

Imperial™

beyond possibility

Striving for **zero harm** to
people and the environment





From delivering food to doorsteps in **South Africa**

to taking medication to communities in **Nigeria**

and distributing medical supplies and kits to **African** countries in need

Our reporting suite

We are committed to transparent, open and honest reporting and have a suite of reports that cater to the diverse information needs of our broad range of stakeholders.

	Audience	Frameworks applied	Assurance
Integrated report	Our primary report to our providers of financial capital contains material information on the group's strategy to create sustainable competitive advantage and deliberate social, economic and environmental value.	<ul style="list-style-type: none"> • The International <IR> Framework. • King IV™*. • Johannesburg Stock Exchange (JSE) Listings Requirements. • Taskforce on Climate-related Financial Disclosures (TCFD) • United Nations (UN) Sustainable Development Goals (SDGs) 	Information extracted from underlying reports on which assurance is provided.
Environmental, social and governance (ESG) report	<p>Sets out in detail the group's environmental, social and governance (ESG) strategy, impacts and the governance practices and approaches that ensure impacts are appropriately managed. It is aimed at our employees, clients, principals and customers, shareholders, and other key stakeholders and broader society.</p> <p>Information relating to TCFD disclosures is included throughout our reporting suite.</p>	<ul style="list-style-type: none"> • King IV. • Global Reporting Initiative (GRI). • TCFD. • UN Global Compact, Women's Empowerment Principles and SDGs. 	Limited assurance on 20 indicators.
Shareholder report	Sets out information relevant for shareholder decision making, including the notice of annual general meeting (AGM), full corporate governance and remuneration reports and summary financial information.	<ul style="list-style-type: none"> • South African Companies Act, 71 of 2008 (as amended) (Companies Act). • King IV. • JSE Listings Requirements. 	Information extracted from underlying reports on which assurance is provided.
Annual financial statements	Sets out the group's full audited annual financial statements, including the audit and risk committee report and the report of the independent auditor.	<ul style="list-style-type: none"> • International Financial Reporting Standards (IFRS). • Companies Act. • JSE Listings Requirements. • King IV. 	Assured by external assurance providers.

* The King Report on Corporate Governance™ for South Africa 2016. Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.



We urge our stakeholders to make use of our reporting website which presents the full extent of our reporting for the year. Stakeholders can access the group's reports, and interim and annual financial results announcements and presentations at <https://www.imperiallogistics.com/inv-reports.php> or scan the QR code to be taken there directly.

Some photographs were taken pre-COVID-19. Appropriate health and safety protocols are being followed to protect stakeholders during the pandemic.



With a footprint in over **20 African countries**

Imperial is your **'Gateway to Africa'**

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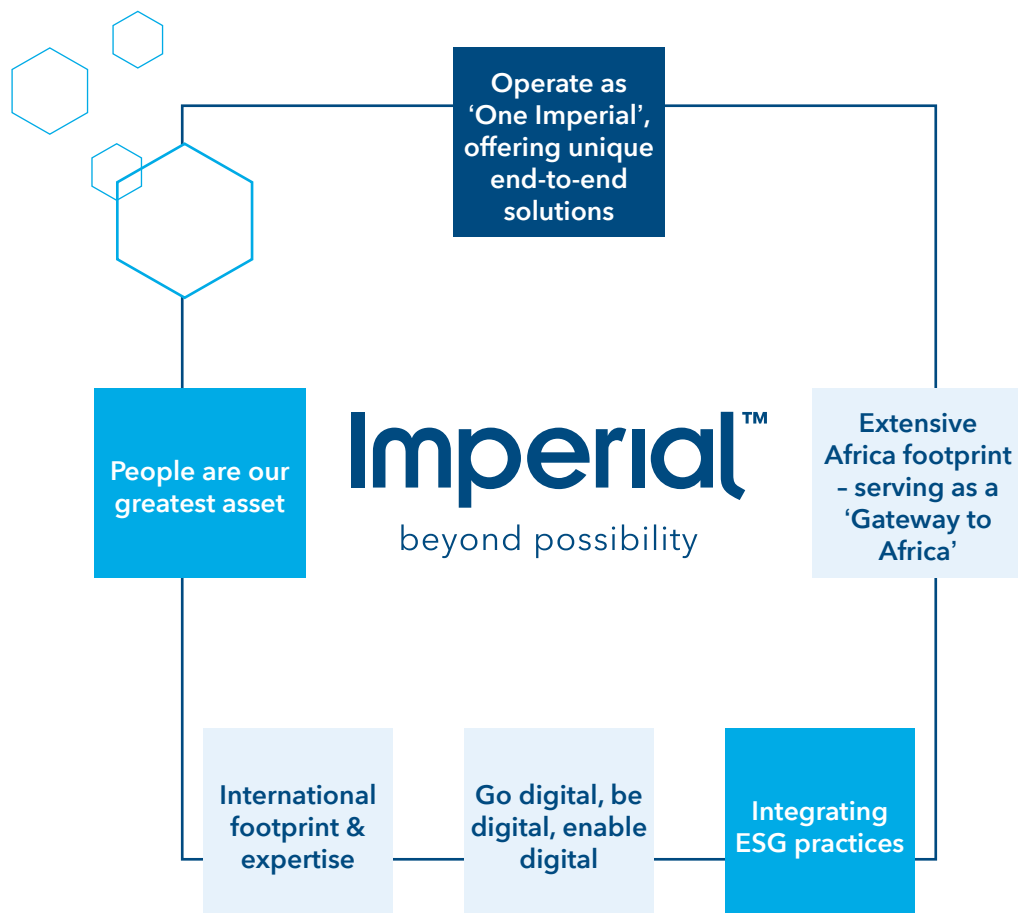
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2 Our reporting

The Imperial Logistics Limited (Imperial) ESG report to stakeholders, for the period 1 July 2020 to 30 June 2021, provides an overview of our governance, strategies, risks, opportunities and performance in relation to our material economic, social and environmental issues, as well as the progress made during the year on formalising an ESG strategy for the group. The report provides an in-depth review of our activities under two pillars of our business strategy, namely 'people are our greatest asset' and 'integrating ESG practices'. It also covers the key issues that matter most to our stakeholders.



 **Our strategy:** page 38.

 **Our key stakeholders:** page 19.



Make contact: Feedback, questions or requests from stakeholders can be directed to: Esha Mansingh or Lauren Rota at esg@imperiallogistics.com

This year, our report is presented in the four key pillars of our ESG strategy, which serves as the mechanism to ensure we integrate ESG considerations in our day-to-day activities and decision making. In addition, more detail has been provided this year on our governance of ethics, environmental and social issues.

Scope and boundary

The report covers our operations across 25 countries, including subsidiaries and operating companies in which we have management control. More broadly, the risks, opportunities and outcomes associated with our stakeholders are reported insofar as these relationships materially affect our ability to create or preserve value, as well as mitigate against value destruction, in the short, medium and long term. Our key stakeholders - who have a vested interest in and support Imperial - are our employees, clients, principals and customers (collectively referred to as clients), suppliers and subcontractors, communities, industry bodies, investors, governments and regulators.


As explained in our integrated report, Logistics International is non-core to Imperial's 'Gateway to Africa' strategy, and aspects of its operation are therefore not covered in detail in this report.

Reporting frameworks and assurance

Our ESG report has been prepared in accordance with the following reporting frameworks:

- The King IV Report on Corporate Governance.
- UN Sustainable Development Goals.
- GRI Sustainability Reporting Standards, at a core application level.
- Task Force on Climate-related Financial Disclosures.

Selected non-financial information (20 indicators) have been assured by Deloitte & Touche, conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), and their independent limited assurance report is included on page 130.

 **Our GRI content index can be found online**
<https://www.imperiallogistics.com/integrated-reporting.php>.

Materiality determination

During the year, we conducted an ESG maturity assessment across Market Access and Logistics Africa, and a socioeconomic impact assessment study of our operations in South Africa and Nigeria to gain a better understanding of where our activities directly and indirectly impact our stakeholders, industries and societies; and what our stakeholder's need. These exercises have also highlighted where improvements can be made in our ESG practices and performance. The maturity assessment workshops were attended by leaders in group functions, and the Market Access and Logistics Africa businesses; and were facilitated by an external consultant whose strategic approach to

business improvement aligns to the European Foundation for Quality Management Excellence. Through this process we identified our key focus areas (discussed in this report), critical implementation enablers and key measures.

Report preparation and presentation


Interviews with leadership and members of the board, as well as other internal documents, including information submitted to the board, strategy and social, ethics and sustainability (SES) committee, have been used to prepare the report. Responsibility for compiling the report lies with the executive vice president of corporate affairs and investor relations, who is responsible for ESG, and is a member of the group executive committee team. She is assisted in this responsibility by the vice president of group ESG and the group sustainability executive.

The group executive committee interrogated the report to ensure its integrity before it was submitted to the SES committee, which is responsible for reviewing the ESG report, and recommending it to the board for approval.

Board responsibility and approval statement

The Imperial board acknowledges its responsibility to ensure the integrity of the 2021 integrated report and related ESG disclosures. In the board's opinion, after applying its collective mind to the information provided, the integrated and ESG reports address all material issues and matters that may impact the group's ability to create value over time, and provide a balanced and appropriate overview of the group's strategy, risks, performance and prospects.

On behalf of the committee



Roddy Sparks
Chairman of the SES committee



Mohammed Akoojee
Group Chief Executive Officer

27 September 2021

Striving for **zero harm** to people and the environment



Imperial offers a unique value proposition as the 'Gateway to Africa' for clients, principals and customers through integrated market access and logistics solutions in five key industries. We seek out and leverage new technologies to deliver innovative, end-to-end solutions.

A decorative graphic consisting of several white-outlined hexagons of varying sizes, some overlapping, positioned on the left side of the dark blue header.

INTRODUCTION

1



6 Our purpose

The impacts of our purpose-led strategy, social responsibility and sustainability for Africa's wellbeing are substantial: we connect Africa and the world - and improve people's lives with access to quality products and services.

We can demonstrate that we are more than a business that strives for sustainable revenue, profits and targeted returns for our shareholders. Our strong focus on people, planet and profit is evident in the real difference we are making to Africa and her people. Through our solutions and our contributions, we support the lives and livelihoods, and the aspirations for a better future of millions of people in our countries of operation.

Positioning Imperial for long-term value creation

Our ability to build, acquire and integrate businesses in some of the fastest growing and most challenging markets in Africa, as well as our leading positions as a strategic, integrated market access and logistics solutions partner to multinational and regional clients, principals and customers, is a key differentiator for Imperial.

Over the longer term, our strategy will position us uniquely to realise the compelling commercial opportunities, and to drive the socioeconomic and environmental development objectives, of Africa to the benefit of our people, partners and shareholders, and our clients, principals, customers, communities and countries.

We are strong and resilient.
We are One Imperial.
We go beyond possibility.

Our core values

Our values inspire the desired mindset, behaviours and practices that promote the daily realisation of our purpose and our vision of 'One Imperial'.

WE WIN WITH TEAMWORK



- We collaborate.
- We share ideas and opportunities.
- We work and win together to achieve common goals.
- We hold each other accountable.
- We earn each other's trust with transparency.
- We celebrate success together.

Our guiding principles

- We are a purpose-driven organisation that actively seeks opportunities and partnerships to create value for all our key stakeholder groups.
- We continually seek to improve our performance in the pursuit of zero harm to people and the planet.
- Our leadership visibly demonstrates a commitment to ESG.
- We balance impacts on people, planet and profit by integrating ESG practices into our daily business activities and decision-making processes.
- We proactively incorporate the principles of the UN Global Compact, UN SDGs, Women Empowerment Principles and other relevant global frameworks in our ESG practices.
- We comply with all applicable legal requirements in all countries in which we operate.
- We respect human rights and engage our stakeholders respectfully and frankly, seeking their feedback.
- We seek 'go green' opportunities to reduce our impact on the environment and climate change.
- We proactively invest in enhancing and developing our communities.
- Our ESG data can be trusted by our stakeholders because it is transparent, accurate and independently assured.

'One Imperial' dimensions of value

People

- **Reorganised business** with embedded purpose and values to drive a 'One Imperial' culture that enables our people to deliver our strategic and operational objectives.

Planet

- **Deep legitimacy in our industries and markets**, with wide recognition as a trusted brand with exemplary standards of service delivery, governance and ethics, with ESG fully integrated into daily business as a competitive advantage.

Profit

- **Ability to fully leverage unique competitive advantages centred on Africa to sustain profitable growth** - through accelerated organic growth and selective strategic acquisitions in core and complementary capabilities and industries.
- **Optimised capital management and allocation approach, within means, covenants and risk tolerances** - through strategically aligned, forward-looking scenario planning and forecasting, and deep operational visibility.

Optimal and integrated systems and practices with IT, digital and data initiatives at the heart of the organisation, delivering new growth, a step-change in efficiency and effectiveness, data-driven decision making and disruptive innovation.

WE ARE INNOVATIVE

WE GO THE EXTRA MILE

OUR PEOPLE MATTER

EMPOWERED PEOPLE



- We take personal accountability for our performance and our behaviour.
- We are free to make a difference.
- We bring our whole selves to work.
- We go beyond possibility.



- Our people's safety comes first.
- We value diversity.
- We recognise and respect each other as adults and equals.
- We recognise performance and commitment.
- We encourage lifelong learning and growth.
- We provide opportunities to grow careers.



- Our clients, principals and customers are at the heart of all we do.
- We are fully focused on providing value to our clients, principals and customers.
- We act with integrity when we strive to add value.
- Our communities are better off because we are here.



- We expect to improve every day.
- We learn from our mistakes.
- Our entrepreneurial spirit drives us to look for new ways of delivering value to our stakeholders.
- We go where others dare not go - we are pioneers.

8 Our business

We are an Africa-focused provider of end-to-end, integrated market access and logistics solutions, with a significant African footprint and vast expertise. We operate in 25 countries, with a focus on defensive and growing industries.

Imperial’s strategy leverages our competitive advantages in Africa, positioning the group as the ‘Gateway to Africa’ to our multinational clients, principals and customers. Our core strategic focus is to expand our African footprint and routes to market, and facilitate trade flows into and out of Africa, leveraging our competitive advantages, the skills of our people and our digital capabilities to deliver our differentiated solutions mainly in the healthcare, consumer, chemicals, automotive, industrial and commodities industries. We rank among the top tier global logistics providers and we are listed on the JSE in South Africa.

Our solutions



Market Access

Our Market Access business – in which close to 100% of revenue is generated in Africa – is integral to our ‘Gateway to Africa’ strategy. Our market access solutions see us taking ownership of inventory and responsibility for the full order-to-cash function. We build complex route-to-market solutions that provide our principals with access to patients and consumers through comprehensive channel strategies that integrate sourcing, sales, distribution, marketing, demand generation and promotions. Our solutions also create opportunities to leverage our freight and contract logistics capabilities.

Through our operations in mainly sub-Saharan Africa, we are able to provide market access and logistics services in more than 20 countries on the African continent. Our activities currently focus on two key, defensive industries – healthcare and consumer.



Logistics

Logistics Africa

Logistics Africa encompasses logistics activities throughout the African continent, ie road freight, contract logistics and lead logistics provider (LLP). Logistics will continue to play an integral role in achieving our ‘Gateway to Africa’ and ‘One Imperial’ strategic imperatives – leveraging and expanding freight, contract logistics and supply chain support, and leveraging cross-selling and upselling opportunities with our Market Access business.

Logistics International

Logistics International encompasses road freight, contract logistics, and air/ocean activities outside Africa – most notably our contract logistics and freight businesses in Europe and the United Kingdom. Logistics International is non-core to Imperial’s ‘Gateway to Africa’ strategy.

Estimated socioeconomic value we created

South Africa

R98,1 billion
(USD6,3 billion)

Nigeria

R145,9 billion
(NGN3,6 trillion; USD9,3 billion)

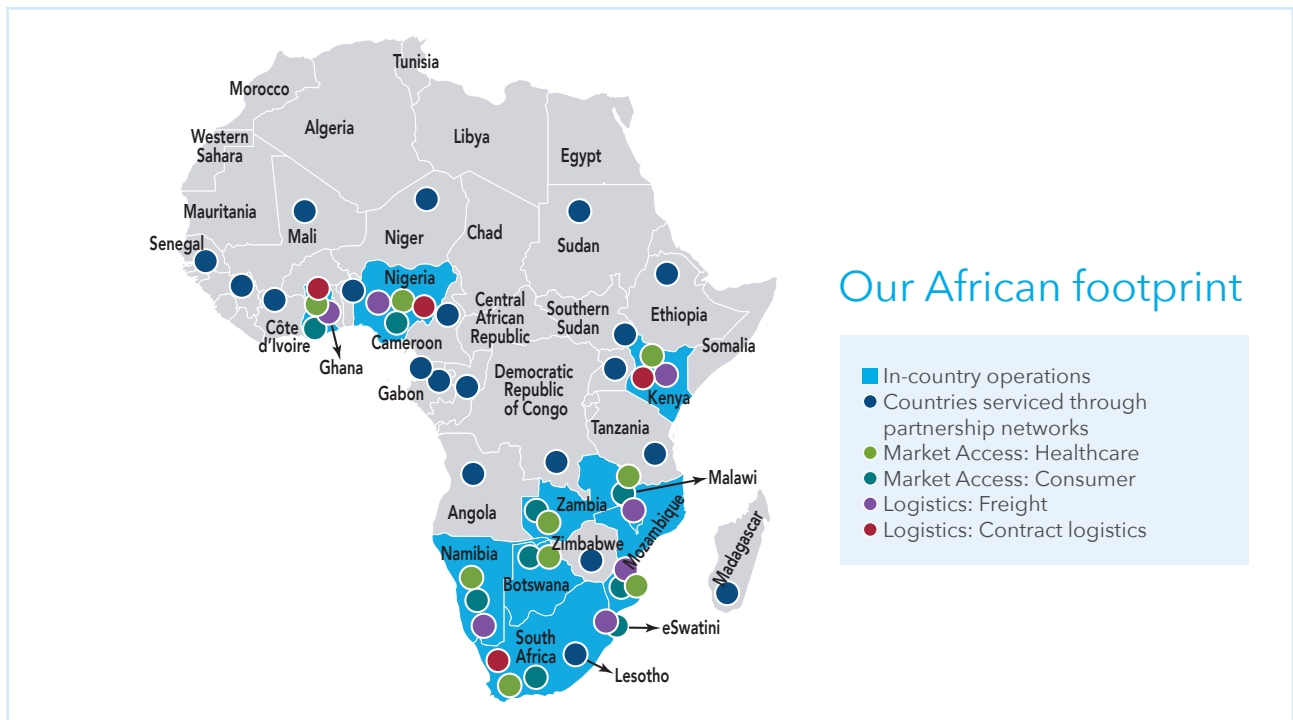
Key facts

We are headquartered in Johannesburg and listed on the **JSE** in the transportation services sector (JSE share code: IPL)

We are ranked in the **Top tier** of global logistics providers

We take clients to some of the **fastest growing and most challenging markets** in the world.

We employ **25 432** people in 25 countries.



We earned revenue of **R52,2 billion** (USD3,39 billion) and continuing EBITDA¹ of **R5,0 billion** (USD324 million).

We provide access to quality medication and healthcare products, consumer goods and other products and services.

We invest in our countries and communities, with a key focus on integrating ESG into daily business practices.

We seek out and leverage technology to deliver innovative, integrated, end-to-end solutions.

¹ Earnings before interest, taxation, depreciation and amortisation (EBITDA).

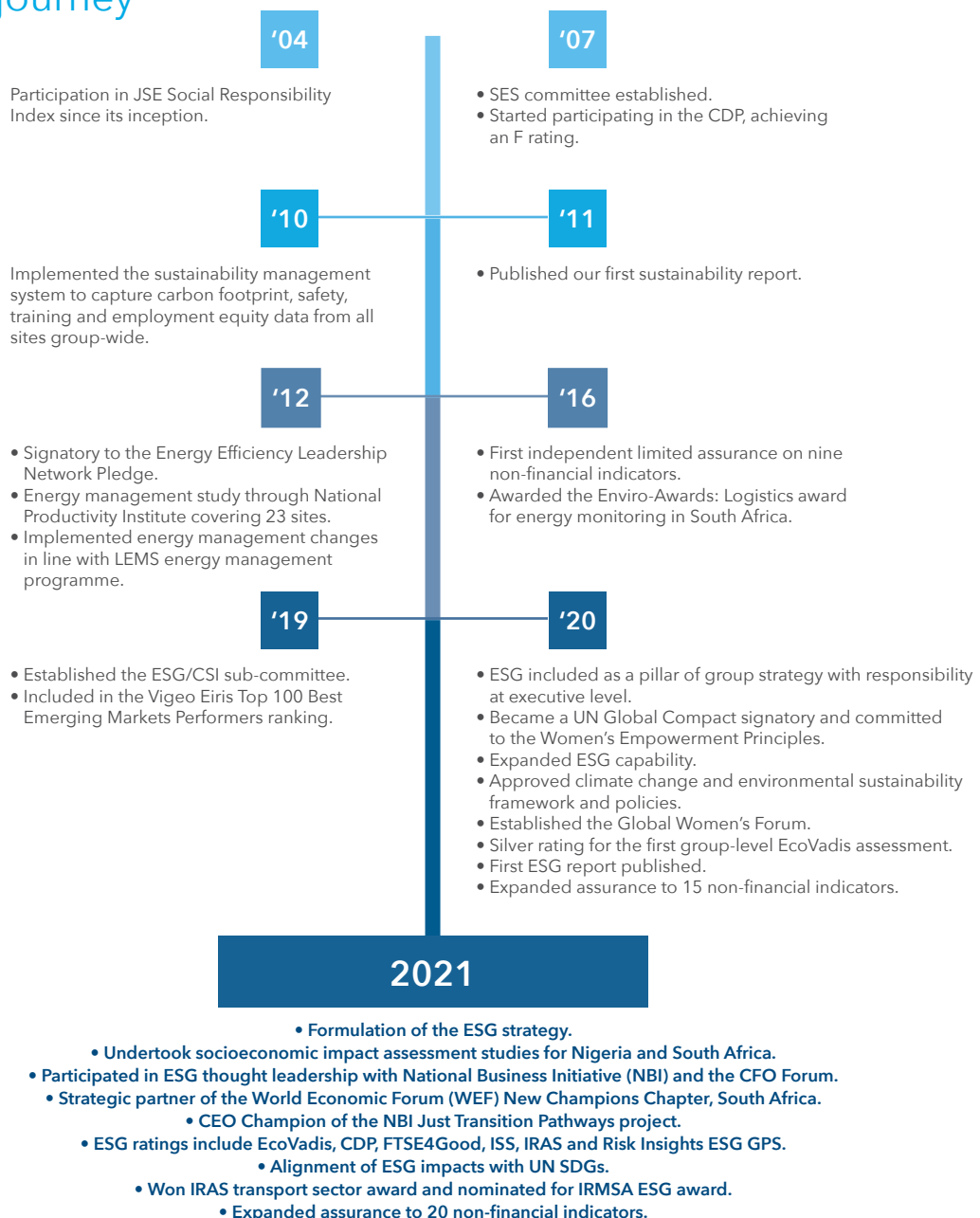
10 Our business strategy

Our integrated innovative solutions are supported by our investment in best-in-class and emerging technologies, and in developing a culture of client-centred collaboration. Our strategic progress is enabling us to compete better and to win in our markets and industries, in a world where the criticality of resilient and optimised supply chains has never been clearer to clients and countries.

As well as being a standalone pillar of our strategy, proactively investing in and managing ESG as part of our daily course of business has impact for the remaining five pillars of our strategy, delivering long-term value for Imperial and our stakeholders.

 Our strategy: page 38.

Our ESG journey



We operate as ‘One Imperial’, with one positioning, one culture, under one brand, serving our clients, principals and customers as one business able to leverage cross-selling and upselling opportunities.



12 Letter from the SES committee chairman

We are the social conscience of Imperial. The SES committee guides and oversees the organisation on matters of ethics and broader responsibility to society, the environment and key stakeholders.

Imperial is thoroughly embedded in the economies and societies in which we operate. Aligned with our purpose, we provide access to food, medication, fuel and other essential products and services to the people of over 20 African countries. Across our African and international operations, in 25 countries, we support the supply chains of industries that give millions of people decent jobs and opportunities to improve their lives.

Ethical leadership and social good are not add-ons at Imperial, they are embedded in our purpose and strategy. Our contribution is rooted in our aspiration, which frames the integration of ESG imperatives into our strategy and daily business - to strive for zero harm to people and the environment.

Our clients hold us to account on our ESG scorecards, and the countries and communities we serve grant us the commercial and social licence to do so. By following the highest standards of business ethics, people and product safety, and care for communities and the natural environment, we remain credible partners to clients, in industries that have strict codes of propriety within their supply chains; and we remain a credible corporate citizen in our countries of operation. In all these imperatives, which have significant commercial, social and indeed global implications, the SES committee provides counsel and oversight in line with our fiduciary duties, and in the spirit of social solidarity and good corporate citizenship.

Imperial's contribution to economies and societies cannot be easily reduced to monetary value. There are, after all, human stories and aspirations behind the numbers. While recognising this, we were gratified that according to a recent socioeconomic impact assessment study by Accenture, in F2019 and F2020 Imperial created direct and indirect value of R146 billion and R98 billion, respectively, for stakeholders in Nigeria and South Africa.



Implementing our new ESG strategy

To give direction to our strategic pillar of 'integrating ESG practices', we formulated a comprehensive ESG strategy during the year. Meeting the clear targets we have set will enhance our competitive positioning both commercially with our customers and in attracting top talent. The SES committee approved Imperial's ESG aspiration, and the strategy was approved by the board in May 2021.

Our ESG strategy was co-created through facilitated workshops with the management teams of Market Access, Logistics Africa and corporate functions. The discussions helped articulate our ESG principles and aspirations, and agreed the ESG focus areas for each of the businesses. In many cases, these focus areas already have defined priorities with advanced plans and initiatives in place.

For example, one of the new focus areas includes employee localisation for top and senior management positions in our African countries of operation. We also recognised that high supply chain standards and exceptional governance on issues

including information security and data privacy, and bribery and corruption, are material ESG topics. In the environmental pillar, although some very progressive initiatives were taking place, there were no group-wide targets. Our ESG strategy now includes targets to improve performance on climate change, a key environmental priority for Imperial and indeed the world.

Our ESG report this year discusses each of the focus areas of our ESG strategy and creates a base for consistent and continual improvement in reporting in the years to come. Of note, Imperial conducted a gap analysis of our reporting against the TCFD requirements. As we progress our ESG strategy we will improve our TCFD reporting. We also completed our first communication on progress against our UN's Global Compact commitments.

In F2022, the focus will be on change management and ESG strategy implementation, with detailed KPI dashboards to follow.

People

Our people are integral to Imperial's success; their level of engagement, relevant skills and varied ideas enable our client-focused solutions, improved performance and accelerated growth. Our responsibility to them is to ensure we provide a safe working environment that supports their health and wellbeing; an enabling, collaborative and inclusive culture that treats everyone with equality and respect; and development opportunities that equip them with the skills to adapt to the future-fit organisation we intend to become.

Progressing our people and culture journey relies on transforming our leadership diversity and mindset, and ensuring our people engage wholeheartedly with our purpose, values and strategy, to effectively meet the needs of our stakeholders. My Imperial People Way, our people model launched during the year, will assist this transformation.

Stringent health and safety practices are a top priority for Imperial, and our values emphasise that peoples' safety comes first. Our safety management frameworks and systems align to relevant legislation in each country of operation and to the safety, health and environmental (SHE) requirements of our clients. The committee is heartened that the group continues to standardise its SHE framework to deliver best-in-class SHE and security practices across our African operations.

Crashes remain the cause of most of our workplace fatalities and injuries, with unsafe driving practices and poor infrastructure in Africa making this a difficult and, in many instances, an uncontrollable safety risk. We ensure our drivers understand their responsibilities on the road and implement the best road safety practices to protect them and other road users. We employ technology, telematics and driver awareness to continuously improve our processes and address road safety and environmental risks.

