducing the impact of the risk by 2018.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	<p>General: Currently, a carbon tax is levied on the sale of new passenger cars. New passenger cars are taxed on CO2 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.</p> <p>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.</p>	Reduced demand for goods/services	1 to 3 years	Direct	Likely	Low-medium	<p>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.</p>	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 R1.5million.
Emission	General: The	Other:	Up to 1	Direct	Very likely	Medium	The initial set up	The risk is	The annual cost of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
reporting obligations	King IV Report requirements relating to sustainability recommend an increase in disclosure, thus influencing emissions reporting obligations. South Africa's National Climate Change Response 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.	Increased Administrative Cost	year				cost of the sustainability management system was in excess of R12million. Reporting assistance is estimated to exceed R300 000.	currently managed though 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 implementation of the sustainability management system, roughly R1.2million, is budgeted for.
Lack of regulation	Company specific: Imperial Holdings is a multinational organisation. Lack of consistent global	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.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	regulation presents difficulties in operating, lack of clarity and uncertainty, therefore affecting long-term planning and decision making.								

**CC5.1b**

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

Risk driver	Description	Potential impact	Timeframe	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	Implementation of the sustainability management system exceeded R12million as a once off capital cost. The cost of running the system is roughly R1.2million annually, and is budgeted for.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								therefore implementation of specific reduction targets. The current management method is aimed to reduce the impact on the organization should this risk materialize.	
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 R2000 per vehicle annual license fee. This is a budget cost.
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,	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.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.								
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 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 operational and 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 R2.4million.	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 R2000 per vehicle annual license fee.
Induced	Company specific:	Inability to	>6 years	Indirect	More likely	High	The cost	No specific	As no

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
changes in natural resources	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.	do business		(Supply chain)	than not		associated with this risk has not been determined.	management methods currently exist for this risk.	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 R26million 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.
Change in precipitation extremes	Imperial Logistics has identified Climate Change as a risk to	Increased operational cost	>6 years	Direct	Very likely	High	Not yet calculated	This is resulting in increased Research and Development	The collective annual cost of management has

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
and droughts	<p>the business and having the potential to significantly affect operations or revenue. A significant portion of the supply chain risks due to drought and precipitation extremes are already affecting operations, or are expected to have an effect within the foreseeable future. Other concerns include the potential for reducing or disrupting production capacity and reduced demand for goods. Droughts for example have an indirect negative impact on the business in the sense that water resources are under stress and operations that were dependent on groundwater aquifers for supply, now need to seek alternative ways to obtain a reliable source, or need to adapt their operations to become less dependent on water (e.g. move towards waterless truck washing operations). Increased ambient temperatures also</p>							costs	not been calculated

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	require refrigerated trucks to put more stress on cooling systems, resulting on higher fuel consumptions, if alternative methods, such as PV systems, are not investigated. If the ambient temperature increases, additional cooling in offices and warehouses are required, which put stress on heating, ventilation and air conditioning systems								

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	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	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

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.								surveys at the cost in excess of R50million, and intends to conduct a further in depth, substantial relationship management stakeholder engagement study in the foreseeable future.
	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	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: - 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 R1.5million.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.								
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	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: - 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 R12million.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Logistics has thus invested in five Euro5 trucks, designed to reduce emissions.								

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**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

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**CC5.1e**

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

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**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

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**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	Timeframe	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	The costs for management of this opportunity have not been quantified.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								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.	
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	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	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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.							informed of emissions trading regulations and developments.	is budgeted for, is roughly R1.2million.
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	Reduced operational costs	1 to 3 years	Direct	Very likely	Medium-high	While there has been an improvement in 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 R1.2million.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	decreased carbon emissions.								
General environmental regulations, including planning	As a result of changes in regulations, specifically related to Climate Change and reporting requirements Imperial Logistics has seen a general increased awareness in matter related to Climate Change.	Other: More focus on GHG reduction projects.	3 to 6 years	Direct	Very likely	Medium	Imperial Logistics has identified 3 possible Solar PV Projects that will need extra CAPEX to the value of around R4 million.	These opportunities are managed through accurately measuring the emissions of each potential initiative and documenting the processes for each initiative for future verification purposes	The costs for management of this opportunity have not been quantified

#### CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	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	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	While Imperial Holdings Logistics division currently utilises route planning and optimisation across their fleet, they are constantly	The costs for management of this opportunity have not been quantified.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.						cost related to this opportunity has not been quantified.	collaborating with customers to ensure the service offered meets customer expectations and needs.	
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	The two main management methods include: - 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	The costs for management of this opportunity have not been quantified.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							essential for increased operations.	effectively to changes within the supply chain due to changes in physical climate parameters.	
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	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 R4.7million additional construction costs to develop a 'green' dealership and an additional R10million was spend on the AUDI Sandton	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	The costs for management of this opportunity have not been quantified.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.						and AUDI Bloemfontein dealerships respectively.	is the Imperial Kia dealership in Weltevreden Park as well the AUDI dealerships in Sandton and Bloemfontein respectively, which spent an additional R3.8 million over and above the construction costs on 'going green'.	

