

Nouns
Nouns are naming words

Types of nouns

- Proper nouns always in Capital letters
- name of a person: Thandi, Sipho
- place: Soweto, Gauteng
- surname: Mrs Mpungose, Hlatshwayo
- river: Vaal river, Indian ocean
- mountain: Mount Everest, Drukenberg

bus	buses
box	boxes
brush	brushes
business	businesses
fish	fishes
story	stories
hobby	hobbies
lorry	lorries
bully	bullies
baby	babies
community	communities
family	families

Capital letters of the Republic of South Africa
Title: President

As the president of the country, I am responsible for the welfare of all South Africans. My duty is to ensure that the country is developed and that the people are happy and healthy. I will work hard to improve the lives of all South Africans and to make the country a better place to live in.

Social report

Support relevant social imperatives



Why supporting relevant social imperatives matters

Covid-19 has revealed and confirmed to us that why we exist, what we do, and how we do it matter – more so than ever before. In these extraordinarily challenging times, our 25 232¹ people are demonstrating that we are more than a business that strives for sustainable revenue and targeted returns for our shareholders. We make a real difference to people’s lives and play a key role in the development of Africa and its people by facilitating access to quality products and services, including food, fuel, medicine, and many other products that improve the quality of everyday life. The implications of our strategy, social responsibility and sustainability for Africa’s wellbeing are substantial.

While always a priority for the group and our clients, principals and customers (collectively referred to as clients), the emergence of Covid-19 tested our safety practices and quality control measures. We have extensive experience in transporting and warehousing a diverse array of products, ranging from fuel and chemicals to food, alcohol and medication, all of which require robust safety controls to protect our employees and consumers. Our expertise allowed us to quickly adapt our practices to

safeguard our employees, stakeholders and businesses during this unprecedented time.

Beyond our day-to-day operations, the initiatives in which we invest and actively participate, are chosen based on their ability to tangibly impact access to healthcare and better education, drive diversity as well as community and sports development and raise road safety awareness, producing sustainable benefits for those in our regions of operation.

Our focus areas

Protect our people, operations, clients and suppliers from Covid-19 infections.	Enforce defensible health and safety practices.	Support access to affordable quality healthcare in Africa.	Improve our transformation credentials in South Africa.	Strengthen the communities in which we live and work.	Raise road safety awareness in South Africa.
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Link to material themes and issues

Theme	Material issue
Deliver shared value as a purpose-driven organisation	<ul style="list-style-type: none"> Deepen legitimacy and enhance organisational visibility.

Relationship to strategy
<ul style="list-style-type: none"> Our people are our greatest asset. Integrating ESG practices.

Materiality boundary

	Market Access	Logistics Africa	Logistics International
Covid-19 management	■	■	■
Road transportation		■	■
Health and safety	■	■	■
Access to healthcare	■	■	
Black economic empowerment		■	
Corporate social investment (CSI)	■	■	■
Road safety awareness		■	

Socioeconomic
Violent protests and civil unrest arising out of a challenging economic environment, and in South Africa, poor service delivery, exacerbated by the job losses, job scarcity and diminished disposable spend brought about by Covid-19.

Reputation
Loss of credibility from failure to meet client expectations, failure to meet product quality and safety requirements and failure to implement controls to prevent the spread of Covid-19. Accidents caused by Imperial drivers or our sub-contractors also impact our reputation.

Safety and compliance
Long-distance driving, operating forklifts and working at heights are high-risk activities. This year, the impact of Covid-19 on the health of the workforce (high rates of absenteeism) is an added risk, particularly employees who are vulnerable to Covid-19, as is driver fatigue from the added pressures arising out of the pandemic. Failure to manage health and safety risks effectively can result in major incidents, fatalities and increased costs.

Transformation
Exclusion from participating in new tenders and contract renewals due to failure to increase black ownership of our South African operations, and lagging behind our competitors and clients in terms of employment equity at senior management levels.



GRI indicators
General: 102-9, 102-12, 102-15, 102-44
Economic: 203-1, 203-2, 204-1
Social: 403-2, 403-3, 413-1, 413-2, 416-2

¹ Continuing operations excluding consumer packaged goods and European shipping.

Performance overview

Highlights

Resilience and agility

- Quickly mobilised our operations to protect our people, businesses, clients and suppliers from Covid-19 infections while maintaining high-service levels for our clients, despite supply chain interruptions caused by lockdowns.

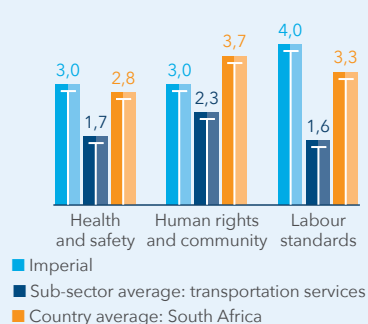
Covid-19 support (South Africa)

- R10,5 million donated to various initiatives to help communities and small businesses impacted by the Covid-19 crisis.
- Sourced and delivered thousands of cubic metres of personal protective equipment (PPE) and medical-grade hand sanitisers for public and private sectors in South Africa and Europe.

Driver health (South Africa)

- Contributed to the development of a new driver health and wellness programme, which assesses driver fitness and addresses driver fatigue and the psychological stressors arising from Covid-19.

FTSE4Good Index Series



Access to healthcare

- Resolve Solution Partners, a group company, won a Platinum Award at the 30th Annual Logistics Achiever Awards for the 239 medicine stores deployed across Malawi.
- Partnered with the International Finance Corporation (IFC) to co-develop In-a-Box™ modular solutions for Covid-19 screening, triage and treatment.
- Unjani Clinics in South Africa celebrated its millionth patient engagement, marking the effectiveness of the healthcare delivery model.

Unemployed youth (South Africa)

- 174 unemployed learners participated in a learnership, apprenticeship or internship, gaining work experience and receiving a stipend while they learn.

Scholar road safety awareness (South Africa)

- 66 schools reached, including 20 reached in F2019, and 58 931 scholars educated on road safety and the K53 method of driving.
- Launched the *Be safe, Be smart* roadshow, which delivers education on Covid-19 and hygiene to primary and secondary school scholars, supporting schools in their reopening after lockdown.

Road fatalities

Sadly, towards the end of the financial year, we reported one employee fatality in an accident caused by a third-party vehicle. We deeply regret the death of our colleague Mr TJ Thupaemang and again offer our deepest sympathies to his family and friends. Driver and public safety remain top of mind and we continue to leverage technology and driver education to reduce accidents. In addition to our own safety measures, our road safety awareness and education is extended to scholars and the general public as part of our CSI initiatives.



Performance overview continued

Key performance indicators

Product safety

No material incidents of non-compliance with laws and regulations concerning the health and safety impacts of products and services
(F2019: none)

Market Access¹

0,063

road accidents per million kilometres
(F2019: 0)

0

road injuries per million kilometres
(F2019: 0)

0

road fatalities per million kilometres
(F2019: 0)

Logistics Africa¹

0,246

road accidents per million kilometres
(F2019: 0,210)

0,066

road injuries per million kilometres
(F2019: 0,047)

0,004

road fatalities per million kilometres
(F2019: 0,006)

Logistics International¹

0,399

road accidents per million kilometres
(F2019: 0,423)

0,041

road injuries per million kilometres
(F2019: 0,172)

0

road fatalities per million kilometres
(F2019: 0)

Expected BBBEE ratings² (South Africa)

Current projections show that our verified BBBEE score for 2020 will be a

Level 4 rating

against the more stringent amended Department of Trade and Industry's Broad-based Black Economic Empowerment Codes of Good Practice (dti Codes). The lower score is largely due to the impact of Covid-19 and related budget constraints.
(2019: level 2³)

Level 2 rating

against the Road Freight Sector Codes
(2019: level 2)

Imperial board

Nine board members, of which **37%** are black directors
(F2019: 44%)

Developing black employees (South Africa)

85% (R84 million) of training spend was used to develop black employees
(F2019: 92%)

Black representation (South Africa)

42%

at top management
(F2019: 47%)

32%

at senior management
(F2019: 28%)

45%

at middle management
(F2019: 43%)

Enterprise development spend (South Africa)

R29 million
(F2019: R27 million)

Total CSI spend (group)

R21,1 million
(F2019: R22,2 million)

¹ Reported for Imperial employees only. Excludes third parties.

² The broad-based black economic empowerment (BBBEE) scorecard will be published at the end of September 2020.

³ Revised from the reported Level 3 rating in the 2019 sustainable development report following the final verification after publication.

Our primary duty and responsibility during Covid-19 is to lead and act in the best interest of all our stakeholders. First and foremost, our focus is on protecting our people, operations, clients and suppliers from infection, and fulfilling the critical role we play in ensuring the continued supply of the essential products and services needed to respond to this threat.

Up to the end of July 2020, 385 employees had tested positive for the virus. While most have made a full recovery, we are sad to report that 11 of our colleagues (seven in South Africa) succumbed to the virus and we extend our heartfelt condolences to their families and colleagues.

Based on the learnings from our European operation, which went into lockdown before South Africa, we were able to adopt safety measures early, enabling 98% of the South African workforce in the essential services businesses to work during the country's strict national lockdown.

Containing the spread


Business continuity plans and pandemic protocols and guidelines set the stringent safety and strict access controls needed to prevent the spread of the virus within our buildings and warehouses and keep our employees and their families healthy. While many employees continue to work from home, essential employees work on different shift systems and in separate offices to allow for increased social distancing and to ensure continuity when a member of a team tests positive for the virus. Interaction between departments has been limited to essential engagement, and virtual meetings are encouraged.

Our protective measures include daily temperature and health screening, hand sanitisation dispensers, PPE and rigorous hygiene, cleaning and disinfectant programmes for high-risk areas, including trucks used across shifts. Workplaces are continuously monitored using risk assessments and, in South Africa, weekly documented compliance inspections.

All African group companies have a dedicated Covid-19 champion who promotes awareness, ensures that communication reaches all operational levels, monitors compliance by means of documented compliance inspections and manages suspected Covid-19 cases in line with the National Institute for Communicable Diseases protocols. Measures have also been implemented to support contact tracing. In Logistics International, similar duties are managed by a crisis team, which co-ordinates with the company doctor to adapt preventative measures, when required. A dedicated Covid-19 champion manages all suspected cases and emergencies on a 24/7 basis.

Supporting our people

Salaries amounting to around R160 million were paid during periods of lockdown to staff restricted from working. Training across the group as well as mailers, posters and an animated video, deliver practical and easy-to-understand information on the virus, the associated risks and preventative measures that safeguard against infection; this is also done for outsourced security guards and cleaners in South Africa. In South Africa, toolbox talks and an online employee Covid-19 induction programme reinforce these messages, and simulation exercises test our readiness to deal with positive cases in the workplace. All three divisions shared safety information, best practice approaches and solutions to challenges. Employees in South Africa have access to online screening (managed by an occupational health nurse) and counselling services.

