

Imperial, Beyond Possibility

Demonstrating Imperial's
socio-economic impact
in Nigeria between F2019
and F2020

Imperial[™]
beyond possibility



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Foreword

From the desk of Mohammed Akoojee,
Imperial's Group Chief Executive Officer



Everyone who works for Imperial is united by one clearly defined common purpose – connecting Africa and the world and improving people's lives with access to quality products and services. This means that – as a business and as individuals – we make a meaningful difference in people's lives and play a key role in the development of Africa.

Imperial enables access to quality products and services for millions of people in our 25 countries of operation, 20 of which are on the African continent – this includes food, medicine, fuel and countless other products that make everyday life better.

We understand that being a purpose-led organisation with Environmental, Social and Governance imperatives embedded

in our business strategy means that we must create sustainable, long-term value for our key stakeholders – society, our partners, the logistics industry and market access – and that we must prioritise people, planet and profit. We therefore take a holistic approach regarding value creation wherein value is created not only for Imperial but also for other stakeholders in the value chain, including our communities and countries of operation. In order for us to assess and measure the extended value that Imperial creates for society, we have undertaken a Socio-economic Impact Assessment for two of our key markets in Africa – Nigeria, through our Imperial Market Access Healthcare business (Worldwide Commercial Ventures Limited), and South Africa.





In assessing the value created for our stakeholders, these reports for Nigeria and South Africa look at Imperial's impact through five themes, namely our Greatest Asset (our people), serving as the 'Gateway to Africa' (our operations), reaching Beyond Imperial (our external stakeholders), transforming by adopting a 'Go Digital, Go Green' approach (adoption of digital technologies and focus on reducing negative impacts on the environment) and Going the Extra Mile (Corporate Social Investment). Each of these themes is assessed through a framework that systematically considers value to society, value to the logistics industry and to market access, as well as value to partners.

Further, our socio-economic impact on society is reviewed in light of the United Nations 2030 Agenda for Sustainable Development and the African Aspirations for 2063 defined by the African Union, as various countries, including Nigeria, have acted to integrate the goals and targets into their national development plans to align policies and

institutions behind them. Imperial's contribution to the applicable goals and aspirations is highlighted throughout this report.

I am pleased with the outcome of these reports, which emphasises Imperial's commitment toward creating value for our stakeholders in our key markets and shows the direct and indirect value Imperial created over the F2019 and F2020 period of NGN 3.6 trillion (R145.9 billion) and R98 billion in Nigeria and South Africa respectively. The outcome of the reports also supports Imperial's objectives to continue to operate as a responsible corporate citizen that is committed to delivering sustainable value and extending its impact to all our key stakeholders across our value chain as we always strive to go beyond possibility.

**Regards,
Mohammed**



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Executive Summary

Imperial was originally founded in 1948 as a motor dealership and has since evolved beyond possibility. It is now one of the leading logistics service providers in South Africa, with over 25 000 employees globally and a presence in Europe and approximately 20 countries across Africa.

Through its logistics and market access offerings, Imperial is delivering on its purpose of ‘connecting Africa and the world — and improving people’s lives with access to quality products and services’. It is providing millions of consumers with access to essential products, creating opportunities for several businesses, supporting growth and development of the economies in which it operates, while generating profits and enabling other companies to operate profitably, especially in Africa.



Executive Summary

In Nigeria, Worldwide Commercial Ventures Limited (WWCVL) began operations in 2002 as part of Far East Mercantile, and has been engaged in the distribution and marketing of healthcare products to wholesale and retail channels and to hospitals and institutions.

Currently, Eco Health Ltd is the holding company for WWCVL. Imperial purchased a 53% share in the company in February 2014 and has grown its shareholding to 90% since then. **Hereafter in this report, we refer to Imperial, meaning the Imperial Market Access Healthcare business in Nigeria, through WWCVL.**



[Watch our Manifesto - Nigeria](#)

Imperial enriches the lives of millions of Nigerians by providing timely access to affordable, genuine and life-saving pharmaceutical products. To perform this mammoth task, Imperial has developed world class infrastructure and partners with an extensive network of principals, distributors and service providers across the supply chain. It is generating significant value for

Nigerian society and the Nigerian economy by serving the healthcare needs of the population and through various focused and impactful Corporate Social Investment (CSI) activities.

The Socio-Economic Impact Assessment conducted by Accenture endeavours to quantify the (direct and indirect) impact of Imperial over the financial years 2019 and 2020 (the period from July 2018 to June 2020) on the logistics industry and to market access, key partners and society - including patients and employees. The assessment included both South Africa and Nigeria – two of Imperial’s key markets of operation. This report focuses solely on Imperial’s activities in Nigeria.

A report focusing on Imperial in South Africa is also available.

Apart from providing affordable pharmaceutical products, Imperial has partnered with Tulsi Chanrai Foundation (TCF) Eye Hospital and the Clinton Health Access Initiative (CHAI) to provide affordable treatment for eye and cancer care.

Furthermore, Imperial has also contributed significantly towards COVID-19 relief efforts. It is estimated that over 300 000 lives have been impacted including direct and indirect employees, their households and patients.

Cumulative value over F2019 and F2020



**NGN 3.3
Trillion**

**Value to
Society**



**NGN 137.3
Billion**

**Value to the
Logistics Industry
and to Market Access**









**NGN 117.8
Billion**

**Value to
Partners**



Executive Summary

Table 1: The table below provides an overview of the quantifiable value created by Imperial in Nigeria

	F2020				F2019				
									
Value (NGN Millions)	Society	Logistics Industry and Market Access	Partners	Total	Society	Logistics Industry and Market Access	Partners	Total	Cumulative Total
Imperial's Greatest Asset	10 638			10 640	9 965			9 967	20 608
'Gateway to Africa'	1 665 264	68 779	659	1 734 703	1 609 914	67 439	21	1 677 375	3 412 078
Beyond Imperial	4 816	571	58 923	64 310	3 167	491	58 201	61 860	126 171
Go Digital, Go Green⁽¹⁾									
Going the Extra Mile	2 761			2 761	440			440	3 201
Total	1 683 543	69 354	59 585	1 812 463	1 623 551	67 932	58 225	1 749 708	3 562 192

1. Value from Go Digital Go Green initiatives has been qualitatively assessed; however, these initiatives are expected to realise value in the future.

Totals may not add up due to rounding of numbers.



Imperial's impact in Nigeria

The socio-economic impact assessment focused on five themes, covering all aspects of the business. These themes were studied to ascertain the impact on the Nigerian economy.

Imperial's Greatest Asset

The assessment considered Imperial's employees and their impact on society through personal disposable incomes and subsequent GDP uplift, pay-as-you-earn (PAYE) taxes, employee benefits including medical aid, rewards and recognition, pension contributions, and investments in learning and development. In F2019 and F2020 Imperial injected a total value of NGN 20.6 billion (R844.3 million) into the Nigerian economy.

Total value NGN 20.6 Billion

Impacts (F2020)



969¹
Jobs supported
4 554²
Lives impacted



NGN 7.4 Billion
GDP uplift through multiplier effect



NGN 2.8 Billion
Employee benefits paid out



NGN 56.5 Million
Cost savings for employees



NGN 2.4 Million
Training spend and more than 450 registrations

1. 969 employees in Nigeria

2. Considers the total number of jobs supported and the families of employees



Executive Summary

'Gateway to Africa'

Imperial serves as a 'Gateway to Africa', facilitating access into Nigeria for multinational companies. Imperial generates revenue through the distribution of pharmaceutical products but, more importantly, it creates a significant impact on the lives of people in Nigeria. Access to safe, reliable pharmaceutical products at affordable prices reduces socio-economic losses for Nigeria. By enabling timely access to quality pharmaceutical products, Imperial has saved thousands of lives that could have been lost otherwise. In F2019 and F2020, a total value of NGN 3.4 trillion (R139.7 billion) was created.

Total value NGN 3.4 Trillion

Beyond Imperial

The value created for external stakeholders including suppliers, service providers and distributors is captured within this theme. Contributions to the Nigerian economy in the form of taxes and charges are also included here. In F2019 and F2020, Imperial created total value of NGN 126.2 billion (R5.2 billion).

Total value NGN 126.2 Billion

Impacts (F2020)



Millions of lives improved, with **~35 800 lives saved**



NGN 1.6 Trillion Socio-economic loss avoided⁽¹⁾ from lives saved



NGN 59.5 Billion Cost savings to society from access to wholesale priced medicines



NGN 2.1 Billion GDP uplift through multiplier effect



95% Principal contract renewal rate

1. The socio-economic value of lives saved has been calculated using the economic productivity per life in Nigeria multiplied by the number of pre-mature deaths.

Impacts (F2020)



NGN 2.6 Billion GDP uplift through multiplier effect



NGN 2.1 Billion Taxes and Government charges **0.1% of corporate tax collection**



NGN 58.9 Billion Value created for partners, principals and suppliers



>200 Jobs supported



NGN 35.4 Million Paid out as directors' emoluments





Go Digital, Go Green

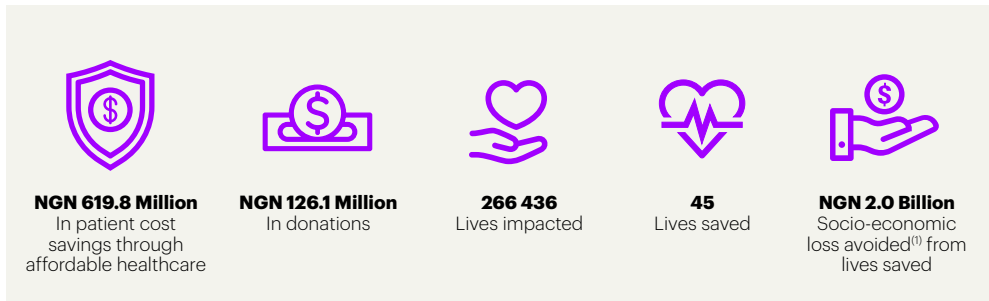
Within this theme, we consider environmental and digital initiatives undertaken by Imperial. Sales representatives are equipped with tablets that enable them to collaborate easily with stakeholders and track key performance indicators (KPIs). Imperial has also invested in generating site efficiencies by using LED bulbs, reducing dependence on diesel generators, harvesting rainwater and optimising space. In future, Imperial also plans to harness solar energy. Imperial is assessing and investing in further environmental and digital initiatives which will be rolled out across the business over the next few years.

Going the Extra Mile

In addition to supplying affordable pharmaceutical products, Imperial also partners with select non-profit organisations to provide affordable eye care and cancer treatments which currently are beyond the reach of millions of Nigerians. Imperial also made donations in cash and in kind for COVID-19 relief. The total value generated in the form of cost savings and donations amounted to NGN 3.2 billion (R134.3 million) in F2019 and F2020.

Total value NGN 3.2 Billion

Impacts (F2020)



1. The socio-economic value of lives saved has been calculated using the economic productivity per life in Nigeria multiplied by the number of pre-mature deaths.



Executive Summary

The UN Sustainable Development Goals and the Africa Agenda for 2063

In addition to quantitatively and qualitatively assessing Imperial's impact, Imperial's impact is also reviewed in light of the United Nations 2030 Agenda for Sustainable Development and the African Aspirations for 2063 as defined by the African Union.

As a responsible corporate citizen committed to supporting the development of Nigeria, Imperial has played an important role in contributing to the government's efforts to realise some of these goals through its operations, education and training and investments in partners and CSI.



African aspirations for 2063

Source: "Our Aspirations for the Africa We Want" 2063 Agenda by African Union

1. A **prosperous Africa**
2. An **integrated** continent, **politically united**
3. **Good governance, democracy, respect for human rights, justice** and the **rule of law**
4. A **peaceful** and **secure Africa**
5. Strong **cultural identity, common heritage, values** and **ethics**
6. Development is **people driven**, relying on the potential offered by people, especially its women and youth and caring for children
7. **Strong, united, resilient** and **influential** global player and partner

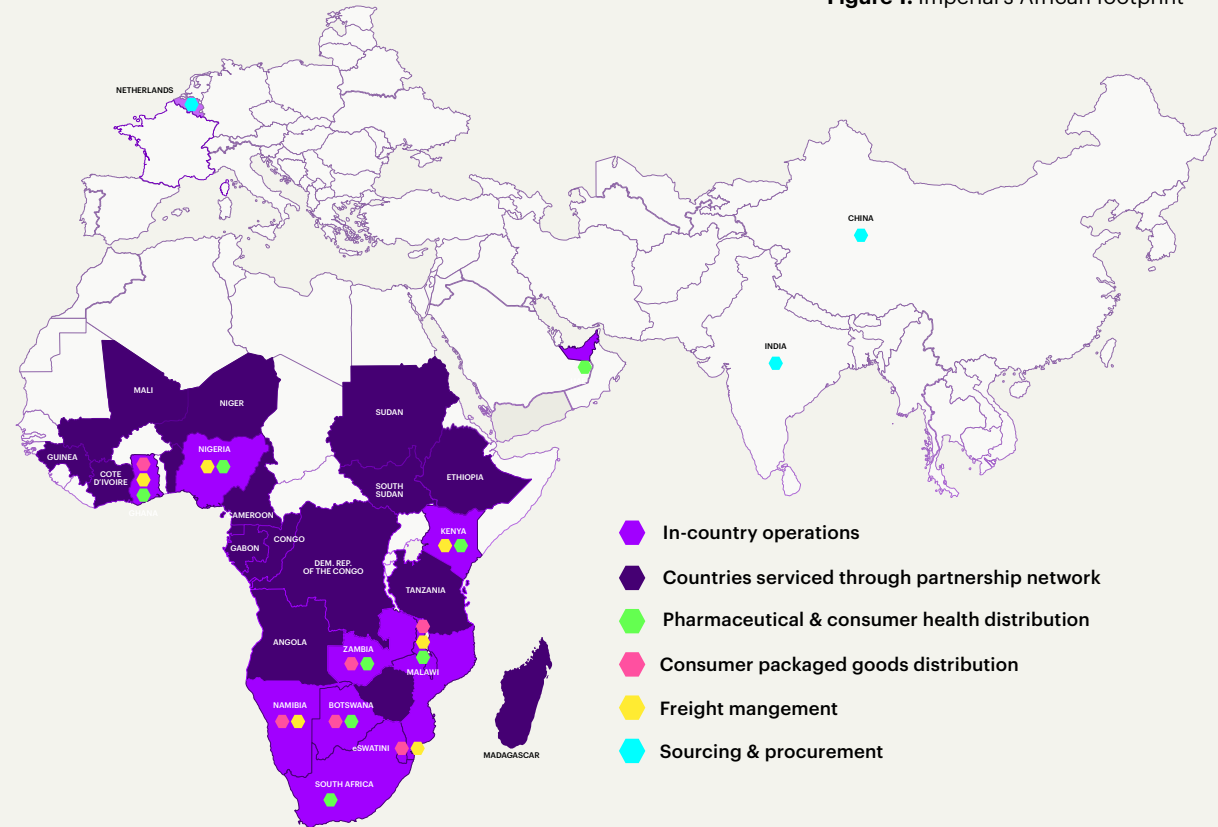


Introduction

Imperial is an African-focused provider of integrated market access and logistics solutions. Ranked among the top 30 global third-party logistics providers¹ and listed on the Johannesburg Stock Exchange (JSE) in South Africa, Imperial seeks out and leverages new technology to deliver innovative, end-to-end solutions.