Sadly, three employees lost their lives this year while at work. We deeply regret the death of our colleagues Mr Jose Alejandro Caballero Esquivel, Mr Andries Matamba Rembani and Mr Daniel Motaung. Once again, we offer our deepest sympathies to their families, friends and teams.

We are pleased that no jobs were lost due to the pandemic and that most of our employees who tested positive for COVID-19 have made full recoveries. To bolster our COVID-19 response, in the year we began providing COVID-19 care packages to affected employees, and in August 2021 opened a temporary vaccination site for employees at our Alberton operation in Johannesburg. Sadly, 24 of our colleagues succumbed to the virus and we extend our deepest condolences to their loved ones.

In respect of our strategic transformation, we made significant progress in changing our organisational structures, embedding our values and communicating our purpose to our people, but we have much still to do. We must maintain our momentum, while supporting our people through ongoing changes within the organisation, and in these times of unprecedented change in our lives beyond the workplace.

COVID-19 has impacted not only the way organisations operate, but also how employees evaluate their jobs. Now, more than ever, being able to do work that is purposeful and meaningful is a key requirement for attracting talent and ensuring employee engagement. At Imperial, we have seen the impact that our 'One Imperial' and 'Gateway to Africa' strategy has had in uniting our employees through a shared sense of purpose, and a mission that speaks to hearts and minds alike. Our purpose is also proving attractive to prospective employees.

Across the group, we are creating inclusive working environments that not only address individual needs but allow our people to utilise their unique strengths. As important as a diverse and healthy workforce is to Imperial's future, so are diverse and healthy societies and economies.

Noteworthy here is our alignment in South Africa to the government's intent to redress past wrongs. We collaborate with our clients, partners, suppliers and the public sector as the keystone of our approach. Foremost, we are working to promote diversity and inclusion in the workplace and to align our employee and leadership representation with South Africa's national demographics.

Beyond that, we strive to continually improve our transformation credentials across all dimensions of broad-based black economic empowerment (B-BBEE). The ownership deal announced during the year is a significant step forward. Our B-BBEE rating provides significant benefits for our clients and enhances our ability to compete for new business and retain existing clients, while also strengthening our employer brand and ability to attract and retain talent.

Environment and climate change

Scientists have been warning us for some time now that our technological and industrial progress has come at a potentially irreversible cost to nature. Currently the world's atmosphere carries around 410 parts per million of carbon dioxide (CO₂). The last time CO₂ was this concentrated was three million years ago, when the temperature was two to three degrees Celsius higher; and sea levels were fifteen to twenty-five meters higher¹.

How can Africa be part of the solution, while also endeavouring to catch up on industrial development? In terms of the business of decarbonisation and 'carbon tech',

Africa is mostly a follower. In 2021, America will invest around USD60 billion on climate tech. And - according to Bloomberg - in 2020 investors globally spent USD500 billion on the 'energy transition'.² The committee will continue to urge management to leverage transfers of green technology and climate finance from advanced economies to developing ones, in advancing solutions that create economic growth and export opportunities through new industries, such as green hydrogen. Our commitment to digital and data initiatives, alongside ongoing streamlining and synergies between our businesses, will help facilitate a shift.

I invite you to read the case studies showcasing the progressive work that Imperial's people are doing to test new technologies at the forefront of environmental developments, in partnership with clients and service providers.

In conclusion

In July 2021, we were confronted with unrest and looting in KwaZulu-Natal and Gauteng, South Africa. We are a business and therefore we do not hold any political position, other than what should not be up for debate - the rule of law and commitment to the Constitution. Strong, caring nations create a stable environment for business to grow and citizens to find opportunity. Corporations can help strengthen states, by rendering services, providing jobs and generating efficiencies and profits for reinvestment. Our response to the July unrest was therefore humanitarian. With the help of partners, we delivered food parcels to employees and their families, and donated R4 million to the charitable organisations who were active during that troubling time.

Our ability to respond to the changing needs of our people and remain responsive in a post-COVID-19 environment will be critical going forward. As a digitally and technologically enabled provider of logistics and market access solutions, we will require skills specifically tailored to this business model. Process automation and restructuring, made necessary by our challenging operating environment, will make some jobs redundant in the future. However, as we grow and make progress in our digitisation journey, this will be offset by the need for added skilled capacity and new jobs will emerge in line with new organisational needs. We remain committed to reskilling and upskilling our people for these roles, and will preserve as many jobs as we reasonably can as we transform.

Ordinary Africans will not reap the benefits of the continent's extraordinary resources and demographic dividend if gatekeepers insist on bribes, and individuals and businesses pay those bribes to facilitate profitmaking. This year we rolled out an extensive communication campaign to remind our 25 000 staff that we have zero tolerance for dishonest conduct. Ethics are intrinsic to the group's code of conduct. Ethical leadership and conduct vested in morality incorporates the full range of ESG imperatives and secures our legitimacy in the markets and industries we serve. We will continue to protect Imperial's legitimacy, not only as a moral injunction, but also a competitive advantage.

Guided by our aspiration to strive for zero harm to people and the environment, we will continue to progress our ESG strategy, performance and disclosures. As a purpose-led organisation, our ability to execute on our ESG strategy and aspirations serves us in many ways. It secures our reputation as a trusted, credible brand and business partner and gives us access to new pools of capital. It strengthens our employee value proposition and our local relevance in our markets of operation, by positioning us a brand that cares for its people, communities and the environment. As we continue to improve on our performance and disclosures, and take steps toward making our aspiration a reality, we will create new value for

Imperial and our stakeholders.
Roddy Sparks
 Chairman of the SES committee

¹ (Lindsey, 2020).

² (The Economist, 2021).

14 Our ESG operating context, risks and opportunities

Environment

The Intergovernmental Panel on Climate Change released its Working Group I report 'Climate Change 2021: the Physical Science Basis' in August 2021, confirming unprecedented and in some cases irreversible climate changes in every global region. Without rapid and large-scale reductions in greenhouse gas (GHG) emissions, limiting global average warming to 1.5 to 2°C becomes ever less attainable. Extreme heat waves, wildfires and catastrophic flooding events have been witnessed on multiple continents during the past year.

In Africa, agriculture accounts for the majority of livelihoods and most of the continent depends on rain-fed agriculture. With rainfall fluctuating from drought conditions to heavy

floods, food and job security are impacted with the poor being the most affected by these extreme weather events. Projections point to a likely decrease of rainfall in many parts of Southern Africa.

Within our operating environment, certain automotive original equipment manufacturers are moving to electric vehicle production as stricter environmental and climate change regulations drive the switch to more sustainable, emission-free transportation. In Europe, electric vehicles and vehicle restrictions in city centres are being implemented to limit pollution and traffic congestion. At the same time, with the growth in online shopping and e-commerce, consumers expect express deliveries, which impacts city logistics.

Our risks

A changing market

Our clients are increasingly demanding environmentally friendly goods and services as awareness around the impacts of climate change increases. If we are unable to meet these demands, we may lose clients or not be able to gain new business.

Technology developments

Technological advances can change the nature of the logistics industry, particularly in ways that can address climate change. If we are unable to keep abreast of these developments and capitalise on them, we risk the loss of our client base and investor support.

Extreme weather events

Increased frequency and severity of extreme weather events (floods, droughts, cyclones etc.) have the potential to interrupt day-to-day operations due to damage to property and assets, and detrimental traffic patterns that increase the risk of road accidents and delays in the supply chain.

Reputation

Failure to comply with environmental legislation across multiple jurisdictions, to pay carbon taxes or to respond timeously to new environmental regulatory requirements could negatively impact our reputation and incur penalties or fines, as can road accidents that occur while transporting hazardous substances that result in environmental pollution or spills. Subcontractors who do not abide by our environmental guidelines could also negatively impact our reputation.

Our opportunities

Competitive advantage

Developing low-carbon products and services, and being recognised as a leader in ESG could give us the edge over our competitors, increasing demand for our services, particularly among clients who want to improve the environmental performance of their supply chains.

New technology and partnerships

Digitising our business to ensure it is future fit with access to analytics and data, will give us the information we need to make decisions that support cost saving and efficient resource use.

Partnering with specialised technology providers, enables us to develop sustainable solutions. We also work with clients and other stakeholders to identify innovative initiatives that contribute to environmental improvement, including alternative greener fuels, and fuel and water savings opportunities.

Improved processes

Reducing our use of fuel, energy and water and managing our waste optimally reduces our operating costs and carbon footprint. To improve environmental processes we must leverage the pockets of excellence in the group, share best practice knowledge, and deliver environmental awareness and training to influence behaviour change.

Our response

Our approach to environmental management | Page 28.
 Stakeholder engagement on environmental issues | Page 29.
 Go digital, go green | Page 36.
 Ensure high supply chain standards are upheld | Page 112.

Social

From now until 2030, Africa is projected to expand the size of its workforce by more than the rest of the world combined. The World Economic Forum estimates that 15 to 20 million young people will join the African workforce every year for the next two decades. By 2030, Africa will be home to more than a quarter of the world's population under 25, who will make up 60% of the continent's total population. In PwC's 22nd Annual Global CEO Survey, released in January 2019, 87% of African business leaders surveyed said they were extremely concerned about the availability of key skills¹.

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 consumes². The WHO lists three major contributing factors to the state of healthcare in Africa - health services, health system performance and health system investments.

The damage to the economy and employment (particularly in services, retail, tourism and hospitality) as a result of COVID-19 has been severe in many countries, with an estimated 255 million jobs lost globally³. In South Africa,

unemployment was recorded at its highest level to date. In the fourth quarter of 2020, the unemployment rate rose to 32,5%, with about 1,4 million jobs lost during the year⁴. At mid-September 2021, there had been 2,86 million infections and over 8 530 COVID-19 related deaths reported in South Africa since the pandemic began. The vaccination rollout programme had reached an estimated 13% of the total population, far below countries like the United Kingdom and the United States (69% and 58% of the population at the same date respectively)⁵.

A pressing issue facing modern society, both globally and particularly in Africa, is road safety. By 2030, road traffic accidents are expected to become the fifth leading cause of fatalities worldwide, overtaking both AIDS and tuberculosis. This road carnage has a significant impact on the economy and society at large. The South African Medical Research Council states that 36% of child injury deaths are road traffic injuries. School going children are especially at risk given that 67% of them walk to school.

According to the WHO, South Africa has one of the highest rates of violence inflicted on women and girls in the world. Sadly, this has been made worse by COVID-19 and lockdown restrictions, with significant increases in reports of gender-based violence.

Our risks

Culture

Lack of standardised human resources processes and failure to effectively implement change management processes, will challenge our goal to build a 'One Imperial' culture and impede the delivery of our strategy.

Health and safety

Our business includes high-risk activities such as long-distance driving, operating forklifts and working at heights, which can result in major incidents, fatalities, client dissatisfaction and increased costs. COVID-19 is another health and safety risk that could result in business closures and increased absenteeism.

Attracting and retaining skills

To ensure our future fitness we must attract specialised skills, which are scarce and in high demand.

Industrial and social unrest

Failure to build strong relationships with organised labour and to effectively address employee concerns, could lead to potential work stoppages. A widening gap between rich and poor, inequality, job losses, and diminished disposable spend brought about by COVID-19 as well as socio-political factors can lead to violent protests and civil unrest, like those which arose in South Africa in July 2021. These events may cause damage to property, burning of vehicles, looting, road closures and traffic disruptions, placing our drivers and other employees at risk and disrupting business.

Transformation

Failure to increase black ownership of our South African operations or achieve an acceptable B-BBEE contributor rating will compromise our competitiveness in new tenders and contract renewals.

Our opportunities

Competitive advantage

Empowering our people to make decisions and providing them with exciting career paths and an attractive employee value proposition, inspires them to create positive change for our clients. In addition, diverse teams with varied experiences, backgrounds and styles are better able to understand and meet the needs of a diverse client base.

Attracting talent

Building strong connections with our talent pool, enabling the ownership of careers and development among all our people, and providing opportunities for specialised skill to move within the group, make us an attractive employer of choice.

Reputation as a safe operator

By sharing the pockets of safety excellence that exist in the group, we can develop a consistent group-wide best practice safety approach, enhancing our current reputation as being a safety-conscious operator.

A caring organisation

Partnering with our clients, key stakeholders and reputable local implementers to invest in impactful and inclusive community initiatives helps to strengthen our business relationships and enhances our reputation as an organisation that cares for the communities in which it operates.

A relevant organisation

Our healthcare businesses in Africa position Imperial to be a leader in healthcare on the continent. Our ability to support localisation programmes in African countries, and their local community initiatives to provide access to healthcare for marginalised communities, strengthens this positioning.

Our response

Why embracing our people as our greatest asset matters | Page 48.

Zero harm to people | Page 52.

Why supporting relevant social imperatives matters | Page 72.

¹ Source: <https://www.weforum.org/agenda/2019/09/why-the-skills-gap-remains-wider-in-africa/>.

² Source: https://www.un.org/africarenewal/sites/www.un.org/africarenewal/files/Africa_Renewal_En_Dec2016_Mar2017_0.pdf.

³ Source: https://www.ilo.org/global/about-the-ilo/newsroom/statements-and-speeches/WCMS_779257/lang-en/index.htm

⁴ The 2020/21 SARB Annual Report.

⁵ Source: <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/south-africa/>.

16 Our ESG operating context, risks and opportunities continued

Governance

The increased focus on ESG demands that the ESG performance of companies be more comparable. Stakeholders and investors are increasingly looking to invest in, and be associated with and partner with companies that have a compelling ESG strategy. According to the 2018 FTSE Russell global survey, more than half of global asset owners are implementing or evaluating ESG considerations in their investment strategy.

Our risks	Our opportunities
<p>Social licence Failure to be seen as a good corporate citizen or to transition our ESG intentions into action can negatively impact our ability to attract capital, clients and employees.</p> <p>Regulation We operate across five industries and in 25 countries, and must comply with all applicable legislation and practices in multiple jurisdictions. Failure to do so could result in fines or penalties.</p> <p>Business conduct We could lose client, employee or stakeholder trust if we fail to implement the policies, controls and culture that ensures ethical business conduct, particularly as we operate in parts of the world where bribery and corruption present a high risk. This is exacerbated by tough economic conditions, which can impact business ethics and behaviour.</p> <p>Product safety We could lose credibility and business if we fail to meet client expectations on product quality and safety requirements.</p> <p>Subcontractors Accidents or incidents involving subcontractors, as well as subcontractors not meeting client standard operating procedures or our governance standards, may result in penalties, loss of client trust or breach of contract.</p> <p>Cybersecurity Increasing volumes of data and number of cyberattacks, require continuous improvement in information security. Loss of data could incur financial penalties.</p>	<p>Competitive advantage Adopting the highest standards of governance and ethics, and being recognised as an organisation with effective risk controls in place and zero tolerance for fraud, supports our resilience in difficult times. These are also critical aspects of our client and employee propositions, enhancing our ability to secure and maintain partnerships with multinational clients as well as donor agencies, and attracting high-calibre employees.</p> <p>Our services can be further differentiated by implementing best practice quality management and supply chain standards.</p> <p>A favourable ESG performance The benefits of a favourable ESG performance include:</p> <ul style="list-style-type: none"> • Winning and retaining business with clients who have set minimum ESG requirements. • Cost reductions from using natural resources efficiently, and potential new revenue generating streams from innovative products and services. • Best-in-class ESG practices ensure compliance with all applicable laws. • Increased access to capital from a more diverse investor base and green financing at preferential interest rates. • A reputation as a purposeful and responsible corporate citizen.

Our response

Ensure ethical and compliant business conduct | Page 106.
 Integrate ESG into governance and risk management processes | Page 108.
 Embed information security and data privacy | Page 110.
 Ensure high supply chain standards are upheld | Page 112.

Our socioeconomic impact

During the year, Accenture conducted an independent socioeconomic impact assessment (SEIA) study for Imperial, covering the 2019 and 2020 financial years. The objective was to quantify and understand the direct and indirect value we create for our stakeholders and communities in South Africa and Nigeria (two of our key markets), and our socioeconomic impact against the UN SDGs and the African Union's aspirations for Africa.

Defining and measuring value creation

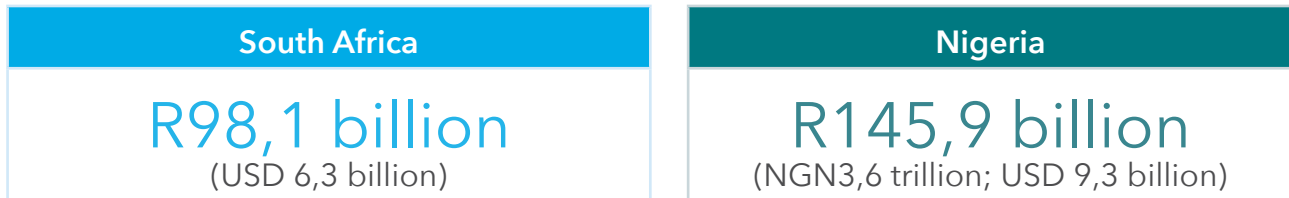
The SEIA study was conducted using a customised framework designed to measure Imperial's direct and indirect impacts, based on the Value Framework developed by Accenture and the WEF^{1,2}. Accenture considered how value was created across the value chain (value to logistics industry and market access, value to partners and value to society), and then identified economic drivers and KPIs to measure impact for each value area.

Results

Across both South African and Nigeria, the SEIA study highlighted Imperial's key contributions to three of the African Aspirations³, namely 1 (a prosperous Africa), 2 (an integrated continent, politically united), and 6 (development is people driven, relying on the potential offered by people, especially its women and youth and caring for children).

The study highlighted our contributions to the following SDGs across both countries – SDG 3 (good health and wellbeing), 4 (quality education), 5 (gender equality), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), and 17 (partnership for the goals). Further, the SEIA study highlighted unique contributions to SDGs in each country: in South Africa, this was SDG 11 (sustainable cities and communities), and in Nigeria, SDG 12 (responsible consumption and production).

Estimated value creation



Highlighted impacts

	South Africa	Nigeria
Imperial's greatest asset Developing people and culture	F2020 <ul style="list-style-type: none"> 13 583 jobs supported, impacting 46 023 lives. R3,5 billion employee-related expenditure, equivalent to ~22% of revenue. R23 million in training spend (~900 000 training hours). 	<ul style="list-style-type: none"> 969 jobs supported and 4 554 lives impacted. NGN2,8 billion paid in employee benefits. NGN2,4 million training spend.
	F2019 + F2020 Value created for society and partners: R26,5 billion	Value created for society and partners: NGN20,6 billion
'Gateway to Africa' Serving our clients, principals and customers	F2020 <ul style="list-style-type: none"> Warehouse storage capacity of 900 000m². Trucks travelling 360 times the length of South Africa's roads to get products to more than 50 000 delivery points. R2,3 billion contributed in tax (net VAT from the movement of goods only). 	<ul style="list-style-type: none"> ~35 800 lives saved through timely access to quality pharmaceutical products. NGN1,6 trillion socioeconomic loss avoided from lives saved. NGN59,5 billion cost savings to society through providing access to wholesale-priced medicines.
	F2019 + F2020 Value created for society, logistics industry and market access, and partners: R34,9 billion	Value created for society, logistics industry and market access, and partners: NGN3,4 trillion

¹ Accenture South Africa published an overview report on the impact of digital transformation in South Africa (<https://www.accenture.com/za-en/insights/strategy/business-society>).
² <http://reports.weforum.org/digital-transformation/wp-content/blogs.dir/94/mp/files/pages/files/dti-unlocking-digital-value-to-society-white-paper.pdf>.
³ Seven aspirations, each with its own set of goals which, if achieved, will move Africa closer to achieving its vision for 2063.

18 Our socioeconomic impact continued

Highlighted impacts

	South Africa	Nigeria
<p>Beyond Imperial</p> <p>Growing our network of service providers and governments</p>	<p>F2020</p> <ul style="list-style-type: none"> • 14 560 jobs supported across subcontractors and key partners. • 70% preferential procurement spend with B-BBEE compliant suppliers. • R483 million in tax contributions (~0,2% of South Africa's tax collection). • R2,1 million in cost saving for small businesses from interest-free loans. 	<ul style="list-style-type: none"> • >200 jobs supported across partners. • NGN2,1 billion paid in taxes and government charges (0,1% of corporate tax collection). • NGN58,9 billion in value created for partners, principals and suppliers.
F2019 + F2020	Value created for society, logistics industry and market access, and partners: R36,2 billion	Value created for society, logistics industry and market access, and partners: NGN126,2 billion
<p>Go digital, go green</p> <p>Future-proofing Imperial</p>	<p>F2020</p> <ul style="list-style-type: none"> • Control towers allow for 20-30% reduction in inventory levels, 75% reduction in waste and up to 1% reduction in cost of goods sold. • Avoided 5 756 tonnes of GHG emissions. • Recycled 12,8 million litres of water (3,9% of water purchased). • R1,5 million savings gained by solar energy and water re-use. 	<ul style="list-style-type: none"> • Invested in generating site efficiencies by using light emitting diode (LED) bulbs, reducing dependence on diesel generators, harvesting rainwater and maximising space. • Future plans include harnessing solar energy.
F2019 + F2020	Value created for society: R11,0 million	
<p>Going the extra mile</p> <p>Contributing to the development of our communities</p>	<p>F2020</p> <ul style="list-style-type: none"> • R49,2 million saved for Unjani Clinics' patients. • 796 624 lives impacted (1,3% of South Africa's population). • At least two lives were saved as a result of the road safety programme. • R22,9 million corporate social investment (CSI) spend. 	<ul style="list-style-type: none"> • NGN619,8 million in patient cost savings through providing affordable healthcare. • NGN126,1 million in donations. • 266 436 lives impacted and 45 lives saved.
F2019 + F2020	Value created for society and partners: R501,0 million	Value created for society: NGN3,2 billion

Our key stakeholders

Our resilience is built on strong trusted relationships with our employees, and extends beyond the organisation to relationships with our clients, our suppliers, our communities and governments - each with specific interests and expectations - as well as members of the societies we serve.

Clients, principals and customers

Topics of discussion, and their concerns and expectations

- E**
- Improvement in the environmental performance of their supply chains, ie lower carbon emissions in our transportation activities | Page 31.
 - Increasing requests for carbon emissions-related data for business activities conducted by Imperial on their behalf. Some clients are asking for intensity measure reporting | Page 29.
-
- S**
- Good safety performance with mature safety practices | Page 52.
 - Meeting their standard operating procedures to ensure product safety | Page 112.
 - Future fitness of the workforce, and the ability of the workforce to respond to changing operating conditions | Page 58.
 - Information on our social performance, including CSI | Page 72.
 - Ownership status and B-BBEE rating | Page 78.
 - Collaboration on small, medium and micro-enterprise (SMME) development and localisation projects | Pages 79 and 84.
-
- G**
- Our strategy for improved ESG performance | Page 108.
 - Business continuity of the supply chain | Page 112.
 - How we manage information security and cybersecurity | Page 110.
 - Our adherence to ethical guidelines and principles | Page 106.

Employees and their representatives

Topics of discussion, and their concerns and expectations

- S**
- A safe working environment. | Page 48
 - The 'Gateway to Africa' strategy offers attractive career growth and is compelling.
 - Meaningful and purposeful work, and personal and career growth.
 - More transparency in terms of promotions and recruitment.
 - Increasing the momentum of diversity and transformation.
 - Increasing focus on work-life balance.
 - Job security during COVID-19.
 - Mental health, wellbeing and financial support in times of unprecedented change.
 - Upliftment of the communities in which employees and their families live.
 - Unions in South Africa: retrenchments due to clients reducing their scope of work and operational concerns relating to driver duties.
 - Unions in Germany: our handling of the COVID-19 impact, short-time work, remote working and bonus payments.
-
- G**
- Employees want to be part of an inspirational, responsible and caring brand.

Business partners and suppliers

Topics of discussion, and their concerns and expectations

- S**
- Improving their B-BBEE compliance so that they can remain within our supplier base. | Page 78
 - Supplier development opportunities.
 - SMME access to markets and procurement opportunities.
 - More support from Imperial for enterprise development beneficiaries.

20 Our key stakeholders continued

Providers of capital: owners, investment community and funders

Topics of discussion, and their concerns and expectations

- E**
 - Reporting against the TCFD framework | Page 128.
 - Initiatives to reduce our GHG emissions | Page 31.
- S**
 - The B-BBEE deal | Page 79.
 - How we are maintaining employee morale during COVID-19 | Page 50.
 - Targets for gender transformation | Page 63.
 - Retention of key employees and the succession plans for the group CEO and group CFO | Pages 58 and 66.
- G**
 - Information security and cybersecurity | Page 110.
 - The independence, skill and diversity of the board | Page 16 of the integrated report.
 - Increased expectations in terms of ESG disclosure and transparency | Page 96.
 - Measurable KPIs to drive ESG | Page 22.

Authorities: government departments, regulators and industry associations

Topics of discussion, and their concerns and expectations

- S**
 - Universal access to basic healthcare and affordable medicines | Page 75.
 - Healthcare skill and capacity | Page 75.
 - Improving our B-BBEE performance in areas where we may lag | Page 78.
 - Meeting employment equity targets | Page 63.
 - Upholding high standards for occupational health and safety | Page 52.
 - Private sector support for education and road safety awareness | Page 86.
 - Imperial's role in the vaccination rollout programme | Page 77.
- G**
 - Compliance to various pieces of legislation relating to our products, health and safety management, quality management and environmental management | Page 112.

Local community members¹

Topics of discussion, and their concerns and expectations





- S**
 - Finding new ways to reduce the impact of our contract logistics and freight management activities on air quality and global warming | Page 31.
 - A focus on identifying better waste management practices | Page 41.
- G**
 - Developing local skills and providing job opportunities | Pages 62, 66 and 84.
 - Enabling access to affordable healthcare | Page 75.

¹ Where Imperial has operational sites, civil society, non-governmental organisations, CSI beneficiaries, and media.

Our ESG strategy



- F2022**
 - Define ESG metrics and set up ESG metrics dashboard.
 - Set up priority projects.
 - Create ESG awareness.
- F2023**
 - Execute priority initiatives.
 - Communication and training focus.
 - Tracking and reporting.
- F2024**
 - Execute priority initiatives.
 - Embed proactive practices.
 - Culture embedding focus.
- F2025**
 - Assess progress towards F2030 targets.
 - Review F2030 targets.
 - Prioritise new initiatives.

Focus area	Strategic objectives			Key initiatives to support objectives
Environment 	Improve fuel efficiency and investigate alternative fuels	Reduce GHG emissions	Increase waste recycling	<ul style="list-style-type: none"> • Use dynamic data-driven insights to achieve improvements in fuel efficiency, fleet optimisation and driver management. • Pilot alternative truck drive systems (eg CNG¹, LNG², hydrogen). • Continue the solar panel rollout in prioritised sites. • Complete the waste management review, and explore opportunities to increase waste recycling.
Social - workforce 	Zero harm to people	Improve diversity and inclusion	Develop talent	<ul style="list-style-type: none"> • Continual implementation of safety risk prevention strategies to improve safety outcomes. • Advance the people and culture strategy, including diversity and inclusion, talent development and succession planning.
Social - community 	Enhance inclusive supply chain performance	Improve employee localisation	Strengthen CSI partnerships to increase impact	<ul style="list-style-type: none"> • Develop centre-led procurement and enterprise and supplier development strategies. • Integrate ESG considerations into the procurement strategy. • In all African operations, prioritise local appointees for management positions when vacancies and new positions are approved. • Advance CSI initiatives and expand impact through strategic partnerships.
Governance 	Integrate ESG into governance and risk management processes	Embed information security and data privacy	Ensure high supply chain standards are upheld	<ul style="list-style-type: none"> • Complete business risk profiles integrating ESG. • Implement information security strategy and roadmap. • Continue to roll out the anti-bribery and corruption training and internal certification programme. • Maintain and review governance policies to ensure alignment with international best practices. • Ensure healthcare distributors apply high quality and product safety compliance standards.

¹ CNG: compressed natural gas.
² LNG: liquefied natural gas.