 **Covid-19 impact on the workforce:** page 18.

 **Driver fitness and employee health programmes:** pages 43 and 44 respectively.



Response to Covid-19 continued

Supporting our clients

Where needed, we have put additional capacity in place to meet increased client demand for the delivery of medication, medical supplies, food, basic goods and other essential goods and services, including fuel in South Africa. Pleasingly, we have been able to maintain high-service levels for these stakeholders despite supply chain interruptions during lockdowns.

Supporting our communities

A number of initiatives were implemented to support our communities in South Africa, Africa and Europe during the pandemic. Our contributions are covered on page 55.

Stakeholder engagement

Key client and employee concerns: business continuation and our ability to provide healthy and safe working conditions.

Key to our Covid-19 response is effective and ongoing communication with our stakeholders. Group CEO, Mohammed Akoojee, frequently engages with employees and leadership outlining our approach to Covid-19 and the actions taken to ensure employee safety and meet government regulations and client expectations. The #aboveandbeyond campaign, which thanked our employees for their dedication and hard work during this time, and a short inspirational video showcasing the

critical role Imperial plays in assisting people, boosted morale. We also published a guideline for our employees who are parents to help them manage the anxiety their children may be experiencing and to make informed age-appropriate decisions with regards to their children's safety. We continue to leverage social media and other channels to engage with employees and to urge their continued adherence to health protocols.

Our clients have been kept updated on our readiness and commitment to operational excellence. We are engaging with them transparently, sharing our concerns, insights, lessons learnt and business continuity plans.

Supplier communication, including with our sub-contractor partners who provide transportation services, centres on delivering products and services responsibly and in a prophylactic manner. In South Africa, the use of sub-contractors has been substantially scaled back in favour of our own fleet.

We are engaging with the dti on how logistics services can better support South Africa during this period. The group CEO has participated in thought leadership discussions, including a virtual roundtable discussion hosted by Goldman Sachs, on how to restart the South African economy post-lockdown.

Our story

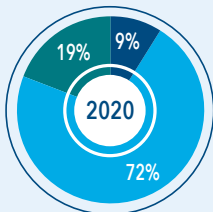
Playing our part in the delivery of PPE	
<p>Chartered nine Imperial-specific flights carrying over 2 000m³ of PPE from China during April 2020 for public and private sector hospitals, clinics and medical facilities across South Africa.</p>	<p>Imperial partnered with Business for South Africa in April 2020 when the quality and timeous supply of medical and protective equipment was critical in South Africa – putting together an integrated end-to-end logistics solution. We were tasked with managing the supplier orders for PPE, exporting from China and importing into South Africa. This included the certification, clearance, consolidation and pallet building as well as special procurement of Imperial-exclusive chartered flights (as opposed to normal airfreight). We were also responsible for the distribution of this equipment from loading in China to unloading in South Africa, and warehousing the goods in our Health Sciences facility in Centurion, Pretoria. All PPE was then distributed by Imperial to hospitals, clinics and medical facilities across South Africa as directed by the National Department of Health.</p> <p>We sourced, delivered and distributed the PPE and medical equipment on a cost recovery basis.</p> <p>During this time, we also collaborated to provide bulk supplies of medical-grade hand sanitiser and gloves to five major state hospitals at no cost and supplied five trucks to Imperial Health Sciences to deliver sanitisers, masks and gloves to government facilities and hospitals.</p> <p>In Europe, Logistics International played its part by:</p> <ul style="list-style-type: none"> • Distributing 45 ocean containers, providing around 920 000 protective suits for healthcare workers in Weimar, Germany. The consignment is shipped from China on behalf of the Kassenärztliche Vereinigung (Statutory Health Insurance Association). • Providing free-of-charge logistics and transportation services of raw materials for Albemarle's new hand sanitiser production line in Germany. We quickly adapted our hazardous materials (hazmat) warehouse to store 17 000 litres of ethanol for Albemarle. We also transport the finished product to the hospital in Goslar. • Leveraging the size and capacity of our hazmat warehousing and transport network to support chemicals manufacturer, Schirm, in the urgent storage and distribution of hand sanitiser for the police, the Federal Ministry of the Interior and hospitals in Hamburg, Germany. We successfully set up all operations within 24 hours of the initial request and within 14 days made 40 deliveries of 616 000 litres of sanitiser, with around half of these drops being outside normal business hours.

Defensible health and safety practices

Why this matters

Kilometres travelled (group)	Products picked	Hazardous substances
376,2 million ¹ road kilometres travelled.	In excess of 25 million cases of consumer products picked in Africa.	A significant player in the bulk and packed fuel and gas sector in South Africa and in the European chemical industry.

Kilometres travelled



- Market Access (31,7 million km)
- Logistics Africa (271,9 million km)
- Logistics International (72,6 million km)

¹ Excludes distances travelled by our sub-contractors.

Safety is a standard requirement in client and principal contracts. Across the healthcare, chemicals and automotive industries we are differentiated by our security and safety practices. We leverage our expertise, consider best practice and industry guidelines and use a number of awareness mechanisms to embed responsible safety, health, environmental and quality (SHEQ) practices and mindset in our operations.

Our road transportation business is based primarily in South Africa where the frequency of accidents and fatalities is alarming. Our drivers across the group operate large vehicles in heavy traffic every day and are sometimes under time-pressure to meet client requirements. In addition, some of our trucks transport chemicals or materials such as steel, which can add to the severity of an accident should one occur. In South Africa, our transportation fleet includes buses, making passenger safety another key focus area.

While road safety is continuously monitored by management, road incidents are not always within our control, potentially resulting in safety metric fluctuations. In South Africa, 92% (F2019: 88%) of the fatal road incidents involving an Imperial truck, were beyond the control of our drivers – involving third-party vehicle overtaking, and reckless cycling and pedestrian behaviours.

Management approach

Our approach to safety covers safe road transportation services, product quality and employee wellness. Our quality and safety management frameworks and systems align to relevant legislation in each country of operation and are designed to ensure we consistently meet client and principal SHEQ requirements.

A network of safety committees and representatives across the group ensure that safety standards are implemented and areas for

improvement identified. Committees oversee the implementation of SHEQ policy, set prevention plans, review occupational health and safety (OHS) compliance and audit findings and address incidents and near misses.

We investigate all accidents and incidents whether or not these result in injury or occupational disease. This enables a clear understanding of unacceptable risk and the preventative measures needed. The sustainability management system records incidents, fatalities and non-conformances, and is used to monitor accident trends and ensure that remedial action is implemented for all non-conformances.

In the event of a road accident, approved and accredited service providers are used to recover vehicles and product, and ensure that appropriate procedures are followed during scene clean-up processes, particularly when hazardous loads are involved. Technology systems provide real-time information, enabling us to make informed decisions relating to the scene, driver and third-party injuries and salvageable product. Trauma counselling and medical evaluation are provided to drivers following a major accident.

All fatal accidents are thoroughly investigated internally (led by the managing director of the company concerned) and by an external independent accident investigator, or an authority in the case of Logistics International, to provide an unbiased view.

In South Africa and Europe, annual safety self-assessments are conducted by internal safety specialists or external certified experts (with oversight from internal audit) to ensure our policies, procedures and safety initiatives are relevant, adhere to legislation, and continue to meet our SHEQ standards and those of our clients and principals. Where required, independent external audits or client and principal audits are conducted at sites to ensure we adhere to standard operating procedures. In Europe, OHS compliance is also monitored by the authorities.

Our road safety policies and standards are regularly updated to include new risks identified by driver experiences. Drivers who disregard safety procedures are appropriately disciplined.

Our asset-right strategy balances the use of our own fleet with the use of transport service providers. These business partners are held to the same road safety standards as our group companies. Key sub-contractors are regularly audited in South Africa and Europe to ensure compliance with our safety standards. Sub-contractor risk is not as material in other African markets as our sub-contractors are large courier companies.

Defensible health and safety practices continued

Stakeholder engagement

Key client concerns: reducing road accidents and driver fatigue, which has played a role in the preventable incidents in South Africa over the past year as well as product quality, consumer safety and OHS practices.

Key regulator concern: employees vulnerable to Covid-19 infection.

We ensure our drivers understand their responsibilities on the road and implement the best road safety practices to protect them and other road users. Regular driver training programmes, toolbox talks, safety meetings and briefing and debriefing sessions are used to share lessons learnt from incidents and address non-compliance with road safety procedures.

Journey management plans include information on resting points and the control centre monitors all stops. We are investigating

various fatigue monitoring tools (eye gyms and fatigue meters), with a pilot underway in Tanker Services Fuel and Gas.

Specialised safety training is provided to employees working in the healthcare, consumer goods, chemical and automotive businesses that require specialised safety and quality control procedures. Certification of quality and safety systems and frameworks is obtained where it makes sense to do so and require the continuous audit and updating of our policies, standards and procedures to ensure they are relevant.

We took part in forum discussions at the South African Institute of Occupational Safety and Health, which focused on controls for employees vulnerable to Covid-19 infection. These employees have been identified and controls implemented to provide additional protection, including remote working or adjusting work circumstance to minimise physical interaction.

Key challenges and initiatives

Operation: group

Challenges: our current safety strategy requires review and our measurement and reporting require updating. In addition, our policies currently operate at the business unit level and must be consistently and uniformly applied across 'One Imperial'. Our major area of concern remains driver and public safety, and we will be conducting an assessment to ensure we prioritise key issues.

Project Blue Fleet

We are implementing Project Blue Fleet in our African operations to shift our focus from reacting to accidents to proactively avoiding accidents. This will be supported by driving organisational discipline and standardising best practices and processes across the African operation. The project addresses the following key road safety risks.

Risks	Processes and procedures	Risks addressed
1 Speed	Briefing and debriefing Covers information on loads, client, route and potential safety hazards. Hazard information is shared with other drivers.	1, 2, 4, 5, 8
2 Fatigue	Management of working hours Checking that a driver had adequate rest before a trip and ensuring that driving hours do not exceed prescribed working hours.	2
3 Distraction	Journey management Provides guidance on routes and resting points and reinforces information delivered in the briefing sessions.	1, 2, 6
4 Driver behaviour	Accident management Investigations and video footage from onboard cameras, installed in most trucks, determine the causes of accidents and the remedial action required.	
5 Driver health	RTMS In South Africa, the Road Transport Management System (RTMS) is an industry-led, voluntary self-regulation scheme which promotes road safety initiatives. Certification is awarded based on annual independent external inspections. We use RTMS to embed standardised road safety management practices and enhance our safety culture.	
6 Road conditions		
7 Third parties (pedestrians and cyclists)	Internal and external safety audits Our inhouse safety audit protocols have been benchmarked with those of some of our major clients and principals.	1, 4, 8
8 The general condition of trucks operating on motorways	Vehicle fitness Drivers conduct vehicle inspections daily. We adhere to rigorous vehicle service and maintenance programmes for both truck tractors and trailers, managed against targets and checked by senior management. Buses undergo roadworthy testing every six months.	8

Project Blue Fleet’s focus areas

Trucks and trailers	Digital fleet management	Telematics
Acquire trucks and trailers with the latest safety technology, for example, lane control, brake assist and fatigue monitors.	Accurate and real-time alerts and reporting.	Clocking and tags to manage hours, monitors to manage speed and harsh braking etc. and onboard cameras to support fatigue management, training and accident investigations.
Operations excellence		
Operations excellence underpins all of Project Blue Fleet road safety initiatives, focusing on the human elements of road safety. This includes briefings and debriefings, driver management, driver training, toolbox talks, safety meetings and a workshop management system.		