Serving as a 'Gateway to Africa', Imperial takes its clients' and principals' products to some of the fastest growing and most challenging markets in the world. Through its significant African footprint and international expertise and with the support of its 25 000 people, Imperial is connecting Africa and the world — and improving people's lives with access to quality products and services. In this way, Imperial serves as a key enabler for five industries across the African continent that, in turn, impact millions of lives and create opportunities for many people, companies and communities.

Figure 1: Imperial's African footprint



The key industries served by Imperial



Healthcare



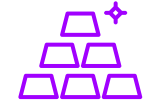
Consumer



Automotive



Chemicals



Industrial and Commodity

The company offers two core solutions

1

Market Access offerings are available in approximately 20 African countries, including Nigeria, primarily focused on healthcare and consumer industries. Through this solution, Imperial builds route-to-market solutions connecting principals to consumers across channels, integrating sourcing, contract manufacturing, sales, distribution, marketing and demand generation. In this context, principals are brand owners, manufacturers or commercial sellers from which Imperial buys stock and sells through route-to-market solutions.

Imperial builds route-to-market solutions connecting principals to consumers across channels.



2

Logistics refers to handling, movement and storage of goods between sources and destinations, integrating logistics functions across the supply chain through the Logistics Africa and Logistics International businesses. Logistics services offered include road freight, contract logistics and LLP services (lead logistics provider).

Imperial's strategy focuses on serving as a 'Gateway to Africa', and this report focuses solely on Nigeria – a key market. A similar report focusing on South Africa is also available.

In Nigeria, Imperial's focus has been on providing principals with access to the pharmaceutical industry and, more recently, consumer goods.

As of F2021, Imperial has acquired majority stake in MDS Logistics, providing integrated supply chain solutions to clients. This report will focus on the impact created by Imperial through WWCVL for the years F2019 and F2020.

Imperial distributes pharmaceutical products and is a licensed vendor to major healthcare providers in Nigeria. It handles approximately 30% of all legal pharmaceutical products sold and distributed in the country.

In Nigeria, access to safe and affordable pharmaceutical products is a significant concern and patients often need to travel thousands of kilometres in search of quality medicines. Through its ethical operations, Imperial strives to ensure that people have continued access to reliable, quality medicines at reasonable prices. The company also provides its principals access to Nigeria's growth potential. Imperial is committed to the safety and security of the pharmaceutical supply chain and purchases the pharmaceutical products it sells directly from manufacturers.



Introduction

Imperial is a purpose-led organisation focused on creating value for all stakeholders by focusing on People, Planet and Profit. It is deemed an ethical company that respects and upholds the rule of law, emphasises good governance practices and respects human and stakeholder rights.

These values provide confidence to customers, clients and principals when partnering with Imperial. The company creates employment opportunities across its varied offerings, while providing employees a safe and nurturing workplace to create value for stakeholders. Imperial strives in pursuit of zero harm to people and planet, taking every precaution to do so, especially when handling dangerous and hazardous materials.

In addition, Imperial consciously partners with various stakeholders to create additional societal value through strategically aligned and impactful Corporate Social Investment (CSI) initiatives.



Purpose of the Report

Imperial contracted Accenture to independently assess the impact of its operations in South Africa and Nigeria. This report outlines the value that Imperial directly injected and indirectly added to Nigerian society during F2019 and F2020 despite the impact of COVID-19 during the latter period.

The report looks at Imperial's impact through five themes, namely Imperial's **Greatest Asset** (its people), serving as the **'Gateway to Africa'** (its operations), reaching **Beyond Imperial** (external stakeholders), transforming by adopting a **Go Digital, Go Green** approach (adoption of digital technologies and focus on reducing negative impacts to the environment) and **Going the Extra Mile** (CSI). Each of these themes is assessed through a framework that systematically considers value to society, value to the logistics industry and to market access, as well as value to partners.

Furthermore, the socio-economic impact of Imperial on society is also reviewed in light of the United Nations Sustainable Development Goals (UN SDGs) and the African Aspirations for 2063 defined by the African Union, as various countries, including Nigeria, have acted to integrate the goals and targets into their national development plans to align policies and institutions behind them.



Our objective is to determine Imperial’s socio-economic impact within South Africa and Nigeria against the UN SDGs

Imperial’s contribution to the applicable goals and aspirations is highlighted throughout this report.



Figure 2: Assessing the value of Imperial’s impact

¹UN Sustainable Development Goals “Transforming our World: the 2030 Agenda for Sustainable Development”; ²“Our Aspirations for the Africa We Want” 2063 Agenda by African Union.

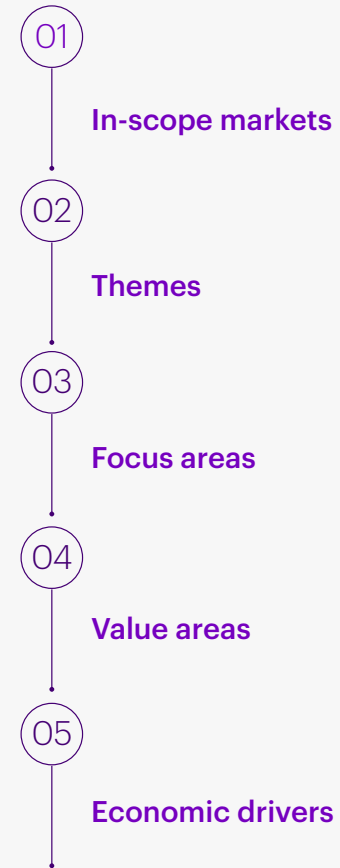


The Socio-Economic Value Framework

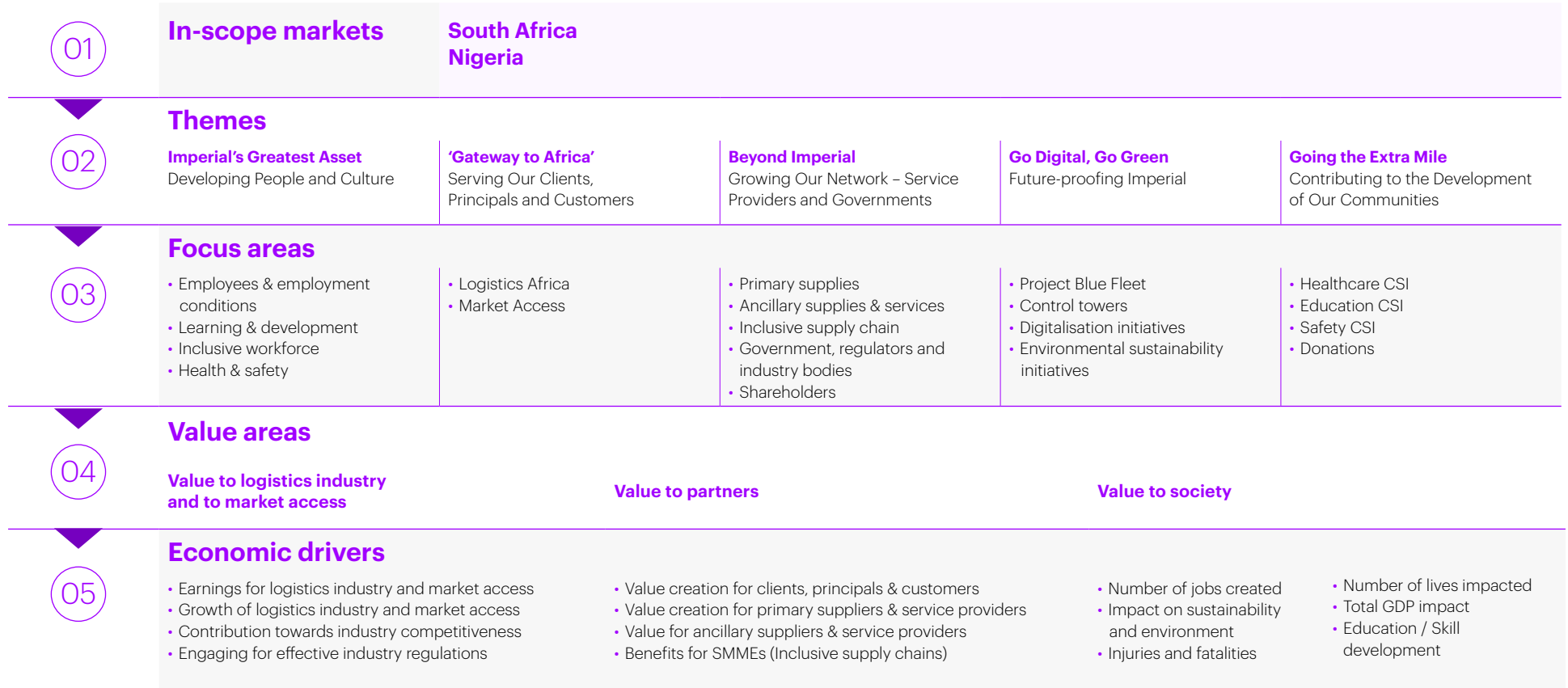
The Socio-Economic Impact Assessment was conducted by leveraging the Value Framework developed by Accenture and the World Economic Forum (WEF).^{ii,iii}

This framework aims to unpack Imperial's impact across key themes. Using the Accenture and WEF model as a base, a customised framework was built for Imperial to assess three value areas – value to the logistics industry and to market access, value to partners and value to society.

The framework, created in alignment with Imperial's strategic priorities and its purpose, has been designed to measure Imperial's impact across geographies and time periods. For this study, Imperial chose to focus on two markets, South Africa and Nigeria.



A tailored five layer economic value framework was developed to assess Imperial's socio-economic impact



Unpacking Imperial's socio-economic value framework

01

The first layer of the framework outlines the in-scope markets for the assessment. Given the focus on positioning Imperial as the 'Gateway to Africa', two of the largest African markets were selected – South Africa and Nigeria. This report focuses solely on Nigeria.



The first layer of the Socio-Economic Value Framework

01

Nigeria¹ Economic Value Framework

Imperial is one of the largest distributors and marketers of healthcare products in Nigeria.

Imperial's Greatest Asset: Imperial has over 1 000 employees in Nigeria and provides its employees with a vibrant working environment, cultivating a culture of growth while promoting a culture of equality.

'Gateway to Africa': Imperial provides both local and international pharmaceutical companies with access to the Nigerian market and facilitates their growth through a safe, reliable and secure network serving over 52 000 delivery points throughout the country.

Beyond Imperial: The success of Imperial is dependent on an extensive network of partners that benefit from access to Imperial's financial stability, its brand and access to its continuous technological advancements.

Go Digital, Go Green: Imperial strives to improve its impact on Nigerian society by continuously innovating and investing in technologies to increase reach and improve efficiency. The company also has strict measures in place to handle and dispose of drugs.

Going the Extra Mile: Imperial supports the development of its communities through its focused and impactful CSI initiatives that facilitate access to safe and affordable healthcare services and pharmaceutical products. In addition, the community benefits from its outreach and not-for-profit initiatives that simplify access to life-saving medication.

Note: (1) The scope of the socio-economic assessment is limited to WWCVL with MDS Logistics and Imperial Health Sciences Nigeria out of scope.



02

Five key **themes** encapsulating the largest areas of value creation were selected based on insights generated from a series of interviews with key Imperial stakeholders representing the service groups, functions and key initiatives. These themes are aligned to Imperial's strategic priorities and vision, covering the core activities of the business, as well as impactful CSI initiatives.

Imperial's purpose is connecting Africa and the world and improving people's lives with access to quality products and services.



02

Themes

Imperial's Greatest Asset	'Gateway to Africa'	Beyond Imperial	Go Digital, Go Green	Going the Extra Mile
<p>Imperial recognises that its People are its Greatest Asset. As such, it invests in its talent pipeline continuously and is focused on developing skills and expertise across the group.</p> <p>Through its extensive learning opportunities, Imperial encourages life-long learning and growth.</p> <p>As a global steward, Imperial values diversity and advocates a culture that respects individuals and promotes equality.</p> <p>That people are its 'Greatest Asset' is also reflected in the principle of safety first ensured through robust health and safety practices.</p>	<p>Imperial's purpose is: Connecting Africa with the world and improving people's lives by providing access to quality products and services.</p> <p>As the 'Gateway to Africa', Imperial aims to be the strategic partner of choice for companies seeking access to Africa's growth and development opportunities.</p> <p>By serving its clients, principals and customers with innovative, integrated, end-to-end solutions, Imperial creates significant value for the logistics industry, its partners and, more broadly, society.</p>	<p>Imperial relies on a trusted external network, including suppliers and service providers, sub-contractors and government, regulators and industry bodies.</p> <p>Imperial creates value throughout the value chain for primary suppliers and suppliers of ancillary supplies and services.</p> <p>Access to Imperial's network also benefits local businesses creating numerous job opportunities.</p> <p>Furthermore, Imperial creates value for government, regulators and industry bodies, as well as shareholders.</p>	<p>Imperial is a responsible citizen, conscious of the environmental impact of its logistics business in particular. There is thus a key focus on both reducing its environmental impact and future-proofing Imperial by going digital and green.</p> <p>Imperial has launched several digital initiatives focused on improving visibility and efficiency as well as some aimed at mitigating the environmental impact of Imperial's operations.</p> <p>The theme also unpacks non-digital initiatives aimed at lowering the environmental footprint of Imperial.</p>	<p>In its vision, Imperial states: Our communities are better off because we are here. Imperial strives to contribute to the development of its communities through several initiatives focused on providing affordable healthcare, quality education and improving safety for everyone. In addition, it contributes towards the welfare of associations through monetary donations.</p> <p>Key initiatives include Tulsi Chanrai Foundation Eye Hospital, CHAI project, COVID-19 donations both cash and in kind.</p>



03

For each theme, **focus areas** were identified to unpack details and understand the manner in which Imperial engages with their various internal and external stakeholders. These focus areas are aligned to the topics wherein Imperial places most emphasis, ranging from business activities to key stakeholder relationships and priority community development initiatives.