22 Our ESG strategy continued

Environment 	Social - workforce 	Social - community 	Governance 
<p>Improve fuel efficiency and investigate alternative fuels Logistics Africa fleet objective: achieve year-on-year improvement in fuel emissions in gCO₂e/km^{1,2} for key operating companies in South Africa with fleets.</p> <p>6% reduction in F2021²</p> <p>Reduce GHG emissions Logistics Africa objective: increase renewable electricity supply to achieve a minimum increase of 0,5% in demand met by renewables in South African operations in F2022.</p> <p>3,1% of demand met by renewable electricity in F2021</p> <p>Market Access objective: implement renewable energy systems in three sites by F2030.</p> <p>16 040 tonnes of Scope 1 and 2 emissions avoided in F2021 (group)</p> <p>Increase waste recycling Logistics Africa objective: explore opportunities to further improve recycling metrics.</p> <p>68% general waste recycled in F2021</p>	<p>Zero harm to people Group objective: monitor and report lost time injury frequency rate (LTIFR) to standardise across all businesses and inform future target setting.</p> <p>LTIFR externally assured for the first time in F2021</p> <p>Improve diversity and inclusion Group objective: achieve diversity targets across all businesses and at board level.</p> <p>Black representation at top, senior and middle management levels was 36%, 28% and 54% respectively, with senior management falling short of the 32% target</p> <p>Black female representation at top, senior and middle management level was 12%, 11% and 18% respectively.</p> <p>50% black and 40% female representation achieved at board level</p> <p>Develop talent Group objective: develop a formalised programme to address skills gaps, continue to map talent and establish succession plans for leadership roles and all business critical positions.</p> <p>Made progress in the rollout of the Imperial Talent Management Way</p>	<p>Enhance inclusive supply chain performance South Africa objective: achieve the Road Freight Sector Codes and generic dtic³ scorecard requirements for B-BBEE.</p> <p>Achieved Level 2 rating against Road Freight Sector Codes</p> <p>Projected⁴ score against dtic Codes</p> <ul style="list-style-type: none"> • Level 3 rating for F2021 <p>Established centre-led procurement and enterprise development functions to enhance strategic planning and performance</p> <p>Improve employee localisation Group objective: meet country-specific localisation requirements.</p> <p>New focus area requiring further definition in future</p> <p>Strengthen CSI partnerships to increase impact Group objective: sustain a CSI spend of 1% of net profit after tax (NPAT), and monitor and report societal impacts.</p> <p>4,5% of group continuing NPAT</p>	<p>Integrate ESG into governance and risk management processes Group objective: maintain a no-compromise approach to governance.</p> <p>Zero instances of non-compliance with applicable laws</p> <p>Group objective: maintain or improve key ESG ratings.</p> <p>Mostly maintained in F2021</p> <p>Market Access and Logistics Africa objective: complete anti-bribery and corruption training with internal certification for targeted employees with access to email by the end of F2022.</p> <p>2 680 trained in F2021</p> <p>Embed information security and data privacy Group objective: no incidents of material successful cybersecurity attacks.</p> <p>One occurrence, with no material data or financial loss</p> <p>Ensure high supply chain standards are upheld Market Access objective: no material deviations from client supply chain standards.</p> <p>No material deviations of non-compliance for health and safety impacts of products and services</p>

¹ Grams of carbon dioxide equivalent per kilometre travelled (gCO₂e /km).

² For vehicles > 3 500 kilograms in seven targeted operating company fleets.

³ Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice (dtic Codes).

⁴ Our B-BBEE performance for F2021 against the dtic Codes scorecard will be available in October 2021.

Overview of our ESG performance

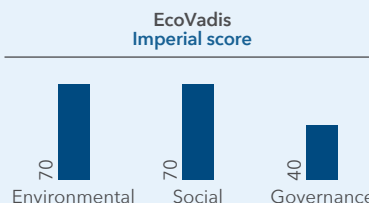
Imperial's ESG ratings

EcoVadis

An international rating agency that evaluates the sustainability performance of global supply chain companies in 200 industries across 160 countries.

Latest rating date: October 2020 (valid to October 2021)

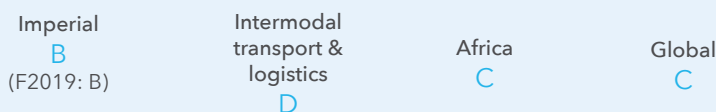
Silver
status and placed among the top 25% of companies assessed



CDP

Assesses climate change disclosure.

Latest rating date: October 2020



Institutional Shareholder Services (ISS)

Provides investors with in-depth insight to incorporate sustainability in their investment decisions. Ratings are taken monthly.

Latest rating date: at August 2021



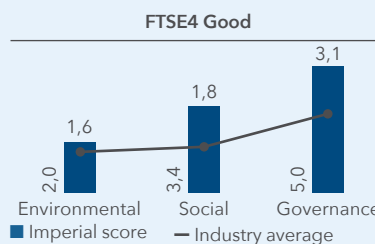
Score of 1 indicates lower governance risk and 10 indicates higher governance risk.

FTSE4Good

A global sustainable investment index series.

Latest rating date: June 2021

3,4 out of 5
(F2020: 3,8)

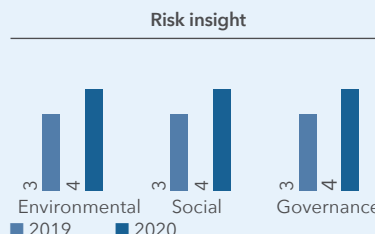


Risk Insights ESG GPS

An ESG rating system that considers local context and priorities in the weighting and scoring of ESG performance.

Latest rating date: May 2021

4 out of 4
Excellent rating
(F2019: 3)



2021 IRAS Report

The 2021 IRAS Report provides a comprehensive review of ESG reporting in South Africa, using its research and sustainability data transparency index.

Latest rating date: 2020

70,1%
The highest ranking in the transportation sector

Our previous rating in the last IRAS report published in 2016 was 44,5%. The average score for the sector in 2020 was 47,3%.

Striving for **zero harm** to people and the environment



Imperial Health Sciences occupies a building in Centurion, South Africa, which was retrofitted with solar panels in F2021 to increase green electricity supply.



ENVIRONMENT

2



Sustainable environment



Limiting our impacts on the environment and health and using scarce natural resources efficiently



Why environmental stewardship matters

For many years, Imperial has been conscious of its environmental impact; however, it is over the past two years that greater emphasis has been placed on ensuring that this consciousness is more deeply embedded across the group. Care for the environment is nested in our business strategy as part of the ESG pillar; it is directly referenced in our ESG approach to create value that supports the environment and in our ESG aspiration to strive for zero harm to the environment. These commitments ensure that we address the significant scope for improvement that exists in our environmental performance.

Our business activities - particularly the logistics business which stores and transports goods between manufacturing facilities, warehouses and depots, and client facilities - contribute to environmental threats such as air pollution, climate change and resource depletion. Our strategic investment in ESG practices is directed towards integrating sustainable environmental practices into our everyday operations and increasingly includes advanced digital technology to support sustainable consumption of resources and achieve improvements in our environmental impacts. Society increasingly expects organisations - including Imperial and our clients, principals and customers (collectively referred to as clients) - to participate in a circular economy that uses resources efficiently to minimise waste and in doing so limit environmental and climate change impacts.

In January 2021, Beira in central Mozambique was hit with a level three cyclone (Eloise), causing damage to the roof and walls of one of our properties, as well as the stock stored in the building. The total value of the damage and stock loss was MZN2,8 million (c. R640 000).

The massive impact of COVID-19 on economies and livelihoods has made it clear that addressing climate change in a manner that earnestly decouples economic growth from pollution is an immediate necessity. The world must re-engineer economies to fix the damage done to the environment. All organisations will be profoundly affected by the transition to a net zero economy. We are starting to investigate what it would mean for Imperial to be net carbon zero; what this would mean for our operating model and stakeholders in the value chain as well as the constraints we would face within our African operations. We proactively pilot new trucking technologies across various geographies, and are involved in technical work informing policy advances to define an optimal path to transition South Africa's transport sector. During the year, we conducted a gap analysis of our reporting against the Task Force on Climate-related Financial Disclosures (TCFD) and improved our climate change disclosure to meet some of the framework's requirements. As we progress our ESG strategy we expect to improve our TCFD reporting.

 **Climate change and strategy:** page 30.

 **TCFD index:** page 128.

2021 highlights



5 800 000 litres

reduction in fuel consumed in Logistics Africa due to improved litres per 100 kilometres travelled. Estimated savings of ~15 000 tonnes of CO₂e emissions¹



1 359 559 kilowatt hours

of renewable electricity generated



701 tonnes

of waste recycled (Logistics Africa)



24%

of water demand sourced from boreholes, rainwater harvesting and recycled water (Logistics Africa)



~R4 million²

environmental harm avoided by various green initiatives (South Africa)

- Set environmental targets to reduce greenhouse gas (GHG) emissions.
- Implemented Project Blue Fleet, which through digitisation has begun to provide accurate and real-time fuel consumption data.
- Continued to test a number of alternative drive systems in partnership with original equipment manufacturers (OEMs), clients and other business partners.
- Started an in-depth review of our waste data in our South African operations to identify opportunities to increase our participation in the circular economy.
- Recorded a 6% improvement in fuel efficiency for Logistics Africa's commercial fleet over the previous year¹.
- Concluded a successful 12-week pilot on a biological treatment process for effluent at a wash bay in South Africa. Concurrent initiatives reduced the site's water consumption by almost half, saving over 3 million litres of water a month and reducing effluent discharge to the municipality by 80%.
- Partnered with a solar service provider to install a customised 250 kilowatt peak (kWp) solar photovoltaic (PV) system at the Imperial Wanderers Stadium in South Africa.

Link to material themes and issues

- Financial controls, strict capital and cost management.
- Investing in digital and IT.
- ESG integration.
- ESG performance, disclosure and reporting.

 **Our material issues:** page 27.

In this pillar of our ESG strategy we are guided by the following global best practice frameworks:

- United Nations (UN) Global Compact.
- UN Sustainable Development Goals (SDGs).
- Task Force on Climate-related Financial Disclosures.
- Global Reporting Initiative.
- Responsible Care® Global Charter.

Related content

 **Our ESG operating context, risks and opportunities:** page 14.

 **ESG performance rankings:** page 23.

 **Governance of environmental issues:** page 103.

 **Handling of hazardous substances:** page 114.

 **Socioeconomic impact assessments studies for South Africa and Nigeria:** <https://www.imperiallogistics.com/socio-economic-impact-assessment.php>.

¹ Estimated using GHG Protocol emission factors for Transport Fuel Use, analysing vehicles > 3 500 kilograms for seven targeted operating companies. At present, due to data limitations, the factors leading to the improvement cannot be fully distinguished, although our active focus on fuel efficiency and fleet replacement are believed to have beneficially contributed. A change in client and product mix remains a significant and unpredictable driver of changes in fuel efficiency.

² For F2020 as estimated during the independent external socioeconomic impact assessment study of our South African operation.

28 Our approach

A key principle that guides our ESG strategy is to ensure we balance our impacts on people, planet and profit by integrating ESG practices into our daily business activities and decision-making processes. Our approach to environmental management and improvement is threefold:

- 1 Adopt the highest environmental standards**
Meeting and, where feasible, exceeding all relevant legislative requirements, ensuring that environmental priorities are considered in our investment decisions, setting meaningful and realistic targets to improve our performance and continuing to improve our external reporting.
- 2 Embrace continuous improvement**
Assessing the environmental impact of our organisational activities and implementing day-to-day improvements across the group to minimise our impact.
- 3 Prioritise opportunities to 'go green'**
Investing in advanced digital technologies and alternative drive systems with lower carbon emissions.

Imperial's health, safety and environmental policy statement, together with our climate change and environmental sustainability framework, provide guidance to our businesses on how to address climate change and waste, water and biodiversity management.

Our ESG focus areas



How we measure performance

Over the past three years, there has been significant change to Imperial's business activities and organisational structure, which has had some impact on the collection and in some cases the comprehensiveness and scope of performance data. As we identify the key performance indicators (KPIs) that will measure the delivery of our ESG strategy, we will establish where we need to set new baselines for some of our environmental metrics.

Our sustainability management system collates, processes, tracks and communicates data across all operations, covering owned, managed and leased sites. The system and ongoing improvements in data collection enable operating companies to track their environmental performance and set environmental targets against reliable baselines. It also enables the group to respond to changing environmental legislation such as carbon tax.

In South Africa, electricity meters measure consumption in real time and support the identification of energy-saving opportunities. Similarly, water meters provide accurate consumption data, highlight discrepancies in municipal bills, assist to identify water leaks and provide a platform for effective water management initiatives.

In Europe, the energy management system covers 90% of the operation, including sites in Germany, Luxembourg, Netherlands, Poland, Hungary, Sweden and the United Kingdom (UK).

Looking forward, we will improve the visibility of our data by compiling dashboards of key environmental indicators, which will be more regularly reported to the executive committee. Another advancement that will assist accurate reporting is our insights-driven Project Blue Fleet, a digitisation project that has begun to provide access to real-time fuel consumption data.

Audits and assurance

Group internal audit performs regular data integrity checks. Limited assurance by external independent service providers is undertaken annually on key environmental indicators. For F2021, road and non-road fuel consumption, purchased electricity, Scope 1, 2 and 3 emissions and municipal water consumption were assured.

Periodic risk assessments are conducted in South Africa and Europe on critical environmental compliance processes and controls. Where required, external assessments on compliance, practices and performance are also undertaken. When an environmental transgression is identified, it is reported in accordance with regulatory requirements. No material fines or penalties were incurred for environmental incidents in the reporting year.

Environmental standards

Across the group, certification against the International Organization for Standardization (ISO) is conducted primarily where client requirements demand it. Certifications include:

- 54 operations are ISO 14001 (environmental management system) certified.
- 86 operations are ISO 50001 (energy management system) certified.
- 20 operations are ISO 45001 (occupational health and safety management system) certified.
- 106 operations are ISO 9001 (quality management system) certified.

Additional ISO certifications (for example, ISO 22000) apply for selected sites, and ISO 27001 certification for certain areas of our business is underway. Logistics International has the highest number of certifications (236 safety, health and environmental (SHE) related ISO certifications), followed by Contract Logistics (30 certifications). Certified operations undertake all necessary measures to ensure certification is maintained and environmental degradation is prevented.

 **ESG performance rankings:** page 23.

Stakeholder engagement on environmental issues

We engage our stakeholders on environmental matters on an ongoing basis. Aspects that impact our achievement of our environmental objectives include changes in our client and product mix, client willingness to engage in and adopt innovative solutions, as well as infrastructure constraints and policy development across Africa.

We work with our clients to develop optimised fuel consumption strategies and share with them our research findings on new technologies tested to deliver resource efficiencies. For example, we encourage the rollout of supply chain control towers, which provide end-to-end visibility, process orchestration and deep analytical capability when managing complex logistics arrangements. This, in turn, delivers material financial and environmental benefits, enabling the identification of where significant efficiencies can be achieved, and reducing fleet usage while improving client satisfaction. Where requested, we submit carbon footprint reports to clients based on the work we do for them and include sustainability as an agenda item at safety meetings.

We have constructive relationships with regulatory bodies such as the Department of Forestry, Fisheries and Environment (DFFE) in South Africa, particularly in terms of environmental authorisations and impact assessments related to hazardous goods. The Department of Employment and Labour's occupational health and safety (OHS) inspectors and municipal fire department inspectors regularly inspect our facilities.

 **High supply chain standards:** page 112.

Our memberships in industry bodies enable us to contribute to developing solutions to environmental problems in our own business and in our sector. During the year, we participated in the National Business Initiative's 'Just Transition' steering committee and technical working groups, which seek to define possible pathways for a 2050 net zero outcome for key sectors in South Africa, including transportation. In September 2021, group CEO, Mohammed Akoojee, was appointed to serve as a CEO Champion overseeing this vital work. Imperial was also identified as a strategic partner and member of the newly formed World Economic Forum New Champions South Africa chapter. Going forward, we will participate in the Road Freight Association's recently convened working group on green transport.

Employee engagement and training on ESG are vital to ensuring that ESG is truly integrated into our business, and that we adopt a mindset of continual improvement in environmental performance. For example, in South Africa, drivers receive annual training on fuel-efficient driving. At Logistics International, employees receive periodic communications on energy efficiency and environmental priorities, in line with ISO 50001 and ISO 14001 certifications. Logistics International hosts an annual internal sustainability week to raise employee awareness on environmental and social sustainability topics, aligned to the SDGs.

 **Our key stakeholders:** page 19.

 **Driver training:** page 54.



Targets and objectives

Logistics Africa

- From the F2021 baseline to the end of F2025, achieve year-on-year improvement in fuel emissions in grams of carbon dioxide equivalent per kilometre travelled (gCO₂e/km) for key operating companies in South Africa with fleets.
- Increase renewable electricity supply to achieve a minimum increase of 0,5% in demand met by renewables in South African operations in F2022.
- Explore opportunities to further improve recycling metrics.

Market Access

- Implement renewable energy systems in three sites by F2030.

Logistics International

- Ensure all newly built warehouses that we occupy have solar energy systems, where this does not conflict with safety requirements for the products stored.

30 Climate change and strategy

The global transition to a carbon-free economy will pose significant risks for current business paradigms, and holds opportunities for those companies that proactively prepare for resilience under different climate change scenarios. To guide us in planning for this future, our process for identifying, assessing and managing climate-related risks is integrated into our overall risk management approach, which is covered in full on page 5 of the online corporate governance report. Our enterprise risk model identifies and assesses the risks facing the group at strategic, business and operational levels, and is based on ISO 31000:2009 (risk management principles and guidelines). We identify and assess both current and emerging risks to our direct operations, our suppliers and the rest of our value chain over the short, medium and long term.

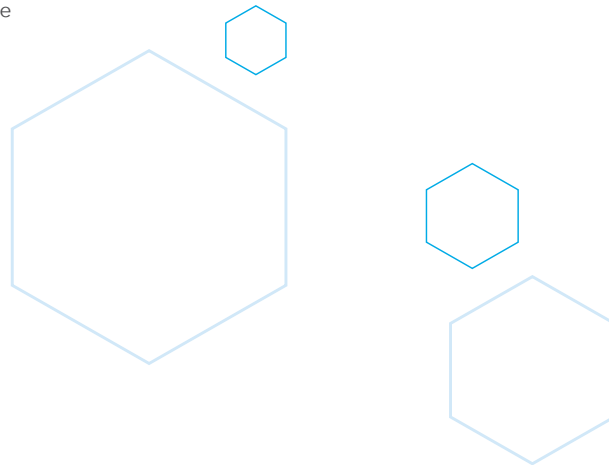
Climate-related risks and opportunities have impacted our business strategy, our services, our investment in research and development, and our operations. Our focus is to:

- Embed training, awareness and oversight to influence behaviour change that supports the integration of climate change considerations into all key business decisions and on-the-ground activity.
- Continually improve data gathering and reporting systems to better inform decision making.
- Prioritise the development, piloting and commercialisation of low-carbon solutions to demonstrate leadership in the sector.
- Direct research and development investment to developing solutions that reduce our GHG emissions, as well as the GHG emissions of our clients (ie new fuels, new technologies, digitisation).
- Invest in businesses that have the ability to reduce our own and our clients' GHG emissions.
- Engage in sectoral processes that inform sound climate change policy development.

In terms of climate-related risks impacting on our financial performance, carbon pricing such as the South African carbon tax has introduced and raised our operating costs, and we have had an experience of an extreme weather event that impacted our ability to move goods by barges, affecting revenue. From a capital budgeting perspective, capital must be allocated for various competing priorities, including to projects that increase fuel efficiency, energy efficiency and renewable energy generation.

It is our intention to play our part in keeping the increase in global average temperature to well below 2°C above pre-industrial levels, in line with the Paris Agreement. The 2°C scenario informs our business strategy, ensuring that we have the agility required to respond to a zero-carbon future across all areas of our business. At this stage, the 2°C scenario is considered qualitatively, but we intend to transition to more quantitative planning in the future.

Our strategy is designed to deliver sustainable growth and targeted returns, to deepen competitiveness and relevance, and retain market and industry legitimacy. We recognise that this could be impacted by rising energy, fuel and water costs, exposure to emissions taxes, increased occurrence and severity of extreme weather events and changing client preferences. If we do not effectively manage these risks, our ability to deliver on the strategy is compromised. Conversely, climate change presents opportunities to be the service provider of choice as we improve our fuel efficiency and move from conventional to low-carbon fuels. We consider these risks and opportunities in the development and delivery of our strategy.



Focus area: Improve fuel efficiency and investigate alternative fuels

Our context and challenges

Kilometres travelled

Fuel is a major driver of logistics cost and our carbon footprint. In total, **361** million road kilometres were travelled in Africa and Europe in F2021 using a fleet of over **4 775** owned trucks, making Imperial a high consumer of fuel.

Vehicles

In South Africa, **limitations in national infrastructure** constrain the ability to import electric vans or hydrogen fuel cell electric trucks.

Regulations

In Europe, we must meet **stringent** European Union vehicle emissions regulations.

Forecasting

Assumptions on fuel consumption are dependent on **client trading volumes and market dynamics**, requiring targets that are set independently of activity level.

What we are doing

Our transportation activities are the biggest contributor to our carbon footprint, with Logistics Africa being the business that contributes the most. As a significant consumer of fuel, driving sustainable consumption and implementing technologies that provide lower than average GHG emissions in these activities, means we save on our operating costs, and reduce our Scope 1 and our clients' Scope 3 carbon footprints.

We are digitising our fleet as far as possible, leveraging existing and new vehicle management systems and technology to gain efficiencies, including better vehicle performance and more effective fuel and tyre management (see Project Blue Fleet on page 37).

Strict truck service and maintenance programmes in the logistics businesses ensure our trucks run optimally. In line with our vehicle replacement policy, our trucks in South Africa and Europe are not more than 10 years old, which means that most of our fleet is continually improved with newer, more fuel-efficient technologies. Fuel efficiency is a key criterion when procuring new vehicles. Euro 5 vehicles have a reduction in fuel consumption of between 3% and 8% depending on operation and payload. For Logistics Africa, on the same route and with the same payload, our data shows a Euro 5 truck emits around 3,4% less CO₂e compared to a Euro 3 truck. A bigger benefit is the reduction of up to 60%

in nitrogen oxide (NOx) emissions measured in grams per kilowatt hours (g/kWh). Logistics International operates a modern truck fleet with Euro 6 engines, the highest Euro-rating.

We collaborate with OEMs on ways to make vehicles less emissions intensive and we test electric and natural gas trucks as an alternative to fuel trucks. While infrastructure constraints in Africa do not readily support natural gas trucks, we pilot these vehicles to understand how we can prepare for this future possibility. The testing of hydrogen-powered trucks is also under consideration. In addition, we gain knowledge from Logistics International, which is better positioned to transition to newer technologies. As an early mover in testing advancements in alternative fuels for our fleet, we drive competition and adoption of this technology within the industry.

We engage with our fuel suppliers on improving product ranges to support a modern fleet and to ensure a supply of alternative fuels so that we can successfully test trucks with newer technology.

Market Access is not transport intensive; however, the asset-light approach means that we use subcontractors for transportation services. It is our intention to improve our Scope 3 emissions reporting in future.

32 Focus area: Improve fuel efficiency and investigate alternative fuels continued

Imperial is working closely with OEMs and conducting technical research on alternative drive systems on trucks



Over the past two years, we have successfully tested liquefied natural gas (LNG) trucks in both the UK and Germany. In our most recent project, we worked closely with BMW to introduce a new LNG fleet of 18 trucks to transport parts and components from suppliers on 15 different routes across the UK to MINI's plant in Oxford. For BMW, this means that around 20% of all trucks travelling to MINI's Oxford plant will be powered by LNG fuel, and for Imperial we have reduced our UK haulage operation's environmental impact.

LNG trucks are more expensive than their diesel equivalents. However, they provide environmental benefits through lower fuel consumption and fewer harmful emissions and are quieter on the roads. The new fleet has already delivered an approximate reduction of 20% in CO₂e and NOx emissions, compared to diesel alternatives. In the longer term, the switch to bio-LNG fuel is expected to achieve a total CO₂e reduction of up to 90% relative to diesel.

An Imperial-owned LNG fuelling facility has been established close to the plant so that vehicles travelling on routes with limited refuelling opportunities can leave Oxford with a full tank, minimising their dependence on other service stations.

This is an example of three companies partnering to achieve sustainable transport logistics. By introducing these trucks into our fleet we achieve operational efficiency and meet our ESG objectives, while at the same time helping the BMW Group achieve its supply chain target to reduce CO₂e per vehicle by 20% by 2030.

In Namibia, in partnership with an OEM, we are testing a Scania G410 that is fuelled solely by compressed natural gas (CNG) with a CO₂e reduction of approximately 20% compared to the diesel alternative. However, a CNG truck is between 15% and 20% more expensive than a diesel equivalent and comes with some limitations in terms of South African regulations, meaning that for now there is limited opportunity to use the vehicles in our domestic market. With a Volvo FH440 fitted with a dual fuel kit (both diesel and CNG), we have experienced a CO₂e reduction of up to 9%.

2021 performance review



¹ Fuel consumption for road product transport only. Excludes fuel for shipping and stationary combustion.

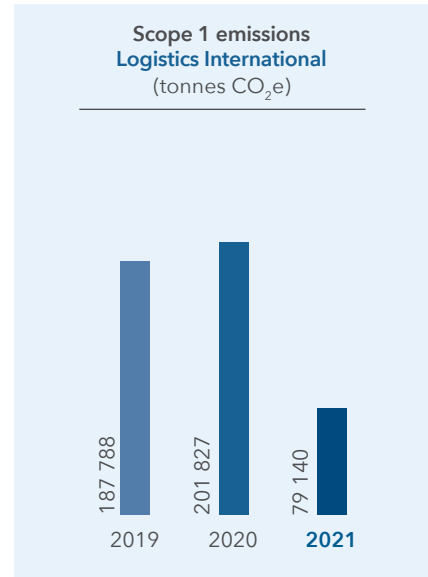
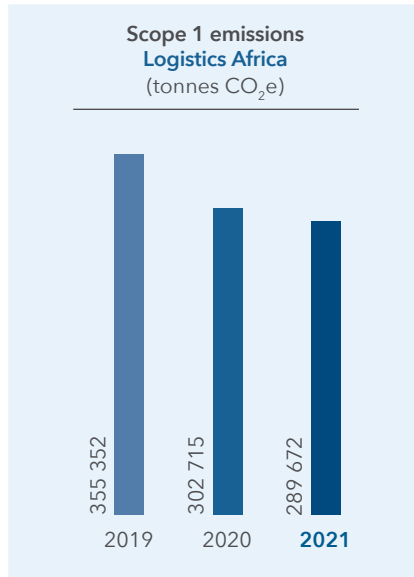
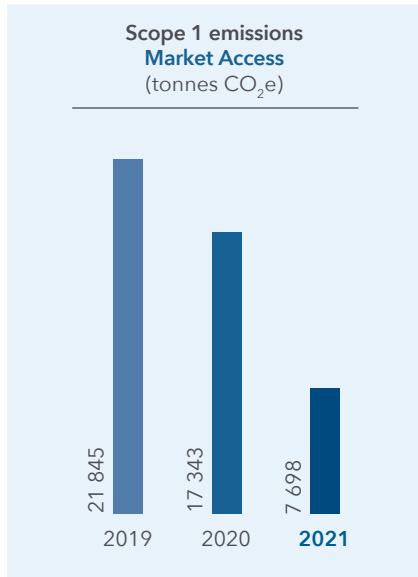
Group

- Fuel consumption decreased year on year in all businesses given the fewer kilometres travelled due to merging of business units, divestments, reduced business activity across all businesses and fuel efficiency initiatives. Business activity for Logistics International was the most impacted, given the stringent COVID-19 measures in Europe, with only 30% of trucks on the road between July and December 2020. In Market Access, less fuel was used for generators as more electricity was purchased from municipalities, and in Logistics International less fuel is reflected due to the sale of the shipping business. This resulted in a Scope 1 GHG emissions reduction of 28% overall.