Defensible health and safety practices continued

Driver training

In South Africa, Imperial has established a well-resourced inhouse training facilities for drivers with training delivered by trainers who meet a minimum standard. Drivers receive training on fuel conservation, driver wellness, fatigue management, customer care and driving articulated vehicles; and whenever there are changes to legislation. This is over and above the annual training on dangerous goods, emergency preparedness and accident investigation; programmes accredited with the Transport Education Training Authority (TETA). Firefighting, first aid and tyre management training is outsourced to independent service providers who meet our training standards.

In Europe, truck drivers are required by law to attend five different theoretical and practical courses within five-year periods to extend their Code 95 certification.

Across the group, we collaborate with original equipment manufactures to deliver training when new truck models are introduced.

During F2020, we purchased Lowveld Bus Service in South Africa. An initial safety assessment has been performed and the business will be assisted to roll out best operating procedures. RTMS accreditation will be pursued towards the end of 2021. We also acquired MDS Logistics in Nigeria, an asset-heavy business that provides road transportation services. Online training is planned for the drivers of MDS Logistics, focusing on fatigue management and defensive driving techniques. The training will be aligned with our accredited training in South Africa.

Technology

Technology and advanced vehicle tracking systems are used to monitor driver behaviour and technique and limit speed. In South Africa, DriveCam is installed in more than 60% of our trucks. The recorder captures incident-specific video and calculates safety scores for each driver. Used together with telematics, mapping and analytics we can predict and prevent high-risk behaviour and fleet managers can reward good driving and identify those who need improvement. In some European operations, onboard computers are connected to an eLearning platform, which together with telematics, is used to train drivers.

Operation: Logistics Africa

Challenge: violent protests and civil unrest due to a challenging economic environment, disrupting our operations and forcing detours, which increases costs and places our employees, assets and communities at risk, particularly when we are transporting hazardous goods.

We leverage our relationships with the South African Police Service, traffic authorities and non-governmental organisations (NGOs) to receive real-time information on protest action along routes or at destinations. This helps us to plan alternative routes and warn drivers through our robust en-route communication processes. Emergency response planning is a feature of driver training and helps drivers to respond appropriately in these circumstances.

Operation: group

Challenge: developing customised transportation and warehousing solutions that reduce the risk of product deterioration and ensure that quality control standards are met across a wide range of products.

Product safety

When transporting and storing pharmaceuticals and certain consumer goods – particularly food – temperature control, expiration management and packaging are key. Effective stock tracking and tracing systems and specific product handling training are also critical. Our solutions include purpose-built vehicles with insulated bodies and warehouse design capabilities that support better inventory management to guard against the expiration of consignment stock.

Material handling equipment¹ in our warehouses is serviced regularly and trained equipment operators undergo regular medical examinations. The Market Access division's annual warehouse safety reviews cover electrical compliance, thermographic scans, lighting, building construction, firefighting measures and detection systems, emergency evacuation, lighting equipment and training, among others.



¹ Material handling equipment is mechanical equipment used for the storage, movement, control and protection of materials and products.

Imperial Health Sciences and Imperial Dedicated Contracts (IDC) are licenced with their local healthcare regulatory authorities. Registered pharmaceutical professionals ensure compliance with legislation and client and principal-specific standards and processes. In Kenya, our effective product recall and pharmacovigilance² (drug safety) systems mean we can quickly track stock sold to wholesalers and stop them from being on-sold to consumers if an issue is identified. The Kenyan Pharmacy and Poisons Board uses our specialised skills to pilot changes in drug safety processes. Imres operates an enhanced serialisation capability, which enables traceability at all levels along the supply chain and authentication controls use Raman spectral techniques to identify molecules, providing a quick way to analyse medicines.

In the chemical and energy industry, our services range from importing raw materials, including customs clearance, to warehousing and distribution of dangerous substances. We maintain the highest SHEQ standards in these activities, including cleaning protocols.

 **Managing hazardous substances:** page 76.

In the demanding automotive industry, operating costs directly correlate to tight quality control processes, which are needed to manage supply and effectively identify and correct defects. We develop and implement robust quality assurance processes and, where relevant, employee performance is measured against quality aspects. Our management systems meet the VDA 6 (Verband Der Automobilindustrie/VDA Automotive) standard for suppliers to the industry.



Operation: group

Challenges: increasing levels of employee stress in a fast-paced world of change, as well as anxiety brought about by the changes needed to respond to Covid-19. Wellness is intrinsically related to driver safety. In South Africa, government healthcare facilities are stretched and underresourced and the cost of medical aid is beyond the reach of many. Common health concerns among drivers include blood pressure, vision, diabetes and hearing.

Driver fitness

In South Africa, truck and bus drivers undergo annual health examinations, with dangerous goods drivers older than 54 required to undergo medical fitness tests twice a year. Assessments are also undertaken to ensure drivers are well rested before embarking on a trip and driving hours are monitored. In Europe, the frequency of health checks is informed by medical doctors and ranges from a few months to three years, depending on patient health.

Trucking Wellness Programme

The Trucking Wellness Programme is a partnership with the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). During the year, we invested R327 700 in two of the programme's permanent roadside wellness centres – one in Tugela and the other in Ventersburg – which provide free primary healthcare services, including HIV testing, and other support from registered nurses and counsellors. In total, 5 143 people received healthcare education in F2020 and 3 063 received treatment (F2019: 7 140 educated and 3 809 treated).



² Pharmacovigilance is the pharmacological science of monitoring the effects of medical drugs after they have been licensed for use, particularly to identify and evaluate previously unreported adverse reactions.

Defensible health and safety practices continued

We also contributed to a new driver health and wellness awareness programme, which addresses physical health concerns, driver fatigue and the psychological stressors arising from Covid-19. The programme, which will run for 12 months, covers fitness, nutrition, obesity, chronic illnesses, sleep quality, stress management and Covid-19. Following consultations, personal health goals are established and monitored. The programme is overseen by a qualified occupational health practitioner. The NBCRFLI also provided temporary onsite clinics, in partnership with pathology laboratory services to facilitate Covid-19 testing and counselling.

The NBCRFLI Wellness Fund Health Plan provides medical insurance for bargaining council employees, with employees contributing 1% of their salary to the fund and Imperial matching this. The fund's HIV treatment programme is offered at no additional cost. The fund provides members and up to two eligible spouses with access to certain medical benefits. For F2020, our employer contribution to the health plan fund totalled R8,6 million (F2019: R7 million).

While we will continue to support the NBCRFLI Wellness Fund Health Plan as the largest contributor, as of June 2020, we will no longer invest directly in the Tugela and Ventersburg wellness centres.

Employee health programmes

Over 13 000 employees working in South Africa, and their immediate families, have access to Independent Counselling and Advisory Services (ICAS). The free service is confidential and available 24/7 via a toll-free line. The service was used extensively during the year.

ICAS provides the following services:

- Personal face-to-face counselling and confidential telephone counselling with qualified counsellors and registered clinicians.
- Life management, including legal, financial (advice, tax and debt counselling) and family care services.
- Professional trauma debriefing and counselling.
- HIV counselling.
- Access to health and wellbeing information through an online portal.

During the year, business-led competitions, quizzes and employee engagement programmes have driven employee awareness on health and wellbeing, creating open trust-based communication between leaders and employees.

In Europe, our flexitime scheme in Germany supports a healthy work-life balance and is managed in line with operational requirements. At many of our sites, especially in the automotive sector, lifting and carrying is part of daily work. To avoid possible occupational injury or illness, employees regularly rotate jobs. Medical check-ups are available to all employees and health days are held to highlight the importance of sport, exercise and work-life balance. The health days are very well received by our employees and support a caring culture that positively impacts employee productivity.

2020 review Group

- Shared best SHEQ operating practices and standards across similar group companies in Africa and improved the collaboration between all three of the group's divisions on safety matters. We have also expanded our safety metrics to include injuries and fatalities per million hours worked, including non-road-related injuries and fatalities, days lost to injury, the injury severity rate and injury incident rate per 100 employees. These measures will be audited in F2021.

Africa

- Implemented measures to protect truck drivers from Covid-19 infections, including disinfecting trucks after each shift, temperature screening, Covid-19 driver and crew safety packs and daily health declarations. Isolation facilities and agreements with emergency service providers ensure we are able to house and transport long-distance drivers who fall ill while across borders. For example, we set up a Ministry of Health approved quarantine facility at our WP Transport operation in Namibia. Where Covid-19 legislation allows, drivers are repatriated.
- Tanker Services in partnership with Cranefield Aviation training and IQ Business have customised 'human factor training' used in the aviation industry for road transportation. The eLearning programme is being tested with truck drivers in South Africa and focuses on improving attitudes to life's challenges, heightening emotional intelligence and encouraging conscientious, compliant and team behaviour.



- Continued to deliver driver safety awareness interventions and training to support defensive driving and contributed to the development of new standards for TETA, which enhance transport-related training for truck drivers, supervisors and managers.
- Started retraining controllers to enable them to manage road safety in their daily interaction with drivers.
- More than 80% of selected transportation companies¹ in South Africa achieved RTMS recertification, including all heavy duty vehicle operations and Interstate Bus Lines (IBL). Tanker Services Food and Chemicals achieved Safety and Quality Assessment System (SQAS) certification awarded by Sasol.
- Fewer kilometres were travelled due to smaller fleets, the impact of Covid-19 on business activity and border restrictions. In Logistics Africa, the number of road accidents remained the same as F2019 at 67 and road injuries increased by three, however, the fewer kilometres travelled resulted in higher frequency rates for accidents and injuries. Of the accidents in Logistics Africa deemed to be avoidable, two resulted in two avoidable fatalities (F2019: three accidents resulted in three avoidable fatalities).
- Conducted 11 large dedicated sub-contractor audits, around 25% of the sub-contractor base in South Africa (F2019: 83).
- Continued to deliver online health and wellness programmes and awareness interventions, with 312 employees in African markets beyond South Africa completing the online programmes.
- Implemented new shipment containers that provide thermal protection to improve the cold chain distribution process for insulin. The solution moves full pallets of stock, reducing the handling of the product and the volume of cold chain packaging needed. The use of the more efficient cold chain containers will be made available to all relevant clients.
- Moved World Wide Commercial Ventures Limited's (WWCVL) operations in Lagos, Nigeria, to a new warehouse with improved infrastructure design to meet pharmaceutical product specifications.