03

Focus areas

Imperial's Greatest Asset	'Gateway to Africa'	Beyond Imperial	Go Digital, Go Green	Going the Extra Mile
<p>Employees and Employment Conditions A vibrant work environment that provides job creation opportunities and meaningful employee benefits.</p>	<p>Logistics Africa Provision of end-to-end logistics services, including trucking, forwarding and warehousing.</p>	<p>Primary Supplies Primary suppliers such as truck & tyre manufacturers, fuel retailers & telecoms companies.</p>	<p>Project Blue Fleet Wide ranging digitalisation project focused on improving vehicle tracking, fuel efficiency & health & safety.</p>	<p>Healthcare CSI Initiatives focused on increasing access to quality and affordable healthcare.</p>
<p>Learning and Development A culture that promotes lifelong learning and growth.</p>	<p>Market Access Build route-to-market solutions connecting principals to consumers across channels.</p>	<p>Ancillary Supplies & Services Ancillary supplies & services required by Imperial such as electricity and marketing.</p>	<p>Control Towers Offering that provides Imperial's clients with services to enhance and optimise their supply chains.</p>	<p>Education CSI Initiatives focused on improved access to education – such as library initiatives and road safety awareness.</p>
<p>Inclusive Workforce An organisation that values diversity, promotes a culture of equality and respects everyone.</p>		<p>Inclusive Supply Chains Initiatives undertaken by Imperial to support the ESD programme and other smaller businesses.</p>	<p>Digitalisation Initiatives Initiatives aimed at continuous innovation across different parts of the business.</p>	<p>Safety CSI Initiatives focused on road safety such as education and access to car seats.</p>
<p>Health, Well-being and Safety A company-wide priority and focus to ensure that 'people's safety comes first'.</p>		<p>Government, Regulators and Industry Bodies The contributions that Imperial makes to the government, regulators and industry bodies.</p>	<p>Environmental Sustainability Initiatives undertaken with the objective of optimising Imperial's environmental footprint.</p>	<p>Donations Need-based donations, and in particular, donations related to COVID-19.</p>
		<p>Shareholders The contributions that Imperial makes to its shareholders.</p>		



The focus areas are further broken down into initiatives for each country. In Nigeria, the initiatives within each focus area and theme are as follows:

03 Focus areas									
Imperial's Greatest Asset		'Gateway to Africa'		Beyond Imperial		Go Digital, Go Green		Going the Extra Mile	
Employees and Employment Conditions		Market Access		Primary Suppliers and Service Providers		Digitalisation Initiatives		Healthcare CSI	
Job creation	ICAS	WWCVL – Healthcare		Principals	Warehouse lessors	Salesforce automation tool	Salesforce effectiveness tool	Tulsi Chanrai Foundation Eye Hospital	CHAI project
Compensation and benefits – pension contributions, incentives, medical aid, etc.		Logistics Africa ⁽¹⁾		Distributors	Transport network	Operations excellence		Donations	
Learning and Development				Ancillary Suppliers and Service Providers		Environmental Sustainability		COVID-19	Other donations
Imperial Academy	Principal-led training			Government	Regulators	Energy conservation	Solar panels	Safety CSI	
Inclusive Workforce				Industry bodies		Responsible handling of pharmaceutical waste			
Gender diversity	Racial diversity			Shareholders and Directors		Water		Education CSI	
Health, Well-being and Safety						Project Blue Fleet			
Policies	Training					Control Towers			
Programmes									

Note: (1) Logistics Africa side of the business, including MDS Logistics and Imperial Health Sciences is out of scope during the period of review.



04

For each theme, focus area and initiative, we detail the value that is created across the value chain. This is evaluated in three value areas: value to logistics industry and to market access, value to partners and value to society. These are captured in the fourth layer.

04

Value areas

Value to Logistics Industry and to Market Access

Value that Imperial contributes to the broader logistics industry including:

- The trucking and hauling business
- The warehousing business
- The sub-contractors providing trucking services
- Warehousing agents

And the value that Imperial creates through its Market Access business, including:

- The impact on principals – access to new markets, growth opportunities
- The impact on the industries that it serves – for example, consumer, healthcare, etc.

Value to Partners

Value that Imperial contributes to its partners, such as:

- Suppliers – for example, transport companies, principals
- Service providers like security companies, utility companies
- Smaller establishments providing essential office services

Value to Society

Value that Imperial contributes to the government and society through:

- Tax contributions
- GDP uplift
- Job creation
- Improvements to infrastructure
- Impact on the environment.

It also takes into consideration the impact that Imperial has on the development of communities through its various CSI initiatives



05

Finally, each value lever was then assessed using economic drivers and key performance indicators (KPIs) that were identified to measure the impact for each value area, tailored to each theme based on relevance.



05

Economic drivers

Value to Logistics Industry and to Market Access	Value to Partners	Value to Society
<p>Earnings for logistics industry and market access</p> <ul style="list-style-type: none"> Value creation for Imperial (including both Logistics and Market Access businesses) Value creation for subcontractors <p>Growth of logistics industry and market access</p> <ul style="list-style-type: none"> Increasing market size Improving Infrastructure New business opportunities for principals and clients Enhanced driver safety and wellness Positive brand reinforcement <p>Contribution towards industry competitiveness</p> <ul style="list-style-type: none"> Lower total cost of ownership (TCO) Reduction in maintenance down-time <p>Partnering / engaging for effective industry regulations</p>	<p>Value creation for clients and partners</p> <ul style="list-style-type: none"> Indirect value creation for client’s customers Cost savings for customers Reliable and trusted partner with solutions at optimal costs <p>Value creation for primary suppliers and service providers</p> <ul style="list-style-type: none"> Total earnings potential New business opportunities <p>Value creation for ancillary suppliers and services providers</p> <ul style="list-style-type: none"> Total earnings potential New business opportunities <p>Benefits for small, medium and micro-enterprises (SMMEs)</p> <ul style="list-style-type: none"> Supplier development programmes 	<p>Net jobs created</p> <ul style="list-style-type: none"> Jobs created at Imperial and partners (direct and indirect) <p>Number of lives impacted</p> <ul style="list-style-type: none"> CSI, business activities, developing smaller suppliers Indirect lives supported <p>Total GDP impact</p> <ul style="list-style-type: none"> Net tax contribution Multiplier effect: employees, partners and vendors <p>Education / skill development</p> <ul style="list-style-type: none"> Investment in skill development and provision of new opportunities <p>Impact on sustainability and environment</p> <ul style="list-style-type: none"> Cost of emissions Reduction in emissions <p>Injuries and fatalities</p> <ul style="list-style-type: none"> Number of accidents avoided, injuries and fatalities reduced (safe place to work) <p>Diversity and equality</p>



The journey to assess Imperial's socio-economic impact using this custom value framework began with a series of interviews with Imperial leadership and key stakeholder relationship managers to unpack the themes and focus areas, as well as the collection of primary and secondary data. These inputs were then used to develop a detailed economic model and generate data-driven insights.

The remainder of this report unpacks each of the five themes, describing the key findings to illustrate Imperial's socio-economic impact in Nigeria as well as understanding Imperial's impact on the United Nations Sustainable Development Goals (UN SDGs) and African Aspirations 2063.





Imperial's Greatest Asset

Developing Imperial's people and culture

Imperial is working towards embodying the idea **'People are our Greatest Asset'**, one of the six key pillars of its business strategy. This pillar focuses on creating **'One Imperial'** culture through a vibrant work environment that fosters collaboration, **transforming leadership diversity and mindset** by promoting equality and respect at the workplace, **attracting and retaining the best talent and skills** by emphasising lifelong learning and growth and ensuring that people throughout Imperial engage wholeheartedly with their purpose, values and business strategy.

Imperial's Greatest Asset

Imperial's principles and values have been designed to guide the actions of the organisation and the way business is conducted.

Imperial has commenced on a cultural transformation critical to achieving its 'One Imperial' strategic intent. This includes establishing a shared set of values to shift the culture, establishing global and regional women's forums and undertaking numerous related initiatives.






 We win with teamwork	 Empowered people	 Our people matter	 We go the extra mile	 We are innovative
<ul style="list-style-type: none"> • We collaborate • We share ideas and opportunities • We work and win together to achieve common goals • We hold each other accountable • We earn each other's trust with transparency • We celebrate success together 	<ul style="list-style-type: none"> • We take personal accountability for our performance and our behaviour • We are free to make a difference • We bring our whole selves to work • We go beyond possibility 	<p>Our people's safety comes first</p> <ul style="list-style-type: none"> • We value diversity • We recognise and respect each other as adults and equals • We recognise performance and commitment • We encourage lifelong learning and growth • We provide opportunities to grow careers 	<ul style="list-style-type: none"> • Our clients, principals and customers are at the heart of all we do • We are fully focused on providing value to our customers • We act with integrity while striving to add value • Our communities are better off because we are here 	<ul style="list-style-type: none"> • We expect to improve every day • We learn from our mistakes • Our entrepreneurial spirit drives us to look for new ways of delivering value to our stakeholders • We go where others dare not go - we are pioneers

Figure 3: Imperial's values

Extract from Imperial's website: <https://www.imperiallogistics.com/our-values.php>



Imperial's Greatest Asset

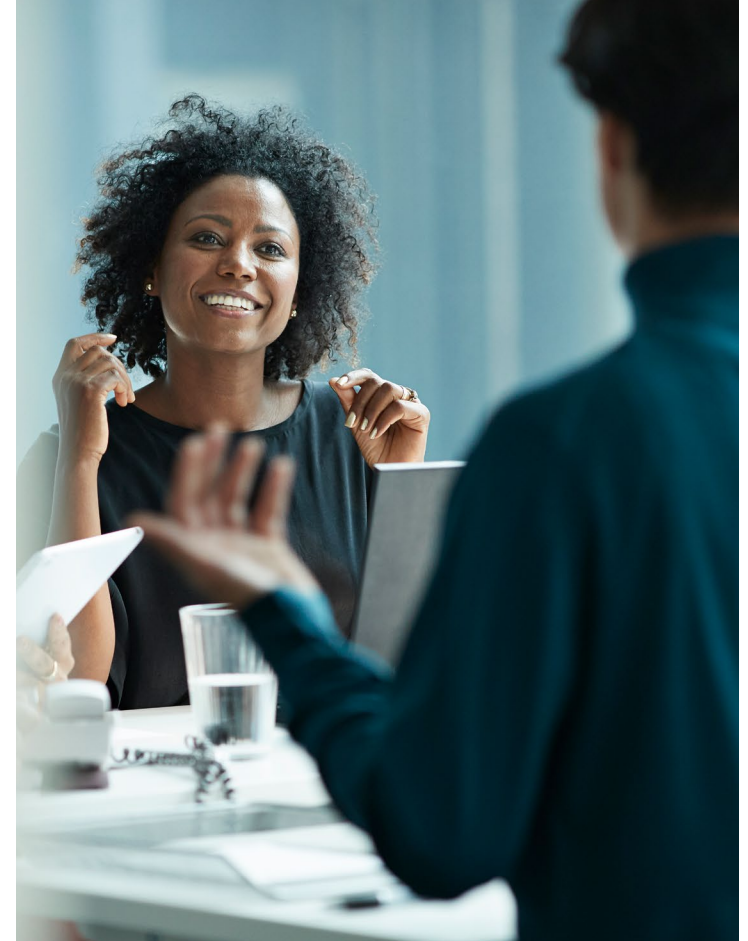
Imperial creates numerous work opportunities in Nigeria by building strong teams and fostering collaboration across the healthcare value chain to deliver exceptional service to its principals, clients and customers.

One of the leading distributors of pharmaceutical products in Nigeria, Imperial operates in one of the most challenging markets and in a sector that impacts the entire population. To do so successfully, Imperial emphasises providing its employees with a safe, secure work environment. The company has put in place stringent health and safety policies, ensuring adherence to local regulations and implementing additional measures to safeguard individuals.

The criticality of Imperial's operations and services, as well as challenges facing Imperial, were amplified during the COVID-19 pandemic. While the company continued to ensure reliable and timely supply of essential pharmaceutical products across the country, employees' health, well-being

and safety continued to be its top priority. Imperial provided – and continues to provide – support to employees, including stringent safety practices, strict access control, rigorous hygiene, disinfecting processes and enhanced employee training. Imperial promotes equality in its business decisions and invests in its talent pipeline continually with a focus on developing the right skills and capabilities to support the business.

Within this theme, we consider how, as an employer, Imperial provides a nurturing work environment, takes care of its employees with fair compensation and benefits, promotes and fosters an inclusive workforce, supports on-going learning and skills development and places emphasis on health and safety.



Employees and Employment Conditions

A vibrant work environment that provides job creation opportunities and meaningful employee benefits.

In Nigeria, Imperial employed around 1 000 people in F2019 and 969 in F2020, providing opportunities for local Nigerians and skilled expats. The company has a large salesforce network (accounting for about 50% of its workforce) which operates around the country selling and distributing pharmaceutical products. In addition, Imperial provides employee-hosting services for its principals, providing them with an opportunity to have in-country representation by partnering with the well-established Imperial brand.

Imperial takes care of its employees with fair compensation and benefits. In addition to salaries (including through the COVID-19 pandemic), employees received benefits amounting to NGN 1.1 billion (R45.6 million) between F2019 and F2020.



Benefits include:

Medical Aid

Employees and their spouses enrolled in the Hygeia plan are eligible for an overall cover of NGN 3.0 million (R0.1 million) per annum. This provides wide medical coverage including consultation services, prescription medicines, hospital admissions and accommodation for 30 days, treatment of chronic ailments and laboratory tests, advanced investigations, physiotherapy, eye care, dental care, ante-natal care, family planning services, routine immunisations and other benefits.

In F2019 and F2020, Imperial contributed more than NGN 51.9 million (R2.1 million) towards the Hygeia programme, covering over 1 100 beneficiaries. Additionally, an annual health check-up for employees is covered under the Hygeia plan which has resulted in cost savings of approximately NGN 39.2 million (R1.5 million) in F2019 and NGN 41.8 million (R1.8 million) in F2020.

Imperial also provides its employees with group life insurance to cope with the sudden loss of income following the unfortunate event of the death of an employee and the family's breadwinner. The employees' families are entitled to a claim worth the equivalent of three years' salary of the employee.

Over F2019 and F2020, this policy has provided important support to three families who sadly lost loved ones and claimed ~NGN 12 million (R0.5 million) in compensation.

Retirement Savings

Imperial supports retirement planning for its employees with all of its employees enrolled in a pension fund. Risk benefits, such as death and disability cover, are included – providing employees with health benefits in addition to medical aid. The total contribution towards pension by employees and employer combined is NGN 191.5 million (R7.6 million) in F2019 and NGN 213.3 million (R9.0 million) in F2020.