Logistics Africa

- Completed carbon tax licensing and registration with the DFFE and the South African Revenue Services. For the full 2020 calendar year, we paid over R100 000 in direct carbon tax for non-road or stationary fuel combustion. This is in addition to significant indirect carbon taxes, for example through the fuel levy.
- Total fleet fuel efficiency within Logistics Africa was 38,6 litres/100 km, for all vehicles excepting external rentals within Imperial Truck Rental. For vehicles heavier than 3 500 kilograms in seven targeted businesses, fuel efficiency was 41,0 litres/100 km, an improvement of 6% compared to F2020 (we place our strategic focus on the fuel and operational efficiency of key commercial fleets, as a subset of the total fleet). At present, due to data limitations, the factors leading to the improvement cannot be fully distinguished, although our active focus on fuel efficiency and fleet replacement are believed to have contributed beneficially to this outcome. Changes in customer and product mix remain a significant external factor influencing this outcome.
- Ordered 16 new Euro 5 trucks for an operating company in Namibia, with compatible fuel available.

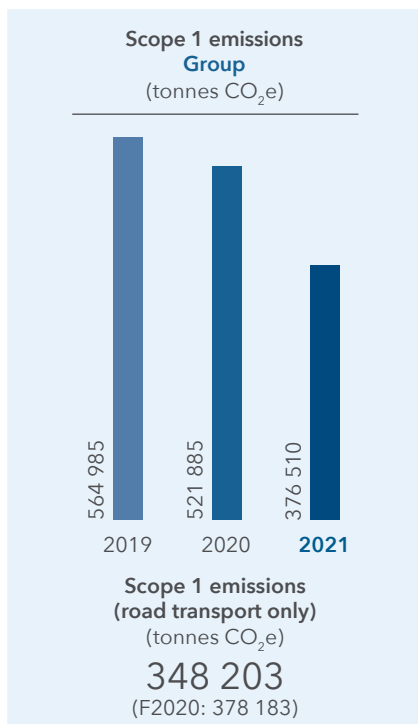
34 Focus area: Improve fuel efficiency and investigate alternative fuels continued



Scope 1 emissions (road transport only)
(tonnes CO₂e)
6 416
(F2020: 15 787)

Scope 1 emissions (road transport only)
(tonnes CO₂e)
284 152
(F2020: 298 139)

Scope 1 emissions (road transport only)
(tonnes CO₂e)
57 634
(F2020: 64 257)



Fuel efficiency of our fleet
(litres/100 km)¹

Group
36,1

Market Access
12,0

Logistics Africa²
38,6

Logistics International
33,8

Transportation greenhouse gas emissions intensity
(gCO₂e/km)¹

Group
965

Market Access
302

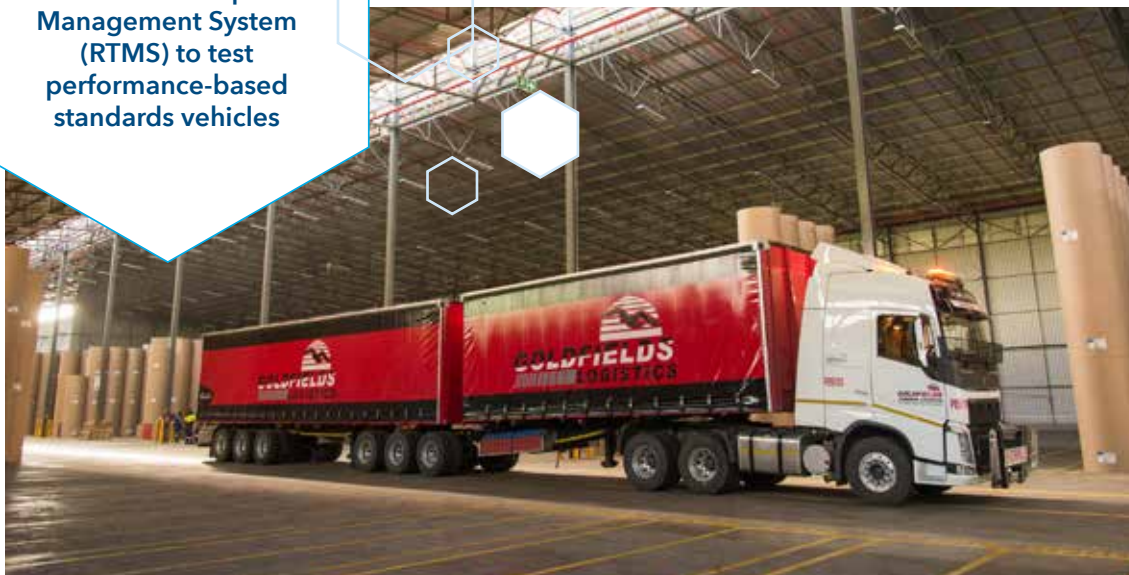
Logistics Africa²
1 031

Logistics International
901

¹ Calculated for all vehicles including passenger and other non-revenue vehicles.

² Excluding Imperial Truck Rentals.

Imperial partners with the Road Transport Management System (RTMS) to test performance-based standards vehicles



A performance-based standards (PBS) approach (informed by Australia's road train regulations) is the innovative and optimised design of heavy vehicles to enhance vehicle performance while complying with safety standards. With this outcomes-based safety mindset, PBS innovations achieve improved safety, higher productivity and cost savings, less road wear and substantial environmental improvements. The vehicle is classed as a 'smart truck', given its improvements in reduced vehicle trips, CO₂e emissions as well as the improvement on transport productivity. It also has its own onboard scale, with the ability to measure the payload on each axle and print its own weight slip, as these vehicles do not fit on a standard weighbridge layout.

Imperial operating company, Goldfields Logistics, has been RTMS accredited since 2013, which has resulted in a number of benefits, from yearly medical assessments and skills development for drivers, to improved efficiencies, productivity and safety standards, reporting and data capturing, and a decrease in the number of accidents and damages. Through this partnership, Goldfields Logistics was afforded an opportunity to commission PBS vehicles in South Africa.

In September 2016, Goldfields Logistics, with the approval of the KwaZulu-Natal department, commissioned a 25,8 metre PBS vehicle and assessed its performance against baseline vehicles travelling a dedicated route. The pilot proved successful, and a further two 25,8 metre PBS vehicles have been commissioned, replacing all baseline vehicles on this route. Goldfields Logistics have two concept approvals for PBS solutions, which have been commissioned in different environments covering four provinces. The business is planning to expand its PBS fleet into more client-specific solutions over the next year.

From September 2016 to April 2021, the PBS concept demonstrated impressive results when moving the same tonnage of product as a baseline vehicle. The PBS vehicle achieved a 36% reduction in trips equating to a 36% reduction in kilometres travelled, as a result of being able to move a 28% increase in average payload per truck. Fuel consumption and CO₂e both reduced 24%, with 999 tonnes of CO₂e avoided.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** improve our reporting against the TCFD framework and investigate the feasibility of expanding Scope 3 emissions reporting.
- **Logistics Africa:** continue to digitise to gain dynamic data-driven insights that will help us to improve fuel efficiency, fleet optimisation and driver management in support of our climate change target.
- **Logistics Africa:** continue to pilot alternative drive systems in support of our climate change target.
- **Logistics Africa:** expand our activity metrics to include transportation loads.
- **Logistics International:** ongoing work on alternative drive systems to support regulatory requirements, our climate change target and client objectives.

36 Focus area: Reduce GHG emissions

Our context and challenges

Warehouse space

We operate around **2,8 million square metres** of storage space that requires electricity for refrigeration, lighting and HVAC¹ systems. The cost to upgrade older facilities to more efficient resource use is high, sometimes necessitating a move to new warehousing sites.

Availability of electricity

Load shedding (**power outages**) continues in South Africa as national and municipal electricity infrastructure fails to supply enough power to meet demand. To mitigate interruption to business operations, we rely on generators, which not only increases our emissions but also increases operating costs (the cost of diesel and maintenance). This is also true for some other African countries.

Electricity cost

Electricity price hikes are frequent as public utilities grapple with maintaining poor national infrastructure. Our electricity bill for our African businesses exceeds R60 million a year.

Cost of renewable implementations

Budgeting for environmental sustainability projects is constrained by **tough economic conditions** and competing capital expenditure priorities, while we work to recover from the impact of COVID-19. The cost of these investments must be balanced against competitive pricing for clients.

What we are doing

While navigating unreliable power supply challenges, our journey towards greening our business will include rolling out more sustainable and greener solutions, such as solar PV systems, where practical. This will mitigate ever increasing electricity costs and lower our carbon footprint. In South Africa, solar PV installations have been successfully implemented at five sites. Smaller implementations are undertaken when upgrading offices and facilities and include energy efficient lighting systems, energy-saving light emitting diode (LED) bulbs, motion sensors and air-conditioning timers.

In our other African markets, our initiatives generally focus on energy efficient lighting and air-conditioning systems, light sensors and the increased use of natural daylight in warehouses. In this geography, we operate two energy efficient buildings. The Imperial Health Sciences' warehouse in Kenya is insulated to assist with temperature control and uses solar power to heat water. Our new facility in Nigeria boasts modern and energy efficient equipment, lighting and air-conditioning, supports better workflows, maximises space utilisation, makes use of natural light and provides our employees with a healthier and safer working environment. As part of its upcoming initiatives, we will consider the

feasibility of installing solar panels at this site to reduce its dependency on the local power grid during the day.

At present, Logistics International is prioritising energy efficient lighting systems and energy-saving enhancements to its IT infrastructure. Employees receive periodic communications on promoting the environmentally friendly use of energy and other environmental topics.

Go digital, go green

Digitisation and innovation are ongoing focus areas for Imperial and are essential to our competitiveness, client proposition and ability to transform into a future-fit business. Several programmes were initiated during the year to enhance efficiencies and, in turn, mitigate the impact of our operations on the environment and climate change. The value created by projects such as Project Blue Fleet is through harnessing insights from the visibility they provide, enabling us to implement more efficient practices and processes, and in turn, environmental improvements. While not immediate, financial gains and reduced environmental impact will be realised in the future. From an office waste perspective, the many digitisation projects being driven across the group are shifting management reporting towards a paperless environment.

¹ Heating, ventilation and air-conditioning.

At the forefront of Imperial's digital agenda is Project Blue Fleet - to improve organisational efficiency, address road safety risks and lower the environmental footprint

Project Blue Fleet is a key strategic initiative to digitise Logistics Africa's road freight and contract logistics fleets. Digitisation will improve our vehicle tracking and monitoring capabilities and give us access to telematics data that provide deeper insight on how to tackle sub-optimal processes and practices to achieve efficiency and cost savings. For example, by having detailed visibility of truck stops and driving time, as well as understanding the fuel consumption of a particular truck when carrying certain loads along a certain route, we can establish a performance baseline for fuel and rest times. By measuring actual performance against the baselines, we are able to identify opportunities

for improvement at truck, driver and trip level. Our goal is to continually improve the baselines, enhancing our overall performance and operational discipline as well as client experience, while also addressing our road safety and environmental risks.

In a strategic partnership with a service provider of connected fleet management solutions, we will implement telemetry across Logistics Africa's fleet. The mobile application manages route planning and digitises our health and safety protocols for pre-trip, during-trip and post-trip checks. The application is also used for tracking and electronic proof of delivery.

Project Blue Fleet has the following four pillars.

01 Operations enablement using a variety of technologies, including:

- Control towers for optimised scheduling, including optimal loads to minimise unused space during collections and deliveries, reducing the environmental footprint.
- Hand-held devices to track driver health and wellbeing, communicate key operational and vehicle information, and provide supervisors with real-time visibility of driver behaviour.
- Onboard cameras used for fatigue management, training purposes and accident investigations.
- A fuel management system, already rolled out to all medium and large sites across South Africa. The system captures all fuel transactions and generates fuel consumption analytics.



02 Strategic sourcing of trucks and trailers with the most advanced safety and vehicle management technology and the best Euro ratings allowed by local operations. A multi-functional evaluation committee drives the strategic sourcing of vehicles and fuel.

03 Digital fleet management to allow for extensive daily reporting enabled through data lakes and rich analytics, covering driver behaviour (safety and fuel consumption performance), accurate real-time alerts, fuel consumption and fleet utilisation. Real-time monitoring will reduce Imperial's operational and ESG risk exposure, enabling more informed decision making on route planning and thereby reducing air pollutant (eg NOx) and GHG emissions.

04 Operations excellence focusing on human elements to identify best practices and standardising these across the group, improving efficiencies and internal benchmarking. Operations excellence focuses on drivers and their controllers, including ensuring that medical and vehicle checks are performed. Appropriate controls are in place to protect driver telematics data. The pillar also includes trip briefings and debriefings, driver management, driver training, toolbox talks, safety meetings and a workshop management system.

Other benefits to be gained from Project Blue Fleet include minimal duplication of tasks and improved clarity on where additional training or proactive interventions are needed. Workforce motivation is expected to increase by introducing stimulating gamification techniques and improved working conditions. Beyond Imperial, the project contributes to a wider stakeholder network, including the sustainability of our subcontractors who will benefit from a share in the operational efficiencies and technology advancements, and society which will benefit from lower carbon emissions and fewer road accidents.

Project Blue Fleet is being rolled out in South Africa with rollout across our African operations to follow in time. In total, we expect to achieve more than R100 million in savings on an annual basis. In terms of our environmental impact, Project Blue Fleet will help us address our fleet's sub-optimal fuel use or 'wastage'. One litre of diesel saved avoids around 2,7 kilograms of CO₂e. Therefore, for every saving of 1 million litres of fuel, 2 700 tonnes of CO₂e are avoided.

38 Focus area: Reduce GHG emissions continued

The Imperial carbon compensation programme is helping to mitigate the destruction of the rainforests in Kenya and Madagascar



Photo courtesy of: www.myclimate.de

The Imperial carbon compensation programme offsets the carbon emissions from our company car fleet in Germany, and is a key tool in our international environmental sustainability strategy. To offset these emissions, we provide funding to a project that provides environmentally friendly cookers to mitigate against the destruction of the rainforest in Kakamega, Kenya. Around 65 000 cookers have been installed in the Kenyan project to date. In F2020, we compensated 1 722 tonnes of CO₂e, and the proceeds from the sale of these carbon offsets allowed the project to fund a further 500 households with clean cookstoves.

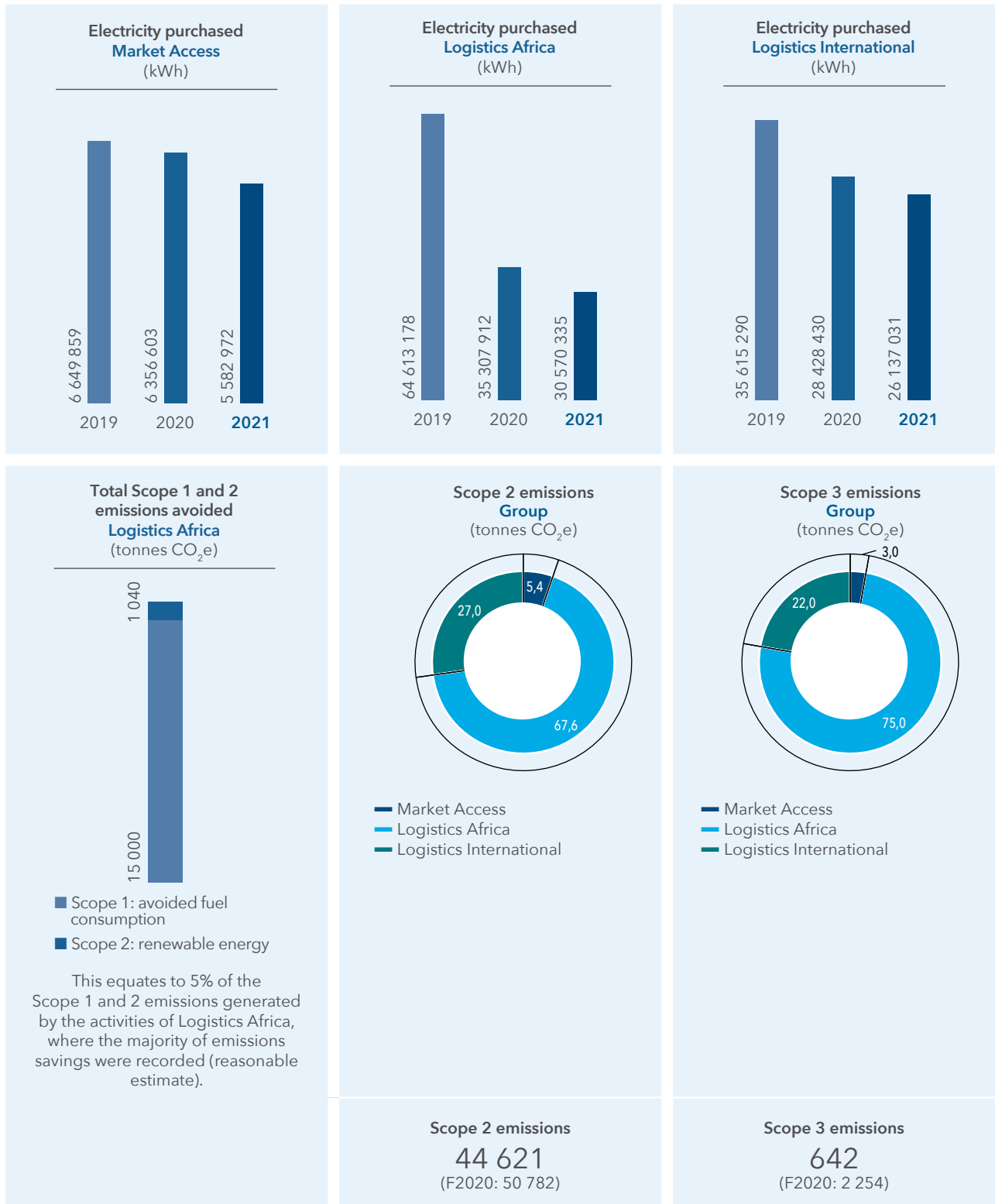
The testing of alternative vehicle technologies that emit less emissions takes time and requires a considerable investment. This offset programme has allowed us to take an immediate positive action while we continue our research.

Part of our ESG strategy is to guide and motivate our service partners and clients to also adopt initiatives that protect the environment. In Germany, we manage over 5 000 vehicles for our clients with fleets and offer them similar offsetting schemes, many of whom have taken up the opportunity. One of our clients, Oxea GmbH, funds the manufacture and distribution of affordable, climate friendly solar and conventional cookers in Madagascar.

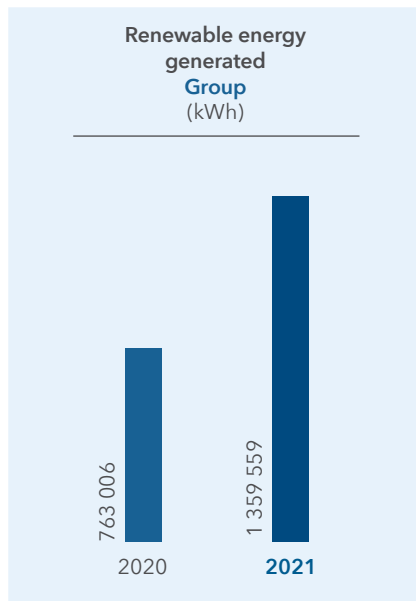
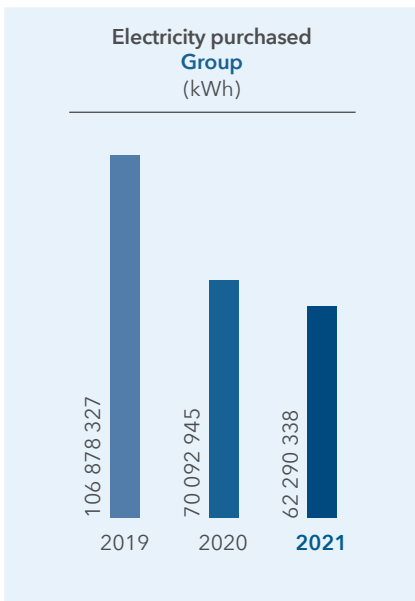
The schemes also provide other positive spillovers, including environmental awareness education and production facilities set up to manufacture the cookers.

 <https://de.myclimate.org/en/information/climate-protection-projects/detail-climate-protection-projects/kenya-efficient-cook-stoves-7137/>

2021 performance review



40 Focus area: Reduce GHG emissions continued



Renewable energy
 For every kWh not purchased from the grid there is an estimated saving of 1 070 grams of CO₂e for South African operations. 3,1% of our demand for electricity in Logistics Africa was met by renewable sources in F2021 (F2020: 2,0%).

Group

- Electricity consumption decreased by 11% year on year due to reduced demand in all businesses, the closure of some sites as business units were merged, divestments, business activity impacted by COVID-19, as well as the sale of the Logistics International shipping business. Across the group, Scope 2 emissions reduced by 12% overall.
- Scope 3 emissions reflect business travel, which has reduced over the past few years as we have optimised video conferencing and implemented stricter requirements for business travel and site visits. Today, meetings are primarily held via video conferencing. Scope 3 emissions were 72% lower as a result of these measures.

South Africa

- In South Africa, our investment in solar power generated 988 051kWh (F2020: 763 006kWh) of energy, saving over 1 040 tonnes of CO₂e.
- Completed a baseline feasibility study on solar PV systems for certain operations.

 **Indicator report:** page 120.

Looking forward

Priorities to achieve our targets and objectives:

- **Logistics Africa:** engage with operating companies to identify opportunities to roll out solar PV systems.
- **Market Access:** roll out solar PV systems at three sites by F2030 (subject to facility ownership or agreement with landlords and cost-benefit analysis).

Focus area:

Increase waste recycling

Our context and challenges

Waste management

Our business requires the disposal of **a range of hazardous and non-hazardous waste materials** from waste oil, grease and oil rags from our vehicle and equipment servicing to pharmaceutical and food waste on behalf of our clients.

Disposal and destruction requirements

Most waste is treated in line with strict **client disposal and destruction requirements**, often to meet compliance and safety obligations. In South Africa, this equates to between 60% to 70% of the volume of waste we handle in our operations, with the remainder being recycled or recovered. As part of our integrated manufacturing logistics activities, we handle waste before, during and after the production process.

What we are doing

Our waste in South Africa can be classified into four categories - general waste, safe disposal (the bulk by volume), pharmaceutical waste (negligible volumes) and hazardous waste. Client waste is disposed of in accordance with the requirements of our client contracts and the relevant local and national waste management legislation across our countries of operation. In South Africa, the management of our hazardous and general waste is outsourced to accredited waste management service providers, and traceability, disposal and destruction certificates are issued where required.

Our direct waste typically comprises used oil, grease, rags, tyres and office waste. Used tyres are typically returned to OEMs who provide a safe disposal certificate. An ISO 14001 certified third party collects used lubricant oil, waste oil, used oil filters and SANS 10228 classified dangerous goods and delivers these to their storage facilities as well as approved re-processors and users, all ISO 14001 certified.

Through our ongoing service provider discussions and contractual arrangements, we discuss the waste hierarchy approach and encourage increased recycling and recovery to drive responsible circular economy and sustainable consumption solutions, where possible. This is most applicable to valuable and safe waste streams including general waste and high calorific value streams.

As a focus area in our ESG strategy, we are reviewing our waste management approach and recycling policies and practices to assess opportunities to collaborate with our clients on where we can meaningfully introduce recycling into current product and packaging disposal practices. Our current recycling rate is 68% of general waste, and we hope to progressively increase this going forward.

Certain warehouses in the Market Access division recycle paper and plastics; however, this is not a formalised approach and metrics are not yet tracked.

Logistics International and Logistics Africa's South African operations track waste per site, collaborate with recycling service providers, educate employees on recycling and are working towards embedding effective recycling processes and decreasing disposal costs. For the first half of F2021, office waste significantly reduced as office workers mostly worked from home due to COVID-19.

42 Focus area: Increase waste recycling continued

2021 performance review

Waste generated

South Africa

3 703 tonnes

total waste generated
(F2020: 5 820 tonnes)

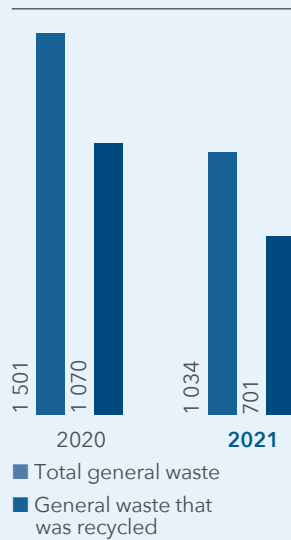
Waste recycled

South Africa

701 tonnes

68% of general waste recycled
(F2020: 71%)

Waste recycled South Africa (tonnes)



By recycling one additional tonne of general waste, we estimate that more than four tonnes of CO₂e are saved across the material lifecycle. From this, over 3 000 tonnes of Scope 3 emissions were avoided by recycling in F2021.

Logistics Africa

- 55% of waste generated in South Africa was safe disposal materials (expired or damaged food stuff), 28% was general waste (rubble) taken to landfill and 17% was hazardous material (generated predominantly from workshop facilities). The hazardous waste and safe disposal materials are unlikely to be recycled because the impact of reusing the materials has not been fully researched.
- Contract Logistics is a relatively waste intensive business. During the year, it reviewed its waste management strategy across four key facilities. To sort waste at source, waste receptacles were labelled and strategically placed in facilities. The changes are being monitored to ensure their effectiveness. Recycled tyre rubber can be used for an assortment of purposes such as footwear, mats and other products. As part of its strategy, Contract Logistics is working with a tyre service provider to recycle used tyres against clearly set protocols. The road freight business in South Africa has also started exploring tyre recycling options.

 **Indicator report:** page 121.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** review the waste management approach, ensure it is aligned with best practice, and identify meaningful additional recycling opportunities.

Conserve water

Africa

282 136 kilolitres

of water purchased from municipalities in Africa, of which 93% is attributable to South Africa (F2020: 345 416 kilolitres)

22%

of water withdrawal in South Africa was sourced from alternative sources, mostly boreholes, with lesser contributions from third parties and harvested rainwater (F2020: 18%)

9%

of water used in the balance of our African markets was sourced from alternative sources, mostly boreholes (F2020: 49%)

10,3 million litres

of recycled water used (F2020: 14,7 million litres)

Group

Total water consumption from all sources decreased substantially across the group from 596 983 kilolitres in F2020 to 469 940 kilolitres in F2021. This is due to the closure and consolidation of some sites, sale of the shipping business, reduced business activity and more accurate water reporting.

Access to water is a human right. As a user of potable water, and in some operations, creating effluents that are discharged to sewers, we acknowledge our duty to use water efficiently so that the demand of other users can be met. Africa is experiencing increasing incidents of prolonged droughts and in some parts of the continent poor water infrastructure further exacerbates water shortages. Water is essential to our operations. Our primary use of potable water is to clean the fleet, especially tankers which require several washes to meet strict product safety protocols required by clients in the food, beverage and chemicals sectors. While most of our water demand is met through municipal supply, we continually look for ways to reduce our demand through water conservation interventions and, where feasible, alternative sources of water supply.

With climate change, water stress across Africa will be exacerbated. Our operating companies located in catchment areas where water stress is greatest, target water efficiency improvements, with rainwater harvesting systems installed at various locations across Africa. In South Africa specifically, additional initiatives to reduce municipal water demand include wastewater recycling units at some wash bays, grey water taps for outdoor use, electronic push buttons and timers installed on taps, and waterless car washes for employees. Water used in the last rinse cycle of food tankers is stored and reused to wash non-food tankers. Clients are engaged to ensure understanding and support for these initiatives, based on the prerequisite that product safety is never compromised. Two key water re-use projects, the Stikland depot in Cape Town and the Garfield facility in Gauteng, together have reduced our water consumption by over 12 million litres since their installation, and further water savings projects have been implemented (see page 44).

Wastewater recycling units also help to reduce the volume of effluent discharged into sewers. Our discharge systems are included in our regular environmental performance audits, to ensure we meet stringent water quality specifications on effluents as prescribed by regulatory authorities in our licences. At present, our reporting systems do not include the volume of water discharge or the quality thereof. Our focus is on ensuring that each applicable site complies with its licensing requirements.