Logistics International

- Established a division-level committee to drive a more standardised approach to health and safety.
- Continued to progress the conversion from OHSAS 18001 to the more stringent ISO 45001 standard. The first internal audits have certified that the new measures have been implemented well. External certification will be completed by November 2020, ahead of our 2021 target.
- Issued strict Covid-19 guidelines to drivers, including avoiding risky areas like rest stops and unnecessary contact with loading personnel. Drivers must refuel as far as possible at our premises and contactless freight document transfer points prevent drivers having to visit offices. All drivers have been issued with Covid-19 PPE and hand sanitiser.
- The reduction in road accidents from 32 in F2019 to 29, and road injuries from 13 in F2019 to three is attributable to driver training and the sharing of lessons learnt among drivers.
- Held a Safety Day for truck drivers in Lengede, Germany. Simulators allowed drivers to experience the impact of a truck overturning and how wearing a seatbelt and keeping a safe

following distance can save lives. Drivers also received advice on healthy eating and simple exercises for rest periods; feedback from drivers was positive.

- At the automotive site in Wallersdorf, Germany, the health day focused on back health for administrative employees and those working in the warehouses, and nutrition for shift workers. Employees could take a spine flexibility test and received tips and exercises to manage back health. Shift workers received recommendations on eating healthily despite constantly changing working times.
- In Poland, early cancer detection and prevention screening examinations were made available to women and men over 45, free of charge. 85 employees took advantage of the offering.

 **Detailed data table:** page 62.

Looking forward Group

- Shift our focus to a more proactive approach to safety versus our past reactive measures. This will be supported by driving organisational discipline and standardising best safety practices and processes across the group. This work will begin in Africa in F2021. A focus on safety will also be driven through the roll out of the Imperial values.
- Continue to explore digital solutions and advanced technology to enhance road safety practices and the collation and analyses of data to improve safety decision making and quality control.

Africa

- Continue to focus on enhancing our road safety culture, including reassessing the competency of our trainers to enhance the quality of training delivered and implementing biannual internal self-assessments. We will also investigate new methods of safety communication including industrial theatre.
- Launch a reporting platform in South Africa that integrates onboard truck computers and cameras as well as satellite tracking systems to enhance safety in our road transportation services. We will continue to install DriveCam when replacing old trucks and a plan is in place to install the technology in IBL buses.
- Recertify our transport and warehousing sites in South Africa that are ISO 9001:2015 and ISO 14001 accredited, and certify IDC's new food services sites with the BRCGS Global Standard for Food Safety (target: September 2020).
- Standardise product quality and safety processes for pharmaceuticals and consumer goods across African markets, where possible.
- Evaluate the early adoption of serialisation and authentication capabilities in Africa to ensure consumers receive quality medicines and secure the intellectual property of our clients.

Logistics International

- Develop a central reporting and document management platform, with a clear reporting structure, to enhance our accident investigation and risk assessment processes.
- Establish a training database with safety templates and best practice examples to transfer specialised and professional knowledge.

¹ Excludes truck rental and small commercial delivery vehicles.

Defensible health and safety practices continued

Our stories

<p>Imperial takes top honours at professional driver awards</p>	
<p>The 2019 Shell Professional Driver of the Year Competition is held annually to recognise South Africa’s most skilled heavy vehicle operators.</p>	<p>The competition includes tests of theoretical knowledge and practical application, requiring drivers to demonstrate their abilities by safely manoeuvring heavy vehicles through obstacle courses and challenging terrains.</p> <p>Demonstrating our deep commitment to road safety, Imperial Logistics employees won many of the awards at this event, including:</p> <ul style="list-style-type: none"> • Driver of the Year, Lion Mdhuli (Tanker Services, Alberton). • First place in the theory test, Faeem Bedi (Tanker Services, Island View). • Driver Trainer of the Year, Johannes Arpin (Tanker Services, Kroonstad). • First place in the Shell VIP Light Motor Vehicle category, Darshan Moodaly (Fuel and Gas operations director).
<p>Highlighting Imperial Transport’s efficient telematics solution in Poland</p>	
<p>All drivers working for our transportation business in Poland have been issued with a tablet enabled with the SPEDION app – enhancing driver safety, efficiency and environmental conservation.</p>	<p>The android-based SPEDION app is a modern, efficient telematics system that provides the following benefits:</p> <ul style="list-style-type: none"> • Enhanced fleet management – the monitoring of routes and driving and resting times means that trucks are tracked in real time, estimated times of arrival can be determined with maximum precision and delays are quickly identified. This enables optimal route planning, flexible rescheduling if necessary, efficient order processing and fuel savings. • Faster communication with drivers as freight planners can upload digital documentation. • Tyre pressure and temperature monitoring and the analysis of fuel consumption, motivating better driving behaviour and reducing environmental impact. <p>Given the precautions needed to prevent the spread of Covid-19, we are investigating alternative functionality such as remote driver management and communication (for example, check-ins and video or voice messages).</p>
<p>Providing the automotive industry with hazmat services</p>	
<p>Our parallel expertise and resources in the automotive and hazmat sectors won Imperial contracts to store and charge lithium-ion batteries for electric vehicles and store air bags for a major automotive manufacturer.</p>	<p>During the year, Logistics International was awarded a contract to store lithium-ion batteries (classified as hazardous chemicals) and charge them in readiness for delivery to the aftermarket network of a major automotive manufacturer.</p> <p>The lithium-ion batteries will be stored at two Imperial hazmat warehouses with a combined footprint of around 25 000m². The warehouses meet the stringent safety regulations governing the storage of rechargeable batteries, including state-of-the-art fire prevention systems. Environmental and safety measures are in place, from the delivery of raw materials to battery manufacture and transportation to the assembly plant and aftermarket network.</p> <p>The demand for high-output lithium batteries is expected to increase as the move to lower carbon emission vehicles accelerates. We are also leveraging our specific expertise to serve other lithium-ion battery markets such as green energy power storage, backup power and high-tech manufacturing.</p> <p>We also won a contract to store air bag components for the client. Classified as explosives, the components are stored in a fully certified hazmat warehouse where ambient temperature and humidity levels are monitored. All employees handling these goods are receiving specialist training. The warehouse management system has various security features and compiles the required statutory reports for regulatory authorities.</p>

Affordable, quality healthcare in Africa

Why this matters

Our footprint	Range of products	Our reach
Imperial owns and operates over 100 000m ² of warehouse space in the healthcare industry spanning 27 locations.	We manage innovator, generic and over-the-counter pharmaceuticals.	We provide point of care and pharmaceutical retail deliveries to more than 3 573 delivery points in Kenya, 1 300 in Ghana and 52 000 across Nigeria.

Healthcare is one of Africa’s critical development challenges and needs. According to the World Health Organization (WHO), the continent carries 25% of the world’s disease burden, but its share of global health expenditures is less than 1%. In addition, it manufactures less than 2% of the medicines it consumes¹. Inadequate resource allocation, funding, customs gridlock and counterfeit pharmaceuticals are major challenges to healthcare delivery on the continent. In addition, Africa lacks strong surveillance and delivery systems at all levels (community, district, provincial and national) supported by high-quality laboratory services and logistical systems.

A significant portion of the total delivered cost of medicines in Africa – up to 40% – is made up of supply chain, distribution and other non-core costs. As the costs associated with importing products into Africa continues to rise, we are able to leverage our relationships, network, experience and skills to ensure our pharmaceuticals remain affordable.

Management approach

Over the past 20 years, mainly through our Market Access and Logistics Africa businesses, we have developed a wide distribution network, efficient service delivery and strong governance and compliance practices, enabling us to build strong relationships with multinational principals, donors, regulators and governments. These relationships give us access to better pricing and ensure a reliable supply of quality medicine into Africa.

Our continuous work to enhance the efficiencies of our supply chain models, including consolidating healthcare channels, also contributes to the affordability of medicine for Africans.

Our quality-assured hubs into Africa ensure that a consolidated inventory of medicine is available quickly and cost efficiently to several markets, including Angola, Ethiopia, Ghana, Kenya, Namibia, Tanzania, Uganda, Zambia and Zimbabwe. The simplified solutions in the healthcare model provide a highly efficient way for principals to grow volumes in multiple small to medium-sized markets in sub-Saharan Africa and shortens the healthcare supply chain, removing layers of mark-up, to reduce the price to patients and connect more patients to quality products.

Our control towers enable hospitals, other healthcare providers and suppliers to improve processes, collaborate more closely and operate more efficiently at lower cost.

Stakeholder engagement

Key concerns for local governments: universal access to basic healthcare and affordable drugs as well as the lack of healthcare capacity and skill.

Our in-country expertise and our capabilities position us to assist governments to grow local pharmaceutical logistics and supply chain capacity as well as healthcare service networks. We also work to find ways using cheaper infrastructure and enterprise development models to extend the reach of healthcare services to smaller and hard to serve markets, including rural areas. With South Africa’s National Health Insurance (NHI) in mind, the Unjani Clinics NPC (non-profit company) hopes to provide government with a proof of concept supported by real evidence of what can be achieved by empowering nurses in primary healthcare settings.



¹ Source: https://www.un.org/africarenewal/sites/www.un.org.africarenewal/files/Africa_Renewal_En_Dec2016_Mar2017_0.pdf

Affordable, quality healthcare in Africa continued

The following relationships contribute to our legitimacy in the healthcare sector:

- Board membership in People that Deliver, enabling us to contribute to upskilling pharmaceutical supply chain workforces in developing countries.
- Ghana Chamber of Pharmacy membership, through which we presented a paper to the Ministry of Trade on establishing a dedicated pharmaceutical industrial park.
- Surgipharm acts as vice-chairman of the Kenya Association of Pharmaceutical Industry and chairs the sub-committee for supply chain services.
- WWCVL is a member of three² industry forums in Nigeria, which engage with the government on pharmaceutical policies.

Key challenge and initiatives

Operation: African operations

Challenge: the majority of Africans rely on underfunded public health facilities with only a small minority having access to well-funded, quality private healthcare.

In-a-Box™ solutions

Resolve Solution Partners provides turnkey modular infrastructure solutions suitable for urban and rural areas. Our In-a-Box™ solutions are fully outfitted prefabricated facilities that can be constructed in a few days.

Warehouse-in-a-Box™ supports better distribution of pharmaceuticals, Clinic-in-a-Box™ delivers essential medical services to communities, and Storage-in-a-Box™ and Cold-Storage-in-a-Box™ expand healthcare supply chains. The

Unjani Clinics

Partnership with National Treasury's Job Fund and other corporates in South Africa.

R4,9 million invested, bringing Imperial's investment to date to R36,4 million.
(F2019: R3,8 million)

Provides primary healthcare to **more than 39 900 patients** a month nationally.

More than 265 permanent jobs created and people upskilled, including 75 professional nurses.

The Unjani Clinics initiative responds to a number of government concerns in South Africa, including transforming the healthcare system, job creation and entrepreneurship. It empowers black women professional nurses to operate and ultimately own primary healthcare container clinics in their communities. In addition, each clinic creates between three and five sustainable jobs.