Housing Allowance

Employees are entitled to a housing allowance which they can claim 12 months in advance. Over 900 employees have benefitted from the housing allowance since June 2018.

Interest Free Loans

Imperial provides its employees who have completed at least two consecutive years of service with the facility of interest-free loans. Until June 2020, over NGN 163.0 million (R6.7 million) worth of loans were disbursed to more than 200 employees, unlocking an estimated NGN 25.0 million (R1.0 million) in interest cost savings - assuming that they would otherwise have been charged prime interest rates.

Employee Discounts

Imperial harnesses the benefits of membership to the broader Imperial stable of businesses, with its employees gaining access to discounted consumer products through the Far East Mercantile Company. Employees are entitled to purchase housing appliances through an equated monthly instalment (EMI) scheme of two months.



Recognition

Imperial has placed a focus on creating an environment that is rewarding for its employees and attractive for future talent. The company makes a conscious effort to recognise high-performers and values the loyalty of individuals through long-service performance rewards. In F2020, 60 high performers across various departments were rewarded and recognised for their exceptional performance.

Additionally, employees who have completed 5, 10 and 15 years at Imperial are awarded a Recommendation Certificate and a cash token.

In F2020, 120 employees were recognised for their long service to Imperial.

Employees also receive allowances for 'tools of trade' as required for their roles, depending on the job level and nature of work, including travel allowances and cell phone allowances. The sales team is empowered with a tablet aimed at improving efficiency and simplifying the sales process. During the COVID-19 pandemic, Imperial has supported employees to work from home where the nature of their work allowed.

Finally, value to society was created through GDP uplift of NGN 6.9 billion (R273.6 million) in F2019 and NGN 7.4 billion (R314.2 million) in F2020 supported by employee contributions including salaries and benefits amounting to NGN 2.7 billion (R106.5 million) in F2019 and NGN 2.8 billion (R119.1 million) in F2020. Pay-as-you-earn (PAYE) tax contributions amounted to NGN 180.2 million (R7.1 million) in F2019 and NGN 217.2 million (R9.2 million) in F2020.



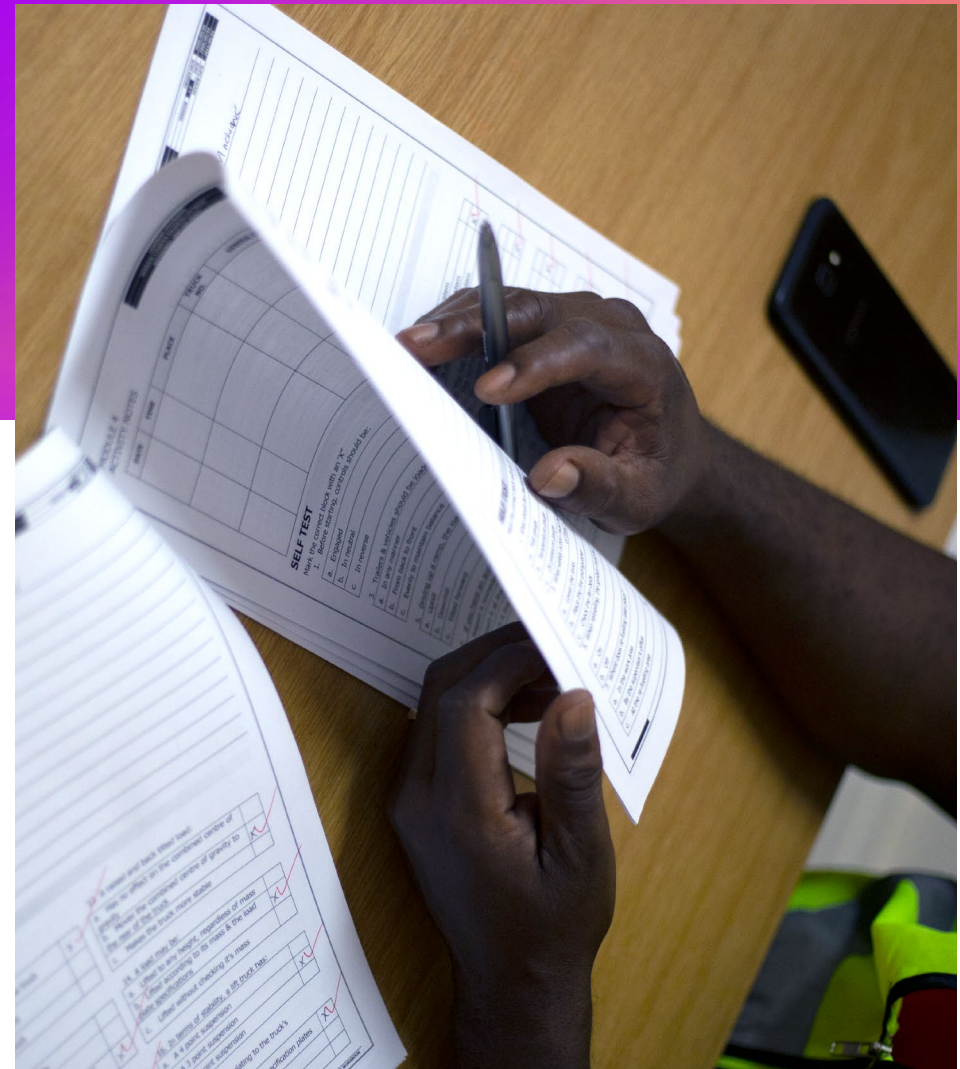
Learning and Development

A culture that encourages life-long learning and growth.

People are Imperial's biggest asset and, to support their continual growth and success, the company consciously invests in learning and development. Imperial believes that learning and development are critical drivers of improvement, innovation and growth.

Life-long learning and continual capability building is a critical pillar for Imperial to deliver efficiently especially during rapid change, which provides the company a path to strengthen its talent pipeline and develop a future-fit workforce.

Imperial has rolled out multiple online and in-person training programmes for its employees to boost their productivity and efficiency in day-to-day operations. Many training programmes are centred around ethics and compliance, time management, remote working, wellness and stress management, the importance of which has increased manifold due to the COVID-19 pandemic.



Imperial Academy

The Imperial Academy is focused on skills development for employees, including building business skills, technical skills, management and leadership skills, executive skills and administrative skills, as well as educating employees on compliance and health and well-being topics. Learning is offered through a combination of in-person and online training.

In-person training is aimed at enhancing product knowledge and sales effectiveness as well as reiterating legal compliance matters. In F2020, in-person training was limited due to the impact of the pandemic. To counter this, online training was rolled out in F2020. Training included technical and coaching and mentoring programmes, anti-bribery and compliance courses, as well as courses to promote mental strength and resilience during COVID-19.

Figure 4: Most popular courses on Imperial Academy online

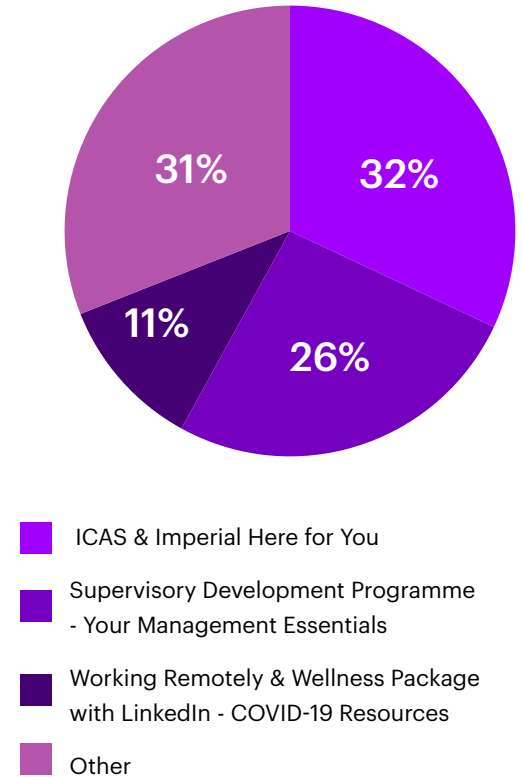


Image 1: Online Learning Portal



Training by Principals

Imperial handles pharmaceutical products of various local and international principals (including brands which are household names). Handling and selling these products requires varied and specialised skills, as well as detailed product knowledge. Imperial employees, in particular the salesforce, are provided with specialised training by external trainers on handling of temperature-controlled products, best practices and safe product destruction. In F2019 and F2020, three such training sessions were conducted by principals.

Internships and Learnerships

At present, Imperial provides ad-hoc internship and learnership opportunities for young learners. Going forward, aligned with the One Imperial culture, the objective is to strengthen learnership programmes in Nigeria to enhance the talent pipeline supporting the development of students in Nigeria.

Imperial spent a total of NGN 0.9 million (R35 600) in F2019 and NGN 2.4 million (R99 500) in F2020 on various learning and development initiatives. A total of 482 online and offline training registrations were recorded in F2020.



Inclusive Workforce

Imperial believes that **true diversity**, beyond achieving required measures of race and gender representation, is achieved through valuing, combining, and leveraging different perspectives, life experiences and ways of doing things.

Imperial values diversity, promotes a culture of equality and respects everyone. Diversity is beyond numbers; it is creating an environment that uses the talent and experiences of all employees. Imperial believes that a successful, sustainable business is one in which everyone can thrive and advance and that its people are key to realising its strategic ambitions.

Therefore, Imperial is focused on driving a diverse and inclusive workforce to unlock the value of inclusive interactions and diversity of world view and industry experience. The company views inclusion and diversity and localisation as imperative, offering a competitive advantage because diverse teams with varied experiences, backgrounds and styles are better able to meet the needs of a diverse client base.

Globally, diverse and inclusive workforces are seen to have outperformed others by 25%. Companies with both ethnic and cultural diversity outperform others by 36%.^{iv}

“Transformation’ is a positive word for Imperial, especially as we transform the business in accordance with our strategy, and with high expectations

Inclusion and collaboration are cornerstones in our culture journey. Efforts to create opportunities for local people, whether in Africa or elsewhere, have been emphasised and are part of improving our employee value proposition. Common decency demands that management challenges barriers of culture and race and seeks and nurtures talent in underrepresented groups.”

- Extract from Imperial's Integrated Annual Report



Imperial is striving to achieve a workforce that represents the demographics of the countries in which it operates. The Global Women's Forum (GWF) was launched at Imperial in October 2019. The GWF is aimed at ensuring the prioritisation of gender equality and the empowerment of women and supporting the development and the advancement of women across the group, across the world – including in Nigeria. Its mission is “to promote opportunities to support the development and the advancement of women within Imperial Logistics.”

The Forum's charter highlights five areas: formal training; experiential learning; women development and coaching programme; networking and social events; community projects; and women awards. Other notable focus areas include mentorship, ensuring gender parity for promotions and appointments, defining targets for women in senior leadership roles and creating an empowering and enabling culture for women.

Currently, most of the female employees at Imperial in Nigeria are at junior management level. The GWF has put in place initiatives to prepare female colleagues for the next level, including coaching sessions.

Imperial is striving to achieve a workforce that represents and promotes the demographics of Nigeria. Imperial's emphasis on gender diversity is evident in its ratio of female employees. In F2019, over 37% of employees were female while in F2020, over 36% of employees were female. Imperial has also implemented policies focused on women, with expecting mothers entitled to maternity leave benefits for up to four months. In addition to gender diversity, Imperial also promotes localisation, with over 96% of the skilled workforce being Nigerians. While overall local representation is high, Imperial understands that more work needs to be done in the future to improve local representation at senior management levels.



Health, Well-being and Safety

Aim to drive a safety culture across all businesses as a key differentiator for client and employee value propositions.
A company-wide priority and focus to ensure that 'people's safety comes first' as it strives for zero harm to its people.

Imperial takes care of its employees and the broader community by placing a strong focus on health and well-being and by adhering to strict safety and health regulations. In some instances, the policies adopted by Imperial are more stringent than the local codes and requirements. As with the topic of an inclusive workforce, the topic of health, well-being and safety is embedded in day-to-day operations.

The organisation leverages its expertise, considers best practice and industry guidelines and uses several awareness mechanisms to embed responsible safety, health, environmental and quality (SHEQ) practices and mindsets across its operations and undertakes regular external audits.

Imperial's focus on health and safety is further demonstrated by its strong track record, with no material or critical observations on the quality of products from authorities or principal audits, for both years under review.

While the importance of health, well-being and safety have taken on a new criticality since the advent of COVID-19, for Imperial, the safety of employees and customers using pharmaceuticals sold by Imperial has always been a priority focus area. NGN 2.9 million (R121 200) was spent across the business in F2020 for employee health and safety including personal protective equipment, safety training and safety equipment.

No material or critical observations from authorities or principal audits



Imperial addresses the topic of health and safety through several channels:

Local laws

Health and safety guidelines within Imperial are driven by local legislation. Under labour laws, an employer is obligated to provide a safe system and place of work and to take measures to ensure the safety of the worker. It is also obligatory for the employer to provide free personal protective equipment to workers. Imperial understands and adheres to the local laws in Nigeria and implements even stricter policies to protect its people.

Stringent safety measures, practices and standards

Imperial has clear policies and practices in place and is in the process of shifting focus to a more proactive approach to safety by driving organisational discipline and standardising best safety practices and processes across the group. In Nigeria, Imperial's robust set of health and safety policies is guided by the strict vigilance and implementation across all Imperial contracts.

Principals also conduct external audits on Imperial operations to ensure best practices are followed in handling pharmaceuticals across the value chain, in accordance with their stringent requirements.

During COVID-19, employees were equipped with hand sanitisers and were always strictly required to wear face masks. Temperature scanners were located at all entry points. Imperial also provides equipment training to ensure workers are skilled and informed on safety hazards.



Combined value of Imperial's Greatest Asset

Through these employee-related initiatives, Imperial created significant value for society and partners.


That employees are Imperial's Greatest Asset is embodied in the way Imperial treats its employees, compensating them appropriately through multiple financial and non-financial benefits, while making significant investments in their learning and development as well as health and well-being.

It aims to attract and retain the best talent through various incentives including performance-based rewards, family well-being and employee cost savings. By investing in their employees, Imperial has unlocked value to society amounting to NGN 20.6 billion (R844.1 million) across F2019 and F2020.

Apart from these financial benefits, Imperial is also committed to ensuring a diverse and inclusive workforce, including investing in

building, nurturing local talent and creating growth opportunities for its women workforce.

Imperial also partners with multiple service providers to ensure that their employees work in a safe and secure environment. The value to partners created through these partnerships amounted to NGN 4.6 million (R190 100) across F2019 and F2020.

