

# 2017 performance

STRATEGIC FOCUS	PROGRESS MADE TO DATE	OBJECTIVES
<p><b>Core data:</b> relevant, objective people data to easily identify the right incumbents for key roles.</p>	<p><b>Imperial Holdings</b></p> <ul style="list-style-type: none"> <li>&gt; Assessed the group's human capital capability.</li> <li>&gt; Audited the group's people practices.</li> <li>&gt; A performance management practice framework has been recommended.</li> <li>&gt; Analysed all human capital policies and agreements to inform the new human capital system and standardised practices.</li> </ul> <p><b>Imperial Logistics South Africa and Motus</b></p> <ul style="list-style-type: none"> <li>&gt; Developed generic job profile grids mapped to organisational structures and which clearly define the outputs and competencies associated with each role.</li> <li>&gt; Linked people to generic job profiles with clear reporting lines mapped on documented organograms.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Fair and standardised people practices that have the flexibility to cater for specific business needs, and are free of race and gender bias.</li> <li>&gt; Consistent and relevant information that supports human capital processes, including succession and talent management.</li> <li>&gt; Empowered employees able to better navigate potential career paths.</li> </ul>
<p><b>Talent:</b> the right people with the right skills in the right roles to deliver on our strategic objectives.</p>	<ul style="list-style-type: none"> <li>&gt; Developed talent strategies for Imperial Holdings, Imperial Logistics and Motus.</li> <li>&gt; Determined the succession status of strategically critical roles in Imperial Logistics and Motus.</li> <li>&gt; Held strategic talent reviews with executives and senior managers across the group to assess their cognitive and behavioural leadership skills. The results inform talent discussions and personal development plans. A total of 570 talent conversations undertaken.</li> <li>&gt; Developing an executive development framework.</li> <li>&gt; Formulating strategies to respond to talent risk, covering the employee value proposition, talent sourcing and retention strategies.</li> <li>&gt; Implemented change management initiatives across the group.</li> <li>&gt; Strengthened human capital capability at Imperial Holdings level and within Motus.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; An executive succession and self-developmental ethos across the group.</li> <li>&gt; A clear view of internal talent capable of moving into strategically critical positions in the next three to five years, and where succession challenges exist.</li> <li>&gt; Progression of black employees into senior management.</li> </ul>
<p><b>Human capital technology and payroll solution</b></p>	<ul style="list-style-type: none"> <li>&gt; Started to design a simpler groupwide payroll system.</li> <li>&gt; Identified gaps in technical infrastructure and started identifying potential solutions.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Better human capital decisions based on accurate and easily accessible data.</li> </ul>

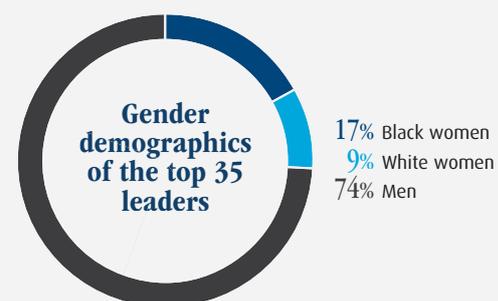
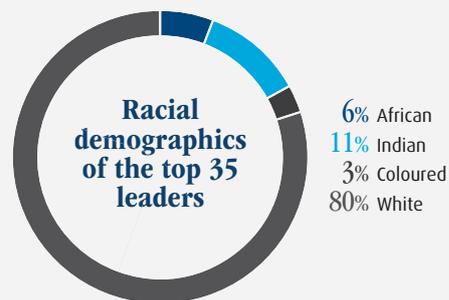
## A strong leadership team to drive change

Over the past year, a lot of work has gone into consolidating Imperial into two clear divisions. This included a review of management positions and functions, and has resulted in a number of new appointments into the new structures in each division. Several individuals have been promoted into key positions from within the group, demonstrating the strength of our talent management programme and deliberate succession planning. At year-end, 23 of the 35 most senior executives in the group were new to their roles. Our leadership teams are younger and excited about introducing new ways of working. We have engaged with these leaders and are working to remove obstacles that may hinder their ability to achieve their strategies and we have given them more accountability for creating value for the group and its stakeholders. At group level we appointed a new chief financial officer (CFO), as well as executives for both organisational effectiveness and strategy. CEOs were appointed for Motus, Logistics African Regions, Hyundai, Kia, Renault and Financial Services. Imperial Logistics appointed a new CFO, chief information officer and a chief strategy and business development officer, and Motus appointed a CFO.