The clinics offer an affordable, quality primary healthcare service and supply of quality medicines to those who are uninsured and underserved but employed and able to pay a small fee towards their healthcare needs. For patients, the clinics reduce time and travel costs incurred accessing state facilities, which are underresourced. The network reaches around 480 000 patients annually.

facilities align with international warehousing practices, and supply chain and design principles. The units are pharmaceutically compliant and meet WHO storage standards.

The materials used to build In-a-Box™ facilities are significantly cheaper than traditional building methods and have a lifespan of more than 30 years. In addition, each solution can accommodate water storage facilities, waste treatment options and solar power to overcome poor or non-existent utility supply in rural areas. Insulated walls, doors and roof panels, and energy efficient lighting, further reduce energy costs.

The In-a-Box™ solutions also contribute to job creation and local business development during construction.

2020 highlights

- 792 In-a-Box™ solutions are providing quality healthcare infrastructure in 15 African countries, including South Africa (F2019: 714).
- In partnership with the IFC, we are developing the following solutions to assist the fight against Covid-19:
 - ◆ **Test-in-a-Box™:** mobile screening and triage units.
 - ◆ **Hospital Wards:** modular infectious disease hospital wards to treat intensive care patients.

The successful and rapid implementation of these solutions depends on public and private funding availability, capacity building and training to ensure high-quality services, a secure supply of equipment and consumables and strong government support. Pilot solutions are being developed in Ghana, Kenya, Nigeria and South Africa.

Professional nurses and clinic assistants receive three days of training on basic business management and the onsite electronic patient management and ordering systems. They are supported with ongoing engagement, mentoring and guidance, including networking and conference sessions.

Strict criteria guide the selection of nurses, who must comply with the five-year enterprise development agreement, which also covers patient confidentiality, regulatory compliance and responsible product use. Compliance is monitored through operational and financial audits. Another success factor is community buy-in. The process to choose a site includes a community survey reaching at least 200 people to determine the need for and support of a private clinic in the area.

² WWCVL memberships: Nigerian Representatives of Overseas Pharmaceutical Manufacturers, Indian Pharmaceutical Manufacturers in Nigeria and Association of Industrial Pharmacists of Nigeria.

Patients have access to a confidential feedback facility and complaints line, while Facebook, Twitter and Google Map reviews function as additional engagement channels. Unjani Clinics NPC monitors and manages these engagement mechanisms, following up with nurses when complaints or negative feedback are received. Funders are happy with the impact the project is having; applications are received daily from nurses interested in joining the network and patient feedback is overwhelmingly positive.

The network comprises 75 operational clinics (F2019: 63) funded through the enterprise development spend from a number of partners¹, including Imperial (26 clinics) and the Jobs Fund (21 clinics). Imperial-funded clinics facilitate around 63% of patient engagements.

Basic sonar scans are offered in 57 clinics and an average of 1 991 ultrasounds are performed each month. Approximately 40 000 affordable sonars have been conducted since the introduction of the service in 2017. The network works with local partners to provide free HIV screening and pre- and post-test counselling in Ekurhuleni, Tshwane and, most recently, the North West province.

As essential service providers, all Unjani Clinics remained operational during the national Covid-19 lockdown. At end June 2020, over 75 000 patients had been screened with high-risk cases referred to government testing stations as the cost of the Covid-19 test is generally not affordable for most patients. Nurses were supported through the following measures:

- Nurse education and regular updates on the virus and the National Institute for Communicable Diseases' protocols, enabling them to make informed clinical decisions.
- A Covid-19 screening app developed together with a technology partner.
- PPE, sanitiser and hospital-grade detergent. The Elma South Africa Foundation donated R750 000 for PPE and an anonymous donor provided USD10 000 to provide Covid-19 relief to the clinics, including disinfection and sanitisation.



2020 highlights

- Celebrated Unjani Clinics' millionth patient engagement.
- 10 professional nurses graduated from the five-year enterprise development programme, taking title ownership of their clinics. Seven of the graduates chose to remain in the network.
- Welcomed AVI Community Trust, GlaxoSmithKline Consumer South Africa and Mediclinic South Africa as new funders. The Elma Growth Foundation has committed a further R2,5 million to Unjani Clinics NPC in 2021.
- Registered as a service provider of the National Department of Health's Central Chronic Medicine Dispensing and Distribution Programme, enabling state patients to collect prescribed chronic medication at an Unjani Clinic. Parts of Ekurhuleni are already operational with other sites undergoing assessment.
- When four of the Unjani Clinic nurses tested positive for Covid-19, the facilities were sanitised and three continued to operate with the help of trained locum nurses.
- Included in the Top 100 proposals of the MacArthur Foundation's 100&Change competition and a finalist in the private sector category of AEC's Empowerment of Women in the Community Award.
- Sister Patricia Chauke of Unjani Clinic Malamulele received the Job Fund's Beneficiary Innovation Award.

As a result of Covid-19, the target to grow the Unjani Clinics network to 100 clinics has been extended to the end of 2021. Unjani Clinics NPC is exploring a blended finance model (affordable for the nurse and delivering sufficient returns for loan providers) to ease its reliance on grant funding and achieve scale. Due diligence is underway with implementation planned for the medium term. Other goals include upgrading and improving systems to enhance reporting and achieve efficiencies, including on healthcare outcomes, and obtaining Office of Health Standards Compliance accreditation as a service provider to the NHI.

The prevalence of vision impairment and blindness in Nigeria is reportedly among the highest globally, with an estimated 4,25 million adults older than 39 being visually impaired or blind.

We are investing in the world-class eye hospital in Abuja, Nigeria, which provides affordable specialised ophthalmology services. At full capacity, the hospital can perform 15 000 surgeries annually. The hospital's cutting edge medical and surgical eyecare provides an attractive alternative for paying patients, negating the need to travel overseas for care. Revenue generated from the care provided to paying patients is used to cross-subsidise community services. 40 beds are allocated for underprivileged patients.

Weekly outreach camps provide underserved patients in communities within a 100 kilometre radius of Abuja with free eye examinations and high-quality surgical eye care. Transportation to and from the hospital, surgeries, boarding and lodging, medication and post-operative review are provided to these patients free of charge. Worldwide Healthcare provides funding to the outpatient clinic.

Affordable, quality healthcare in Africa continued

Tulsi Chanrai Eye Hospital

Partnership with the Tulsi Chanrai Foundation.

USD1 million to be invested by Imperial to 2021.

118 rural eye camps held, screening around 16 123 underserved patients since January 2019.

4 353 surgeries performed since January 2019 to March 2020, of which 3 228 were at no-charge.

2020 highlights

- Served 30 729 outpatients since opening. As a preventative measure to the spread of Covid-19, free surgeries and outreach camps were temporarily halted from around March 2020.
- Received funding for free community surgeries from Azura Power (600 surgeries), Ishk Tolaram (500 surgeries) and Uplifting the Needy Foundation (180 surgeries).
- Installed an edging machine in the Optical unit, helping to shorten the time to deliver spectacles.
- Patient feedback on service charges, health professionals' services, waiting times, the facilities and overall satisfaction has been overwhelmingly positive.

In the medium term, Tulsi Chanrai Eye Hospital aims to increase bed capacity to 100 and establish a premier training institute to develop enhanced ophthalmic skills across Nigeria.

2020 review

- **Ghana:** working with the military and donor agencies to deliver PPE to Covid-19 centres across the country.
- **Kenya:** assisted the Mission Hospitals network, providing concessionary pricing for certain products.
- **Nigeria:** WWCVL, as part of the Chemotherapy Access Partnership², worked to reduce the price of oncology medicines by up to 50%, enabling cancer patients to access lower-priced, high-quality treatments at hospital pharmacies. WWCVL also donated essential medicines, with a retail value of around N3 million (R132 000), as well as a cash donation of N17,5 million (R774 000), to the Young Professionals Organisation for a Covid-19 isolation centre in Lagos and other Covid-19 relief efforts.
- **Nigeria, Ghana and Kenya:** signed with Teva Pharmaceutical Industries, one of the world's largest makers of generic drugs, and we expect to commence distributing generics in Nigeria

and Ghana in October 2020. In Kenya, we are in the advanced stages of negotiation with several branded generic manufacturers.

- **In-a-Box™ Ethiopia, Mali and Mozambique:** refurbished multiple regional pharmaceutical warehouses in Ethiopia, constructed four regional pharmaceutical warehouses in Mali and refurbished multiple warehouses in Mozambique damaged by tropical cyclone, Idai.
- **South Africa:** acquired a 49% shareholding in Pharmafrigue Proprietary Limited, a pharmaceutical manufacturing and healthcare services company, which serves as the local manufacturing partner for a global leader in generic and biosimilar medicines. We also funded four new Imperial Unjani Clinics in Botshabelo and QwaQwa (Free State), Mayfield (Ekurhuleni) and Mahikeng (North West province).
- **Imres,** which sources and procures emergency medical and pharmaceutical supplies and kits for large global donor aid organisations and governments, delivered relief supplies for the Ebola outbreak in the Democratic Republic of the Congo and is assembling and shipping PPE kits to assist the WHO during the Covid-19 pandemic.

Looking forward

- Continue to expand our cheaper generic offerings.
- Continue to accelerate the digitisation journey to achieve efficiencies, and reduce working capital and operational cost in the pharmaceutical supply chain.
- Consider mobile phone-based money transfer services (M-Pesa) for sub-scale pharmacies in Kenya that lack access to banking facilities, enabling them to purchase pharmaceutical products.
- Develop a project to increase the access of smaller wholesalers in Nigeria to pharmaceutical products.
- Invest a further R5 million in the Unjani Clinics network in F2021 and provide five modular healthcare buildings to extend five existing clinics.

¹ Other partners include Johnson & Johnson Family of Businesses, Rand Mutual Assurance, Tiso AEL Development Trust, Pfizer South Africa, Pfizer Foundation, GlaxoSmithKline Consumer South Africa, AVI Community Trust and Mediclinic South Africa.

Our story

Enhancing access to essential medicine in Malawi

Resolve Solution Partners won a Platinum Award at the 30th Annual Logistics Achiever Awards for 239 medicine stores deployed across Malawi, including two units on islands in Lake Malawi.

Resolve Solution Partners successfully designed, engineered and deployed the medicine stores in just six months, providing access to essential medicine for some of the poorest rural patients across Malawi.

The project required synchronising 20 deployment teams across three regions during Malawi’s rainy season. Challenges included bridges and roads being regularly washed away and trucks only being able to cover an average of 200 kilometres per day. Despite these challenges, the project was completed within budget and the planned timeframe.

The 239 units represent the equivalent storage capacity of a 14 200m² warehouse with 3 560 pallet positions and 4 750 shelves. 50% of the units are off the grid, powered by solar photovoltaic systems.



² Partnership between Nigeria’s Federal Ministry of Health, the Clinton Health Access Initiative, Inc., the American Cancer Society, Pfizer Inc., Worldwide Healthcare and EMGE Resources Limited.