Borehole water is used in certain operations in Kenya, Nigeria, and South Africa (Western and Eastern Cape provinces), in line with regulatory requirements. Our building in Kenya recycles wastewater using a licensed recycling plant.

Looking forward

Priorities to achieve our targets and objectives:

- **Market Access:** subject to agreement with landlords and cost benefit analysis, install three rainwater harvesting systems by F2030.



44 Conserve water continued

Imperial's effluent treatment process at its Germiston wash bay in South Africa is testing microbiological agents as a new way to ensure municipal effluent specifications are met while using less chemicals



In April 2021, we partnered with a specialist vendor to implement a biological treatment process in the effluent plant of a wash bay at a Tanker Services Food & Chemicals site near Johannesburg. To test the solution, a 12-week trial was undertaken where two new dosing agents were applied to the plant and all other chemical agents removed. A microbe blend breaks down oily compounds and a liquid probiotic and bacterial concentrate is used in the grease traps, drain and drain line maintenance to improve septic and waste degradation, cleaning and odour control.

In the prior manual treatment process, dosing with flocculants, coagulant, caustic soda and sulphuric acid was needed to meet the effluent limits for the quality of water that can be discharged to municipality. This resulted in significant sludge formation and free-floating oils in the sumps and ongoing operational costs to manage these.

The results of the test are pleasing and samples reveal that all municipal effluent specifications are met. There has been a notable improvement in chemical oxygen demand and pH stabilisation at the midrange of the allowed tolerance. Other notable benefits of the solution are sludge reduction over a longer period of time within the sumps and less free-floating oils, reducing the need for skimming and annual sludge disposal. We intend to implement this as a permanent solution, delivering cost and operational savings, as well as avoiding the use of harsh chemicals.

In parallel, leaks were repaired on the property and a programmable logic controller installed on the water storage tank, resulting in a decrease in flow, which together reduced water consumption by almost half and saving over 3 million litres of water a month. Discharge to the municipality has reduced by a favourable 80%.

Other solutions being explored by the plant include water re-use with a potable standard of water through processes such as charcoal filtration, microfiltration, ultrafiltration, reverse osmosis and ultraviolet light. On the back of this success, we hope to transition another wash bay in KwaZulu-Natal (trial is in progress).

Biodiversity

Our five primary biodiversity impacts are addressed through our focus on road safety and broader climate change and environmental sustainability framework. Our approach to each of these impacts is explained below.

Acquisition of new businesses

Our due diligence process considers the minimum legal stipulations and requirements, all regulatory requirements and the compliance performance of a potential acquisition, including its site permits and environmental authorisations. Warehouses are assessed for their suitability in storing intended products | Page 114.

Waste and effluent management

Waste and effluent management at our warehouses meet regulatory requirements and licence conditions, where these apply. Certain sites meet ISO standards and stringent SHE policies and procedures govern our operating sites. SHE risk assessments are conducted periodically at all sites to ensure high standards are upheld | Pages 53 and 114.

Effluent monitoring is conducted to ensure adherence to water discharge limits as prescribed in our licences. Further to this, waste is disposed of responsibly and in line with necessary regulations and standards, and our focus on increasing our recyclable waste aims to divert the waste within our control away from landfills | Pages 41 and 43.

Building new warehouses

New warehouses are mostly established in developed areas and all new building developments adhere to regulatory requirements with environmental impact assessments carefully considering the products to be stored. None of our warehouses are located in an environmentally sensitive area.

Contamination due to loss of product during road incidents

Unfortunately road accidents do occur; however, contamination of the environment as a result is infrequent given our robust road safety initiatives, enhanced truck specifications and technology and driver training. Where a road incident involves the accidental killing of animals, these are included in our safety metrics as road incidents, all of which are investigated to identify preventative controls and avoid recurrences. When accidents occur that result in loss of product, our emergency response provides for product salvage and clean-up processes | Page 114.

Truck exhaust emissions

Our initiatives relating to fuel efficiency and alternative fuels also contribute to reduced GHG emissions and air pollutants such as sulphur dioxide, NOx and particulate matter that have an impact on biodiversity. Project Blue Fleet will drive further improvements in our fleet efficiency in the near term | Page 36.

Striving for **zero harm** to people and the environment



To support the vaccine drive, Imperial opened a temporary vaccination site at the Imperial Dedicated Contracts facility in Alberton, South Africa.



WORKFORCE

3

CINATED!



Imperial



Diverse and healthy workforce



Respecting human rights, providing decent work while contributing to economic growth, safety and good health, quality education and gender equality.



Why embracing our people as our greatest asset matters

Our people are an integral part of Imperial’s success; their level of engagement, relevant skills and varied ideas determine the efficacy of our client-focused solutions, improved performance and accelerated growth. Our responsibility to them is to ensure we provide a safe working environment that also supports their health and wellbeing; an enabling, collaborative and inclusive culture that treats everyone with equality and respect; and development opportunities that equip them with the skills to adapt to the future-fit organisation we intend to become.

We strive for zero harm in our commitment to ensuring a safe and healthy workplace for our stakeholders and protecting the environment for our communities. As part of our people and culture strategy, we are working to shift the perception of safety from being a mere measure to being an intrinsic part of our culture, with our values emphasising that peoples’ safety comes first. We have extensive experience in transporting and warehousing a diverse array of products, some classified as hazardous, but all requiring robust safety controls to protect our employees, subcontractors, consumers, neighbouring communities and the environment.

Progressing our people and culture journey is reliant on transforming our leadership diversity and mindset, and ensuring our people engage wholeheartedly with our purpose, values and strategy to deliver effectively against the needs of our stakeholders. My Imperial People Way, our people model launched during the year, will assist this transformation.

A key enabler for our people and culture strategy is transitioning away from traditional human resources (HR) information management systems that were built to support business needs only. Our intent is to build a human experience management system - My People Central - that is designed around how people work and what they need to be productive; put simply this means designing employee journeys that deliver dynamic experiences which ultimately drive better business outcomes.

Being truly inclusive is achieved through valuing, combining and leveraging different perspectives, talents and life experiences. Diversity is a competitive advantage both in our business operations and in competing for the best talent. We are working towards a workforce that is representative of the demographics of our operating regions to ensure our relevance in these markets.

With operations in various industries, we need a wide array of skills from healthcare and automotive know-how to consumer goods and chemicals know-how. Developing the depth of highly specialised logistics, industry and people skills needed to meet the current and future needs of our business and those of our clients, principals and customers (collectively referred to as clients), is a critical component of our client and employee value propositions, and a key area of focus for the group.

2021 highlights



25 432
jobs supported



R11,4 billion
paid in salaries, wages and
other benefits - ~22% of
revenue (group)



R246 million
training spend
1 366 210
training hours



R11,5 million
socioeconomic costs saved by
avoiding accidents¹
(South Africa)

- Expanded external assurance to include five new safety-related key performance indicators (KPIs) (see page 53).
- Launched the My Imperial People Way model.
- The first phase of the human experience management system went live in May 2021 and we developed the first people portal, which digitises the performance management process.
- Launched a driver learnership for unemployed women and rolled out an internal gender-based violence (GBV) awareness campaign.
- Implemented flexible working hours to accommodate working from home, which also benefits working women taking care of families and children.
- Launched a leadership development programme for supervisors and managers in South Africa, equipping them with the mindset and skills to lead the delivery of our business strategy.

Recognition

Won the Women Empowerment in the Workplace for Listed companies in Southern Africa category of the 2021 Accenture Gender Mainstreaming Awards.

Runner up in the 2021 Employer of Choice in the transport and logistics category of the South African Graduate Employers Association Awards.

Link to material themes and issues

- Business continuity.
- Digital skills and user adoption.
- ESG integration.
- Local relevance and legitimacy.
- Employee health, safety and wellness.
- Organisational culture and change.
- Attracting, retaining and developing talent.
- Workforce and skills diversity.
- Remuneration and performance evaluation.
- Leadership development.



Our material issues: page 27.

In this pillar of our ESG strategy we are guided by the following global best practice frameworks:

- United Nations (UN) Global Compact and the UN Women's Empowerment Principles.
- Global Reporting Initiative.
- UN Sustainable Development Goals.
- Responsible Care® Global Charter.
- Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice (dtic Codes).

Related content



Our ESG operating context, risks and opportunities: page 14.



ESG performance rankings: page 23.



Governance of social issues: page 103.



Socioeconomic impact assessment studies for South Africa and Nigeria: <https://www.imperiallogistics.com/socio-economic-impact-assessment.php>.

¹ For F2020 as estimated during the independent external socioeconomic impact assessment study of our South African operation.

50 Why embracing our people as our greatest asset matters continued

Our ESG focus areas



Targets and objectives

Group

- Monitor and report LTIFR to standardise across all businesses and inform future target setting.
- Achieve diversity targets across all businesses and at board level.
- Develop a formalised programme to address skills gaps, continue to map talent and establish succession plans for leadership roles and all business critical positions.

Stakeholder engagement on employee issues

Following the launch of 'One Imperial' and our values early in F2021, three employee engagement activations were undertaken in Market Access and Logistics Africa to communicate key messages on our 'One Imperial' and 'Gateway to Africa' strategy, our purpose, and the practices that define our values and what we stand for as an organisation. To give life to these messages, the activations drew on the experiences of our people.

The activations achieved high levels of engagement and employee participation measured through email, messaging platform responses and digital QR code interactions. 81 employees were nominated as values champions. 216 video entries of individual stories on moments that mattered at work were received, and participants selected 'we win with teamwork' as the Imperial value they identified with the most.

The third activation coincided with a Delta variant COVID-19 peak period in South Africa and the socio-political unrest experienced in July 2021. Recognising the toll this was taking on the wellbeing of our people, the activation included a COVID-19 care guide for employees and their families in Kenya, Namibia and South Africa. A network of Imperial She and He Heroes (SHERO) was established to provide support and assist their peers and their families during these trying times. Over 100 SHERO volunteers are driving COVID-19 awareness and testing, and the distribution of care packages to employees in Kenya, Nigeria and South Africa who have tested positive for COVID-19. Care packages include an oximeter, sanitiser, masks, wipes and additional tokens of care. A careline connects our people with the SHERO network, which is being extensively used.



Digital guide



Printed guide



I'm Imperial, I'm Valued




Our people matter and their people matter too...


An interactive guide to:

- Testing for COVID-19
- Treating yourself for COVID-19
- Caring for others with COVID-19
- Caring for colleagues suffering from COVID-19

A network of She and He Heroes to support colleagues who are scared, suffering and coping with COVID-19

Reach out on WhatsApp and email for support

 +27 63 701 4767


 oneimperial@imperiallogistics.co.za

Care packages sent to employees who test positive for COVID-19

Packs include:

- Oximeter
- Sanitiser
- Vitamin C
- Chocolates
- Masks

Values activation three focuses on interesting Imperial facts and engages with our people's family, friends and peers to generate competition, win Shoprite prizes and have fun

 <https://v1.urup.com/interactions/6/ded-1fc270991250454629e>

Our employee communication and engagement technology platform strives to promote inclusivity, collaboration and knowledge sharing across geographies. Accessible by personal computer and through mobile phones, the platform provides easy and quick access to the group's policies, and updates on the group's strategic progress, the culture journey and ESG activities. The pilot site is being used by a test group of 5 000 employees.

75% of our Kenyan workforce participated in a diversity, equality and inclusion survey, which delivered an average 73% positive response on all questions. Questions focused on diversity training, how diversity matters are handled, commitment to diversity within the operation and access to equal employment opportunities. The intention to extend the survey to other markets of operation was hindered by COVID-19.

Our women@imperial newsletter, published twice a year, keeps all employees updated on our gender diversity progress, and we created platforms internally and externally where women's voices, ideas and opinions can be heard. Group CEO, Mohammed Akoojee, participated in a panel hosted by the International Finance Corporation, which focused on the role of men in fostering inclusive workplaces in the healthcare sector. We also partnered with the Women in Transport Forum hosted by the Commercial Transport Academy.

Through the Road Freight Association, we participated in the Department of Employment and Labour's transport sector workshop on the Employment Equity Amendment Bill and the proposed employment equity targets for the sector. Targets have since been agreed and workshops were held with our managing directors in South Africa to communicate the changes ahead of finalising our new five-year employment equity plan.

Achieving our safety, health and environmental (SHE) objectives relies on robust dialogue with relevant stakeholders, including clients, employees, subcontractors, regulators and authorities. In South Africa, employees are engaged through monthly SHE committee meetings, toolbox talks and SHE awareness sessions. Engagements cover a range of topics including how to apply policies,

compliance, addressing incidents and near misses, audit findings and closeouts, incident and accident prevention plans, behavioural change and safety culture improvement. Our annual SHE conference for employees in South Africa provides a valuable platform to review safety progress and engage on areas of improvement.

Clients are engaged on their SHE requirements, regulatory compliance, and SHE risks and hazards. We work with transportation industry bodies such as the Road Freight Association, other businesses in the transportation industry, law enforcement agencies and other local bodies to ensure we implement best practices but to also work with the relevant authorities to improve safety policies for the industry.

We maintain strong relationships with labour unions¹, particularly during times when restructures are necessary. 18% (F2020: 20%) of employees in South Africa belong to the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). A three-year wage settlement (ending in February 2022) with the NBCRFLI provides some security against labour disruptions for most of our operations in South Africa. Monthly meetings are held with union leaders in each depot or site, including those with minority members, to address member concerns. Union officials are given access to our sites to engage with their members on workplace changes or other matters that could lead to disruption. We also participate in the NBCRFLI's wellness committee, which manages the council's wellness fund health plan and HIV/AIDS programme. Training is delivered to relevant employees on labour-related regulation and dispute resolution.

In Germany, 75% (F2020: 68%) of employees are covered by collective bargaining agreements with the industrial union of metalworkers, IG Metall. Our relationships with unions and Works Councils across our industries are longstanding with regular engagement.

Effective employee grievance mechanisms are in place across the group and comply with relevant local legislation. We apply a consistent approach to addressing demands and grievances.

 Our key stakeholders: page 19.

¹ Union membership is uncommon in African markets beyond South Africa.

52 Focus area: Zero harm to people

Our context and challenges

Kilometres travelled

361 million road kilometres travelled, excluding the distances travelled by our subcontractors. **76%** of these road kilometres are attributable to Logistics Africa, with Market Access accounting for **6%** and Logistics International for **18%**.

Road accidents

Our drivers **operate large vehicles in heavy traffic** every day and are sometimes under time pressure to meet client requirements. In addition, our road transportation business is based primarily in South Africa where the frequency of accidents and fatalities is alarming. 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.

Employee wellbeing

Increasing levels of **employee stress** in a fast-paced world of change, as well as anxiety brought about by COVID-19. Wellness is intrinsically related to employee safety. In South Africa, government healthcare facilities are stretched and under-resourced and the cost of medical aid is beyond the reach of many. Common health concerns among drivers include blood pressure, vision, diabetes and hearing.

Our approach

Our aim is to be industry leaders in SHE performance, building our brand as reputable business partners. We are committed to implementing a safe system of work that is regularly reviewed, and making available the necessary resources to protect health, safety and the environment. Critical to achieving this goal is fostering a culture of continual improvement in SHE performance through collaboration and sharing of best practices, integrating SHE standards into our day-to-day business activities and effectively identifying and mitigating SHE risks. Our SHE requirements apply to all our operating companies and sites we own or manage and the personnel working in these operations, as well as our suppliers and subcontractors (see page 112). We encourage our employees to report incidents, near misses and unsafe conditions, and we make them aware of their right to stop working and withdraw from unsafe environments.

Our approach to safety covers safe road transportation and warehouse services, product quality (see page 113) and employee health and wellness. Our SHE management frameworks and systems align to relevant legislation in each country of operation and are designed to ensure we consistently meet client and principal SHE requirements. When operating in other countries on the continent, where Imperial's SHE standards are more stringent than the local codes and requirements, our standards (aligned to South African legislation) are applied.

A network of skilled health and safety professionals across Logistics Africa and Logistics International ensure that safety standards are implemented, adherence is monitored and that opportunities for improvement are identified.

Road accidents and workplace incidents, whether they result in injury or not, are investigated to identify root causes and the preventative measures needed to prevent reoccurrence. All fatal accident investigations are led by the managing director of the operating company concerned, as well as an external independent accident investigator, or an authority in the case of Logistics International, to provide an unbiased view.

How we measure performance

We monitor our effectiveness through KPIs and the measurement of our progress against objectives and targets. The group's sustainability management system records incidents and fatalities across all operating companies and regions. At present, our safety statistics represent accidents, injuries and fatalities among our permanent and non-permanent employees, excluding third parties, partners, subcontractors and their employees. As our systems mature, we will look to include further worker categories into our reporting, in future. Accident trends and non-conformances to SHE requirements are closely monitored with remedial action implemented for all non-conformances. Data is collected monthly and local administrators and internal audit perform regular data integrity checks. It is worth noting that despite management's regular monitoring of SHE, road incidents are subject to numerous external factors which are not always within the control of our drivers, potentially resulting in road safety metric fluctuations.

From F2021, we changed the threshold for safety reporting at group level. All accidents and incidents are now being reported irrespective of the minimum value of damage, whereas previously the threshold for asset damage was R60 000. While this re-sets the baseline for our safety statistics, it creates greater visibility of total accidents and incidents.

¹ The European Chemical Industry Council manages the SQAS system and ensures its integrity. This is also localised in South Africa as the SQAS-Africa system, managed by the Chemical and Allied Industries Association.

Audits and assurance

Internal audit assesses our operating companies on their compliance with occupational health and safety (OHS) regulation, and to ensure that effective health and safety practices are implemented. Limited assurance by external independent service providers is undertaken annually on key safety and training indicators. For F2021, we expanded our safety indicators for external assurance from five to 10. Road kilometres travelled, road accidents, road accidents per million kilometres, road fatalities, road fatalities per million kilometres, total fatalities per million hours worked, LTIFR, injury severity rate, injury severity rate per million hours worked and injury incident rate per 100 employees were assured.

In South Africa, our inhouse safety audit protocols are benchmarked with those of some of our major clients. Annual safety self-assessments are conducted in South Africa and Europe by internal safety specialists or external certified experts to ensure we comply with the relevant legislation, meet our own SHE requirements and the operating standards of our clients. Health and safety compliance is also monitored by authorities.

Safety standards

Certification to applicable standards depends on the nature of the industry being served, and varies between Road Transport Management System (RTMS) – SANS 1395:2019, various International Organization for Standardization (ISO) management systems (ISO 45001, ISO 9001 and ISO 14001), the Safety & Quality Assessment for Sustainability (SQAS¹ and SQAS-Africa) and standards relating to products themselves such as food, cyanide and pharmaceuticals.

 **Product responsibility:** page 113.

 **ISO standards:** page 29.

In South Africa, the 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. New acquisitions are expected to achieve RTMS certification, where this is applicable.

 **ESG performance rankings:** page 23.

What we are doing

Wellbeing during COVID-19

Our primary duty and responsibility during COVID-19 is to lead and act in the best interest of all our stakeholders. Our business continuity plans and pandemic protocols and guidelines set the stringent safety and strict access controls needed to prevent the spread of COVID-19 in our buildings and warehouses, and to protect our people and their families. Our protective measures include daily temperature and health screening, hand sanitisation dispensers, personal protective equipment (PPE) and rigorous hygiene, cleaning and disinfectant programmes for high-risk areas, including trucks used across shifts, and contact tracing. Regular compliance inspections and risk assessments are undertaken at workplaces. For example, in Contract Logistics, COVID-19 simulations are used to test the readiness of a site to deal with a positive case.

54 Focus area: Zero harm to people continued

Over the course of the three waves experienced in South Africa, many employees worked 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. Virtual meetings are encouraged.

Market Access and Logistics Africa each have a dedicated COVID-19 champion who promotes awareness, ensures that communication reaches all operational levels, monitors compliance and manages suspected COVID-19 cases in line with the National Institute for Communicable Diseases protocols.

Training, toolbox talks and awareness on COVID-19 are delivered group-wide, covering our health protocols and the associated risks and preventative measures that safeguard against infection. Employees in South Africa have access to free, anonymous counselling services, and online screening managed by an occupational health nurse.

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. In this business, we have implemented a solution for employees to work from home during school closures to support home schooling.

In Germany, we have a Works Council agreement on the return-to-work programme, which is legally binding and supports employees recovering from long-term or severe illness to transition back into the work environment. We are standardising our return-to-work programme to ensure that our employees play an active role in shaping their return to work and take precautions to avert repeated illness. In South Africa, a return-to-work protocol is in place.

Pleasingly, the improvements we have made to our communication and collaboration channels, together with

our employee health and wellness initiatives and online COVID-19 training, have enabled us to maintain employee trust and motivation.

At end August 2021, 1 683 (1 017 in F2021) employees had tested positive for COVID-19, with 36 (24 in F2021) of our colleagues sadly succumbing to the virus.

Road safety

African countries have some of the highest road fatality rates in the world, being a leading cause of death in low- and middle-income countries¹. In South Africa, 73% (F2020: 92%) of the fatal road incidents involving an Imperial truck, were beyond the control of our drivers, as determined through detailed incident investigations. Most accidents were caused by dangerous third-party vehicle overtaking, and reckless cycling and pedestrian behaviours.

Sadly, three of our colleagues lost their lives while at work during the year, with two being involved in road accidents and the third falling off a ship. We deeply regret the death of our colleagues; Mr Jose Alejandro Caballero Esquivel, Mr Andries Matamba Rembani and Mr Daniel Motaung. Once again, we offer our deepest sympathies to their families, friends and teams.

We ensure our drivers understand their responsibilities on the road and we implement the best road safety practices to protect them and other road users. The digitisation of Logistics Africa's road freight and contract logistics fleets brings together strategic sourcing, technology, telematics and driver awareness to improve our processes, achieve cost savings and address road safety and environmental risks. Project Blue Fleet will shift our management of road safety from a place of reacting to accidents to proactively avoiding them. Project Blue Fleet is being rolled out in South Africa, and once extended to other countries in Africa, it will drive organisational discipline and standardise best road safety practices and processes across the African operations.

Key risks and how we manage them

Vehicle fitness

- Drivers conduct vehicle inspections daily.
- Rigorous vehicle service and maintenance programmes for both truck tractors and trailers are managed against targets and checked by senior management.
- Buses undergo roadworthy testing every six months.
- A strict asset replacement philosophy, which in South Africa ensures vehicles are not older than 10 years.

Project Blue Fleet: strategic sourcing will ensure that the trucks and trailers we buy going forward have the most advanced safety features (lane control, brake assist and fatigue monitors) and vehicle management technology.

Driver fitness

- **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. Drivers are assessed to ensure they are well rested before embarking on a trip, and driving hours are closely monitored to guard against driver fatigue.
- **South Africa:** the NBCRFLI wellness fund health plan provides medical insurance for bargaining council employees. Employees contribute 1% of their salary to the fund, which Imperial matches. The fund's HIV treatment programme is offered at no additional cost. The fund provides members and their spouses with access to certain medical benefits. Primary healthcare can be accessed free-of-charge at a network of roadside wellness centres at truck stops along major routes (which operate mostly after hours) and mobile wellness centres which bring healthcare to workplaces during working hours. We are the largest contributor to the fund, with our employer contribution for F2021 totalling R9,9 million (F2020: R8,6 million).
- **Europe:** the frequency of health checks is informed by medical doctors and ranges from a few months to three years depending on patient health. Driving hours are strictly monitored.

Project Blue Fleet: implements onboard cameras to monitor fatigue, hand-held devices to track driver health and wellbeing (monitoring alcohol consumption and whether prescription medication has been taken), and digitises the processes to manage hours and medical check-ups, providing accurate data for safety management.

¹ Source: <https://www.who.int/news-room/fact-sheets/detail/road-traffic-injuries>.

Driver behaviour

- **South Africa:** toolbox talks and safety meetings enable the sharing of lessons learnt from incidents and address non-compliance with road safety procedures. Drivers who disregard safety procedures are appropriately disciplined. Trip briefing and debriefing sessions update drivers on loads, client, route and potential safety hazards, where they should stop and how many breaks they must take.
- **South Africa:** regular driver training is delivered by dedicated and skilled inhouse driver trainers strategically allocated to meet the required needs of each industry we operate in. Training covers fuel conservation, driver wellness, fatigue management, customer care, how to safely drive articulated vehicles, security and changes to legislation. Drivers also receive accredited¹ annual training on dangerous goods, emergency preparedness and accident investigation. Firefighting, first aid and tyre management training is outsourced to independent service providers who meet our training standards. Training is also provided to controllers on how to manage road safety in their daily interaction with drivers.
- **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. Some onboard computers are connected to an online learning platform, which together with telematics, is used to train drivers.
- **Group:** training by OEMs is provided when new truck models are introduced.

Project Blue Fleet: uses technology to track trucks in real time, including driving and rest time, and provides accurate data relating to driver behaviour and technique, including speed and braking. The onboard cameras also provide an additional training tool.

Accident management and emergency response

- **Group:** all accidents are investigated to identify unacceptable risk and the preventative measures needed.
- **South Africa:** onboard cameras capture incident-specific video and calculate safety scores for each driver. Used together with telematics, we can predict and prevent high-risk behaviour and fleet managers can reward good driving and identify those needing additional training.
- **South Africa:** trauma counselling and medical evaluation are provided to drivers following a major accident.
- **South Africa:** our relationships with the South African Police Service, traffic authorities and Arrive Alive enable us to receive real-time information on protest action along routes or at destinations, and plan accordingly. Emergency response planning is a feature of driver training and helps drivers to respond appropriately in these circumstances. Dashboard lights notify drivers that they need to find a safe place to stop and contact their controllers to receive information about such occurrences.

Project Blue Fleet: uses a reporting platform linked to onboard truck computers, cameras and satellite tracking systems, enabling real-time monitoring and alerts and improving predictive capabilities. Onboard cameras also support accident investigations.

In addition to our own stringent road safety measures, we deliver road safety awareness and education to scholars and the general public as part of our corporate social investment initiatives.

 **Imperial Be safe, Be smart campaign:** page 91.

Warehouse and distribution centre safety management

Key risks in the warehouse and distribution centre environment are material handling equipment² (MHE), working at height, and damage to racking. Racking inspections occur daily by trained racking inspectors, and external service providers assess structural safety. Medical assessments determine whether an employee is medically fit to work at heights, and our elevated cages are certified by the Department of Employment and Labour.

Our MHEs are serviced regularly and trained equipment operators undergo regular medical examinations. Since 2020, Contract Logistics has governed the speed of all MHEs in South Africa to below 10 kilometres per hour. This has significantly reduced the number of major and minor MHE-related incidents. We are investigating mechanisms to prevent MHE operators by-passing controls and using MHEs without authorisation, with investigations started at two key facilities which have higher risk profiles. MHE activities are monitored through our CCTV control rooms at three key sites,

and risky behaviour is recorded and immediately reported. Both initiatives will be extended to other warehouse sites in South Africa in time.

Safety reviews are undertaken in all warehouses to ensure they comply with relevant building legislation, including electrical compliance, building safety, firefighting measures, detections systems, and emergency evacuation, among others. The number of reviews has however been impacted by COVID-19 restrictions.

Employees working in warehouses receive the training most pertinent to their role, with forklift operators undergoing extensive safety training. Training is tracked to ensure that refresher courses are attended prior to expiry dates. 359 warehouse employees received OHS training and awareness in South Africa in F2021.

Employee health and wellbeing programmes

In South Africa, employees are enrolled on a closed medical scheme, and all employees, whether on the closed medical scheme or another scheme have access to an emergency response service. Employees also have access to gap cover and medical savings at discounted rates. Most of the workforce is enrolled on a pension or provident fund, with death and disability cover. Our people are entitled to at least 15 days of annual leave and provisions are in place for maternity leave.

¹ Accredited with the Transport Education Training Authority (TETA).

² Material handling equipment is mechanical equipment used for the storage, movement, control and protection of materials and products.

56 Focus area: Zero harm to people continued

Related benefits are provided in our other African markets. For example in Nigeria, our workforce of just under 1 000 people have access to medical aid, pension fund, life insurance, housing allowances, interest-free loans and discounts on certain consumer goods.