**R371 million, the groupwide capital expenditure on human capital development and information systems.**

## Diversity

### Workforce in South Africa



**99% of senior managers are South African citizens**

(2016: 99%).

## Our employment equity performance in South Africa

Imperial Logistics made good progress against its employment equity targets, and looking forward the focus will be on increasing black female representation, especially at the top and senior management levels. Overall black representation in Motus improved by 0,8% to 68,0%, with increases across all occupational levels with the exception of a marginal decrease of 0,7% in the unskilled occupational level. The division's focus is to develop consolidated employment equity targets to June 2018, after which a new five-year employment equity plan will be implemented. At the group head office, where our workforce is very small, preference is given to black candidates and we look for opportunities to grow the careers of head office employees through transfers to Imperial Logistics or Motus. Within this part of our business, overall black representation decreased by 3,4%, however targets were met for top and junior management levels, as well as the semi-skilled occupational level.

### TOP MANAGEMENT

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

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

### SENIOR MANAGEMENT

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

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

### MIDDLE MANAGEMENT

**Black representation: 37,1%**  
(2016: 35,5%)

**Women representation: 38,2%**  
(2016: 37,6%)

### JUNIOR MANAGEMENT

**Black representation: 62,9%**  
(2016: 60,6%)

**Women representation: 29,2%**  
(2016: 31,5%)

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL	
	A	C	I	W	A	C	I	W	MALE	FEMALE	2017	2016
<b>PERMANENT EMPLOYEES</b>												
TOP <sup>1</sup>	4	1	4	55	3	2	1	4	2	1	77	103
SENIOR <sup>1</sup>	25	9	38	276	12	5	57	77	2	1	502	514
PROFESSIONAL SPECIALIST AND MIDDLE <sup>1</sup>	228	178	288	1 183	188	100	149	720	8	10	3 052	3 316
SKILLED JUNIOR <sup>1</sup>	2 331	920	735	2 091	864	354	239	1 056	54	14	8 658	9 641
SEMI-SKILLED	9 643	1 667	520	527	2 708	874	293	882	42	13	17 169	18 151
UNSKILLED	3 369	431	66	48	877	107	2	8	17	7	4 932	5 679
<b>TOTAL PERMANENT EMPLOYEES</b>	<b>15 600</b>	<b>3 206</b>	<b>1 651</b>	<b>4 180</b>	<b>4 652</b>	<b>1 442</b>	<b>741</b>	<b>2 747</b>	<b>125</b>	<b>46</b>	<b>34 390</b>	<b>37 404</b>
NON-PERMANENT EMPLOYEES	156	22	15	41	73	13	6	17			343	346
<b>TOTAL</b>	<b>15 756</b>	<b>3 228</b>	<b>1 666</b>	<b>4 221</b>	<b>4 725</b>	<b>1 455</b>	<b>747</b>	<b>2 764</b>	<b>125</b>	<b>46</b>	<b>34 733</b>	<b>37 750</b>

<sup>1</sup> Management levels.

Where A = African, C = Coloured, I = Indian and W = White.

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

## Understanding what transformation means for Imperial

Our group CEO, Mark Lamberti, has voiced concern that the group must understand transformation better and develop a coordinated transformation philosophy that is accepted as an integrated and long-term business process. We have therefore engaged with external companies that have made substantial progress in transforming their workforces to learn from their experiences. We also held workshops towards the end of 2016 to give our leaders a new perspective on transformation and to create a safe environment in which to have honest conversations on how transformation can and should be implemented within Imperial.

Workshops covered:

- > The historical context for transformation in South Africa.
- > Transformation as a personal journey that requires all leaders to take ownership.
- > Change at a head and heart level.
- > Transformation as a business imperative.

## Training and development

### 30 executives

ATTENDED DEVELOPMENT PROGRAMMES DELIVERED THROUGH THE UNIVERSITY OF CAPE TOWN'S BUSINESS SCHOOL (2016: 27).

### 7% increase in training spend

from R319 million in 2016.

### R6 901 training spend per employee

(2016: R6 345).

### 1 705 development assessments

UNDERTAKEN BY THE IMPERIAL PSYCHOMETRIC ASSESSMENT CENTRE (2016: 628).