Transformation in South Africa

Why this matters

An equitable society	Unemployment
BBBEE is a national strategy that seeks to create an equitable and sustainable South Africa in which the black majority can participate meaningfully in the mainstream economy.	South Africa's unemployment rate rose to 30,1% in the first quarter of 2020, equating to around 7,1 million people without work ¹ . The impact of Covid-19 on the economy is expected to exacerbate this.

As a moral and commercial imperative, we strive to continually improve our transformation credentials in line with the requirements of the amended dti Codes. Our BBBEE rating provides significant benefits for our clients and enhances our ability to compete for new business and retain existing clients – particularly in the mining, chemical and energy sectors, which are under increasing pressure to achieve transformation targets. It also strengthens our employer brand and ability to attract and retain talent.


Our priorities are to:

- Drive employment equity targets at management levels and develop the skills of black people.
- Achieve 25% of total procurement spend with 50% black-owned businesses and 7% with 30% black women-owned businesses.
- Achieve 20% of total procurement spend with qualifying small enterprises (QSEs) and exempt micro-enterprises (EMEs).
- Spend 3% of the South African net profit after tax (NPAT) on enterprise and supplier development (aligned to the dti Codes target).
- Spend 1% of the South African NPAT on socioeconomic development (aligned to the dti Codes target).

Management approach

A dedicated Transformation department provides guidance to business, monitors progress and regularly reports progress to the Imperial executive committee and board. Our rating measured against the current Road Freight Sector Codes is submitted to the JSE Limited.

We measure our transformation progress against the more stringent dti Codes, despite the revised Road Freight Sector Codes having not yet been gazetted. Our BBBEE scorecard covers all South African operations, including the employees based in South Africa who work for the Market Access business. The independently verified² 2020 scorecard will be available at the end of September on the Imperial website.

 **BBBEE scorecard:** <https://www.imperiallogistics.com/transformation.php>.

All CEOs and managing directors of Imperial group companies in South Africa are held accountable for the BBBEE performance of their businesses, with their incentive package linked to transformation progress. The management teams of each business unit are involved in the planning and implementation of transformation initiatives.

Prior to investing in an enterprise development project, thorough due diligence is conducted and clear objectives and key performance indicators are set. In this process, we ensure that the quality of Imperial's services is maintained or enhanced, and that critical workforce and supplier skills are not lost. Following a project investment, we provide support, monitor progress and continually engage with the stakeholders concerned to ensure that the anticipated return is realised.

Stakeholder engagement

Key client concerns: ownership status, collaboration on small, medium and micro-enterprise (SMME) development and localisation projects.

Key Department of Employment and Labour, employee and trade union concerns: the impact of Covid-19 and the necessary organisational restructure on the gains made in employment equity.

Key SMME concerns: access to markets and procurement opportunities.

Key community concerns: employment opportunities and social investment.



¹ Source: <https://tradingeconomics.com/south-africa/unemployment-rate>.

² Verified by a South African National Accreditation System (SANAS) accredited verification agency.

Our approach to transformation is collaborative; we work with our clients, partners, suppliers and the public sector to drive progress. Through our membership in the Road Freight Association, we continue to provide input to advance efforts to finalise the revised Road Freight Sector Codes, which have slowed due to ministerial changes in the Department of Transport and the lapse of the charter council's term.

The amended dti Codes have revised the target for spend with 50% black-owned suppliers from 40% to 50%, placing more pressure on the group to increase our spend with this category of suppliers.

We are also members of other business organisations in South Africa, including Business Leadership South Africa, Business for South Africa (B4SA), the National Business Initiative and Business Engage. These relationships help us to build stronger relationships with government. Going forward, we will actively support South Africa's development and growth plan post-Covid-19 through various stakeholder engagements, including membership in the World Economic Forum and Africa Economic Forum.

Key challenges and initiatives

Operation: South Africa

Challenge: achieving closer alignment between the group's leadership profile and South Africa's demography.

A number of key black and female management appointments have been made during the year, and we invested R84 million in training and upskilling black people. However, the organisational restructuring needed to respond to current economic circumstances has negatively impacted these gains.

 **Diversity and inclusion:** page 28.

Sinawe Fund

Partnership with Awethu Project (Awethu) – an SMME investment company.

R20 million invested by Imperial for the period June 2017 to June 2022.

Three SMME beneficiaries supported by the Sinawe Fund.

134 people employed by the SMME beneficiaries. (F2019: 152).

The Sinawe Fund beneficiaries were identified through a robust screening process, with Imperial confirming their quality and pricing were best in class, and that they had healthy futures as Imperial suppliers. Each SMME received growth financing, primarily in the form of equity investment through a black private equity fund managed by Awethu Project Capital. They also receive technical and general management support customised to their growth stages and development gaps. Over and above our investment in the fund, Imperial provides the SMMEs with specialist

Operation: South Africa

Challenge: the different products and services provided by group companies make it difficult to centralise procurement practices, introduce a group procurement policy and identify BBBEE compliant suppliers able to meet our expectations in terms of quality, price, capability and capacity.

Discussions were held between the Transformation department and business finance departments responsible for procurement, to better understand procurement shortfalls.

Workshops and one-on-one information sharing sessions with sub-contractors and suppliers, on their BBBEE ratings and to identify opportunities to improve, were scheduled for April 2020 and have not taken place due to Covid-19. However, we have communicated our minimum compliant requirements with these stakeholders. The project to identify opportunities to centralise certain procurement categories has been put on hold.

Operation: South Africa

Challenge: supporting SMMEs during challenging economic times.

Our enterprise and supplier development programme aims to capacitate small businesses to meet our procurement demands and integrate them into our supply chain. Our two flagship programmes are the Sinawe Fund (three beneficiaries who provide services to more than one group company) and the Unjani Clinics network.

 **Unjani Clinics network:** page 48.

logistics mentorship and access to markets through our procurement processes and supply chains. Key to achieving success is finding ways to professionalise these businesses without losing their entrepreneurial culture.

Going beyond transforming our own supply chain, the Sinawe Fund is available to our clients to achieve transformation at scale in the transport and logistics sector.

Transformation in South Africa continued

2020 review

- Covid-19 and related budget constraints have meant we will be unable to maintain the current Level 2. BBBEE rating measured against the dti Codes. We expect our verified score for 2020 to drop to a Level 4 rating. However, we do expect to retain our Level 2 rating measured against the Road Freight Sector Codes.
- Imperial Advance, our strategic BBBEE entity which is 50% black-owned and more than 30% black women-owned, achieved a Level 2 BBBEE rating in September 2019. The business provides specialised assets and bulk road transportation for the mining, chemical and energy sectors, and has established a strong sales pipeline during F2020.
- Pleasingly, there has been improvement in the BBBEE compliance status of our suppliers, although there is still some work to do.
- Procurement spend with 50% black-owned businesses was R3 056 million (17% lower than F2019). Spend with 30% black women-owned businesses was R1 176 million (2% lower than F2019). Spend with QSEs and EMEs totalled R2 689 million.
- Invested R29 million (F2019: R27 million) in enterprise and supplier development, meeting the NPAT target. In total 66% of this spend was in the Sinawe Fund and 16% in the Unjani Clinics network.
- While difficulties have been experienced, the Sinawe Fund beneficiaries have been able to sustain their activities during the Covid-19 pandemic. Services from Imperial group

companies directed to the beneficiaries has improved compared to F2019. Margin contraction in the trucking industry and the poor economic climate have made growth for two of the SMMEs more difficult than originally envisaged. One SMME will exit the fund agreement in the coming year.

- Socioeconomic development spend decreased 49% to R4,5 million due to our exit from the consumer packaged goods business finalised in September 2019. We have nevertheless achieved the 1% NPAT target for 2020.

 **Detailed data table:** page 62.

Looking forward

- Achieve a Level 3 BBBEE rating in 2021 against the more stringent dti Codes. Employment equity and skills development are the two areas where we can improve.
- Continue to find ways of increasing our procurement spend with black-owned suppliers.
- Collaborate with clients on enterprise and supplier development initiatives and identify more SMMEs that we can assist in acquiring our old assets and growing their businesses by leveraging our supply chain.
- Develop strategic partnerships with clients to support rural communities in areas where our businesses operate, particularly in the mining sector.

Our story

Supporting Canterbury CPT's transformation to 51% black ownership

Imperial has benefitted in the short term from its participation in the Sinawe Fund by adding to its BBBEE scorecard – both in terms of supplier development and increased preferential procurement spend with these suppliers – and in the medium term expects to receive healthy returns from the recovery and continued growth of the SMME beneficiaries.

The Sinawe Fund aims to support transformation and at the same time deliver attractive commercial returns to all participants, making the model sustainable and scalable. Implementing an equity-based development fund requires the right balance between size and valuation of a small company, the spirit of the remaining owners post-transaction and the economics of making a private capital investment of less than R10 million financially feasible. Canterbury CPT, identified as a high-potential business with a strong service delivery track record based on 20 years as a supplier to Imperial, met the selection criteria. In addition, it wanted to transform from a white-owned business to 51% black ownership and to onboard senior black talent.

In June 2018, the Sinawe Fund acquired a 51% interest in the business. Awethu then assisted Canterbury to identify, screen and place a high-potential senior black manager. Lebogang Moeletsi, an Imperial employee with a background in logistics, distribution and finance and a strong desire to gain entrepreneurial experience, joined the business in October 2019 and was allocated a 20% interest of the shareholding acquired by the fund.

Despite the negative economic impact of the Covid-19 pandemic on the business, Canterbury has done well to diversify its revenue streams away from Imperial as a sole customer. With a Level 1 BBBEE rating and an experienced management team, the business is accessing new markets and is excited about the future growth and wealth creation that this partnership presents.

Community development

Why this matters

Critical evaluation of shared value	An equitable society
In a post-pandemic world, organisations will be expected to give employees, communities and growth in share price equal priority.	A new report from the United Nations Development Programme finds that 10 of the world's 19 most unequal countries are in sub-Saharan Africa.

We are committed to making an active and sustainable contribution towards strengthening the communities in which we live and work. Our strategic CSI projects are aimed at delivering a visible and sustainable positive impact and are rolled out across all regions of operation. Projects are selected based on our strategic objective to effectively deliver meaningful value creation for Imperial and its beneficiaries. This commitment to the wellbeing of the communities in which we operate not only bolsters stakeholder trust but also boosts employee morale and attracts talent.

Management approach

CSI, which includes enterprise development, is overseen by the ESG/CSI committee, a sub-committee of the group's SES committee. The committee approves all CSI projects and spend. Our CSI policy and implementation guidelines apply group-wide and each division is encouraged to spend around 1% of its NPAT on CSI initiatives. Sponsorships are viewed as notably distinct from CSI projects.

We partner with our clients, various institutions, well-established non-profit organisations, NGOs and government departments involved in credible programmes. We also actively encourage the participation of our employees in CSI initiatives.

Group-wide, we have identified healthcare and education as our primary CSI focus areas as we believe this is where our group companies are able to make the most effective impact. In South Africa, entrepreneurship and road safety are additional focus areas

and CSI projects must have a beneficiary base that is at least 75% black. Refugee assistance is an added CSI focus area for Market Access, with our efforts centred on Ghana, Kenya, Mozambique and Nigeria where we have scale and our brand is well established. Group companies also support projects relevant to their local communities.