	Value Areas (NGN Millions)	
	Value to Society	Value to Partners
F2019	9 965	2
F2020	10 638	2
Cumulative	20 603	4

Through this theme, Imperial directly contributed to the UN Sustainable Development Goals relating to good health and well-being (Goal #3), quality education (Goal #4), gender equality (Goal #5), decent work and economic growth (Goal #8), reduced inequalities (Goal #10) and partnerships for the goals (Goal #17).

Imperial also contributed to the African Aspirations related to similar topics, specifically the: "A prosperous Africa based on inclusive growth and sustainable development" and "Development is people driven, relying on the potential offered by people, especially its women and youth and caring for children."





'Gateway to Africa'

Serving Clients, Principals and Customers

Imperial's purpose is to:
Connect Africa and the world
– and improve people's lives with access
to quality products and services.



As mentioned earlier, Imperial is connecting Africa and the world and is improving people's lives with access to safe, quality and affordable products across the markets in which it operates.

The company, through its unique integrated logistics and market access solutions, provides clients, customers and principals access to fast-growing African markets. The logistics industry and the provision of market access are pivotal to the growth and transformation of an economy by supporting the growth

of other industries, creating numerous employment opportunities and providing consumers with access to products. However, the logistics industry and market access across Africa have not yet been able to harness or tap into the full economic potential for several reasons, including:



Externalities including limited accessibility, as well as transport and energy infrastructure



Fragmented nature of industry



Regional differences in regulation and border controls



Security and external risks



Bribery and corruption



Poorly regulated markets, including pharmaceutical products resulting in proliferation of counterfeit and expired products



These challenges faced by the logistics industry and by companies looking to access markets have been passed on through the value chain, resulting in high costs, low reliability and limited service and product availability. Lori Systems, one of Imperial's strategic partners, has noted that in Africa, logistics costs can account for up to 75% of a product's end-price, compared with 6% in the United States.

Operating in these difficult environments, Imperial has established itself as the strategic partner of choice for companies seeking access to Africa's growth and development opportunities. It has done so with its understanding of clients' needs, the scale and size of its operations, end-to-end logistics capabilities and an uncompromising approach to good governance practices.

As the 'Gateway to Africa', Imperial absorbs many risks clients and principals would typically face in their quest to access African markets. Imperial has a deep understanding of regional nuances, regulations, languages and challenges through its on-the-ground operations and distribution networks across many African markets.

Through serving its clients, principals and customers with innovative, integrated, end-to-end solutions, Imperial creates significant value for the logistics industry and market access, its partners and more broadly, society. Critically, Imperial is opening pathways for the people of Africa to have access to quality products in a timeous manner. This is particularly relevant in Nigeria where Imperial is providing Nigerians with access to quality pharmaceuticals at reasonable prices, without which many people would have to rely on the open market which is plagued by counterfeit and expired products.

Imperial is furthering its purpose as the 'Gateway to Africa' by providing global and reputable pharmaceutical companies with access to the challenging Nigerian market.

Imperial has been conducting business in this environment with the aspiration of transforming the pharmaceutical industry in Nigeria while positively impacting the lives of millions of Nigerians.



Logistics Africa

The Logistics Africa offering “expertly manages the movement of goods on behalf of clients between specified sources and destinations.”

This includes serving as the Lead Logistics Provider (LLP), co-ordinating the supply chain and integrating logistics functions.

Imperial's Logistics Africa offering was not available in Nigeria during the period under review (F2019 and F2020) and was thus out of scope for this report.

As of F2021, these offerings are growing in Nigeria starting with Imperial acquiring a majority stake in MDS Logistics (formerly known as Manufacturer's Delivery Services), an end-to-end logistics service provider functioning under Logistics Africa.



Market Access

Build route-to-market solutions connecting principals to consumers across channels.

As the 'Gateway to Africa', Imperial builds route-to-market solutions for principals and partners to provide access to multiple high potential African markets, including Nigeria. Imperial's emphasis on governance and compliance and its service and product reliability coupled with its reputation make it a trusted partner for principals trying

to unlock value from markets which are often challenging and inaccessible.

Through its operations Imperial is creating numerous job opportunities in the economy and enabling clients and principals to make profits while doing business in Africa.

Core offerings:

- Integrated market access services and logistics solutions
- Healthcare and consumer distributorships
- Multi-market aggregation
- Sourcing and procurement
- Emergency relief and kitting
- Marketing and promotion services



Imperial takes end-to-end ownership in supporting principals' market expansion plans and does so by ensuring that they adhere to the local requirements while upholding principals' high supply chain standards and creating meaningful social and economic impact for local communities.

Imperial provides omnichannel route-to-market solutions, leveraging freight and logistics capabilities, including sourcing, sales, distribution, marketing, demand generation and more, as required by Imperial's principals looking to enter new markets.

Imperial also supports its principals in complying with all applicable legal requirements and, if required, takes ownership of inventory and responsibility for the full order to cash function. Imperial's Market Access offerings vary by country.

In this report, we focus on Imperial's offerings in Nigeria. Imperial has established itself as the largest importer and distributor of reliable and safe pharmaceutical products in Nigeria. Through its operations it provides principals – both local and global - and clients entry into and access to a challenging market by leveraging Imperial's extensive network, as well as its unique

market knowledge, methodologies, tools and processes. In an economy with limited foreign exchange funding allocated to the Healthcare and Pharmaceutical sector, local Nigerian companies find it difficult to partner with global companies. However, Imperial, with its reputation, brand image, financial strength and well-established brand, has been able to address the foreign exchange concerns and build strong partnerships with these principals. Through these partnerships it has been able to provide millions of Nigerians with access to reliable and affordable pharmaceutical products.

As a leading market access business, Imperial takes ownership of inventory and is responsible for the entire order-to-cash process. The company provides its principals with route-to-market solutions including sourcing, contract manufacturing, sales, distribution, marketing and demand generation.



Figure 5: Changes in leading causes of death in Nigeria

	2009	2019		% change, 2009 - 2019
Malaria	1	1	Neonatal disorder	-0.9%
Diarrheal diseases	2	2	Malaria	-30.9%
Lower respiratory infection	3	3	Diarrheal diseases	-25.7%
Neonatal disorder	4	4	Lower respiratory infection	-13.2%
HIV/AIDS	5	5	HIV/AIDS	-8.4%
Meningitis	6	6	Ischemic heart disease	24.7%
Ischemic heart disease	7	7	Stroke	17.0%
Stroke	8	8	Congenital defects	-1.4%
Congenital defects	9	9	Tuberculosis	-11.5%
Tuberculosis	10	10	Meningitis	-24.3%

Source: IHME*



Studies indicate that malnutrition, water, sanitation, hygiene (WaSH) and air pollution are the top three risk factors that drive disability and disease in Nigeria. These factors, in turn, contribute to numerous disorders among the population.

In Nigeria, the top five causes of death include neonatal disorders, malaria, diarrheal diseases, respiratory infections and HIV/AIDS^{vi}. While these continue to be among the top reasons for death, there has been a marked decline in deaths over the last decade, through a combination of focused efforts undertaken by the government to combat these and easier access to safe, reliable pharmaceutical products. Imperial, in partnership with local governments, has played a major role in ensuring that Nigerians are able to access safe and quality pharmaceutical products to counter these diseases.

Testimonials by distributors show the positive working relationship with Imperial.

Testimonial: Ozara Distribution

"They distribute a wide range of healthcare products and this help me organise my procurement for the product mix that I require for business.

The customer service there is top notch; From sales representatives and manages initiating and closing out orders to the delivery guys in good time; which helps us in giving the best to our own customers in good time. Both Sales and marketing team even follow up after sales to ensure the outflow of products from our shop in good time.

Accountability is another area. I must mention that Worldwide Health Care Ltd is doing an outstanding job in record keeping and tracking. Request for any detail regarding payment or product invoices on your account and you have it delivered timely. I value accountability in my business and they are sure to deliver on that".

NGN 88 Trillion Productivity losses in Nigeria due to premature mortality and ill-health ^{vii}



Investing in healthcare is of utmost importance in any society. A healthy population helps in building a productive workforce and in alleviating the financial burden arising from medical bills. Nigerians suffer from lack of access to quality healthcare services, water and sanitation leading to numerous crippling health conditions and the country experiences socio-economic losses associated with these.

~60x price of pharmaceutical products in Nigeria compared to global average ^{viii}

In low- and middle-income countries, it is estimated that 8.6 million people die every year because of a lack of access to quality healthcare facilities. The issue is further compounded in Nigeria because an estimated 70% of the pharmaceutical products in circulation in the open market are thought to be counterfeit and/or substandard. These challenges have a far-reaching impact with thousands of Nigerians losing their lives to treatable conditions every year.

An ethical and purpose-led organisation, Imperial is playing a significant role in addressing these challenges. The partnership with both local and global principals is providing millions with access to safe and genuine pharmaceutical products, thereby creating substantial socio-economic impact from lives saved as well as cost savings.

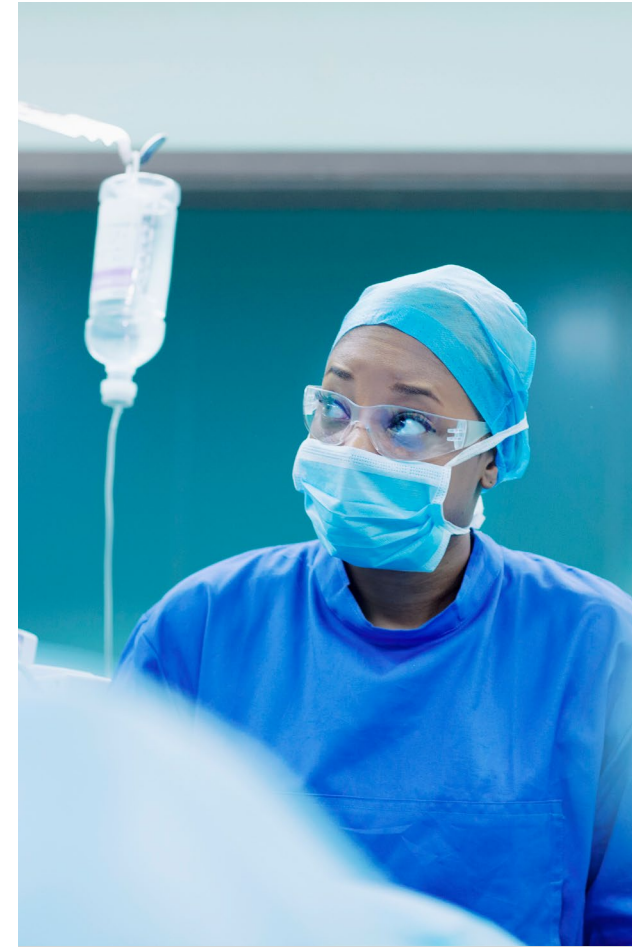
Less than 5% of Nigerians have health insurance^{ix}

Many Nigerians are unable to afford the high out-of-pocket healthcare expenses because of a combination of low income, the high cost of private healthcare and high pharmaceutical prices in the market. By making medicine available at reasonable prices across pharmacies and other medical institutions with which it partners, Imperial is unlocking between 20% and 50% in savings on pharmaceutical costs. In F2020, cost savings to society from pharmaceutical products sold at wholesale prices amounted to NGN 58.9 billion (R2.5 billion). Additionally, through the provision of quality pharmaceutical products, Imperial reached millions of Nigerians, potentially saving over 36 000 lives. The Nigerian economy also benefits from Imperial's policy of maintaining four months' worth of stock to manage unexpected challenges and ensure reliable supply of pharmaceutical products within the country.

NGN 378 Billion loss^x because of outbound medical tourism

By providing access to reliable and affordable pharmaceutical products, Imperial is also enabling a reduction in outbound medical tourism. As per Nigerian authorities, outbound medical tourism is resulting in estimated GDP losses of NGN 378 billion annually, with at least 5 000 Nigerians travelling to countries like India, South Africa, Turkey, the United States and the United Kingdom every month in search of quality care. By providing access to quality pharmaceuticals, Imperial is unlocking approximately NGN 566.8 million (R24.0 million) in savings from reduced outbound medical tourism.

In addition to providing Nigerians access to quality healthcare, Imperial is also working with industry partners to improve industry infrastructure, including making significant investments in building world-class warehousing and distribution facilities. In F2020, Imperial invested NGN 659.9 million (R27.9 million) in upgrading its warehouse infrastructure, potentially unlocking NGN 2.1 billion (R87.9 million) for the economy.



A key differentiator of Imperial's business in Nigeria is its cold-chain prowess. The company owns the largest private cold chain facility in Nigeria, providing consumers and clients with pharmaceutical products that are stored and transported in a temperature and humidity-controlled environment.

These cold-chain capabilities are important for reducing waste of life-saving pharmaceutical products and providing remote Nigerian villages with access to pharmaceuticals. Demonstrating stewardship, Imperial also supports other companies along the value chain in establishing and setting up their own cold-chain facilities.

Imperial also partners with principals to ensure regulatory and quality compliance, in addition to continual upskilling of the workforce. As the local entity supporting the entry and growth of a number of global principals in Nigeria, Imperial offers additional services to principals including employee hosting (namely employees who work from the host's office in order to participate in research, development or other activities) and marketing services. In F2020, 48 employees from different principals were hosted and marketing services were provided to three principals to support in growing brand recognition in Nigeria.

Imperial is operating in difficult environments where the misuse of discarded pharmaceutical products is high and sale of substandard or expired pharmaceutical products is common practice. It is estimated that substandard anti-malarial medicines could be causing over 150 000 additional deaths from this disease in Sub-Saharan Africa.^{xi} As a responsible, law-abiding corporate citizen Imperial understands its accountability in safely disposing expired pharmaceutical products. Certain expired medicines are at risk of bacterial growth and antibiotics may become sub-potent which can lead to more serious infections and antibiotic resistance. Imperial therefore destroys expired pharmaceutical products in the manner prescribed by the Nigerian enforcement agencies and is monitored by them, thereby preventing environmental damage and misuse. A destruction certificate is issued.

The total socio-economic loss avoided as a result of estimated lives saved amounted to NGN 1.5 trillion (R61.4 billion) in F2019 and NGN 1.6 trillion (R67.9 billion) in F2020.

Imperial's market access offering for consumer goods has not been included in this study as it does not fall within the period under review.




Combined value of 'Gateway to Africa'

Imperial acts as a 'Gateway to Africa' and enables principals, both local and global, to tap the growth and potential in Nigeria while providing millions of Nigerians with access to quality and safe pharmaceutical products at affordable prices.

The total estimated value created for society amounted to NGN 3.3 trillion (R134.1 billion) across F2019 and F2020. Imperial also contributes value to the logistics industry and to market access through revenue it generates during operations. The total value created amounted to NGN 136.2 billion (R5.6 billion) across F2019 and F2020.