## TRAINING

2017	IMPERIAL LOGISTICS		MOTUS	GROUP TOTAL
	AFRICA	INTERNATIONAL		
NUMBER OF EMPLOYEES	22 555	9 186	17 523	49 364 <sup>1</sup>
TRAINING SPEND (R000)	99 818	35 383	205 448	340 649 <sup>✓</sup>
TRAINING SPEND PER EMPLOYEE (R)	4 426	3 852	11 724	6 901 <sup>✓</sup>
NUMBER OF TRAINING HOURS	537 884	11 106	1 251 714	1 800 704 <sup>✓</sup>
NUMBER OF TRAINING HOURS PER EMPLOYEE	24	na <sup>3</sup>	71	36 <sup>2✓</sup>
2016	IMPERIAL LOGISTICS		MOTUS <sup>4</sup>	GROUP TOTAL
	AFRICA	INTERNATIONAL		
NUMBER OF EMPLOYEES	23 241	7 437	19 436	50 291 <sup>1,5</sup>
TRAINING SPEND (R000)	109 299	24 068	185 709	319 076
TRAINING SPEND PER EMPLOYEE (R)	4 703	3 236	9 555	6 345 <sup>5</sup>
NUMBER OF TRAINING HOURS	441 848	4 960	365 551	812 359
NUMBER OF TRAINING HOURS PER EMPLOYEE	19	na <sup>3</sup>	19	16

<sup>1</sup> Includes 100 employees based at head office.

<sup>2</sup> Includes apprentice training hours.

<sup>3</sup> Imperial Logistics International tracks the number of hours for managers and young professionals only. During 2017, 10 952 hours of training were delivered to these employees (2016: 4 960).

<sup>4</sup> 2016 numbers have been restated to reflect the consolidation of Motus.

<sup>5</sup> 2016 restated.

<sup>✓</sup> Satisfied with performance.

<sup>°</sup> Area for improvement.

## 2017 performance

### DRIVER SAFETY

2017	IMPERIAL LOGISTICS		MOTUS	GROUP TOTAL
	AFRICA	INTERNATIONAL		
ROAD KILOMETRES TRAVELLED (MILLION)	422	85	225	732
ROAD ACCIDENTS (COMPANY)	105	209	110	424✓
ROAD ACCIDENTS PER MILLION KILOMETRES	0,249	2,459	0,489	0,579✓
ROAD INJURIES (COMPANY)	43	9	96	148°
ROAD INJURIES PER MILLION KILOMETRES	0,102	0,106	0,427	0,202°
ROAD FATALITIES (COMPANY)	4	0	0	4°
ROAD FATALITIES PER MILLION KILOMETRES	0,009	0	0	0,005°
2016	IMPERIAL LOGISTICS		MOTUS <sup>1</sup>	GROUP TOTAL
	AFRICA	INTERNATIONAL		
ROAD KILOMETRES TRAVELLED (MILLION)	443	79	215	737
ROAD ACCIDENTS (COMPANY)	181	133	364	678
ROAD ACCIDENTS PER MILLION KILOMETRES	0,409	1,684	1,693	0,920
ROAD INJURIES (COMPANY)	70	8	67	145
ROAD INJURIES PER MILLION KILOMETRES	0,158	0,101	0,312	0,197
ROAD FATALITIES (COMPANY)	1	0	0	1
ROAD FATALITIES PER MILLION KILOMETRES	0,002	0	0	0,001

<sup>1</sup> 2016 numbers have been restated to reflect the consolidation of Motus.  
✓ Satisfied with performance.  
° Area for improvement.

# Looking forward

The implementation of effective integrated people practices will require upfront expenditure but is expected to realise staff cost and efficiencies savings over the next three to five years. Our people data reporting capability is expected to improve, facilitating strategic workforce planning and talent decisions, as well as the ability to track, manage and report employee-related cost and investment. For example, accurate data will provide a better understanding of what training is required to progress an employee's career or our productivity and, in turn, enable us to measure our return on training investment.

Our human capital teams across the group will work in unison to deliver the people practices framework with appropriate nuances between Imperial Logistics and Motus, although implementations will take place at differing times. The first pilot of the new technology solutions will go live early in 2018 with full implementation expected in 2019.

Our goal is to have a workforce that is constantly improving and adding greater value to our businesses, as well as empowered employees who are able to advance their career prospects and personal development ambitions. Not only will this help us to build skills internally, but it will enhance our position as a multinational organisation that offers developmental opportunities, contributing to our attractiveness as an employer of choice to our employee of choice.

#### GRI G4 index:

GRI G4-2, G4-10, G4-11, G4-26 to 27, G4-51, EC6, LA6, LA9, LA10, LA12