Stakeholder engagement

Key employee concerns: being part of an inspirational, responsible and caring brand.

Key community concerns: developing local skills, job opportunities and access to affordable healthcare.

As a result of the Covid-19 crisis, we had multiple requests for support in the form of testing kits, PPE and logistics services from NGOs and global humanitarian aid organisations. All requests are assessed.

Key challenge and initiative

Operation: South Africa

Challenge: the education system in South Africa is dogged by stark inequalities with crumbling infrastructure in many schools, overcrowded classrooms and poor educational outcomes.

Imperial and Motus Community Trust

Partnership with the National Department of Basic Education in South Africa.	R5 million to be invested by Imperial each year starting in F2020.	45 school libraries reaching over 50 000 learners. (F2019: 40 school libraries reaching over 45 000 learners)
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The Imperial and Motus Community Trust contributes to advancing education in South Africa through fully resourced libraries for public schools, primarily in underprivileged communities in Johannesburg Central, Johannesburg South, Sedibeng West and Ekurhuleni South. The libraries are open every weekday until 16:00 as well as on three Saturdays of every month.

Each child from grade 1 to grade 6 must attend two compulsory reading periods every week. Reading levels are tested every two years and, to date, assessments have shown that the compulsory reading programmes and related activities (such as book clubs, book quizzes and spelling competitions) are contributing to better than average reading, comprehension and numeracy scores.

The Trust employs two qualified teachers to upskill educators on how to use the resource centres and equipment. At June 2020, 69 people were employed by the Trust, including trained library assistants. The project has also helped to grow two small businesses offering signage and building services.

Since its establishment in 2003, trustees have approved financial outlays of over R50 million for school libraries and resources centres, as well as teaching and learning programmes, extra-curricular activities and teacher training.

Community development continued

2020 review Group

Invested **R21,1 million** (F2019: R22,2 million) in CSI projects, of which 59% was spent in South Africa.

Covid-19 response

Donated R5 million to the Solidarity Fund, R5 million to the Giving for Hope Foundation in support of SMMEs and R500 000 to Gift of the Givers humanitarian organisation to support Covid-19-related initiatives in South Africa. We also worked with charitable organisations to provide vehicles and resources to deliver food parcels and other basic needs to communities most impacted by the crisis. For example, we facilitated grocery deliveries from Durban to Johannesburg for Gift of the Givers.




Africa

Unjani Clinics


75 clinics providing affordable primary healthcare to people living in low-income communities. 267 people are employed by the project.

The women professional nurses operating the Unjani Clinics received support and education to enable the network to act as an additional Covid-19 screening measure to support government efforts. Over 75 000 patients were screened for Covid-19 through the network.

 **Affordable, quality healthcare in Africa:** page 48.

Tulsi Chanrai Foundation

Supporting a world-class eye hospital in Abuja, Nigeria, which has served over 16 123 underserved patients and performed over 3 220 subsidised eye surgeries since January 2019.

 **Affordable, quality healthcare in Africa:** page 50.

Imperial and Motus Community Trust

45 libraries and resource centres south and east Johannesburg, reaching over 50 000 learners and supporting 69 jobs.


Five school libraries were established during F2020 with two still to be handed over in September 2020 to Phephane and Intokozo primary schools¹.

 See page 55.

Learnerships

Contributed to learnerships for differently abled people in the fields of business administration, wholesale, retail, freight management and coding. In December 2019, 192 graduates celebrated the successful culmination of their hard work.

174 unemployed learners participated in a learnership, apprenticeship or internship, gaining work experience and receiving a stipend while they learn. 91% of learners are black.


 **Learning and development:** page 26.

Be safe, Be smart campaign

Delivered road safety awareness at secondary schools, assisting 58 931 aspirant drivers to prepare for their K53 learner's licence.

Held road safety awareness events at four major holiday driving stops over the December festive season, ranging from providing safety tips to 'chill zones' for motorists to relax in.

A Covid-19 Health and Wellness Roadshow is being rolled out to educate children on Covid-19 and hygiene, and support schools in their reopening after lockdown.

 **Road safety awareness:** page 59.

Central Gauteng Lions women's league

Invested in the Central Gauteng Lions women's league to develop women in cricket in South Africa.

Voices of Change

Contributed to the hosting of the third annual Voices of Change event in South Africa (August 2020). The virtual event was attended by more than 500 people across South Africa. The aim of the event was to encourage men, women and organisations to play leading roles and collaborate on gender parity in the workplace, to activate awareness, enable shared learning and identify interventions that will help to empower women.

¹ Handover delayed due to school closures as a result of Covid-19.

Animal Defenders International

Supplied Animal Defenders International (ADI) with four eight-ton cranes and one four-ton vehicle to transport 12 tigers and five lions from OR Tambo International Airport to ADI's wildlife sanctuary in the Free State. The 17 big cats were rescued from Guatemalan circuses.

Kenyan Refugee Schools Undertaking

During the year we partnered with the Caring Women's Forum (CWF) and the United Nations High Commissioner for Refugees (UNHCR) to deliver the Kenyan Refugee Schools Undertaking. Imperial has invested USD100 000 (R1,7 million) in the project, which will commence in the 2020 calendar year. Covid-19 may impact the timing of some of the deliverables given the closure of schools.

Project deliverables include:

- 5 000 refugee children to receive a set of school books.
- 60 refugee teachers to be provided with teacher training.
- 600 refugee students to benefit from 200 new school desks.
- 265 refugee students enabled to write their high school learning exams.

Imperial Wanderers Stadium


We have reinforced our commitment to sports development as a means of uniting nations and people by securing the naming rights to the Wanderers cricket stadium in Johannesburg. At this time, when sports events are not viable due to Covid-19, the stadium is being used as a drive-through Covid-19 testing station.

Imperial Wanderers Stadium has partnered with People Opposing Women Abuse (POWA), an NGO that advocates for women's rights and provides shelter, counselling and legal advice for victims of abuse. Imperial is a proud partner of this initiative and we will leverage our relationships with schools to maximise this partnership, educating boys on how to treat girls and teaching girls how to receive assistance.

Logistics International

SOS Children's Villages

Partnered with SOS Children's Village in Kecskemét, Hungary. SOS Children's Villages International is a non-profit organisation, which provides humanitarian and developmental assistance to socially disadvantaged children in 137 countries, protecting their interests and rights.

 See page 58.

Corporate giving

- In Europe, corporate and employee giving assisted the following charities:
 - ◆ **Germany, head office in Duisburg:** St. Raphael Children's and Youth Hospice, which provides psychological support to families with sick children. The donation contributes towards the financing of services not covered by health insurance.
 - ◆ **Germany, Stuttgart:** KinderHelden (children's heroes), which manages volunteer mentorship programmes for children and young people with learning difficulties. Children and mentors learn, play, explore the city and participate in group events.
 - ◆ **Germany: Arbeiter-Samariter-Bund (the Workers' Samaritan Federation):** manages the wünschewagen (car of wishes) project, where volunteers use a vehicle equipped for patient transport to fulfil the dreams of terminally ill people, for example, by taking them to concerts, soccer matches or a short trip to the sea etc.
 - ◆ **Hungary, Győr:** collected and prepared Christmas gift packs, including food and sanitary and baby care products for a local children's home.
 - ◆ **Spain:** Palletways Iberia collaborated with the Aphisa Association, which offers a home to people with intellectual disabilities and helps them to integrate into society. It also assists the families of children living in the homes. The donation is being used to replace old furniture.
- Supported the police union in Germany to produce a children's drawing booklet focusing on traffic education.



Community development continued

Looking forward

- Continue to support our flagship CSI projects, including the Unjani Clinics network (R5 million), the Imperial and Motus Community Trust (R5 million) and road safety awareness (R1,5 million) in South Africa. We will also undertake site visits to the Kenya refugee camps once Covid-19-related restrictions are lifted to provide further support to the project and ensure expected project outcomes are met.
- Investigate the feasibility of adapting the school library model to include the transfer of ownership to schools.
- Expand our CSI projects into new markets of operation in Africa.

Our stories

<p>Supporting SOS Children's Villages International</p>	
<p>SOS Children's Villages International provides children and young people – many of whom are orphaned or whose parents are not able to take care of them – with the opportunity to grow up within family structures, building interpersonal bonds with fellow residents.</p>	<p>Our contribution to the village in Kecskemét, Hungary, covers the costs of accommodation and education for the children. In total, 10 foster families, hosting around 60 children between them, live in the village. To integrate the children into society, they attend public kindergarten and schools and are allowed to visit friends outside the village or invite their friends to visit them. Our operations in Hungary will allow us to maintain a regular presence with the children. In addition, we hope to involve them in company events and, in time, explore the opportunity of offering internships for some of the young people. In July and August 2020, a further EUR1 708 (R24 612) was donated to the village in employee fundraising events, a blood drive and matched funds from Imperial.</p>
<p>Celebrating International Women's Day (8 March)</p>	
<p>Imperial's Global Women's Forum celebrated International Women's Day by participating in a number of initiatives, and drawing attention to the difference individuals can make and that gender equality is essential for economies and communities to thrive.</p>	<p>The forum celebrated International Women's Day by participating in a number of initiatives, including preparing 600 care packages for child rape victims in South Africa, the collection of clothing, shoes, cosmetics and hygiene products for TrebeCafe – a shelter for homeless women and victims of domestic abuse in Germany – and raised gender awareness in all our African Regions businesses.</p>



Road safety awareness in South Africa

Why this matters

Road fatalities	Pedestrian crashes
Around 40 people are killed on the country's roads each day and 15 000 annually ¹ .	A South African child is more likely to be killed walking on roads, with pedestrian crashes being the leading cause of injury and death for children under the age of 15 ² .

Road fatalities are a major contributor to unnatural deaths. Around 3 200 people are killed every day on roads around the world, with most being in low and middle-income countries. South Africa's road mortality rate per 100 000 citizens is one of the worst in the world and road crashes account for the largest unnatural killer of children¹.

The Imperial *Be safe, Be smart* campaign is a direct response to the devastating lack of road safety awareness among children and supports government, which has identified road safety education in schools as a need. We partner with Active Education, the Department of Basic Education and the Department of Transport to ensure the success of the campaign. Every activation is supported by a community safety member or member of the traffic department. Based on our social media engagement, the campaign is well received by communities, teachers and learners.

Key challenge and initiatives

Operation: South Africa

Challenge: raising road safety awareness among children, particularly underprivileged children who are not exposed to road safety measures as their communities lack road markings and their journey to school is either on foot or in vehicles that sometimes do not have seat belts.

The *Be safe, Be smart* campaign includes the Imperial Schools Road Safety Programme (comprising the initiatives set out below), which was started in 2018 in partnership with Shell South Africa. A critical enabler of the programme's success and optimal road safety awareness is the use of illustrations and visually rich and exciting lessons that teach learners how to navigate scenarios.