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Company	Increased	Up to 1	Direct	Very likely	High	There are	Methods to	As the current

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.	demand for existing products/services	year				potential significant financial benefits to improving the reputation of Imperial Holdings through increased investment, improved shareholder value and increased customers.	manage the opportunity to improve Imperial Holdings' reputation offered by climate change include: - 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.	management methods are addressed by the sustainability directors and managers within the divisions, there are no additional costs foreseen.
	Company specific: Provides an opportunity to expand Imperial Holdings product/service	Premium price opportunities	Up to 1 year	Direct	Very likely	Medium-high	A change in consumer behaviour offers the opportunity for increased demand for	Methods to manage this opportunity include: - investing in and piloting new	Although there will be costs associated with the aforementioned actions, they will

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	offerings.						Imperial Holdings' product/service offerings, and thus a positive financial implication.	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.	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

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CC6.1e

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

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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

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**Further Information**

**Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading**

**Page: CC7. Emissions Methodology**

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CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Mon 01 Jan 2007 - Mon 31 Dec 2007	853240
Scope 2 (location-based)	Mon 01 Jan 2007 - Mon 31 Dec 2007	139220
Scope 2 (market-based)		

Scope	Base year	Base year emissions (metric tonnes CO2e)

**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

Gas	Reference
Other: R507 or R507a	Other: GHG Protocol
Other: R406a	Other: GHG Protocol
Other: R22	Other: GHG Protocol

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#### 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

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#### Further Information

Please find attached : Imperial Holdings Emission Factors for CC7.4 \* NB - Scope 2 - Market Based - Not Applicable to Imperial

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#### Attachments

<https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/Emission Factors for Imperial Holdings.xlsx>

**Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)**

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#### CC8.1

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

Operational control

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**CC8.2**

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

1042212.62

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**CC8.3**

**Please describe your approach to reporting Scope 2 emissions**

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure		We obtain information on a monthly basis from all owned or operated location sites from where we conduct business.

---

**CC8.3a**

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
197391.12		For the period 1 January 2016 to 31 December 2016 for all our owned or operated locations from where we conduct business

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**CC8.4**

Are there 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 location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	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 decentralized structure with many diverse business facilities. Although every reasonable measure is taken to ensure the accuracy of collected data, the possibility of small variations always exists. Imperial Holdings utilizes an advanced, central sustainability system across all the divisions for the collection, management, tracking and reporting of data. The 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 (location-based)	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.
Scope 2 (market-based)			

**CC8.6**

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

Third party verification or assurance process in place

**CC8.6a**

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC8.6a/Imperial_IAR_2016_Independent_limited_assurance_report.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC8.6a/Imperial_IAR_2016_Independent_limited_assurance_report.pdf</a>	Page's 134 and 135 of the Imperial Annual Integrated Report 2016	ISAE3000	100

**CC8.6b**

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

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission
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**CC8.7**

**Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures**

Third party verification or assurance process in place

**CC8.7a**

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC8.7a/Imperial_IAR_2016_Independent_limited_assurance_report.pdf">https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/CC8.7a/Imperial_IAR_2016_Independent_limited_assurance_report.pdf</a>	Page's 134 and 135 of the Imperial Annual Integrated Report 2016	ISAE3000	100

**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
Other:	Second year Limited Assurance being undertaken by third party. Other data points assured by 3rd party include: Road Fatalities (company) (Absolute) Road accidents (Absolute) Accidents per million kilometres Fatalities per million kilometres Diesel consumed - Normal engine (Litres) Petrol consumed - Normal engine (Litres) Electricity consumed (Kilowatt hours)

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#### CC8.9

**Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

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#### CC8.9a

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

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#### Further Information

Please see attached Imperial Holdings Carbon Footprint Summary 2016 with historical analysis. \*NB- Relevant Standard - ISAE3000 (Revised)

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#### Attachments

[https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC8.EmissionsData\(1Jan2016-31Dec2016\)/Imperial Emissions Data 17 06 2017 CDP.xlsx](https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC8.EmissionsData(1Jan2016-31Dec2016)/Imperial Emissions Data 17 06 2017 CDP.xlsx)

**Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)**

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#### CC9.1

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

Yes

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**CC9.1a**

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

Country/Region	Scope 1 metric tonnes CO2e
Africa	516635.10
Europe	506995.73
Oceania	1880.83
United States of America	16700.96

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**CC9.2**

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

By business division

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**CC9.2a**

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

Business division	Scope 1 emissions (metric tonnes CO2e)
Vehicle Retail	45779.46
Vehicle Distributorships	21295.73