Finally, Imperial also created value for partners through capital expenditure investments in building warehouses amounting to NGN 681.0 million (R28.8 million) across F2019 and F2020.

By serving as the 'Gateway to Africa', Imperial contributed to the UN Sustainable Development Goals relating to good health and well-being (Goal #3), decent work and economic growth (Goal #8), industry, innovation and infrastructure (Goal #9), reduced inequalities (Goal #10), responsible consumption and production (Goal #12) and partnerships for the goals (Goal #17).

 Value Areas (NGN Millions)			
	Value to Society	Value to the Logistics Industry and Market Access	Value to Partners
F2019	1 609 914	67 439	21
F2020	1 665 264	68 779	659
Cumulative	3 275 178	136 219	681



Imperial also contributed to the African Aspirations related to similar topics, specifically: "A prosperous Africa based on inclusive growth and sustainable development" and "An integrated continent, politically united."



Beyond Imperial

A woman with curly hair, wearing a white button-down shirt, is seated at a conference table. She is smiling and looking towards the right. In front of her is a laptop displaying a bar chart, a coffee cup, and a glass of water. To her right, a man in a dark suit and a woman with blonde hair are also seated at the table, looking towards her. The background shows a large window with a view of a city building.

Growing Imperial's Network – Service Providers and Governments.

As has already been indicated, Imperial is a purpose-led organisation that actively seeks opportunities and partnerships to create value for its key stakeholder groups. This report has already considered Imperial's internal stakeholders (within the theme 'Imperial's Greatest Asset') and its customers (within the 'Gateway to Africa' theme); we now turn to Imperial's external stakeholders – the world Beyond Imperial. As an organisation that aspires to fundamentally improve the standards and compliance of the Nigerian pharmaceutical industry, Imperial partners with a range of suppliers and service providers. Within this theme, we consider the impact on distribution partners, primary and ancillary suppliers and service providers; government, regulatory authorities and industry bodies; and shareholders.

Beyond Imperial

Imperial is connecting Nigeria to the rest of the world by providing access to safe and reliable pharmaceutical products at reasonable prices. As an organisation that makes these products available throughout the country, Imperial's success is dependent on a trusted and extensive external network of partners.

While the number of lives saved from access to the reliable pharmaceutical products would be the most significant socio-economic impact of Imperial's operations in Nigeria, the overall impact extends beyond it. The company has a positive impact on its suppliers and service providers, both primary and ancillary. These partners also benefit from the association with Imperial's brand, its network as well as the technological advancements and investments it makes across the value chain.

As a responsible and ethical corporate citizen, Imperial makes a meaningful and substantial contribution to the Nigerian economy through the taxes and duties that it pays, as well its contribution to infrastructure development of the pharmaceutical industry in Nigeria.



Primary Suppliers and Service Providers

Imperial leverages partnerships with its suppliers and service providers to reach millions of people in Nigeria and ensure timely access to quality medication.

Imperial's partnerships also enable Imperial to differentiate itself and optimise its operations. Imperial depends on its primary service providers to meet the needs of the Nigerian public including distributors, security agencies and the transport network.

Distributors

Over the years, Imperial has built a trusted network of distributors that enables it to reach patients across the country through over 5 000 pharmacies and hospitals.

The ability to count on Imperial as a customer offers these distributors an array of advantages besides brand alliance. These businesses benefit from security of work and cash flow.

Apart from the financial benefits, the distributors also benefit from Imperial's cold-chain expertise. As the largest private cold-chain facility in Nigeria, Imperial also supports its partners in establishing

the infrastructure needed to ensure the smooth and safe movement of pharmaceutical products across the country.

Beyond the above benefits, Imperial's distributors also benefit from its wealth of experience serving the industry and learn its best practices developed over years.

Testimonials from multiple distributors and partners highlight the customer service, ethical working culture and expertise of Imperial.



**Testimonial below from: New Heights Pharma
– Omaruaye Olubunmi (Executive Director)**

“We are writing this letter to recommend Worldwide Healthcare to you. Worldwide Healthcare has been our prequalified supplier that deals with the supply of pharmaceutical products to our organization for many years.

Worldwide Healthcare delivers quality products which makes them a reliable and a trusted organization.”

**Testimonial below from:
New Health Pharmacy (CEO)**

“It’s been a privilege doing business with Worldwide Commercial Ventures for more than a decade. WWCVL is a highly professional organisation with tremendous market insights and most importantly, they listen and respond swiftly to the needs of their customers.

As the C.E.O. of New Health Pharmacy Limited, I am very pleased with the calibre of WWCVL staff and their work ethics. Considering my positive experience with WWCVL, I will most certainly continue to rely on their expertise for future businesses.”



In F2020, Imperial partnered with approximately 200 wholesalers.

The total estimated value generated for the logistics industry and for market access, including distributors, amounted to NGN 491.0 million (R19.4 million) for F2019 and NGN 571.0 million (R24.2 million) for F2020.

Transport Network

To move pharmaceutical products across the country, Imperial leverages the logistics and courier companies, van operators, local transport operators and its own fleet.

The importance of ensuring timely availability of quality pharmaceutical products across the country makes it an imperative for Imperial to partner with reliable courier companies. The company partners with select global and local brands to ensure the safe, smooth movement of products across the country.

Imperial has also partnered with seven transportation partners running a fleet of 32 vans to ensure ground availability of pharmaceutical

products. These transportation partners support Imperial's salesforce in selling and distributing pharmaceutical products to local partners, including pharmacies. These partners employed 64 people in F2020.

Furthermore, Imperial owns its own small fleet. In F2019 and F2020 Imperial invested NGN 686.0 million (R28.8 million) in building its own fleet.

Security

Imperial operates in very challenging market conditions with high prevalence of security incidents, including theft. Studies suggest that pilferage is among the top six factors affecting outbound pharmaceutical supply chains in Nigeria^{xii}. The diversion of pharmaceutical products is common practice. This compels Imperial to invest heavily in security to protect its employees and stock. Security includes expenditure on security guards, surveillance cameras and other related costs.

In F2020, Imperial partnered with external security agencies who employed 73 security

guards to secure Imperial's employees and valuable medicines. The total expenditure amounted to NGN 34.0 million (R1.3 million) in F2019 and NGN 56.4 million (R2.4 million) in F2020.

Landlords

Imperial creates value for landlords in the form of lease rentals. Lease rentals amounted to NGN 263.2 million (R10.4 million) in F2019 and NGN 31.6 million (R1.3 million) in F2020.

Imperial generated a total value for society, including GDP uplift, amounting to NGN 795.8 million (R31.4 million) in F2019 and NGN 2.4 billion (R103.9 million) in F2020. Value generated for Imperial's partners amounted to NGN 57.1 billion (R2.2 billion) in F2019 and NGN 57.9 billion (R2.4 billion) in F2020. Aside from the financial benefits, Imperial also created more than 200 direct jobs for Nigerians in F2020 by engaging with external suppliers including security agents, transportation partners and distributors.



Ancillary Supplies and Services

As the largest importer and distributor of pharmaceuticals in Nigeria, Imperial has a broader impact beyond its primary suppliers and service providers.

Ancillary suppliers and service providers including printing and stationery suppliers as well as utility, audit, legal and professional service providers, benefit financially and non-financially from working with Imperial, including being associated with the brand.

Telecommunications

Employees are equipped with tablets that enable them to remain connected to their customers even while they are on the road. Imperial partners with telecommunications companies to ensure smooth connectivity. The total expenditure on telecommunication amounted to NGN 105.8 million (R4.2 million) for F2019 and NGN 85.6 million (R3.6 million) for F2020.

Marketing Services

If required, Imperial provides marketing services to principals, thus supporting these companies in developing brand recognition in Nigeria. Currently, three principals rely on Imperial to market their products in Nigeria.

By engaging with local suppliers, Imperial contributed to a GDP uplift of NGN 39.7 million (R1.6 million) for F2019 and NGN 58.3 million (R2.5 million) in F2020.



Fiscus Contribution and Regulation

As a responsible and ethical corporate citizen, Imperial contributes to the Nigerian economy through the taxes and fees that it pays during the normal course of business.

In addition to its fiscal contributions, Imperial's ethical approach to business protects and saves the lives of Nigerians by providing them access to reliable, safe and quality pharmaceutical products.

As an advocate for the industry, Imperial engages with industry stakeholders to develop forward-looking policies aiding the sustainable growth and development of the industry while also increasing the availability of reliable pharmaceuticals. Furthermore, Imperial is transforming the state of the pharmaceutical industry in Nigeria through its own infrastructure

and technology investments, including upgrading warehouses to meet international standards and supporting partners in developing their infrastructure such as cold-chain facilities.

The estimated contribution to the Nigerian economy through taxes and levies, including value added tax (VAT), import duties and withholding tax was NGN 2.2 billion (R86.7 million) in F2019 and NGN 2.1 billion (R91.0 million) in F2020.



Directors

Imperial seeks to align the interests of clients, principals and customers, as well as compensate its directors for their service to Imperial.

External directors earned emoluments amounting to NGN 31.4 million (R1.2 million) in F2019 and NGN 35.4 million (R1.5 million) in F2020.

The total value to society generated from these disbursements including GDP uplift amounted to NGN 130.2 million (R5.1 million) in F2019 and NGN 146.9 million (R6.2 million) in F2020.



Combined value of Beyond Imperial

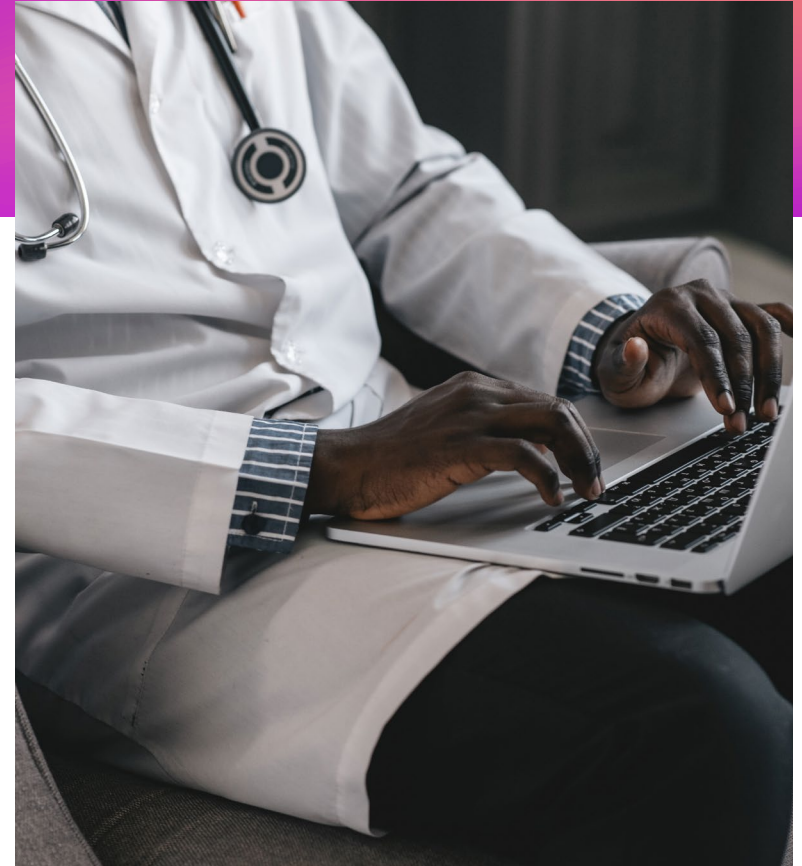
The success of Imperial, the largest distributor of pharmaceutical products in Nigeria, is dependent on the strong partnerships with external stakeholders and partners including suppliers and service providers.

As a responsible corporate citizen, it also partners with government and regulatory bodies to ensure smooth conduct of business, while developing forward-looking regulations and enhancing the state of the industry's infrastructure.

Through tax contributions, payments to service providers, investments in infrastructure and the subsequent GDP uplift, Imperial has created value for society amounting to NGN 7.9 billion (R329.0 million) across F2019 and F2020.

Imperial has also created value for the logistics industry and for market access amounting to NGN 1.1 billion (R43.6 million) across F2019 and F2020 by partnering with distributors. Imperial also supported jobs across these suppliers and service providers.

Finally, Imperial generated value for partners - including principals - amounting to NGN 117.1 billion (R4.8 billion) across F2019 and F2020. This in addition to providing these principals with access to the Nigerian market and providing profitable growth opportunities to them.



 **Value Areas (NGN Millions)**

	Value to Society	Value to the Logistics Industry and Market Access	Value to Partners
F2019	3 167	491	58 201
F2020	4 816	571	58 923
Cumulative	7 983	1062	117 125

Working with its external network, Imperial contributed to the UN SDGs which relate to decent work and economic growth (Goal #8), industry innovation and infrastructure (Goal #9), reduced inequality (Goal #10) and partnerships for the goals (Goal #17).

Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: "A prosperous Africa based on inclusive growth and sustainable development."



Go Digital, Go Green

Imperial is a **responsible and ethical corporate citizen** conscious of the impact that its pharmaceutical distribution has on society.

Imperial ensures that its pharmaceutical products are handled in the most environmentally friendly manner possible - and safely disposed. In addition, with millions of lives impacted by its business, Imperial is continually innovating and investing in digital technologies to improve the effectiveness of its business and enhancing its reach across the country.

Nigeria ranks 137th out of 140 countries
on Digital Readiness Index^{XIII}



The application of digital solutions to address social problems and to foster economic development has a pivotal role to play in advancing society on a global scale. Nigeria's current position puts it at a disadvantage, with the country ranked 137th out of 140 on the CISCO Digital Readiness Index in 2019 with a score of 5.31 out of 25.

Digital technology is of significant importance in making healthcare accessible to those in remote areas especially in developing countries where resources are scarce and systems are stressed. In Nigeria, adoption of digital technology, especially for healthcare delivery, is in its nascent stage.