Scholar road safety awareness

This initiative helps secondary school students, mostly from disadvantaged communities, prepare for their K53 learner's licence test, and educates them on pedestrian safety, and the importance of wearing safety belts when travelling in taxis and other vehicles. We provide practical advice on obtaining a learner's licence and guidance on the defensive driving system as well as mock learner's licence tests. By educating future drivers we empower the youth to be smarter, safer and law-abiding road users³.



¹ Source: SA Road Safety Strategy 2011-2020: <https://www.arrivealive.co.za/documents/Road%20Safety%20Strategy%20for%20South%20Africa%202011.pdf>.

² Source: Saferspaces: <https://www.saferspaces.org.za/understand/entry/road-safety-in-the-south-african-context>.

³ Dedicated website at www.imperialroadsafety.co.za

Road safety awareness in South Africa continued

School bus driver training

This programme educates bus drivers on the basic principles of defensive driving and how to safely transport children in high-risk environments.

Truck blind-spot exercise

To help people better understand the limitations experienced by drivers of heavy-duty goods trucks, they are invited to sit in a truck's cabin and count the number of children standing in the vehicle's blind spot. The exercise teaches responsible pedestrian behaviour, including giving truck drivers the right of way to avoid dangerous and potentially fatal incidents.

Health and wellness roadshow

As an immediate need, a Covid-19 Health and Wellness Roadshow is being rolled out to support schools in their reopening after lockdown (see page 61) and has been extremely well received.

2020 review

- Invested R1,5 million in road safety awareness.
- The Covid-19 pandemic interrupted our mandated target to reach 85 schools nationwide before the Easter school holidays in April 2020. To date, we have reached 66 schools (including the 20 reached in F2019) across six provinces, delivering the K53 programme to 58 931 (F2019: 15 122) aspirant drivers. Road safety education resumed in August 2020 with the reopening of schools. As K53 is part of the school curriculum and the sizes of these classes are small, we hope to reach our target by December 2020.

- Delivered training to 50 school bus drivers (F2019: 50).
- Rolled out the Festive Season Road Safety Campaign over four peak traffic days in December 2019. Campaigns were held at four major holiday driving stops. Safety tips covered resting, texting and driving, visibility, obeying the rules of the road, buckling up and being mindful of other road users. We also included fun activities such as a 'chill zone' for motorists to relax in, a Chillax Mascot to entertain children and a facilitated 'kids zone' to help children expend excess energy. Safety messages were also delivered to truck drivers. In total, 5 550 motorists were reached and 2 095 pledges to exhibit responsible road behaviour received. 72 981 people were reached over social media.
- Held a number of road safety activations over the four-day test series between South Africa and England at the Imperial Wanderers Stadium in January 2020. Demonstrations illustrated the effects of alcohol and stadium visitors were encouraged to pledge to being responsible road users.

Looking forward

- Invest a further R1,5 million in road safety awareness.
- Align the schools programme to the Department of Basic Education's planned migration to online learning when this becomes effective. This will include paperless learning material, digital class presentations and engaging digital platforms with interactive content. Digital mechanisms will become key for many of our road safety initiatives. However, this will be a challenge in underprivileged schools.



Our stories

Teaching learners about how to prevent the spread of Covid-19

Leveraging our reach with the Imperial Schools Road Safety Programme, we started educating learners in June 2020 on hygiene practices and providing schools with posters and wash stations.



The Department of Basic Education has engaged with various stakeholders to prepare for the reopening of schools. Key to these efforts is every school's ability to provide a healthy safe environment for learners in line with the department's hygiene guidelines. This is particularly relevant for underprivileged schools where there are major barriers to hygiene.

The national footprint of the *Be safe, Be smart* campaign, positions Imperial to support schools during this time and elevate our involvement at grassroots level. The following initiatives are underway:

- The Imperial *Be safe, Be smart* Covid-19 roadshow, which delivers Covid-19 and hygiene education within social distancing protocol at primary and secondary schools. Learners are educated on washing and sanitising hands frequently, using protective face masks at all times, avoiding touching eyes, mouth and nose with unwashed hands and practicing cough and sneeze etiquette. The fundamentals are taught using a simple song and learners are encouraged to share this information with their families and friends. 23 schools have been visited to date with 5 125 learners reached. 575 litres of sanitiser and 230 dispensers have been distributed.
- Posters to reinforce the message of frequent hand washing.
- Wash stations placed around the school and can be used with sanitiser or soap and water. A recycled 2-litre cold drink bottle is used as the tank to ensure the stations are cost effective and easily replaceable.

The Imperial *Be safe, Be smart* Covid-19 roadshow aims to reach 50 schools in three provinces before the end of December 2020.

Driving road safety awareness among primary school children in Dinokana

In October 2019, as part of Transport Month, we delivered road safety awareness at eight primary schools in Dinokana, 29 kilometres from Zeerust, along the N4 toll route.

Our facilitators delivered a fun road safety talk on being safe when walking to and from school. Driver trainers from group company, Tanker Services, held an informative session with taxi and bus drivers on defensive driving practices. All trainees pledged to ensure a safe commute for their passengers to and from school.

Using a Volvo truck with a tanker, learners were taught about blind spots and the difficulties of driving a heavy-duty vehicle and how to make themselves visible before crossing a road. 3 000 reflective bags and 3 000 reflective sashes were handed out.

In addition, a number of taverns were visited, speaking to patrons about their visibility when walking home in the dark. 100 reflective beanies were handed out.



Key data

	2020		2019	2018
ROAD SAFETY				
Market Access				
Road kilometres travelled (million)	31,7*		39,4	27,2
Road accidents (company)	2*	▲	0	1
Road accidents per million kilometres	0,063*	▲	0	0,037
Road injuries (company)	0	■	0	0
Road injuries per million kilometres	0	■	0	0
Road fatalities (company)	0*	■	0	0
Road fatalities per million kilometres	0*	■	0	0
Logistics Africa				
Road kilometres travelled (million)	271,9*		318,4	359,5
Road accidents (company)	67*	■	67	100
Road accidents per million kilometres	0,246*	▲	0,210	0,278
Road injuries (company)	18	▲	15	31
Road injuries per million kilometres	0,066	▲	0,047	0,086
Road fatalities (company)	1*	▼	2	2
Road fatalities per million kilometres	0,004*	▼	0,006	0,006
Logistics International				
Road kilometres travelled (million)	72,6*		75,7	79,0
Road accidents (company)	29*	▼	32	20
Road accidents per million kilometres	0,399*	▼	0,423	0,253
Road injuries (company)	3	▼	13	0
Road injuries per million kilometres	0,041	▼	0,172	0
Road fatalities (company)	0*	■	0	0
Road fatalities per million kilometres	0*	■	0	0

The Imperial sustainability management system collates, processes, tracks and communicates road safety data from all group company sites. Data is collected monthly and local administrators and internal audit perform regular data integrity checks. The system also collates lessons learnt, which are used to inform development plans.

Note: the table reflects the number of accidents, injuries and fatalities among our employees.

	2020		2019	2018
SAFETY				
Logistics Africa				
Number of non-road injuries	33	▼	70	81
Number of non-road fatalities	0	■	0	0
Road and non-road injury rate per million hours worked	0,65	▼	1,48	1,62
Road and non-road fatality rate per million hours worked	0,01	▼	0,03	0,03
Days lost due to injury	91	▼	144	271
Injury severity rate per million hours worked	1,16	▼	2,51	3,93
Injury incident rate per 100 employees	0,26	▼	0,58	0,63
Logistics International				
Number of non-road injuries	64	▼	70	0
Number of non-road fatalities	0	■	0	0
Road and non-road injury rate per million hours worked	1,81	▼	2,35	0
Road and non-road fatality rate per million hours worked	0	■	0	0
Days lost due to injury	0	■	0	0
Injury severity rate per million hours worked	0	■	0	0
Injury incident rate per 100 employees	0,69	▼	0,90	0

Note: the table reflects the number of accidents, injuries and fatalities among our employees.

Note: Market Access has not been reported in the above safety table as the operation has been mostly asset light in the past with low numbers of incidents. However, acquisitions during F2020 will mean that we will report these metrics for the division going forward.

Key

■ Satisfied with performance.

■ Area for improvement.

* Assured (see the independent limited assurance report).

	2020		2019	2018
TRANSFORMATION (SOUTH AFRICA)				
Black representation				
<i>Imperial board</i>				
Black women (%)	25		33	–
Black men (%)	12		11	–
White men (%)	63		56	–
<i>Management (South Africa)¹</i>				
Top management (%)	42	▼	47	–
Senior management (%)	32	▲	28	–
Middle management (%)	45	▲	43	–
Preferential procurement				
Procurement spend with 50% black-owned businesses (Rm)	3 056	▼	3 661 ²	–
As a percentage of the 50% targeted spend (%)	25	▼	27	–
Procurement spend with 30% black women-owned businesses (Rm)	1 176	▼	1 195	–
As a percentage of the 12% targeted spend (%)	10	▲	8	–
Procurement spend with QSEs and EMEs	2 689	▼	2 858	–
As a percentage of the 15% targeted spend (%)	22	▼	26	–
Enterprise development				
Enterprise development spend (Rm) ³	29	▲	27	26
<i>Breakdown of spend</i>				
Sinawe Fund (%)	66		74	77
Unjani Clinics (%)	16		15	12
Other (%)	18		11	11
<i>Sinawe Fund</i>				
Number of SMMEs in the Imperial supply chain supported by the fund	3		3	3
Number of people employed by the SMME beneficiaries	134		152	138
<i>Unjani Clinics</i>				
Investment in Unjani Clinics (Rm)	4,9	▲	3,8	3,0
Number of clinics	75		63	49
Number of people employed	267		Over 205	Over 150
Number of patient consultations at June (cumulative since January 2013)	Over 1,37 million		Over 915 000	Over 540 000
Qualifying socioeconomic spend (South Africa)				
Qualifying socioeconomic spend on the BBBEE scorecard (Rm) ³	4,5	▼	8,8	–

Note: the BBBEE verification process was underway at the time of publication.

¹ Covers all South African operations, including employees in South Africa who work for the Market Access division.

² Restated to reflect the final verified number after publication.

³ Based on our enterprise development and socioeconomic development spend, we are confident that full points will be achieved for both pillars in the 2020 BBBEE scorecard (September 2020).

	2020		2019	2018
CSI (GROUP)				
Market Access (Rm)	7,9	▲	3,8	–
Logistics Africa (Rm) ¹	12,4	▼	17,6	–
Logistics International (Rm)	0,8	■	0,8	–
Total CSI spend (Rm)	21,1*	▼	22,2	17,0

Note: some metrics for 2018 are not available as these were calculated for Imperial Holdings prior to unbundling.

¹ Some of the qualifying socioeconomic development spend in the transformation table above, which recognises industry-specific initiatives, is included in the CSI spend attributable to Logistics Africa.

Key

■ Satisfied with performance.

■ Area for improvement.

* Assured (see the independent limited assurance report).