<b>Business division</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>
Financial Services	506.58
Logistics Division	974630.86

---

**CC9.2b**

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

<b>Facility</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>	<b>Latitude</b>	<b>Longitude</b>
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**CC9.2c**

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

<b>GHG type</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>
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**CC9.2d**

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

<b>Activity</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>
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**Further Information**

Please see attached Scope 1 by Region and Division

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**Attachments**

[https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC9.Scope1EmissionsBreakdown\(1Jan2016-31Dec2016\)/Imperial Emissions Data 17 06 2017 CDP.xlsx](https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC9.Scope1EmissionsBreakdown(1Jan2016-31Dec2016)/Imperial%20Emissions%20Data%2017%2006%202017%20CDP.xlsx)

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**Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)**

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**CC10.1**

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

Yes

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**CC10.1a**

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

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Africa	164763.97		159786.75	
Europe	3210.05		54799.84	
Oceania	27395.88		2288.25	
United States of America	2021.22		6021.43	

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**CC10.2**

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

By business division

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**CC10.2a**

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

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Vehicle Retail		54749.53
Vehicle Distributorships		30538.33
Financial Services		1049.59
Logistics Division		111053.67

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**CC10.2b**

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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**CC10.2c**

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

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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**Further Information**

Please find attached spreadsheet for Scope 2 emissions

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**Attachments**

[https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC10.Scope2EmissionsBreakdown\(1Jan2016-31Dec2016\)/Imperial Emissions Data 17 06 2017 CDP.xlsx](https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC10.Scope2EmissionsBreakdown(1Jan2016-31Dec2016)/Imperial Emissions Data 17 06 2017 CDP.xlsx)

**Page: CC11. Energy**

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**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%

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**CC11.2**

**Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year**

Energy type	MWh
Heat	0
Steam	0
Cooling	0

---

**CC11.3**

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

3181704.16

**CC11.3a**

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

Fuels	MWh
Diesel/Gas oil	2026287.79
Motor gasoline	196504.19
Biodiesels	2990.29
Liquefied petroleum gas (LPG)	15997.78
Residual fuel oil	652113.11
Lubricants	13886.16
Kerosene	113.69
Natural gas	36513.02

**CC11.4**

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor			

**CC11.5**

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
237298.15	237298.15	0	0	0	

#### Further Information

Please see attached MWh calculations spreadsheet Question CC11.3 - the number indicated includes Fuel and Electricity Question CC11.1 - Operational Spend on Electricity calculation

#### Attachments

[https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC11.Energy/Imperial Emissions Data 17 06 2017 CDP.xlsx](https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC11.Energy/Imperial%20Emissions%20Data%2017%2006%202017%20CDP.xlsx)

### 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?

Increased

#### 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	Please explain and include calculation
Emissions reduction activities		Increase	The main reason is due to the acquisitions made in the Logistics Business as well as increase in the Vehicle Retail business where new dealerships were opened.
Divestment			
Acquisitions			
Mergers			
Change in output	2.47	Increase	The main reasons for increase in both Scope 1 and 2 is due to reorganization and consolidation in the Logistics Vehicle Retail Businesses. Also coupled to that were acquisitions made in the Logistics Business and an increase in new dealerships in the Vehicle Import and Retail businesses. The % change for scope 1 was 20.43% increase and a decrease of -9.72 for Scope 2. The average increase was 14.35% for both the scopes.
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

**CC12.1b**

**Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

**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 (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000010	metric tonnes CO2e	120336302373	Location-based	8	Increase	Revenue increased roughly 6% through organic growth and expansion of the operations. Carbon emissions increased by roughly 14.35 %, however, increased significantly less proportionally due to divestment, restructuring (consolidating offices), emission reduction activities and outsourcing of certain operations. Therefore an increase in the tCO2/unit total revenue is observed

### CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
24.18	metric tonnes CO2e	full time equivalent (FTE) employee	51256	Location-based	0.5	Increase	Due to the business consolidation and restructuring Imperial Holdings increased their full time equivalent (FTE) employees by 0.5%. Due to the carbon emissions increasing proportionally less due to divestment and further investments, an increase in the tCO2/FTE employee can be seen

### Further Information

Please find attached Imperial Holdings Intensity calculations 2016

### Attachments

**Page: CC13. Emissions Trading**

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**CC13.1**

**Do you participate in any emissions trading schemes?**

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

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**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 CO2e	Details of ownership

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**CC13.1b**

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

To reduce emissions to comply with the requirements and to procure credits and allowances for the residual