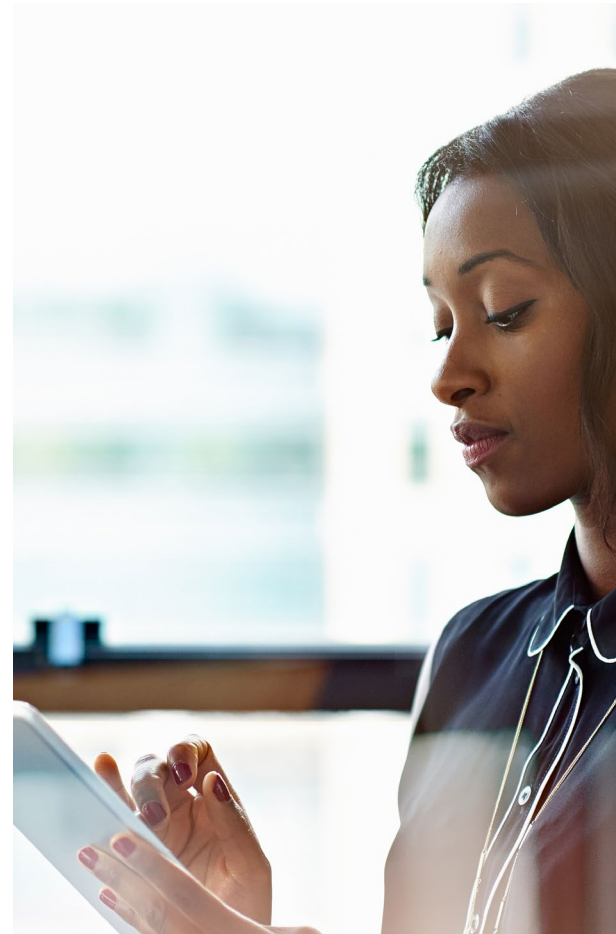
Despite operating in challenging environments, Imperial understands the role that digital technology can play in enhancing its impact on the Nigerian public and has taken steps to embrace technology as part of its operations.

As operations continue to expand, there is a commitment to ensuring employee safety and to reducing environmental impact through efficiencies realised by digital technology.

All sales and medical representatives have been equipped with tablets to manage relationships with various stakeholders and proximity to their customers.

Imperial has also adopted energy conservation practices at new sites and has established strict protocols for the disposal of expired pharmaceutical products.

This section focuses on Imperial's digital and environmental sustainability initiatives.



Salesforce Automation

Imperial, like many companies operating in Nigeria, was largely a paper-driven organisation, with its sales process being particularly paper-driven.

As Imperial has expanded within Nigeria, managing a paper-driven business has become increasingly difficult. Consequently, in 2017, Imperial launched the Sales Force Automation (SFA) mobile application to transform sales into a paperless process, revolutionising the way sales representatives interact with distributors, retailers and customers. Embracing technology has boosted sales representatives' productivity and provided a real-time mechanism to monitor the availability of medicine across the country.

SFA has transformed business operations in Nigeria, with Imperial maintaining its competitive edge in the market and the benefits percolating across the value chain:

01 Tracking essential KPIs like product availability, stock-outs and payments has helped ensure smooth supply chain operations

02 Meetings with principals have become more collaborative as data around product availability, demand and credit history is available real-time



Benefits of Imperial's SFA tool



Sales representatives are equipped with tablets to **help them interact with customers, distributors and principals**



Better **manage product catalogues** and drive higher sales



Access customer accounts, inventory and product **data real-time** and remain connected with the customer even while on the road



Track essential KPIs like product availability, stock-outs and payments, to ensure **smooth supply chain operations**



Engage with principals and provide visibility around product availability, demand and client credit history



The SFA tool has affected countless lives by ensuring that genuine pharmaceutical products reach patients which is of critical importance in a country like Nigeria where 70% of drugs in circulation may be counterfeit

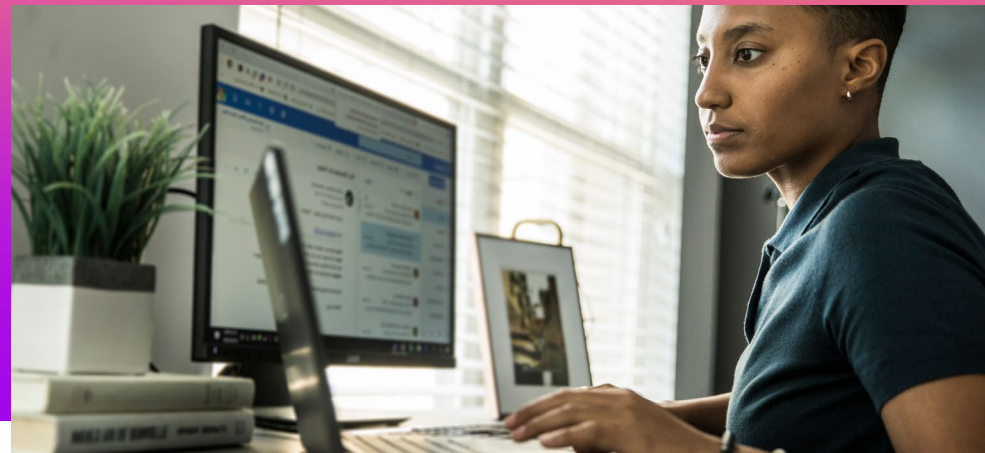


The seamless customer experience provided by the SFA has supported a higher up-take as well as retention of customers, with the retail sales growing multi-fold from 4% of total sales to over 20%



Salesforce Effectiveness Tool

Imperial is investing in improving effectiveness of the salesforce with digital tools.



Imperial's in-house Salesforce Effectiveness (SFE) tool helps businesses drive profitability by shortening sales cycles and improving employee performances by training and upgrading their skills.

Imperial's continued appetite for innovation and focus on enhancing the business led to the company launching the Salesforce Effectiveness (SFE) Tool in 2019. Together with the SFA application, the SFE tool aims to improve the effectiveness of sales representatives and enhance relationships with principals.

The SFE tool has assisted medical representatives, including doctors and pharmacists, with a range of functions like Doctor Visit Planning and Tracking, Doctor/Pharmacy call time and duration, order booking and frequency of visits.

Numerous benefits have been realised since the tool was launched including:

- Over 50% increase in daily call volume
- Increase in drop size from two stock keeping units (SKUs) to four per call
- Almost doubling business generated per call
- Improved relationship across the network of 5 000 retail pharmacies in Nigeria

95%+ contract renewal rate due to higher satisfaction scores, attributable to the combination of technology and high service levels

The SFE tool, by empowering Imperial to have more data-driven conversations, has enhanced partnerships and engagements with principals.

These technological investments by Imperial have improved the efficiency of its workforce and reduced the environmental impact through better inventory management, increased sales per visit and improved visibility.



Environmental Sustainability Initiatives

Imperial has a focus on embedding day-to-day improvements throughout the business.

One of Imperial's key ESG principles is balancing "impacts on People, Planet and Profit by integrating ESG practices into our daily business activities and decision-making processes."

Because of this, and the recognition of its responsibility to the environment, Imperial has a focus on embedding day-to-day improvements throughout the business. It has undertaken measures to improve site energy efficiency and reduce its environmental footprint through initiatives including the following:

- Use of 2 000 energy efficient LED fittings across premises
- Reduced dependence on diesel generators
- Building underground tanks for rainwater harvesting
- Designing warehouses to optimise space utilisation
- Constructing premises to maximise use of natural light and avoid waste of resources by using air curtains, glass partitions etc.

The use of energy efficient LED bulbs has saved an estimated NGN 125 million (R5.2 million) in F2019 and F2020 in electricity costs. Value to the logistics industry and to market access through investments in LED bulbs is NGN 1.0 million (R37 900) in F2019 and NGN 3.6 million (R150 600) in F2020.

As part of its upcoming initiatives, Imperial plans to install solar panels on the warehouse roof to reduce power requirements from the grid during the day.



Safe Disposal of Expired Medicines

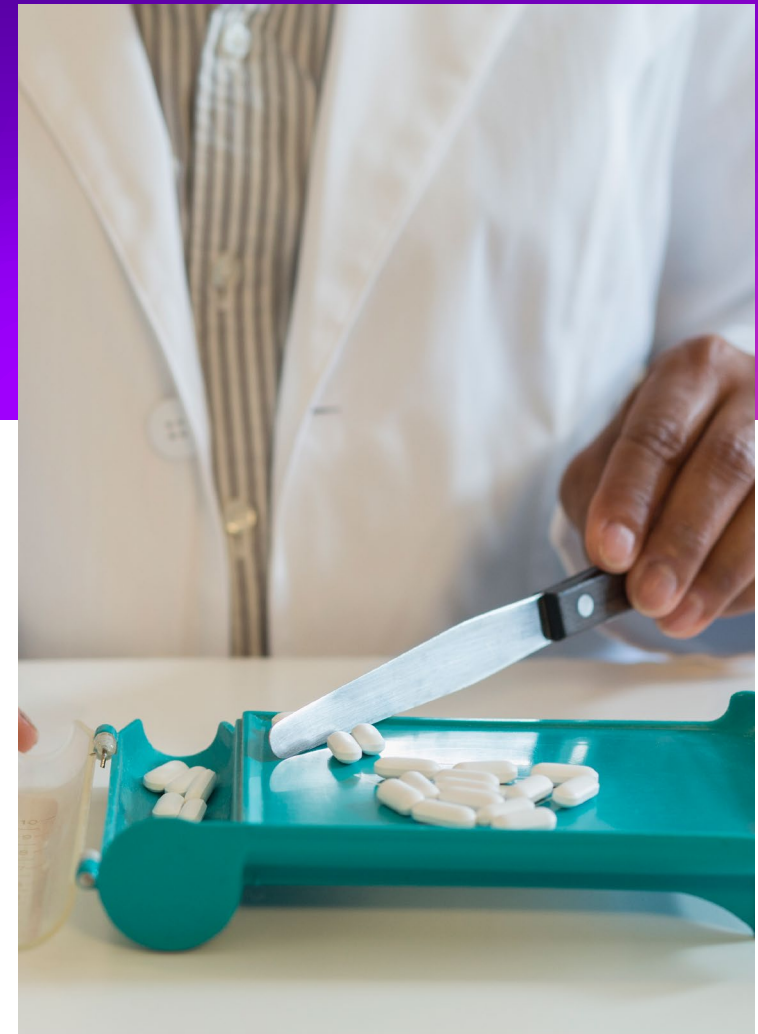
Drugs taken by humans and animals can contaminate rivers, lakes and even drinking water, with significant effects on the environment.

Safe disposal practices of expired pharmaceutical products are of utmost importance for the safety of patients and protection of the environment.

Studies suggest that an accumulation of antibiotics in the aquatic system worsened antibiotic resistance and affected microorganisms' virulence.^{xiv}

At Imperial, the responsibility for destruction of expired pharmaceutical products is taken very seriously. The company partners with the National Agency for Food and Drug Administration and Control (NAFDAC) and follows strict protocols.

- Imperial communicates product information including name, supplier, batch number and expiry date to NAFDAC Enforcement Directorate
- On the date of destruction, Imperial loads all products in secure boxes which are transported in locked trucks to the destruction site
- The stock is then destroyed in the presence of security agents, Imperial employees and NAFDAC officials
- A destruction certificate is issued



Combined value of Go Digital and Go Green

By looking for opportunities to Go Digital and Go Green, Imperial has identified key opportunities through which to unlock value within the next few years, keeping People, Planet and Profit in balance.

Imperial has continually invested in digital technologies to improve the efficiency of its business while increasing the reach across Nigeria. As a responsible corporate citizen, Imperial is committed to reducing the impact to the environment.


Being the largest distributor of pharmaceutical products, Imperial handles a significant amount of pharmaceutical waste. It ensures that these products are disposed in accordance with the strict protocols laid down by the principals and the local Nigerian regulator.

In addition, Imperial's investments in green initiatives have resulted value to society amounting

to NGN 128.0 million (R5.2 million) across F2019 and F2020. Further, savings through investments in green infrastructure have contributed value to the logistics industry and to market access amounting to NGN 5 million (R0.2 million) across F2019 and F2020.

Imperial plans to expand its green initiatives including installation of solar panels to reduce dependence on the power grid thereby unlocking value to the society and environment. The company considers digitalisation to be a continuum and has initiatives that would realise value in the future.



 Value Areas (NGN Millions)		
	Value to Society	Value to the Logistics Industry and Market Access
F2019	64	1
F2020	64	4
Cumulative	128	5

The focus on Go Digital and Go Green supports the UN Sustainable Development Goals which relate to good health and well-being (Goal #3), affordable and clean energy (Goal #7), industry, innovation and infrastructure (Goal #9), responsible consumption and production (Goal #12), climate action (Goal #13) and partnerships for the goals (Goal #17).

Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: “A prosperous Africa based on inclusive growth and sustainable development.”



Going the Extra Mile

Contributing to the development of Imperial's communities

Imperial is committed to enhancing the lives of millions of people in Nigeria by providing timely access to safe, reliable and optimally priced pharmaceutical products. This is visible not only through its profits but also through the lives enriched.

“Our communities are better off because we are here”



Going the Extra Mile

In its vision, Imperial states: **Our communities are better off because we are here.** One of the ways Imperial contributes to the development of its communities is through impactful Corporate Social Investment (CSI) initiatives. These initiatives span all age groups and touch people from all walks of life.

Key initiatives include contributions to the Tulsi Chanrai Foundation Eye Hospital, the Clinton Health Access Initiative (CHAI) Project and donations in cash and in kind for COVID-19 relief.

Imperial's NGN 180.0 million (R7.4 million) in donations to the Tulsi Chanrai Eye Foundation Eye Hospital enabled more than 138 free eye check-up camps to be run in rural areas and free surgeries for more than 3 500 people in F2020. In addition, contributions made to the CHAI project provided patients with access to cancer care products at subsidised prices.

In F2020, Imperial also made donations, both in cash and in kind for COVID-19 relief, positively impacting over 200 000 lives.

This section focuses on the various CSI initiatives undertaken and value generated from them.



Tulsi Chanrai Foundation Eye Hospital

Improve the quality of eye care for all Nigerians.

About 4.25 million Nigerian adults suffer from moderate to severe visual impairment, of which over one million adults are in urgent need of medical attention.

The large pool of people affected by blindness has a marked impact on national productivity as it entails not only loss of income of affected individuals but also loss of wages and time in caring for them. As per studies, 84% of all causes of blindness are preventable or treatable^{xv}.

However, the local infrastructure has been unable to support and provide care for the individuals in need of eye care. This can be attributed to several factors including low capacity, lack of trained personnel and faulty equipment. In some instances, the waiting time for a surgery can be as long as eight months.

About 5% of adults in Nigeria suffer from moderate to severe visual impairment



Image 2: Tulsi Chanrai Foundation Eye Hospital

The Tulsi Chanrai Foundation (TCF) is a not-for-profit organisation established in 1992 which strives to provide quality healthcare services to the remote and disadvantaged Nigerian population. TCF's Mission for Vision initiative aims to address avoidable blindness through increasing the cataract surgical rate by providing free and subsidised surgical interventions.