Health and wellbeing awareness is improved through online training programmes available across all African operations, and health days in South Africa where employees can undertake free preventative health check-ups.

The COVID-19 pandemic, changes in how we do business and the critical need to accelerate digitisation and innovation, place additional demands on our people. Our employees in South Africa and their immediate families have free access to

Independent Counselling and Advisory Services (ICAS). The service is confidential and available 24/7 via a toll-free line. It provides confidential telephone counselling with qualified counsellors and registered clinicians, and access to health and wellbeing information through an online portal.

In Europe, medical check-ups are available to all employees and health days highlight the importance of sport, exercise and work-life balance. In the automotive sector where lifting and carrying is part of daily work, employees regularly rotate jobs to avoid occupational injury or illness. In Germany, our employees can lease bicycles from us, an initiative that is valued by our people with demand increasing since the pandemic.

2021 performance review

Market Access ¹	Logistics Africa ¹	Logistics International ¹
<p>Road safety 0,141 road accidents per million kilometres (F2020: 0,063)</p> <p>0 road fatalities per million kilometres (F2020: 0)</p>	<p>Road safety 2,884 road accidents per million kilometres (F2020: 0,246)</p> <p>0,007 road fatalities per million kilometres (F2020: 0,004)</p>	<p>Road safety 0,703 road accidents per million kilometres (F2020: 0,399)</p> <p>0 road fatalities per million kilometres (F2020: 0)</p>
<p>Road and non-road safety 0,12 LTIFR/200 000 hours</p> <p>0,10 Injury incident rate/ 100 employees</p> <p>21,00 Injury severity rate</p> <p>3,24 Injury severity rate/ 1 000 000 hours</p> <p>0 fatalities/million hours worked</p>	<p>Road and non-road safety 1,11 LTIFR/200 000 hours</p> <p>0,97 Injury incident rate/ 100 employees</p> <p>5,16 Injury severity rate</p> <p>0,23 Injury severity rate/ 1 000 000 hours</p> <p>0,09 fatalities/million hours worked</p>	<p>Road and non-road safety 2,60 LTIFR/200 000 hours</p> <p>2,54 Injury incident rate/ 100 employees</p> <p>16,43 Injury severity rate</p> <p>0,95 Injury severity rate/ 1 000 000 hours</p> <p>0,06 fatalities/million hours worked</p>

 **Indicator report:** page 124.

¹ Reflects the number of accidents, injuries and fatalities among our permanent and non-permanent employees, excluding third parties, partners, subcontractors and their employees.

Note: from F2020, all accidents and incidents are reported irrespective of the minimum value of damage (which in prior years equated to R60 000).

Group

- There were no incidents of non-compliance with OHS regulations and/or voluntary codes.
- Continued to drive organisational discipline and standardise our SHE practices and processes, with a key step being the formalisation of a group-wide health, safety and environment policy statement. The policy outlines our overarching approach to SHE to which all business SHE policies must align.

Logistics Africa

Road safety

- The rate of accidents per million kilometres in Road Freight Management increased 21,4%, with accidents caused by third parties playing a significant role. The deterioration of road surfaces, especially between rural towns, adds to the increasing risk our drivers face. The removal of the reporting thresholds to include all incidents will also be a contributing factor.
- Two accidents were deemed to be avoidable, (F2020: two avoidable accidents).
- The total number of third-party fatalities was 18. Dangerous third-party vehicle overtaking, reckless cycling and pedestrian behaviours continue to impact on road safety outcomes in South Africa.
- More than 70% of the targeted transportation companies¹ in South Africa achieved RTMS re-certification, including all heavy-duty vehicle operations. All road transportation businesses within South Africa are SANS 1395/RTMS compliant.
- Launched a new driver training programme, with a pilot being tested by Road Freight Management. Drivers are able to access the training from their smartphones or through kiosks and computers at key Imperial sites. The training focuses on driving behaviour, safety and relevant governance topics, such as what to do if a police officer requests a bribe.
- We are developing an app to monitor driver behaviour, including distance travelled, fuel utilisation, speed monitoring, harsh braking and completion of administrative work. Best practices will be combined in a standardised driver rewards programme that will be rolled out across South African operations.
- Launched online training on the Administrative Adjudication of Road Traffic Offences (AARTO) Act, which aims to improve driver behaviour, encourage motorists to be law-abiding and reduce road accidents.

Non-road safety

- Contract Logistics worked to align non-road incident reporting across the business, and implemented the following safety drives:
 - MHE behavioural training for operators in high-risk facilities, covering topics such as OHS Act-related responsibilities, how to complete the MHE checklist, the importance of reporting incidents, and understanding the Imperial values, among others. Since implementation, MHE incidents have declined.
 - Launched a Safe Operator of the Month competition to encourage safe behaviours.
 - Rolled out training on operating with dangerous goods in narrow aisles in a site in KwaZulu-Natal.
- Two Contract Logistics sites are testing an MHE telematics system, which delivers live incident reporting that will enhance safety performance, efficient use of MHEs and operator compliance.

Wellness

- For calendar year 2020, employee engagement with ICAS was 8,2%, with professional counselling constituting half of all utilised services, similar to the preceding year. Relationship issues and stress comprised 37,0% of presenting problems. The percentage of employees whose problems appear to be having a severe impact on their work is 4,0%, compared with the total ICAS universe's 9,6%.
- Established a wellness forum, with representation across all operating companies, to drive a standardised approach to wellness. Key areas of focus have been mental health, COVID-19 and the impact of restructures on the workforce.
- Paid salary increases in June 2021 to reduce the added strain that finances are placing on families during COVID-19. Over and above salaries, employee benefits amounted to R339 million (F2020: R364 million). This includes medical aid contributions, emergency response and retirement savings.
- We opened a temporary vaccination site for employees at our Garfield Road, Alberton operation.
- Invested R2,0 million (F2020: R1,2 million) in ICAS.
- Road Freight Management provided immune boosters to all NBCRFLI employees in preparation for winter.
- Raised awareness on good ergonomics, particularly targeting employees working from home.

Logistics International

- One employee from our former Paraguayan business died in a shipping incident, after falling from the bow without wearing a life jacket.
- Offered employees at certain sites the opportunity to get the flu vaccination.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** continue to implement safety risk prevention strategies tailored to each business group-wide.
- **Market Access:** introduce driver training programmes.
- **Logistics Africa:** realise the safety benefits associated with Project Blue Fleet to leverage real-time data to improve safety performance and to strategically source the most advanced and safest trucks and trailers.

¹ Excludes truck rental and small commercial delivery vehicles.

58 Our people and culture strategy

Our people model

Our people model - My Imperial People Way - is at the heart of our employee value proposition and drives consistency across all our people and culture practices within Market Access and Logistics Africa. The model spans the employee journey from recruitment to retirement, building on the 'One Imperial' culture, which will position Imperial as an employer of choice. Our purpose and values are the cornerstones of My Imperial People Way, supported by our leadership DNA.

The human experience management system (My People Central) is being implemented across Africa, and will support real-time people analytics, empower our people to manage their career through self-service capabilities and mobile

learning, and free up the people and culture team's capacity to focus on more strategic initiatives. It will enable customised talent offerings, improved talent management and enhanced HR processes, ultimately improving the employee experience. In addition, it will achieve efficiencies in workforce planning and HR administration, reducing staff costs and improving the governance of people data. Implementation will be in a phased approach.

Employees access the system through the My Imperial People Way portal, using their mobile devices, personal computers and browsers. The link to the portal is also available on the employee communication and engagement technology platform. While not fully developed yet, tools and guides will be provided for each pillar of the people model.

My Imperial People Way

The 'One Imperial' purpose and values

set the direction for our success, uniting us in a vision and a clearly defined common purpose with values to drive excellence.



Our leadership behaviours

support and inform the way we will move forward as one, driving collaboration and a culture of excellence.

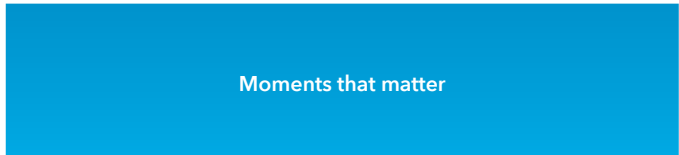


Imperial's people practices

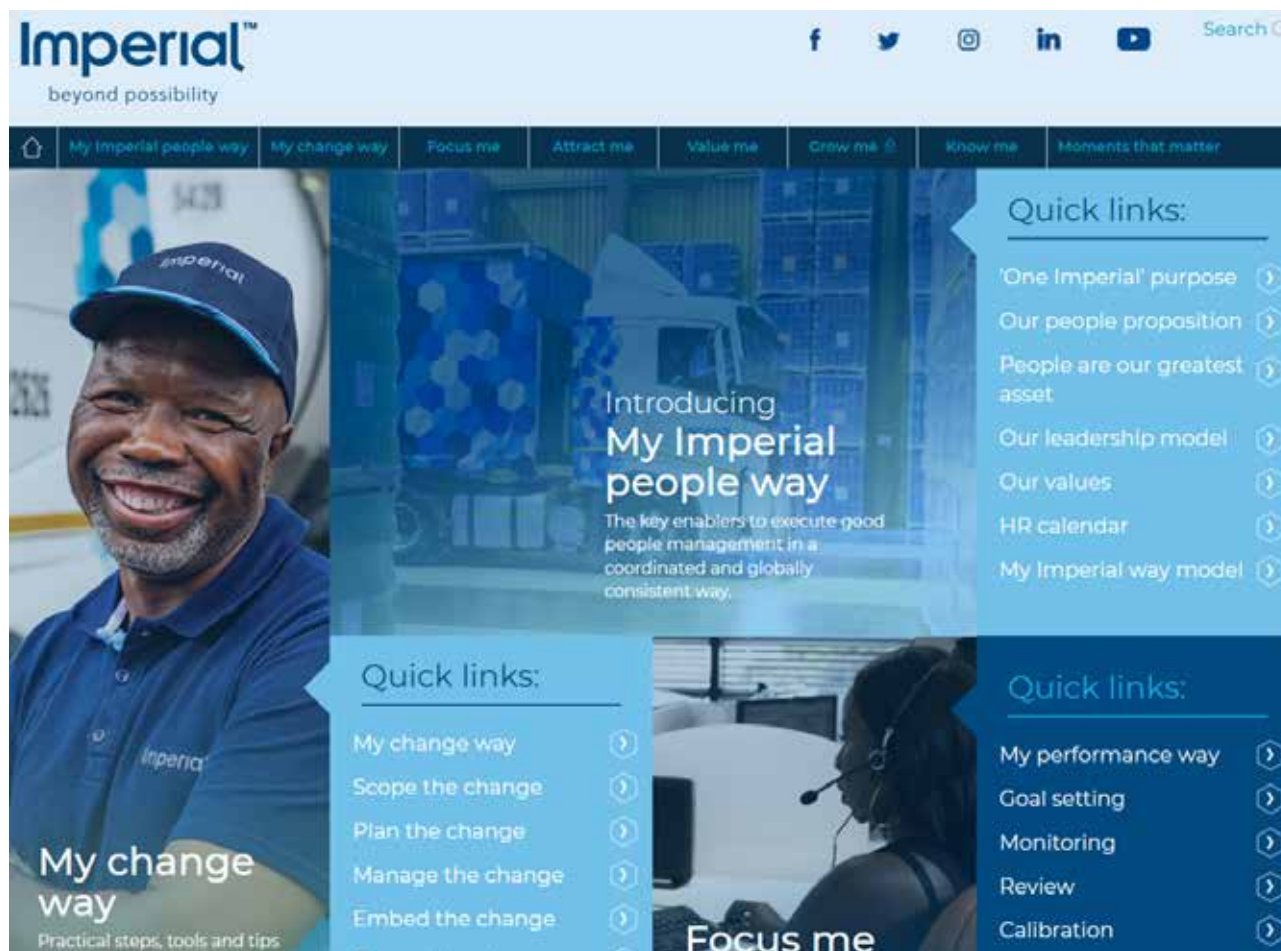
are focused to ensure we become an employer of choice in our industry. The people practices are aligned to our values of winning through teamwork and empowering our people.



Creating an organisation with **moments that matter** is important to us and nurtures My Imperial People Way - celebrating our successes and learning from our endeavours with our pioneers in driving an innovative culture. This aspect provides our people with the opportunity to actively contribute to social and environmental initiatives.



My Imperial People Way



Logistics International’s people strategy centres on having the right people in the right place to drive excellent and sustainable business performance, and providing our employees with an innovative environment that gives them the opportunity to develop their skills and competencies. This is driven through the five commitments below.

Fostering innovation	Connecting people	Enabling entrepreneurship	Ensuring diversity and inclusiveness	Delivering quality and excellence
We develop highly specialised people skills in an innovative environment through continuous learning to meet our current and future business needs that serve our clients.	Key to our success is the way we collaborate as a team and share ideas and opportunities to achieve the best results in the interest of our clients.	We take personal accountability for our performance and aspire to maximise our potential. Our entrepreneurial spirit drives us to continuously improve the way we deliver exceptional value to our clients.	We drive a diverse and inclusive workforce to unlock the value of diversity of world view and industry experience.	We aim to create a culture in which our employees are inspired to service our clients, to deliver excellence and go the extra mile.

60 Our people and culture strategy continued

‘One Imperial’ culture

We are shifting away from a multiple owner-managed business structure with siloed thinking. Enabling a ‘One Imperial’ culture, which connects our employees with each other and the communities in which we operate, is fundamental to strategic and operational delivery, competitive differentiation, ethical conduct, diversity and inclusion, collaboration, innovation and disruption.

Our culture transformation is supported by a robust leadership model and our values. Our leaders are expected to lead by example, and our leadership development programmes are designed to help them build the leadership DNA we need to achieve the desired culture change. They and our people and culture teams are supported in this responsibility by Change Way, a set of change management toolkits that can be tailored for different levels of change, including assisting acquisitions to adapt to our culture and ways of working.

Our efforts are already seeing results; in Logistics Africa, clients are engaged with ‘One Imperial’ voice, offering multiple solutions across different operating companies within the business. Change management has also contributed to our ability to adapt our organisational structures quickly and effectively to the new ways of working required to address COVID-19 risks.

Remuneration

The ‘One Imperial’ remuneration and benefits strategy and philosophy is designed to attract, motivate, reward and retain a skilled professional workforce that will ensure Imperial’s long-term sustainability and achieve its business strategy. For Market Access and Logistics Africa, we use the Paterson grading system benchmarked to local markets to grade jobs

based on their level of complexity, decision making and the skills required. The new remuneration and benefits strategy links the group’s strategic goals to executive short-term incentives. These KPIs will be consistently applied across the medium term.

 **Remuneration overview:** page 104.

Business restructures

Retrenchments are viewed as a last resort and take place only after other operating costs have been scrutinised and reduced, and consultations have been held with employees and labour organisations to find alternative solutions. We upskill people, as far as possible, to redeploy them into other positions. When restructuring is needed to respond to difficult operating environments or we divest from non-strategic businesses, we follow fair procedures in compliance with legislation, collective bargaining agreements and applicable company policies.

Regrettably, the restructuring of the South African operations to position Imperial for a challenging economic environment, meant that 716 roles were impacted in the Logistics Africa business during the reporting year. A further 40 jobs were impacted by contracts coming to an end or clients requiring fewer services. We found alternative positions for 142 of these employees.

Logistics International implemented short-time work conditions for some employees to avoid retrenchments due to COVID-19.

While the significant majority of our employees are permanently employed, in certain instances we take on contingency staff, particularly in Market Access, when workloads peak.



How we measure performance

When fully implemented, My People Central will be instrumental in measuring the success of the people and culture strategy, providing reliable data for KPIs such as employee turnover, internal and external employee value proposition measures and employee engagement. In the interim, to drive accurate training data, our businesses are required to have a tiered checking process. Improved data reporting is expected for F2022.

Each South African operating company has an employment equity plan, setting out annual employment equity targets for race, gender and disability at each occupational level. All operating companies are required to spend 2,7% of their annual payroll on developing black employees (direct training and overhead costs). Across the South African operation, our goal is to maintain an appointment ratio of 70% black people and an internal promotions ratio of 50% black candidates. To build a diverse talent pipeline, our goal is to maintain 70% black representation and 50% women representation on the annual graduate programme intake.

Group gender diversity targets were set for top, senior and middle management (see page 63) and to ensure that 25% of new employee hires are women.

Audits and assurance

Limited assurance by external independent service providers is undertaken annually on training spend and training hours. Employment equity is verified annually as part of the independent broad-based black economic empowerment scorecard verification. In addition, our employment equity plan, which also covers skills development, is submitted to the Department of Employment and Labour.

 **ESG performance rankings:** page 23.

2021 performance review

Group

- Established a group-wide job evaluation committee for senior management roles and above. The committee is supported by job evaluation and grading committees in each business, with a policy and guidelines in place, and defined process requirements and member responsibilities. 177 roles have been evaluated since March 2021.

Market Access and Logistics Africa

- Completed user acceptance testing for My People Central, and online training commenced in May 2021 to equip users with the skills to transact in the system. The first phase of deployment went live in the group people and culture function in May 2021. Implementation will start in F2022.
- Developed the first pillar of the employee portal on My People Central, which went live in August 2021. My Performance Way covers performance management's four steps: namely, goal setting, monitoring, review and calibration. Development on the remaining three pillars will start in F2022.
- Introduced an online interactive portal that encourages two-way communication between Imperial and employees on any smart device within seconds. The portal supports customisable engagements to create rich and dynamic data to enhance our digital strategies. It will be used to encourage participation and adoption of our values and to gather up-to-date employee data.
- Employee engagement undertaken during the year focused on driving culture change and cultivating a workforce that embraces the 'One Imperial' values. A Barrett employee engagement survey was undertaken to understand the level of culture change that has occurred within the group and assess employee engagement. The survey measures the degree to which human needs are met in the workplace.
- We are reviewing and improving the onboarding and induction process to enhance the integration of new employees into the Imperial culture and business. The new process will be customised for each business.
- Started the alignment of our Market Access operating companies to the group compensation and benefit guidelines.

Logistics International

- Implemented a new SAP organisational management module, integrating data and enhancing its integrity. Improvements to the data architecture is ongoing.

62 Focus area: Improve diversity and inclusion

Our context and challenges

Diversity and inclusion

Changing our workplace to one that is inclusive, empowering and based on trust and mutual respect, particularly to accommodate women in a male-dominated environment. In Africa, scarcity of talent challenges our diversity objectives.

Transformation in South Africa

Aligning the **leadership profile** more closely with the national demographic given the lower employee turnover at top and senior management levels. Urgent attention is being given to transforming our talent pipeline.

What we are doing

We are creating inclusive working environments that not only address individual needs but allow our people to utilise their unique strengths. In South Africa, there are 22 employment equity forums that meet quarterly to consider transformation matters and identify employment equity barriers. Diversity workshops and employment equity forums encourage open, honest and sensitive conversations among employees in South Africa. In our remaining African markets, programmes on tribalism raise diversity and inclusion awareness. The employee engagement surveys at group and business level are also used to understand concerns related to diversity and inclusion.

Accelerated talent development, strategic sourcing and targeted attraction and retention initiatives are used to create a black talent pool for our businesses in South Africa, particularly in key specialist and business-critical roles, while at the same time ensuring that deep industry and institutional knowledge is not lost. A job-shadowing initiative for potential black successors to leaders who are close to retirement aims to transfer skills and institutional knowledge, and prepare candidates for these roles.

Also important is our commitment to gender diversity. In this past year, there has been stronger introspection on ways in which we can uplift women at Imperial and within our communities, at a time when work, home and other life demands are more pressing. The UN's Women's Empowerment Principles guide us in our approach.

The global women's forum (GWF) with representatives from the group and all three businesses, focuses on improving gender equality and the empowerment of women across the group. The GWF provides women with a group-wide networking platform, mentoring opportunities, skills

development and opportunities to be involved in community outreach. For F2021, the forum advocated more visible support and participation from male employees, and focused on GBV, COVID-19 support for women and mental health. For the first time, graduates were invited to participate in the GWF.

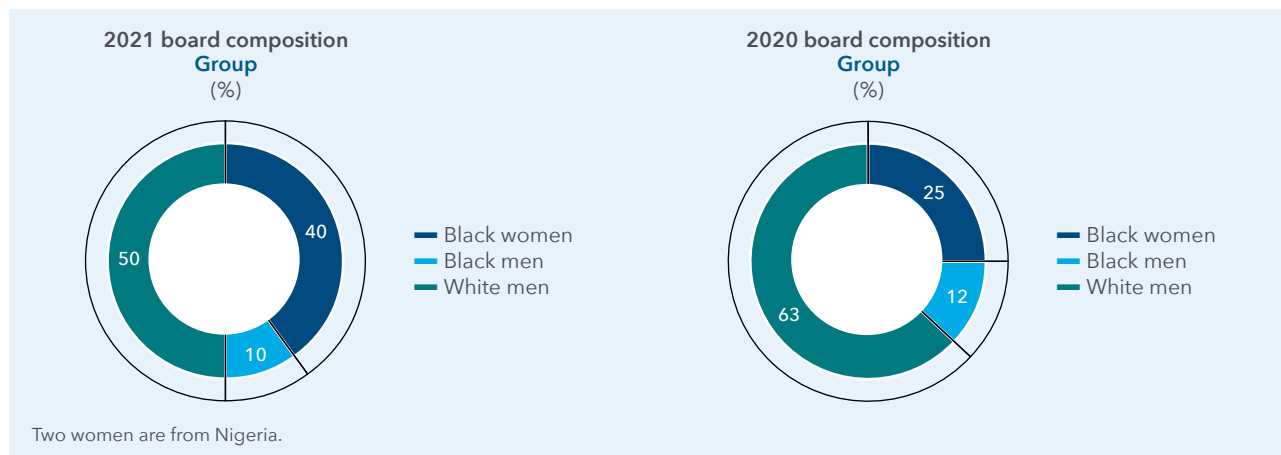
Most operating companies have budgets ring-fenced to develop and mentor women. The women's development programme develops self-mastery and a five-session leadership coaching programme develops skills in self-awareness and self-mastery, understanding different personality types, active and effective listening, conflict management, stress management, and giving and receiving feedback.

The Paterson grading system informs our pay structures, ensuring they are fair, competitive and equitable across similar job roles, enabling us to identify and redress any gender-based remuneration disparities in job roles, to the extent that they exist. The German Pay Transparency Act gives employees the right to demand information about pay structures of at least five other people of the opposite sex holding the same position as them. We comply with the Act's reporting obligations and audit procedures; that is, equal pay for the same work or work of equal value.

We retain and develop the management teams of acquired businesses in our African markets to preserve client-centric agility. These teams are encouraged to hire locally, and expatriates are only employed in senior management positions when technical skill is required and local talent is scarce.

We offer learnerships in business administration, wholesale, retail, freight management and coding for differently abled people. In Logistics International apprenticeships and traineeships are offered in IT, warehousing and logistics, transport and logistics business administration.

2021 performance review



Black representation South Africa
Top management
36%
F2021 target: 23%
(F2020: 42%)
12%
are black women
(F2020: 16%)

Black representation South Africa
Senior management
28%
F2021 target: 32%
(F2020: 32%)
11%
are black women
(F2020: 16%)

Black representation South Africa
Middle management
54%
F2021 target: 49%
(F2020: 45%)
18%
are black women
(F2020: 17%)

Black appointments South Africa
93%
of all appointments made
F2021 target: 70%
(F2020: 91%)
76%
of appointments made from
top to junior management
levels
(F2020: 58%)

Black promotions South Africa
82%
of internal promotions
F2021 target: 50%
(F2020: 90%)

Differently abled employees South Africa
322
differently abled
employees,
93%
are black
(F2020: 119 employees;
81% black)

<p>Gender diversity Top management Group 16% (F2020: 12%) South Africa 14% F2021 target: 8% Senior management Group 23% (F2020: 14%) South Africa 32% F2021 target: 33%</p>	<p>Gender diversity Middle management Group 29% (F2020: 32%) South Africa 35% F2021 target: 41% Overall Group 23% (F2020: 24%) South Africa 23% F2021 target: 23%</p>	<p>South Africa 20% of new hires were women F2021 target: 25%</p> <p>We fell short of meeting some of our gender targets due to business restructuring.</p>
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64 Focus area: Improve diversity and inclusion continued

Group

- Appointed two new non-executive directors to the Imperial board. Both are women and from Nigeria.
- The executive committee agreed on a new recruiting principle where every new hire in management should be a diversity candidate. If there are no suitable internal candidates then external appointments will be sought to ensure consideration is given to the demographics of the region in which we operate.
- Initiated by the GWF, we launched the Imperial women's roundtable as a development platform to empower women in Market Access and Logistics Africa through a four-month learning journey that helps them excel as team members and team leaders. The first cohort comprises 59 women. The roundtables are available to all women and are facilitated by women in leadership positions.
- A number of Imperial women won external awards for their success in their roles or for driving gender awareness issues.

South Africa

(Logistics Africa and the people working for Market Access who are based in South Africa)

- Logistics Africa significantly improved the diversity of its leadership team, with five out of 10 executive committee members being black and six are women.
- Organisational restructuring negatively impacted black representation at top and senior management. The representation of differently abled people remains an area for improvement.
- Developed a new interim employment equity plan given the impact of the organisational restructure on our ability to achieve our targets. The decision to move to a one-year interim plan was approved by the Department of Employment and Labour, and unions and employees were engaged on the matter.
- Launched a driver learnership for 19 unemployed women to drive gender diversity in the truck driver workforce. 80% of the learners have completed their driver assessment and are driving to gain practical workplace experience.
- Sponsored the Women in Transport Conference, which brings women across the logistics sector together to share their challenges and experiences, and to identify opportunities for women truck drivers.
- Four graduates were accepted onto our graduate programme, of whom 100% are black (target: 70%) and 100% are women (target: 50%).
- 893¹ women and 26 differently abled employees attended a development initiative, and 217 differently abled unemployed learners attended a learnership.
- 94% of training spend in South Africa was used to develop black employees (F2020: 85%). Some 85% of this training spend was paid as salaries for learnership participants.
- 87% of training spend in South Africa was used to develop women.
- Rolled out an internal GBV awareness campaign.
- Implemented flexible working hours giving employees the means to work from home.

Logistics International

- An agreement was signed with the Works Council in Germany, which is binding on all our employees (in the same way as a law or collective bargaining agreement), which governs discrimination and provides employees with a safe place to address discriminatory incidents. Two incidents were reported through the whistle-blowing hotline during the year. Mechanisms to guard against discrimination are incorporated in our policy framework, compliance management and internal audits. Compliance is also audited by the Works Council. In F2022, related training will be delivered to all employees, particularly leaders.

 **Indicator report:** page 121.

¹ Excludes online training.

Imperial empowers 217 differently abled learners from marginalised communities to bring positive change

Differently abled people in marginalised communities often do not receive a proper education, due to stigma and unconscious bias, making it hard for them to find jobs. During the year, we partnered with training providers such as the Pendula Group and I can! that specialise in empowering differently abled learners and which have positive track records in improving the lives of their beneficiaries. 217 learners have started their 12-month workplace experience learning at Imperial and receive a monthly stipend.

Empowering these individuals and enhancing their employability not only brings them dignity and a sense of self-worth, but it also brings positive change to their families and communities, contributing to the systemic change required to reframe the narrative around diversity and inclusion.

We monitor the participation and progress of the learners, and address any barriers they may face in their learning. On successful completion of the learnership, which is due to end in May 2022, we will seek to absorb some of the learners into our employ.

For Imperial, the initiative helps us understand the dynamics and complexities facing differently abled people in our workplace, and how to address their reasonable accommodation.



Looking forward

Our priority to achieve our targets and objectives:

- **Group:** implement a broader-based diversity strategy in F2022, with clear diversity targets per region of operation, and which will encourage employees to openly discuss and share cultural values and practices.
- **Logistics Africa:** develop a new five-year employment equity plan in line with the new transport sector targets.