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**CC13.2**

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

No

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**CC13.2a**

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

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance

**Further Information**

**Page: CC14. Scope 3 Emissions**

**CC14.1**

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	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				Due to the diverse and complex nature of the Imperial businesses both in the Logistics and Vehicle divisions which are decentralized by virtue of their business activities, at this time, there are no potential emissions reductions initiatives that could be undertaken by the company relating to these Scope 3 emissions associated with this category.
Capital goods	Relevant, not yet calculated				Due to the diverse and complex nature of the Imperial businesses both in the Logistics and Vehicle divisions which

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					are decentralized by virtue of their business activities, at this time, there are no potential emissions reductions initiatives that could be undertaken by the company relating to these Scope 3 emissions associated with this category.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	11 144.81	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).	95.00%	The data is noted to be of a relatively high quality as 95% 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. 5% of the total kWh is based on a m2 calculation .
Upstream transportation and distribution	Relevant, not yet calculated				Due to the diverse and complex nature of the Imperial businesses both in the Logistics and Vehicle divisions which are decentralized by virtue of their business activities, at this time, there are no potential emissions reductions initiatives that could be undertaken by the company relating to these Scope 3 emissions associated with this category.
Waste generated in operations	Relevant, not yet calculated				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 has already been implemented and is functional with huge benefits to the company. An Imperial subsidiary - Pande Green, collects waste oil, plastics, glass and other waste material from the Vehicle Retail dealerships. The waste is disposed off

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					responsibly in accordance with the Waste Act and certificates of disposal are also issued.
Business travel	Relevant, calculated	5158.30	<p>Yes. This figure represents the carbon emissions 1) Business air travel and 2) Rental car mileage for business purposes. 1) Business air travel is calculated using the following categories: Short-haul (&lt;1600km) Economy Class 0.0925 kg CO2/passenger km; Short-haul (&lt;1600km) Business Class 0.1387 kg CO2/passenger km; Long-haul (&gt;1600km) Economy Class 0.0826 kg CO2/passenger km; Long-haul (&gt;1600km) 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 (<a href="http://www.airrouting.com">www.airrouting.com</a> and <a href="http://www.worldairportcodes.com">www.worldairportcodes.com</a>).</p> <p>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/km). Emission factors are sourced from the GHG Cross-Sector Tools - Mobile Distance(UK) (2009).</p>		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Employee commuting	Relevant, calculated	1212.10	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
Upstream leased assets	Not evaluated				
Downstream transportation and distribution	Relevant, not yet calculated		Yes. Imperial Holdings has added the KPI of 'Sub-contractor kilometers traveled' to the sustainability management system. The following categories are available: 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]. 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		
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				

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported 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 (percentage)	Direction of change	Comment
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in output	10	Decrease	Electricity consumption has decreased in South Africa due to stagnant growth, therefore the transmission and distribution losses will decrease.
Business travel	Emissions reduction activities	23	Decrease	Our long distance travel, and our overall commuting is relatively down due to 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 suppliers  
Yes, our customers  
Yes, other partners in the value chain

**CC14.4a**

**Please give details of methods of engagement, your strategy for prioritizing 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.

Imperial businesses where practically possible, evaluates GHG emissions of our suppliers as a part of our supplier evaluations. We also cooperate closely with our suppliers and customers to develop solutions to help them reduce their footprint, as well as the footprint of their products. In addition, Imperial engages with different stakeholders through industry associations and multi-stakeholder processes.

Imperial is active in industry efforts to improve supply chain operations and cognizant of the influence we can have toward sustainable practices given our position as a large purchaser. We aim to reduce the potential impacts of the materials and services we procure and encourage our suppliers to improve their operational performance.

Imperial businesses have helped develop a sustainability framework, which identifies best practices for embedding sustainability into an organization in the areas of supply chain operations, products and services, and supplier performance. Over the next three to five years, Imperial, along with other members have committed to improving their performance in each of those three areas

**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**

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Collaboration/innovation	200	90%	Imperial's impact with our suppliers is quite substantial due to the nature of our diverse business's, we engage directly with our vehicle suppliers that we procure from locally and imported, which makes up a substantial proportion of our business, supplying us with lower carbon and more efficient vehicles. As a major fuel user, our fuel procurement is quite substantial, and we engage constantly with our fuel suppliers to continuously improve their product ranges, so that our fuel consumption in our vehicles is continuously improving which results in a lower carbon footprint for Imperial.

**CC14.4c**

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**

Please find attached Scope 3 spreadsheet relevant to questions CC14.1 and 14.3 respectively

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**Attachments**

[https://www.cdp.net/sites/2017/81/8881/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC14.Scope3Emissions/Imperial Emissions Data 17 06 2017 CDP.xlsx](https://www.cdp.net/sites/2017/81/8881/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC14.Scope3Emissions/Imperial%20Emissions%20Data%2017%2006%202017%20CDP.xlsx)

**Module: Sign Off**

**Page: CC15. Sign Off**

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**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

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**Further Information**

**CDP**