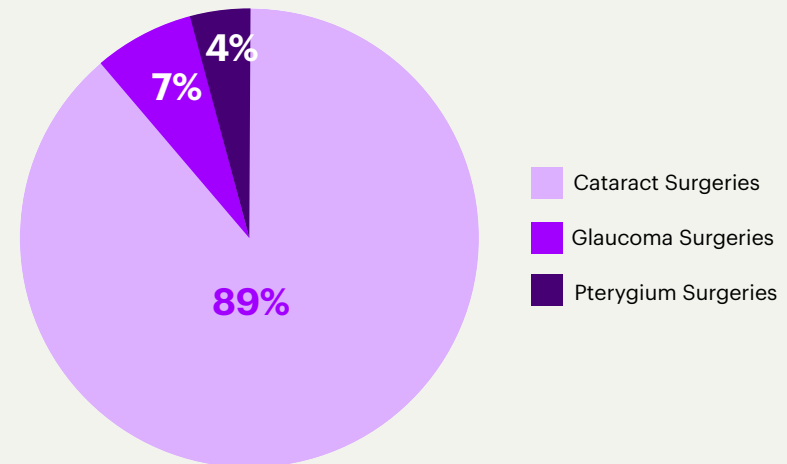
Since July 2018, the Tulsi Chanrai Foundation Eye Hospital has set up more than 138 temporary camps and conducted over 3 500 free eye surgeries.

In addition to these surgeries, the hospital also provides patients access to treatment through its out-patient department (OPD), as well as paid surgeries and optical orders, all offered at a rate at least 20-30% lower than the market rate.

The success of the TCF Eye Hospital can be attributed to the quality of the facility and the medical staff, including the doctors and nurses. The doctors and nurses were provided specialised training by partners in India.

Cataract surgeries, glaucoma surgeries and pterygium surgeries are conducted.

Figure 6: Break-up of types of surgeries conducted between January 2019 and December 2019



“When I came for the screening, the doctor said they will operate my eye and I was given a date for the surgery. They came and picked us with their bus from Angwan Waje to Abuja free and operated my eye free and even gave me food throughout my staying there. Now I can see clearly and can now go back to school to pursue my dreams, I am very grateful to God and to TCF eye hospital for this wonderful work. May God continue to bless you all”

– Patience Amos, Age 23

Patience Amos was diagnosed with cataracts in both eyes at the age of 17 but because of lack of funds, she was unable to receive treatment. She dropped out of school and could not complete her education because of her limited vision. Upon discovering the TCF Eye Hospital, Patience went for screening and has since had surgery on her right eye. Patience is one of the many beneficiaries who has been able to partially or fully restore their vision because of TCF and can now pursue her dreams and become financially independent. Patients like Patience are provided with free of charge surgery as well as housing, food and other medical support.

An added benefit of the TCF Eye Hospital is the creation of employment opportunities for local doctors and nurses.

Imperial has donated over NGN 180.0 million (R7.4 million) in F2019 and F2020 combined. Its contributions to the TCF Eye Hospital have made a difference to over 100 000 lives and generated cost savings of NGN 350.0 million (R13.8 million) in F2019 and NGN 260.0 million (R11.0 million) in F2020. The greatest impact has been the provision of a reliable and affordable eye care facility that provides timely treatment to the Nigerian public.



Image 3: Eye check-up camps



CHAI Project

The Clinton Health Access Initiative and its Chemotherapy Access Partnership.



In October 2019, Imperial partnered with the Clinton Health Access Initiative (CHAI), American Cancer Society (ACS), Pfizer and the Nigerian Federal Ministry of Health to establish a new programme: the Chemotherapy Access Partnership (CAP).

CAP is focused on furthering the cause of making cancer care affordable to the people of Nigeria. Cancer has become a major source of morbidity and mortality. In 2020, over 120 000 new cases were diagnosed in Nigeria and more than 78 000 deaths were reported.

The current cancer care landscape in Nigeria is faced with many complex challenges including premium pricing of pharmaceutical products and a proliferation of counterfeit medicines. Pharmaceutical products in Nigeria cost up to **60 times the international price**. Also, it is estimated that as much as 70% of pharmaceutical products in circulation in Africa may be counterfeit.^{xvi}

The combination of these challenges means patients must travel thousands of kilometres to source reliable pharmaceutical products. Also, high out-of-pocket treatment costs put treatment beyond the reach of many people.

Because of these barriers to quality treatment, patients are twice as likely to die of cancer in Nigeria than in the United States.

However, through CAP, thousands of Nigerians now have access to affordable, quality treatment.

The partnership aims to provide:

- Quality guarantee of all chemotherapy treatments
- 50% price reduction for treatment
- Easy access to the centre's pharmacy



“For too long cancer has been perceived as a death sentence, but this should no longer be the case in Nigeria”

– The Honourable Minister of State for Health, Doctor (Senator) Adeleke O. Mamora

The partnership started by delivering life-saving chemotherapy treatments to seven teaching hospitals, which has since extended to ten teaching hospitals. The quality of these treatments is similar to that received by patients in the US, Europe, Canada, Japan and Australia.

The CAP programme benefits from Imperial’s distribution expertise, including the state-of-the art cold-chain facilities. Imperial has also used its experience in procurement of pharmaceutical products to ensure a stable supply of genuine medicines in Nigeria, reducing the burden of travel costs and saving time which is of critical importance in cancer treatment.

A not-for-profit initiative, Imperial has ten employees supporting the CAP Program amounting to an annual contribution of NGN 11.6 million (R0.5 million) in terms of time and effort. Additional investments made by Imperial amount to NGN 2.3 million (R0.1 million).

Patients undergoing chemotherapy sessions through this initiative benefitted from cost savings of NGN 356.2 million (R15.1 million). An estimated 45 lives, which would otherwise have been lost, were saved. The socio-economic loss avoided is estimated to be NGN 2.0 billion (R85.3 million).

In F2020, the value to society generated amounted to approximately NGN 2.4 billion (R101.0 million) with an impact on over 400 lives.



Donations

Imperial has also gone the extra mile in supporting other causes and initiatives.



Globally, 2020 was a challenging year. While thousands of people lost loved ones and jobs, many others have been burdened with large medical bills incurred during treatment for COVID-19.

The depth of grief and the loss of lives have no parallel in recent history. Until June 2020, Nigeria had over 19 000 confirmed cases of COVID-19 and over 500 related deaths.

During these challenging times, Imperial supported communities with donations, both cash and in-kind. The company donated various medicines for COVID-19 relief totalling NGN 3.0 million (R0.1 million) which have further

resulted in NGN 3.0 million (R0.1 million) cost savings for patients.

Imperial also donated NGN 12.5 million (R0.5 million) to the Eti Osa Isolation Centre in Oniru to support the building of a field hospital with all necessary amenities and which operates 24 hours a day with a team of 120 clinical and non-clinical staff.

A further NGN 5.0 million (R0.2 million) was donated towards developing an isolation and treatment centre for SABHA (the Association of Indian Communities in Nigeria Comprising of all Indian Samajam organisation in Nigeria).

The funds contributed towards:

- Developing a fully equipped 50 bed isolation / treatment centre in Lagos and laboratory for testing
- Donation of protective equipment and kits to health workers
- Creating awareness among the community about COVID-19


In 2020, Imperial contributed NGN 23.5 million (R1.0 million) in cash and in kind which has affected over 200 000 lives.



Combined value of Going the Extra Mile

Imperial goes the extra mile and touches the lives of communities in which it operates. Through various donations and investments in partnerships, Imperial enables cost savings on medical bills for the Nigerian population by providing them access to affordable treatment and pharmaceutical products.

It also generates value for society by reducing fatalities that would have arisen because of treatment being inaccessible and unaffordable. Through its CSI activities, Imperial created value to society amounting to NGN 3.2 billion (R134.3 million) across F2019 and F2020.

 Value Areas (NGN Millions)	
	Value to Society
F2019	440
F2020	2 761
Cumulative	3 201

In Going the Extra Mile, Imperial contributes to the UN Sustainable Development Goals which relate to good health and well-being (Goal #3), reduced inequalities (Goal #10) and partnerships for the goals (Goal #17) .



Imperial also contributed to the African Aspirations related to similar topics, specifically the first aspiration: “A prosperous Africa based on inclusive growth and sustainable development” which includes well-being and education as goals and the sixth aspiration: “Development is people driven, relying on the potential offered by people, especially its women and youth and caring for children.”



Conclusion

Reflecting on the five key themes assessed, Imperial's Greatest Asset; 'Gateway to Africa'; Beyond Imperial; Go Digital, Go Green; and Going the Extra Mile, it is clear that Imperial is a critical contributor to the Nigerian economy, with a significant impact on society at large, its partners, the logistics industry and market access. It enriches millions of lives across Nigeria by providing access to genuine and life-saving pharmaceutical products at affordable prices. In addition to these core contributions, Imperial is touching the lives of the Nigerian community through various impactful and focused CSI initiatives.



Conclusion




Imperial generates significant value for Nigeria and connects Africa to the rest of the world by acting as a gateway for international players to enter the otherwise challenging market. As the 'Gateway to Africa', it supports these international and local principals in operating profitable businesses in the high potential Nigerian market.

The estimated value across all five themes, for both years, is NGN 3.6 trillion (R145.8 billion) of which 93% accrues to society.

The most impactful contribution is the millions of lives that are touched, including fatalities that are avoided due to access to reliable and safe

pharmaceutical products. The socio-economic loss avoided from these fatalities is estimated at NGN 3.1 trillion (R129.3 billion). Imperial impacts the livelihoods of over 1 000 employees by providing them meaningful work opportunities. Imperial also supports many other jobs across its service providers and partners.

Table 2: Cumulative value added over F2019 and F2020

	Cumulative Value over F2019 and F2020			
				
Value (NGN Millions)	Society	Logistics Industry and Market Access	Partners	Total
Imperial's Greatest Asset	20 604			20 608
'Gateway to Africa'	3 275 178			3 412 078
Beyond Imperial	7 984	1 063	117 125	126 171
Go Digital, Go Green ⁽¹⁾				
Going the Extra Mile	3 201			3 201
Total	3 307 095	137 287	117 811	3, 562 192

1. Value from Go Digital Go Green initiatives has been qualitatively assessed; however, these initiatives are expected to realise value in the future.

Totals may not add up due to rounding of numbers.



By creating value for society, the logistics industry, market access and partners, we estimate that total value created by Imperial in F2020 amounted to approximately 1.2% of Nigeria's GDP.

Imperial's contributions and impact have also been reviewed considering the UN SDGs and the African Aspirations for 2063. The key goals and aspirations upon which Imperial has had an effect are:

UN SDGs	African Aspirations
Goal #3 Good health and well-being	1. A Prosperous Africa
Goal #5 Gender equality	
Goal #7 Affordable and clean energy	2. An integrated continent, politically united
Goal #8 Decent work and economic growth	
Goal #9 Industry, innovation and infrastructure	6. Development is people driven, relying on the potential offered by people, especially its women and youth and caring for children
Goal #10 Reduced inequality	
Goal #12 Responsible consumption and production	
Goal #17 Partnerships for the goals	

Imperial benefits the Nigerian population as it plays a major role in reducing the burden of disease which has crippled the nation for far too long. Thousands of Nigerians are now able to complete their education and contribute productively to the economy, the value of which cannot be expressed in numbers.









Appendix



Summary

Table 3: Overall impact of Imperial's operations in Nigeria (value in South African Rands)

	F2020				F2019				
									
Value (R millions)	Society	Logistics Industry and Market Access	Partners	Total	Society	Logistics Industry and Market Access	Partners	Total	Cumulative Total
Imperial's Greatest Asset	450			450	393			393	844
'Gateway to Africa'	70 492	2911	27	73 431	63 622	2 665	1	66 288	139 719
Beyond Imperial	203	24	2 494	2722	125	19	2 300	2 444	5 167
Go Digital, Go Green⁽¹⁾									
Going the Extra Mile	116			116	17			17	134
Total	71 266	2 935	2 522	76 724	64 161	2 684	2 300	69 146	145 870

1. Value from Go Digital Go Green initiatives has been qualitatively assessed however, these initiatives are expected to realise value in the future. Totals may not add up due to rounding off



Glossary	
GDP uplift	Increase in GDP as a result of the multiplier effect; calculated as GDP increase (or income/salary) multiplied by the inverse of the marginal propensity to spend and, if applicable, multiplied by a domestic spend multiplier.
LLP services (lead logistics provider)	Offering in which Imperial manages multiple supply chain functions on behalf of their clients (principals). Typically, a contract logistics relationship which is at the height of its maturity.
Market Access	Imperial takes ownership of product inventory to provide its clients with unparalleled access to their end-consumers through an integrated logistics and sales service - leveraging sourcing, warehousing, distribution, synchronisation and transportation management as enablers.
One Imperial	Imperial working collectively as a provider of integrated, end-to-end market access and logistics solutions that deliver simplicity, flexibility and visibility to clients and principals.
Principals	Brand owners, manufacturers or commercial sellers from which Imperial purchases stock and sells through "Route to Market Solutions".

Abbreviations	
CPG	Consumer packaged goods
CSI	Corporate Social Investment
GDP	Gross Domestic Product
GWF	Global Women's Forum
ICAS	Independent Counselling and Advisory Service
JSE	Johannesburg Stock Exchange
KPIs	Key performance indicators
PAYE	Pay-as-you-earn (income tax)
UN SDGs	United Nations Sustainable Development Goals
VAT	Value added tax
WEF	World Economic Forum
F20XX	Financial year 20xx – runs from July to June



Assumptions	
In building the socio-economic model, the following assumptions were made:	
1. GDP multiplier	The spend multiplier has been calculated using the marginal propensity to consume which yields a multiplier of 3.77. The domestic spend proxy used is 83%.
2. Socio-economic value of life^{xiii}	The socio-economic value of a life has been calculated using total productivity loss from premature deaths which translates to approximately NGN 44 million.
3. Household size	Lives impacted have been calculated by considering the average household size of an employee in Nigeria which is 4.7.
4. Annual Health Check-up cost	Average annual health check-up cost has been assumed to be NGN 35 000 per annum.
5. Interest savings on loan	Interest rate on loans is assumed to be approximately 15%.
6. Reduction in medical tourism	It is assumed that 5% of all medical tourism can be potentially avoided by providing quality healthcare domestically. It is further assumed that only 10% of this will reduce in reality as a result of access to quality healthcare.
7. Cost savings on medical bills	It is assumed that Nigerians will realise cost savings equivalent to 20% of their medical bills by purchasing through Imperial at wholesale prices.
8. Lives impacted	This includes the total number of beneficiaries of various healthcare services along with a family member (0.5 - 1) who would accompany the patient thereby investing their time and effort and foregoing their daily wage.
9. Lives Saved	Probability of saving a life with timely access to quality pharmaceutical products has been assumed to be 50%.
10. Payroll cost as percentage of revenue	Payroll expenses of external suppliers and service providers has been assumed to range from 15% to 30% of total revenue generated.
11. Exchange Rates:	a. F2019: R1 = NGN 25.3 b. F2020: R1 = NGN 23.6



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With thanks to Imperial.

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