

Our approach to sustainable development

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

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

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

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

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

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

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

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

corruption, the Employment Equity Act and the BBBEE Act.

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

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