66 Focus area: Develop talent

Our context and challenges

Ageing workforce

For Market Access and Logistics Africa, approximately **39%** of our workforce is between the ages of 41 and 55, and **10%** are older than **56**. The average age is **41**. Semi-skilled roles are filled by an aging workforce where 7% are over the age of 56.

Attracting young talent

Adjusting our working models to attract younger generations who want to identify with the purpose and culture of an organisation, who value organisations that provide clear career development and are attracted to technologically advanced, innovative and sustainability-oriented organisations.

What we are doing

The rollout of the Imperial Talent Management Way has progressed over the past year; however, there is still some way to go. This pillar of our people model will provide us with a consistent approach to talent management, supporting strategic delivery, career growth and meaningful work, and providing insight on the skills we have in the organisation and where talent can make the greatest impact in the group. It will also make us more effective in understanding the aspirations of our people and enhance our employee value proposition and ability to attract skilled young talent.

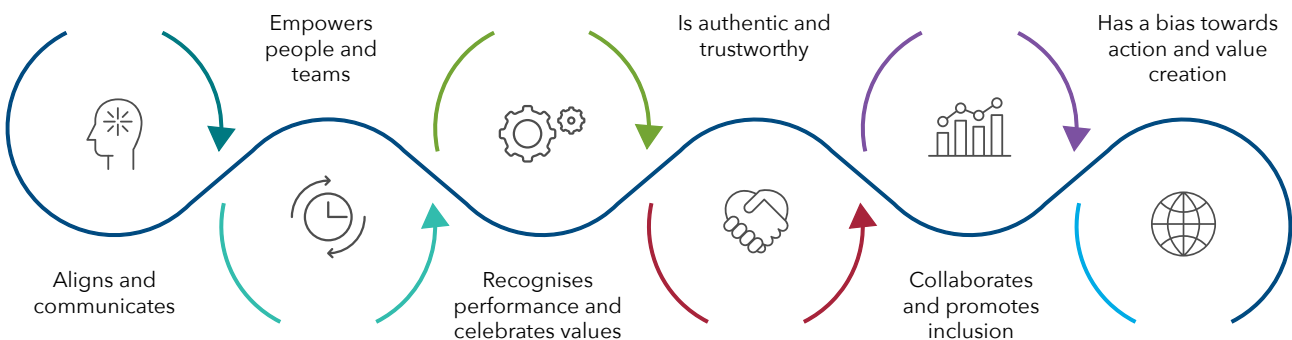
To drive strategic delivery, strategic goals are being cascaded across businesses, teams and individuals, using a consistent methodology to assess and manage performance. Once fully embedded, the process will identify and calibrate high performers and reward and recognise employees with high productivity and who are living the Imperial values and culture.

Given the critical need to advance our talent practices, the performance management process was chosen as the first build of My People Central. Performance management is based on a 360-degree assessment, including feedback from a broad range of people on the individual's behaviours, and will apply to all employees. My Performance Way serves as a mechanism to support career growth and facilitate open and continuous conversations.

Leadership

Imperial's leadership development model, launched this year, covers all managerial levels and aims to ensure our leadership team is future fit, purpose led and caring, and that our leaders live our values and adopt our desired leadership behaviours. The model strives to develop leaders who have strategic business agility and capability, are able to engage effectively and lead our people through change, and driven to create value for all stakeholders.

Our leadership behaviours



Using My People Central, leaders can access videos, case studies, articles, books and TED talks on each attribute. The leadership model is intended to create ownership of an individual’s personal leadership journey through reflective exercises and assessments. The 360-degree assessment in the performance management approach provides an additional lens to guide personal insight and performance against our leadership DNA. A formal Leadership Way will be launched in F2023.

Learning and development

We encourage lifelong learning as the critical driver of improvement and success, innovation, growth and culture, and to build a future-fit workforce resilient to change, challenges and disruption. Our workplace skills plan ensures that development and learning align to business strategy and that we develop all-rounder capability.

Our programmes range from developing leadership and technical capability as well as study assistance for tertiary

education programmes that support the competencies required by the group, to learnerships that facilitate workplace entry for unemployed youth. The Imperial Learning Academy designs and delivers learning and development programmes for Market Access and Logistics Africa. Programmes are designed to support business needs (business, technical and administrative skills); deliver customised client solutions; advance personal growth; drive innovation, diversity and ethics; and ensure regulatory compliance. Programmes are developed in collaboration with our businesses, people and culture directors and industry experts, including specialist content developers and expert trainers. Learning is offered through a combination of in-person and, more recently, online training given social distancing requirements.

Our online learning programmes, available across Africa, include technical and behaviour readiness programmes and programmes that build mental resilience, assisting managers and employees to remain connected and productive.



Building a talent pipeline

To develop young talent and create a pipeline of future successors in Africa, we use accelerated training, and coaching and mentoring to fast-track junior employees working in technical and specialist roles. Logistics International provides coaching and promoted managers and leaders to improve their leadership capability. Our Youth Development Programme in South Africa equips young people for work while building our talent pipeline. We view this as a key path through which to transform our workforce and communities.

The Youth Development Programme (South Africa)

<p>Future Fit Associates Graduate Programme A 24-month rotational programme, targeting qualified logistics, financial management, industrial engineering, data science and business development students. Graduates complete a structured internship and a management development programme, and receive mentoring. This programme serves as a pipeline for management positions.</p>	<p>Learnerships and apprenticeships 12-month learnerships provide work experience, specialist and technical training and mentorship, enhancing the skills of our employees and the employability of unemployed learners (youth with a matric or diploma but limited experience). Four-year long apprenticeships build artisanal skills for diesel mechanics.</p>	<p>Family bursary schemes Bursaries awarded to the children and legal dependants of our employees for tertiary studies at South African public institutions. To qualify, employees must earn less than R400 000 or R600 000, depending on the scheme. R4,7 million has been set aside for these programmes to 2023.</p>
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68 Focus area: Develop talent continued

2021 performance review

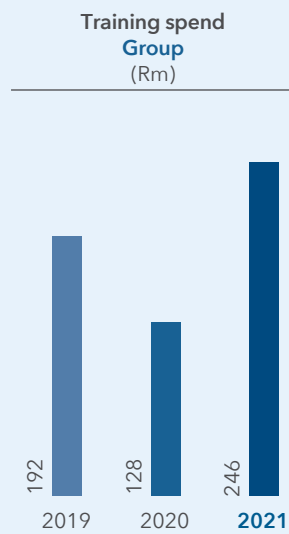
Women's development programme
Logistics Africa
840
women participated
(F2020: 414)

Graduate programme
South Africa
25
participants at June 2021
(F2020: 52)

80% are black
and 64% are women

Employee learnerships
South Africa
481 employees
registered for a learnership
(F2020: 633)

Number of employees trained
Logistics Africa
7 106
(28% of the workforce)
(F2020: 10 343)



Training hours
Group
1 366 210 hours
with 100% of hours
benefitting
South African employees
(F2020: 893 682 hours)



Group

- Held a strategic talent review workshop with the executive committee following a review of succession across the group.
- The executive development programme was delayed due to COVID-19; however, a development plan for our top 100 leaders will be implemented in F2022.
- Training spend in South Africa increased as a result of a larger intake on the women's development programme, driver learnerships and learnerships for differently abled learners. Online training (anti-bribery and other business conduct matters) took place within Market Access and Logistics International; however, training spend and hours were not measured. A new learning management system will improve reporting going forward.

Market Access and Logistics Africa

- Completed mid-year and year-end performance reviews for our 300 most senior employees. The assessments have given us a good understanding of the capabilities we have at senior levels, gaps that may exist in terms of successors for critical roles and the skills we will need to ensure a future-fit workforce. The information is being used to calibrate talent, identify successors for all business leaders and the development needed to support and progress key talented individuals. In F2022, goal setting and performance reviews will be broadened to a larger group of non-bargaining council employees.
- Made good progress in building business development capability across Market Access, including bespoke healthcare sales capabilities.
- Launched a leadership development programme for supervisors and managers, equipping 102 employees from various businesses with the mindset and skills to lead the delivery of our business strategy, while understanding stakeholder needs, delivering value across the ecosystem, driving culture and living our leadership attributes.
- Following a learning gap analysis conducted with managing directors, we developed a curriculum to drive development of critical business skills and future-fit skills.
- Made good progress in building capabilities in procurement and health and safety across Logistics Africa, and operational excellence in Contract Logistics.
- Of the employees trained in South Africa:
 - 315 are enrolled in university courses, 119 being women (F2020: 523; 112 women).
 - 481 are participating in an Imperial Learning Academy learnership, 192 being women (F2020: 633; 228 women).
 - 5 082 attended short learning programmes, 582 being women (F2020: 4 513; 984 women).
 - 8 656 registered for online programmes, 1 015 being women (F2020: 4 674; 1 189 women).
- 315 employees (F2020: 256) received study assistance totalling R2,1 million (F2020: R2,4 million).
- R8,1 million invested in the Thabang Fund¹ since 2017 (R816 000 in F2021). The fund develops black semi-skilled and unskilled employees and their children. 30 employees and children benefitted (F2020: 31).
- R2,0 million (F2020: 1,7 million) invested in the family bursary schemes, supporting 48 students (F2020: 82).
- Training spend in South Africa met the 1% required by the Skills Development Act and equated to 5,8% of the South African payroll spend. R40 million was contributed to Skills Development Levies (F2020: R28,5 million).
- 309 unemployed learners participated in a learnership, apprenticeship or internship in South Africa, gaining work experience and receiving a stipend while they learn (F2020: 174). 99% (F2020: 91%) of learners are black and 70% are differently abled (F2020: 46%).

Logistics International

- Piloted a new assessment approach to determine the fitness of our employees for their current positions, their potential for future positions based on pre-defined competencies, and to identify the development training needed where competency gaps exist. Going forward, Logistics International's board will be evaluated.
- Launched online training programmes relating to compliance and data protection. The new learning system provides visibility of the completion status of each programme. Leadership development training will be rolled out in the future, focusing particularly on leading remotely.



Indicator report: page 123.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** ensure our learning and talent development programmes are fit for purpose and enhance the capabilities we need to deliver on our strategic objectives.
- **Market Access and Logistics Africa:** develop potential successors to leadership roles in line with the diversity strategy, and introduce leadership development programmes to address skills gaps at senior and middle management levels in F2022.

¹ Programmes include general education certificate in transport and warehousing, national certificates in freight handling and road transport; programmes to build business administration, warehouse and computer skills, wellness programmes and smart money skills.

Striving for **zero harm** to people and the environment



Unjani Clinics NPC provides access to affordable, quality primary healthcare to uninsured community members.



COMMUNITY

4



Contributing to the upliftment of communities



Contributing to the quality of human lives and the development of communities through initiatives focused on economic inclusion and affordable healthcare, quality education, gender equality and road safety.



Why supporting relevant social imperatives matters

In 2020, South Africa suffered its worst annual economic decline since the 1920s. Gross domestic product (GDP) contracted by 7% and unemployment reached an unprecedented level of 32,5% in the fourth quarter of the year¹. Waves of COVID-19 infection mean that some industries are not yet at full operation, and have delayed the pace of economic recovery. While lockdown measures are needed to protect human lives, they have deep impacts on livelihoods and business activity. In July 2021, economic recovery took a further step backwards with the violent protests experienced in KwaZulu-Natal and Gauteng. Economies around the world are all looking to solutions to restore economic growth and job creation while protecting loss of life from the pandemic. Poor economic performance limits government budgets and society's resources to guarantee wellbeing and the fundamental rights of local communities, including the right to education, healthcare and public safety.

Our purpose is to improve lives by providing people with access to safe, quality and affordable products across the markets in which we operate. The logistics and market access industry is pivotal to the growth and transformation of African economies. It supports the development of industries, creates employment opportunities and provides consumers with access to essential products and services which improve the quality of their everyday lives. In South Africa alone, the third-party logistics market is projected to grow at over 8% between 2020 and 2025². Through this business activity, the logistics and market access industry also contributes towards infrastructure development by expending capital on warehouses, and creating societal value through tax contributions and GDP uplift.

The value of logistics to economy and society was very visibly demonstrated throughout South Africa's lockdowns and the social unrest. Throughout these trying times, Imperial continued to supply essential products and services. With the help of other partners, we delivered food parcels to employees and their families in KwaZulu-Natal, and donated to the charitable organisations who were actively working to feed people during this time.

Supporting the transformation of South Africa's economy to be one that is fair and inclusive, is embedded in our core values as a moral and commercial imperative. Beyond our domestic market, we employ and develop local people in our countries of operation, not only to tap into their local knowledge but to enhance our legitimacy in these operations and improve the employee value proposition for our local workforces.

Beyond our business activities, we leverage our knowledge and network to create value for our local communities. This includes supporting enterprise development partners to provide services to our operating companies and clients, principals and customers (collectively referred to as clients) as well as communities, and impactful corporate social investment (CSI) initiatives that provide access to quality and affordable healthcare services, increase the reach of quality education, promote gender equality and improve road safety.

¹ Source: SARB Annual Report 2020/21.

² <https://www.mordorintelligence.com/industry-reports/south-africa-3pl-market#:~:text=The%20South%20African%20Third%2DParty,in%20the%20intra%2Dcontinental%20trade.>

2021 highlights



R401 million
paid in taxes and levies



61%¹
of total measured procurement
spend with B-BBEE compliant
suppliers



~14 560
jobs supported across
subcontractors and key
partners (South Africa)²



R40 million
estimated value unlocked
for communities by
Imperial-sponsored clinics in
the Unjani Clinics network
(cost and time savings)²



R24,2 million
CSI spend, 4,5% of group
continuing net
profit after tax (NPAT)

- In partnership with One Network, Imperial was selected to pilot a new technology platform spanning nine African countries, with the potential to create the largest connected healthcare network on the continent.
- Facilitated a donation for Unjani Clinics to receive 15 new, cutting-edge, robust and easy-to-use ultrasound devices.
- Concluded a 25% B-BBEE transaction in Imperial Logistics South Africa to enhance B-BBEE and women ownership.
- The Imperial and Motus Community Trust reached a milestone of 52 resources centres at schools, assisting the advancement of reading skills.
- Commenced a *Be safe, Be smart* gender-based violence (GBV) programme to be piloted in 10 schools in F2022.
- Donated R1 million and R3 million to Gift of the Givers and the Solidarity Fund, respectively, to assist the response to the social unrest in South Africa in July 2021.

Recognition

Awarded Logistics Service Provider of the Year at the third annual Ghana Pharma Awards 2021, which recognises companies that play a significant role in the growth and development of Ghana's pharmaceutical industry.

Link to material themes and issues

- Digital skills and user adoption.
- Local relevance and legitimacy.
- Attracting, retaining and developing talent.
- Workforce and skills diversity.
- Leadership development.



Our material issues: page 27.

In this pillar of our ESG strategy we are guided by the following global best practice frameworks:

- United Nations (UN) Global Compact and the UN Women's Empowerment Principles.
- Global Reporting Initiative.
- UN Sustainable Development Goals.
- Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Practice (dtic Codes).

Related content



Our ESG operating context, risks and opportunities:
page 14.



ESG performance rankings: page 23.



Governance of social issues: page 103.



Socioeconomic impact assessment studies for South Africa and Nigeria: <https://www.imperiallogistics.com/socio-economic-impact-assessment.php>.

¹ Calculated for the Road Freight Scorecard.

² For F2020, as estimated during the independent external socioeconomic impact assessment study of our South African operation.

74 Why supporting relevant social imperatives matters continued

Our ESG focus areas



Targets and objectives

South Africa

- Achieve the Road Freight Sector Codes and generic dtic scorecard requirements for B-BBEE.

Group

- Meet country-specific localisation requirements.
- Sustain a CSI spend of 1% of NPAT, and monitor and report societal impacts.

Stakeholder engagement on community issues

We participate in the Road Freight Association’s B-BBEE committee to provide input to government policy and to advance the finalisation of the revised draft Road Freight Sector Codes. We are also members of Business Leadership South Africa, Business for South Africa, Business Unity South Africa, the National Business Initiative and Business Engage. These memberships help us build stronger relationships with government and authorities.

We actively support South Africa’s development and growth plan post COVID-19 through our memberships and other stakeholder engagements, including being a strategic partner and member of the World Economic Forum’s New Champions South Africa initiative.

To advance skills development in South Africa, we collaborate with other businesses, industry bodies, local government, Sector Education and Training Authorities, the Department of Labour and Employment, the National Department of Basic Education and professional bodies, with a specific focus on the National Skills Development Strategy and programmes that give unemployed youth workplace experience (see page 67).

During the year, we engaged with our suppliers and subcontractors in South Africa on their B-BBEE ratings, and pleasingly, have seen an improvement in the compliance status of the supplier base. This is a key focus area for the new procurement capability established in F2021 (see page 112).

Across Africa, the following relationships contribute to our legitimacy in the Market Access 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.
- Kenya Association of Pharmaceutical Industry membership.
- Our operating company, Worldwide Commercial Ventures Limited (WWCVL), is a member of three industry forums in Nigeria which engage with the government on pharmaceutical policies.

Affordable, quality healthcare in Africa

Our context and challenges

Our footprint

Imperial owns and operates over **105 000m² of warehouse space** in the healthcare industry spanning 27 locations.

Our reach

We manage **innovator, generic** and **over-the-counter** pharmaceuticals, and provide point of care and pharmaceutical retail deliveries to **9 813** delivery points in South Africa (public and private sector), **7 857** in Kenya, **918** in Ghana and **52 000** across Nigeria.

Africa's challenges

Currently less than 50% of people in Africa are able to access modern health facilities¹. Inadequate resource allocation, infrastructure, funding, customs gridlock, counterfeit pharmaceuticals, corruption and poor enforcement of regulations are major challenges to healthcare delivery on the continent.

Investing in healthcare is of utmost importance in any society. A healthy population contributes to productivity and reduces socioeconomic costs associated with compromising health conditions. There is an urgent need to increase diagnostic and treatment capacity, improve healthcare infrastructure and provide medical supplies to under-served communities throughout sub-Saharan Africa. Through our expertise, experience and technology, we contribute to making quality and affordable healthcare accessible to many Africans, including those living in remote under-served areas.

Our approach

Over the past 21 years, we have built strong relationships with multinational principals, donors, regulators and governments; a wide distribution network; and strong governance and compliance practices, which have enabled the supply of quality medicine into our countries of operation in a more

affordable way. Affordability however is not only a culmination of our partnerships and relationships; it also depends on our ability to shorten the healthcare supply chain, removing layers of mark-up, and achieve efficiencies using technology. This is the foundation of our 'One Imperial' drive to streamline, rationalise and integrate our healthcare businesses to lower costs and improve supply. 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.

Our track record includes the widespread distribution of millions of antiretroviral and other critical medicines in complex and challenging African markets, and the ongoing supply of vaccines in the South African Government's paediatric programme.

 **Product responsibility:** page 113.

¹ Source: <https://www.gsb.stanford.edu/insights/taking-challenges-health-care-africa>.

76 Affordable, quality healthcare in Africa continued

What we are doing

Control towers

Imperial is a leading supplier of healthcare control towers in Africa. Our control towers have become part of the healthcare infrastructure in certain regions, providing supply chain resilience through the ability to track and manage demand, orders, inventory and shipments in real time as products flow through networks and across international borders. Hospitals and other healthcare providers are able to reduce inventory stock outs and write-offs to near zero. The automation of their hospital, dispensary, distributor and supply chain processes means lower costs, and they can collaborate more closely with one another. In addition, the integrity of the supply chain is improved, ensuring authentic products are managed through validated channels, reducing risk for patients. Patients receive better care and enhanced visibility means doctors are better prepared for patient visits, waiting times are reduced and access to services is streamlined.

 **Imperial keeps abreast of the accelerating pace of innovation within the logistics industry:** page 116.

Innovative solutions

Our turnkey modular infrastructure solutions are fully outfitted prefabricated facilities that can be constructed in a few days in urban and rural areas. The In-a-Box™ solutions also contribute to job creation and local business development during construction.

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 facilities align with international warehousing practices, and supply chain and design principles. The units are pharmaceutically compliant and meet World Health Organization (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. Facilities can accommodate water storage units, 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 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.

Unjani clinics

The Unjani Clinics network is our flagship enterprise development and CSI initiative, which provides quality, affordable primary healthcare to communities.

 **Unjani Clinics:** page 80.

Imperial is part of the Chemotherapy Access Partnership, established in October 2019 to help cancer patients in Nigeria access lower priced, high-quality chemotherapy treatment

Cancer patients in Nigeria experience the combined impact of expensive treatment and a limited number of local oncology experts. The Chemotherapy Access Partnership (CAP) is a collaboration between Imperial company WWCVL, the Nigerian Federal Ministry of Health, the Clinton Health Access Initiative, the American Cancer Society, Pfizer and EMGE Resources to provide cancer patients in Nigeria with chemotherapy treatment after being screened and diagnosed at a partner teaching hospital. Through WWCVL, the initiative reduces the prices of 16 priority

medicines coupled with access to Imperial's value chain, saving around 50% of treatment costs for patients. The quality of these treatments is similar to that received by patients in Australia, Canada, Europe, Japan and the United States.

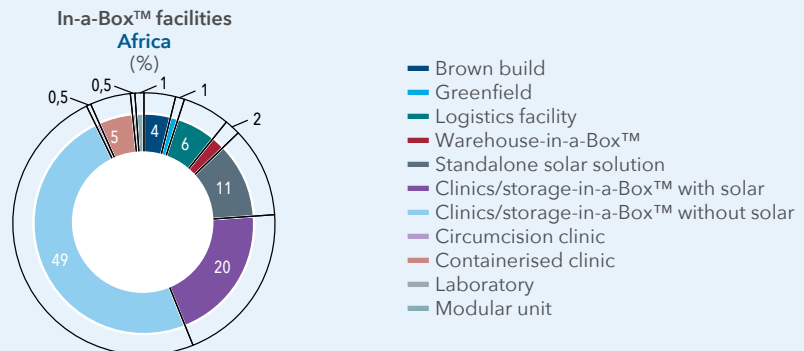
In this partnership, we offer our services on a not-for-profit basis. This includes our partnerships, distribution expertise, state-of-the art cold-chain facilities and procurement experience, ensuring a stable supply of genuine medicines, reducing costs and saving time. We also assist patients in scheduling their treatments at the 12 partner teaching hospitals. Ten of our employees support the programme. In F2020, the CAP programme impacted 455 patients and achieved cost savings of NGN356 million (R15,1 million). It is estimated that 45 lives, which would otherwise have been lost, were saved, avoiding a socioeconomic loss of approximately NGN2 billion (c. R85 million)¹.

¹ Source: Socioeconomic impact assessment study Nigeria: <https://www.imperiallogistics.com/socio-economic-impact-assessment.php>.

2021 performance review

In-a-Box™ facilities Africa 862

In-a-Box™ solutions to date, providing quality healthcare infrastructure in 15 African countries, including South Africa (F2020: 792)



Group

- Awarded the opportunity to participate in the importation of COVID-19 vaccines into South Africa. We have set-up a task force across Market Access and Logistics Africa to ensure we can assist the distribution of vaccines in Africa.
- In a joint venture with technology provider One Network Enterprises, Imperial was selected to steward the OpenLMIS platform - a purpose-built electronic logistics management information system for healthcare supply chains - in Angola, Benin, Cameroon, Côte d'Ivoire, Guinea, Malawi, Mozambique, Tanzania and Zambia from March 2021. The platform, together with our One Network-enabled control towers will provide end-to-end supply chain visibility and real-time analytics, as well as track and trace capability at a fraction of the cost of legacy systems. The integration of these two technologies has the potential to create the largest connected healthcare network in Africa.
- **SADC:** registered a bond store in Botswana to service the SADC region, which has resulted in faster product delivery to market.
- **Ghana:** through the Imperial Innovation Venture Fund (see page 116) and together with the Johnson & Johnson Foundation, we provided seed capital for a Ghana-based health technology start-up, which gives patients access to five-minute medical tests offered by at least 350 partner pharmacies. There are 10 rapid tests available, and patients can access their digital health records and test results from an app. The funding will be used to expand operations within Ghana and to new markets.
- **Ghana:** over and above our 918 delivery points, we delivered COVID-19 emergency distribution to another 1 546 delivery points in Ghana.
- **Ghana and Nigeria:** leveraging our partnership with Teva Pharmaceutical Industries, one of the world's largest producers of generic drugs, we are registering generic products with the regulatory authorities in Ghana and Nigeria.
- **Nigeria:** 36 key distributors have been added to our Nigerian network, increasing the access of smaller wholesalers to pharmaceutical products.
- **South Africa:** partnered with the International Finance Corporation to pilot five healthcare units in South Africa that expand the services already provided by Unjani Clinics to include screening, treatment and other healthcare services for COVID-19 patients. The pilot clinics are based in Gauteng, in densely populated low-income urban areas where access to healthcare is limited.
- **South Africa:** facilitated a donation for Unjani Clinics to acquire 15 new, cutting-edge, robust and easy-to-use ultrasound devices from key principal, Clarius. The devices will help Unjani Clinics to meet the antenatal care needs of the communities it serves, while also providing reference cases for prospective clients on how this new technology can be applied locally.
- **Kenya:** last year, we reported that we would investigate a mobile phone-based money transfer service (M-Pesa) for subscale pharmacies in Kenya, enabling them to purchase pharmaceutical products without a bank account. We completed the review, and are evaluating the timeline for rollout given that the initiative requires integration with the 'One Imperial' finance project, which has been paused.

Looking forward

- **Market Access:** develop a strategy, covering all our commercial partnerships, to drive improved reach of high-quality generics into Africa.
- **Market Access:** assess the value of working with one of our Innovation Fund investments in Nigeria to better target patient offerings at a pharmacy level to drive better healthcare outcomes.
- **Market Access:** evaluate a full line wholesaling pilot in Ghana and extend our distribution network in Nigeria to selected smaller conurbations¹.

¹ A region comprising a number of metropolises, cities, large towns, and other urban areas that, through population growth and physical expansion, have merged to form one continuous urban or industrially developed area.

78 Focus area: Enhance inclusive supply chain performance¹

Our context and challenges

- An equitable society**

B-BBEE 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.
- Amended dtic targets**

The amended dtic Codes have set an increased **preferential procurement spend target of 50%** with 51% black-owned suppliers (from 40%).
- Supplier capability and compliance**

The different products and services provided by Imperial's operating companies make **it difficult to find** B-BBEE compliant suppliers and small, medium and micro enterprises (SMMEs) able to meet our expectations in terms of quality, price, capability and capacity.

Our approach

South Africa's government has prioritised its promise to redress past wrongs. We align to this intent: collaborating with our clients, partners, suppliers and the public sector as the keystone of our approach. First and foremost, we are working to promote diversity and inclusion in the workplace and to align our employee and leadership representation with South Africa's national demographics. Our employment equity plans are covered on page 62 of the social - workforce chapter. This

section of our report covers the remaining transformation aspects of B-BBEE, which seek to meaningfully enhance the participation of black people in the economy.

We strive to continually improve our transformation credentials with a significant ownership deal announced during the year (see page 79). Our B-BBEE rating provides significant benefits for our clients and enhances our ability to compete for new business and retain existing clients. It also strengthens our employer brand and ability to attract and retain talent.

Our targets

- | | | |
|---|--|--|
| 1 | Spend with 51% black-owned | Achieve 25% of total procurement spend with 51% black-owned businesses and 7% with 30% black women-owned businesses. |
| 2 | Spend with small businesses | Achieve 20% of total procurement spend with qualifying small enterprises (QSEs) and exempt micro-enterprises (EMEs). |
| 3 | Enterprise and supplier development | Spend 3% of the South African NPAT on enterprise and supplier development (aligned to the dtic Codes target). |
| 4 | Socioeconomic development | Spend 1% of the South African NPAT on socioeconomic development (aligned to the dtic Codes target). |

¹ This section of our report covers our South African operations only.

How we measure performance

We measure our transformation progress against the Road Freight Sector Scorecard as well as the more stringent dtic Codes, to prepare for the possible changes that could be made to the revised Road Freight Sector Codes when they are gazetted. Our B-BBEE scorecard covers all South African operations, including the employees based in South Africa who work for Market Access. The F2021 dtic Codes scorecard will be available in October 2021 on the Imperial website.

 **B-BBEE scorecard:**
<https://www.imperiallogistics.com/transformation-bee.php>

Audits and assurance

Our B-BBEE scorecard is independently verified by a South African National Accreditation System (SANAS) accredited verification agency.

What we are doing

Ownership

During the year, Imperial concluded transaction agreements with its B-BBEE shareholders - Afropulse, Willowton and Converting Trade. Afropulse held 61% and Willowton held 39% in Converting Trade, which in turn, held a 25% shareholding in Imperial Logistics Advance Proprietary Limited (ILA). Both Afropulse and Willowton are black women-owned enterprises. As a result, ILA was more than 51% black-owned and more than 30% black women-owned. The transaction consolidated the businesses of Imperial Logistics Group South Africa Proprietary Limited (ILSA) and ILA to create an enlarged ILSA, which houses most of the group's South African operations.

Converting Trade disposed of its 25% shareholding in ILA and acquired, on a value-for-value basis, 9,9% shareholding in ILSA. Afropulse and Willowton subscribed for new shares in ILSA valued at R502,8 million, after a 20% discount provided by Imperial, to acquire an additional 15,1% shareholding in ILSA. The effective B-BBEE shareholding of Afropulse and Willowton in ILSA post the transaction is 12,6% and 12,4% respectively. The shareholding lock-in period is five years from the effective date of 30 July 2021, precluding the B-BBEE shareholders from selling their shares during this time.

ILSA's enhanced B-BBEE and women ownership reiterates our commitment to sustainable empowerment and transformation in South Africa, and will increase our competitiveness, appeal to our South African clients, support our 'Gateway to Africa' strategy and achieve future growth.

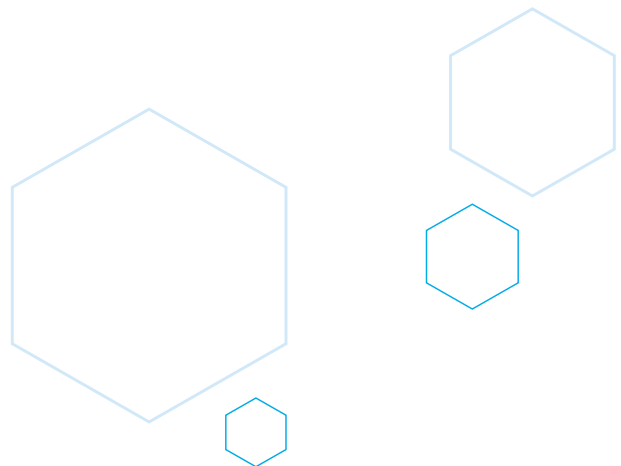
Preferential procurement

Our newly established centre-led procurement capability (see page 112) builds on our successful strategic sourcing initiatives completed during the year. Included in this capability's responsibilities will be to provide guidance on preferential procurement practices to achieve our B-BBEE targets; assist operating companies with B-BBEE compliant supplier data management; and to gradually increase group procurement spend under management.

Enterprise and supplier development

Our enterprise and supplier development initiatives aim to capacitate small businesses to meet our procurement requirements and integrate them into our supply chain, establishing a pool of competent local suppliers. We work with suppliers on a one-to-one basis to improve their B-BBEE rating, and create sustainable business opportunities to enhance their product or service offering, business processes, lead times and delivery. To develop suppliers, we provide financial and technical support through the Sinawe Fund (an equity-based development fund for SMMEs) and interest-free loans to help targeted suppliers grow their capacities and capabilities. Our enterprise development support is provided to our flagship project, the Unjani Clinics network, and we provide financial and operational support to SMMEs.

Prior to investing in an enterprise development project, thorough due diligence is conducted and clear objectives and key performance indicators are agreed. 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 beneficiaries to ensure that the anticipated return is realised.



80 **Focus area:**
Enhance inclusive supply chain performance continued

Unjani Clinics

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

R5,6 million invested, bringing Imperial's investment to date to R42 million (F2020: R4,9 million)

Provides primary healthcare to **more than 60 700 patients** a month nationally

346 permanent jobs created and people upskilled, including 111 professional nurses

Conceptualised in 2010, the Unjani Clinics initiative provides quality, affordable primary healthcare and quality medicines to people who are uninsured and under-served but employed and able to pay a small fee towards their healthcare needs

The Unjani Clinics NPC (non-profit company) is a disruptive business model that incorporates entrepreneur incubator to enterprise development to market linkage under one umbrella. It empowers black women professional nurses (nurse-preneurs) to operate and ultimately own primary healthcare container clinics that target the employed but uninsured market in mostly low-income and rural communities. The model demonstrates the important contribution the private sector can make toward universal basic healthcare. The nurse-preneurs receive training and financial support (the container-clinic infrastructure with basic equipment and medication) until they can scale and sustain their operations. They also receive operational support, including supply chain and back-end services.

Strict criteria guide the selection of nurses, who must comply with the five-year enterprise development agreement and standard operating procedures, which also covers patient confidentiality, regulatory compliance, responsible product use and on-time payment of suppliers. Compliance is monitored through operational and financial audits, and technology is used to track health outcomes and impact.

Patients have access to numerous channels to provide confidential feedback or make complaints. Unjani Clinics NPC monitors and manages these engagement mechanisms, following up with nurses when complaints or negative feedback are received.

The network comprises 92 (F2020: 75) operational clinics and two mobile clinics funded through the enterprise development spend from a number of partners¹, including Imperial (29 clinics) and the Jobs Fund (21 clinics). Imperial-funded clinics have facilitated 56% of patient engagements to date.

It is estimated that around 80% of South Africa's population is dependent on an overburdened public sector healthcare system, leading to sub-par healthcare delivery. In addition, to basic primary healthcare services, Unjani Clinics patients can access COVID-19 screening and antenatal care, with an estimated 40 000 sonar scans performed a year. Free HIV screening and pre- and post-test counselling are available in clinics located in Ekurhuleni and the North West Province. Patients are referred to doctors when their needs are outside the scope of practice. A basic consultation costs R200 and includes medication. Other services are available at an additional cost. The nurses also conduct public outreach programmes at local schools and community events.

¹ Other private sector partners include the Johnson & Johnson Corporate Citizenship Trust and Johnson & Johnson Family of Businesses; Pfizer South Africa and The Pfizer Foundation; Rand Mutual Assurance; Tiso AEL Development Trust; The Elma Foundation; Renault South Africa; AVI Community Trust; GlaxoSmithKline Consumer Healthcare; Mediclinic South Africa; Barloworld/De Beers Trust; MSD SA & Merck for Mothers; Global Giving & Ford Motor Company, and Bayer Social Impact Fund. Government partners include National Treasury's Jobs Fund and the German Ministry for Economic Cooperation and Development.

Social concerns addressed

- Transforming the healthcare system.
- Access to quality primary healthcare.
- Job creation.
- Enterprise development.



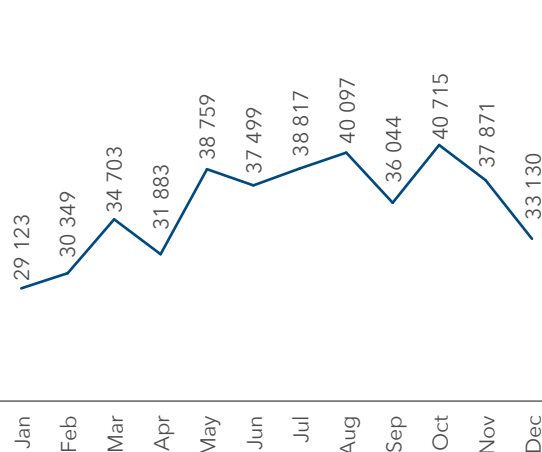
2021 highlights

- 17 new clinics were established, including two mobile clinics, 15 nursepreneurs were empowered and 79 jobs created. The mobile clinics are located in Zebedelia (Limpopo) and Mthatha (Eastern Cape), extending access to rural villages.
- Six professional nurses graduated from the five-year enterprise development programme, taking title ownership of their clinics. In total, 16 professional nurses now own their own clinics, with 13 remaining in the network.
- To date, Unjani Clinics NPC has received total funding of R139 million from all sponsors, a testament to sponsor confidence in its transformative value to society.
- At June 2021, the number of patients served by the clinic network since inception was 2 048 356, with 677 161 served in F2021.
- COVID-19 screening has been provided for over 520 000 patients (F2020: 75 000) since the start of the pandemic.
- Imperial’s independent socioeconomic impact study estimated that in F2020 the Unjani Clinics sponsored by Imperial unlocked over R40 million for surrounding communities, through savings in cost of healthcare and their time (avoiding having to travel long distances to government hospitals/clinics and queuing).

Patients statistics for 2020



Patients statistics for 2019



Source: Unjani Clinics NPC 2020 Annual Report.

To ease the project’s reliance on grant funding and achieve scale, good progress has been made on advancing a blended finance model, which is both affordable for the nurse and delivers sufficient returns for loan providers. A test model will be launched in the next 12 months. The NPC has also made some good strides in developing its own clinic management system to enhance reporting and achieve efficiencies and better healthcare outcomes.

Target: grow the Unjani Clinics network to 100 clinics by the end of 2021.

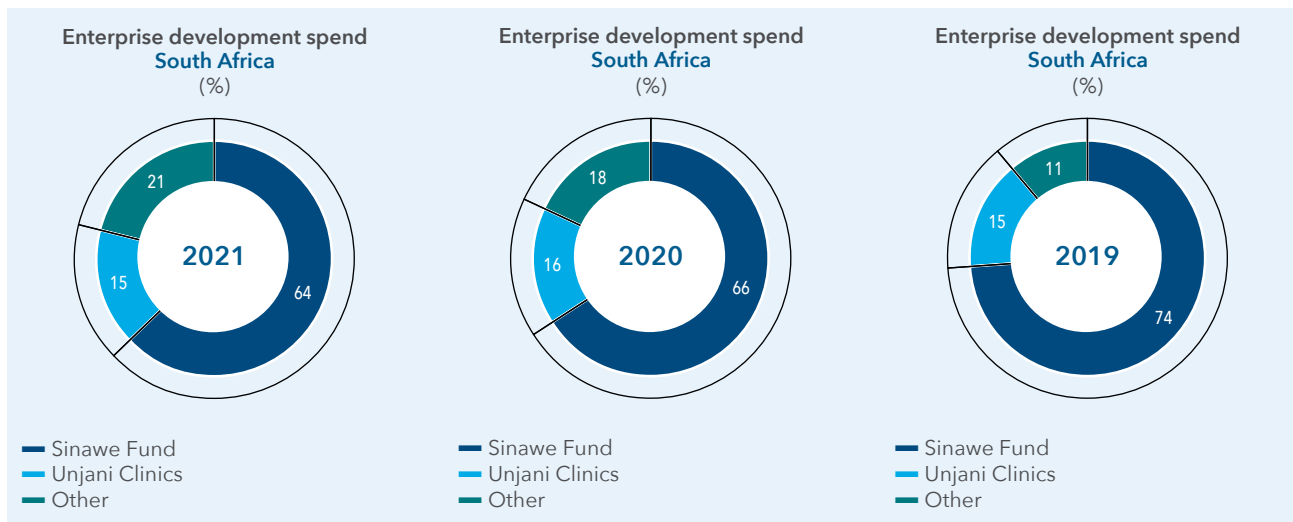
82 Focus area: Enhance inclusive supply chain performance continued

2021 performance review

<p>B-BBEE ratings South Africa</p> <p>Level 2 rating achieved against the Road Freight Sector Codes (F2020: Level 2)</p> <p>Level 3 rating projected B-BBEE score for 2021 per the more stringent dtic Codes (F2020: Level 4)</p> <p>R30 million invested in enterprise development, meeting the target of 3% of South African NPAT¹ (F2020: R29 million).</p>	<p>Total procurement spend South Africa R9,2 billion total procurement spend</p> <p>34% of total spend was with 51% black-owned businesses (internal target: 25%)</p> <p>15% of total spend was with 30% black women-owned businesses (internal target: 7%)</p> <p>25% of total spend was with EMEs and QSEs (internal target: 20%)</p>	<p>Total measured procurement spend² South Africa R13,8 billion total measured procurement spend (F2020: R13,8 billion)</p> <p>R3,8 billion spent with 51% black-owned businesses (F2020: R3,1 billion)</p> <p>R1,2 billion spent with 30% black women-owned businesses (F2020: R1,2 billion)</p> <p>R2,6 billion spent with EMEs and QSEs (F2020: R2,7 billion)</p>
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¹ NPAT calculated for the continuing South African operations.

² At the time of reporting, the B-BBEE management report was not yet available, so some reported figures may change slightly after publication.



Group (South Africa)

- Established a B-BBEE governance committee to lead our B-BBEE implementations (see page 101) and ensure that B-BBEE practices in our operating companies are consistent with the B-BBEE Codes of Good Practice.
- Of the total measured procurement spend, 39% was with non-compliant B-BBEE suppliers. Engagement with our operating companies continues to drive improvement and reduce this measure.
- The business development and supplier partnership departments are collaborating to develop a solution to partner with clients on enterprise and supplier development initiatives and identify more SMMEs that could be assisted with acquiring old assets and growing their businesses by leveraging Imperial's supply chain.
- Took the decision to exit from the partnership with Awethu Projects, a black fund manager for the Sinawe Fund, which has not performed to our expectations, partly due to our inability to direct client business to the beneficiary SMMEs as a result of organisational restructures and contract terminations arising from the COVID-19 impact. Going forward, the Sinawe Fund will be managed internally within Logistics Africa under the strategic supplier partnerships function.
- As part of our enterprise development spend, interest-free loans to black enterprises amounted to R11,1 million (F2020: R12,4 million).
- Socioeconomic development spend of R9,9 million was 1,85% of NPAT for the South African operation, achieving the target of 1% NPAT (this spend reflects our contributions to the National Bargaining Council for the Road Freight and Logistics Industry's wellness fund (see page 54)).



Indicator report: page 126.

Looking forward

Priorities to achieve our targets and objectives:

- **Group (South Africa):** maintain Level 2 B-BBEE rating (achieved in F2021) against the Road Freight Sector Codes and focus on improving our scores in the employment equity and skills development pillars.
- **Group (South Africa):** advance B-BBEE initiatives under the centre-led procurement strategy, and integrate ESG considerations as part of the strategy.
- **Group (South Africa):** explore an internal incubation programme for SMMEs.



Ensure high supply chain standards are upheld: page 112.

84 Focus area: Improve employee localisation

Our context and challenges

Responsiveness to local requirements

When acquiring businesses in Africa, we retain management teams as far as possible, to retain institutional knowledge. These teams often comprise a significant proportion of foreign nationals, with the result that many of our leadership teams in African countries are not representative of the local population.

Availability of skills

Availability of key skills and experience in our markets of operation, which can constrain our ability to find the right candidates for leadership teams.

Our approach

Throughout Africa there is a drive for advancement and development. Local ownership and empowerment requirements differ from country to country and have been generally informed by the country's particular political history and socioeconomic environment. Many of the regulations seek to redress historic economic imbalances among certain local population groups and to protect indigenous populations. In some countries the regulations are sector based, and in others - namely Namibia, South Africa, Zambia and Zimbabwe - regulations apply to both private companies and state institutions across all sectors of the economy. An increasing number of jurisdictions in sub-Saharan Africa are introducing new local empowerment regulations or amending existing regulations.

We welcome the imperative of local beneficiation targets and the desire of African governments to see their people engaged in meaningful work. We are committed to the guiding spirit behind the requirements, one which envisages a country and a continent where all can aspire to dignified lives and equitable opportunity.

We help our clients meet government policy on localisation objectives, including job creation. Within our own operations, we expect our managers to challenge barriers of culture and race, and to identify and nurture talent in underrepresented groups from appointment, promotion and training opportunities to investment in local businesses. As Imperial realises its strategic objective to grow its operations, this will translate into further employment opportunities for local people.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** prioritise local appointees for management positions when vacancies and new positions are approved.
- **Group:** establish a committee to drive localisation requirements and develop action plans to address them. This will be undertaken as part of our broader diversity and inclusion strategy (see page 62).
- **Market Access:** create more momentum around localisation priorities.

Imperial is contributing to Nigeria's efforts to reduce the impact of outbound medical tourism, in turn, building local demand, skill and capacity

Imperial, through WWCVL, is the largest importer and distributor of safe pharmaceutical products in Nigeria. Bringing affordable, authentic and quality pharmaceuticals into the country reduces outbound medical tourism and the associated GDP losses, which Nigerian authorities estimate to be around NGN378 billion annually (c. R13 billion). To achieve this, we make significant investments in technology systems and world-class warehousing and distribution facilities. In F2020, we invested R28 million in upgrading our warehouse infrastructure, potentially unlocking R88 million for the Nigerian economy¹.

The country's adoption of digital technology, especially for healthcare delivery, is in its nascent stage. We have digitised the last mile of delivery; meaning our sales and medical representatives are

equipped with tablets to manage relationships with various stakeholders and provide real-time information on the availability of medicines. Our representatives received training on how to use the technology, improving their digital skills.

Our trusted network of local distributors enables us to reach patients across the country through over 5 000 pharmacies and hospitals. As part of our stewardship, these distributors benefit from our wealth of experience and best practices developed over years, as well as assistance with establishing and setting up their own cold-chain facilities, ensuring that pharmaceuticals are stored and transported correctly. In F2020, we spent NGN59 billion (c. R2 billion) with local suppliers and partners¹.

Over 96% of our skilled workforce is Nigerian. While overall local representation is high, there is more work to do to improve at senior management levels, where 87% of managers are foreign nationals. While currently ad hoc, we provide students with internship and apprenticeship opportunities. We intend to strengthen these programmes in future to enhance the talent pipeline and support the development of Nigerian students. In total, 436 online and offline training registrations were made in F2021.



¹ Source: the independent socioeconomic impact assessment study for Nigeria

86 Focus area: Strengthen CSI partnerships to increase impact

Our context and challenges

- Critical evaluation of shared value**

Organisations are expected to give employees, communities and growth in share price **equal priority**.
- An equitable society**

A report from the UN Development Programme finds that **10 of the world's 19** most unequal countries are in sub-Saharan Africa, with education and healthcare being critical development areas.
- Road safety**

Around **40 people are killed** on South Africa's roads each day and 15 000 annually¹ – one of the worst road mortality rates in the world. A South African child is more likely to be killed walking on roads than by any other means, with pedestrian accidents being the **leading cause of injury and death** for children under the age of 15².

Our approach

Over and above our business activities, we invest and actively partner in initiatives that are making a sustainable contribution towards strengthening the communities in which we live and work. The tangible social value delivered by our strategic CSI projects include access to healthcare and better education, empowering women and communities in marginalised areas, tackling GBV, supporting sport and skills development and raising road safety awareness in South Africa. Our operating companies also support projects relevant to their local communities.

We partner with our clients, various institutions, well-established non-profit organisations (NPOs), non-governmental organisations (NGOs) and government departments involved in credible programmes. We also actively encourage the participation of our employees in CSI initiatives. Sponsorships are viewed as notably distinct from CSI projects.

How we measure performance

Each business is encouraged to spend around 1% of its NPAT on CSI initiatives. In South Africa, CSI projects must have a beneficiary base that is at least 75% black. Limited assurance by external independent service providers is undertaken annually on our CSI spend. The socioeconomic impact assessments studies undertaken during the year have provided perspective on the direct and indirect impacts of our CSI initiatives in South Africa and Nigeria.

 **ESG performance rankings:** page 23.

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>

What we are doing

Imperial has committed R5 million each year for five years to the Imperial and Motus Community Trust to establish resource centres with libraries for under-resourced schools (the start of this commitment was 2020)

Imperial and Motus Community Trust South Africa

Since 2003, the Imperial and Motus Community Trust in partnership with the National Department of Basic Education has established 52 modern resource centres, reaching over 62 000 learners and supporting over 62 jobs.

The project helps to develop literacy and reading skills through a comprehensive literacy intervention programme for public primary schools, primarily in underprivileged communities in south and east Johannesburg. The libraries are open every weekday until 16:00 as well as on three Saturdays of every

month. They provide scholars with access to leisure reading and research tools, while providing educators with a customised store of teaching resources. Reading 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.

Each library is equipped with around 9 000 books, six laptops for learner use, and one laptop each for teacher use and admin work. Libraries are also equipped with wi-fi for learners, teachers and other employees.

The resource centres are staffed by trained library assistants employed by the Trust - often newly matriculated youth from the school's local community.

The Trust's mission is to empower children to reach their potential - academically and individually - while also nurturing their self-confidence and self-esteem.

2021 highlights

- Resource centres were established at Intokozo Primary School in Katlehong (September 2020), Goede Hoop Primary School in Reiger Park (October 2020), Palm Ridge Primary School in Katlehong (February 2021), Umkhatizwe Primary School in Tokoza (February 2021), Thuto-Tiro Comprehensive School in Sebokeng (February 2021), and Siviwe Primary School in Sebokeng (June 2021).
- The Trustees are considering the introduction of e-learning and what this will mean for the Trust's strategy, and are exploring mechanisms to enhance funding through more partners.

Social concerns addressed

- Enhanced education.
- Youth development.
- Job creation.

Target: provide library access to 100 000 learners (around 100 resource centres) by 2025.



88 **Focus area:**
Strengthen CSI partnerships to increase impact continued

Imperial invested USD1 million in a world-class eye hospital in Abuja, Nigeria, providing subsidised or free eye surgeries for under-served patients

Tulsi Chanrai Foundation Nigeria

The Tulsi Chanrai Foundation is an NPO that provides quality healthcare services to the remote and disadvantaged Nigerian population. Approximately 4.3 million Nigerian adults suffer from moderate to severe visual impairment, of which over one million are in urgent need of medical attention¹.

The Tulsi Chanrai Eye Hospital provides affordable specialised ophthalmology services using cutting-edge medical and surgical eyecare.

Revenue generated from the care provided to paying patients is used to cross-subsidise community services. 40 beds are allocated for under-served patients. The hospital also provides treatment through its outpatient department. These services, including the surgeries, are offered at a rate that is at least 20% to 30% lower than the market rate.

Weekly outreach camps provide under-served 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 (funded by partners).

Testimonials indicate that patients are grateful to the initiative for enabling them to go back to school and their jobs post treatment.

2021 highlights

- 38 rural eye camps held during the year, screening 43 473 outpatients (F2020: 24 743), with a cumulative total of 74 202 under-served patients seen since January 2019.
- 1 786 (F2020: 2 423) free surgeries were undertaken, with a cumulative total of 3 594 free surgeries undertaken since January 2019 against 2 049 paid surgeries over the same period. Some 95% of patients receiving free surgery have improved vision.
- The initiative received funding for free community surgeries from Azure Power, N M Bhudhrani Trust, Mrs Bharati Chanrai, Uplifting the Needy Foundation and Ishk Tolaram Group.

Social concerns addressed

- Access to eye healthcare.
- Employment and specialised training for local doctors and nurses.

Target: increase bed capacity for under-served patients to 100 in the next three to five years.



¹ The Tulsi Chanrai Foundation Annual Report.

Imperial partners with the SOS Children’s Village in Kecskemét, Hungary, covering the costs of accommodation, healthcare and education for around 60 children

SOS Children’s Villages International Hungary

SOS Children’s Villages International is an NPO that provides humanitarian and developmental assistance to socially-disadvantaged children in 137 countries, protecting their interests and rights. Many of these children and young people are orphans who are being supported in a loving manner in foster families.

The closure of schools and the lockdown in Hungary which lasted for months as a result of COVID-19, negatively impacted the mental wellbeing of the children and young people, who have already been exposed to traumatic experiences. The foster parents, who sometimes look after between four and six

children, had to reorganise their lives to support home schooling and keep the children occupied, often resulting in additional financial burdens.

On the other hand, COVID-19 provided an opportunity to build resilience, which everyone needs to overcome crises. Social workers, psychologists and teachers provided tips and ideas for the families on how to organise quality time during isolation. This was also shared with the broader public - reaching around 600 subscribers, individuals and organisations.

2021 highlights

- As far as possible, the foster families were provided with additional mental health and financial support (professionally developed intervention plans to deal with emotional problems, psychological therapy sessions, and increased food allowances).
- The NPO set up extra tutor programmes facilitated by volunteer students and delivered via Zoom or Teams. IT equipment was provided to families in need.
- The children were taken on holiday during the two months of summer where lockdown was lifted.
- The NPO launched a new programme to make it easier for young people to cope with the process of ‘weaning themselves’ from their foster parents.
- An online training programme was developed for future foster parents.

Social concerns addressed

- Access to education.
- Child welfare.



90 **Focus area:**
Strengthen CSI partnerships to increase impact continued

Imperial’s global women’s forum continues to drive projects that promote the empowerment of women and gender equality; essential to enabling economies and communities to thrive

Supporting gender diversity and taking a stand against gender-based violence
Group

Imperial’s approach to gender diversity and female empowerment goes beyond transformation within the business to supporting the larger network of women in the communities in which we operate. The forum looks for opportunities to grow and elevate women, focusing on community upliftment, sports development and supporting causes that address key societal issues.

Our partnership with Gauteng Cricket reinforces our commitment to sport development and sport’s unmatched ability to inspire, motivate and unite nations and people. We support the development of women in sport, investing in the Central Gauteng Lion’s women’s league - this includes the Imperial Central Gauteng Lions Women, and the Imperial Women Saturday Premier League and Presidents League.

The Imperial Wanderers Stadium has partnered with the Gauteng Cricket Board and People Opposing Women Abuse (POWA), an NPO that advocates for women’s rights and provides shelter, counselling and legal advice for victims of abuse. The partnership aims to raise the awareness of the high level of GBV rates in South Africa, implement measures to curb this scourge and raise funds and resources for POWA.

In F2021, we partnered with the Department of Basic Education, visiting 20 schools and receiving 3 506 surveys from the schools to select 10 schools for a pilot *Be safe, Be smart* GBV programme. Sadly, the results of the surveys were harrowing, reinforcing our decision to invest in ways to address this human rights violation. Selected teachers at each school will receive an NQF¹ level 5 qualification and will be trained to implement the programme to ensure its sustainability. The training of ambassadors and teachers will be completed by September 2021 and full implementation rolled out in F2022, commencing with schools in Tshwane (Pretoria). The initiative aims to change how GBV is identified and addressed in South African schools, and to create a safe space for learners experiencing any form of GBV. Girls will be taught how to receive assistance and boys will be educated on how to treat girls.

2021 highlights

As part of the Imperial global women’s forum’s goal to identify, create and support women empowerment and upliftment, the following initiatives were supported during the year:

- Sponsored gsport, an online platform which for the past 15 years has provided exclusive 24/7 coverage of women’s sport, sport news and positive stories from around the world, to close the gap between women’s sport in Africa and the rest of the world. The Momentum gsport Awards is a women’s sport recognition platform; this year we sponsored the Imperial African Woman in Sport award, which honours women who impact and raise the profile of women’s sport in Africa.
- It is estimated that three out of 10 girls in South Africa miss school every month due to lack of feminine care products. As part of our Women’s month initiatives, we donated 200 PrincessD menstrual cups to help keep young girls in school. The PrincessD menstrual cups are an environmentally-friendly, cost-effective and sustainable solution for girls and women. The PrincessD Menstrual Cup is ultra-soft, made from medical grade silicone and is reusable for 10 years.
- Women working for Imperial Health Sciences started an outreach programme to talk to girl scholars at Lenasia school on career day and to donate clothes to a women’s shelter in Pretoria.
- The women’s forum in Mozambique contributed goods to help those impacted by the cyclone in Beira.

Social concerns addressed

- Gender equality.
- Gender-based violence.



¹ South Africa’s National Qualifications Framework (NQF) level 5.

**Imperial's
R1,5 million
investment in road
safety education
reaches children in
underprivileged
schools who are not
exposed to road
safety measures**

Road safety South Africa

Since 2021, Imperial road safety has partnered with Active Education, the Department of Basic Education and the Department of Transport to deliver grassroots road safety education as well as community and holiday season outreach activities.

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. 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 road-related scenarios and educates them on pedestrian safety, and the importance of wearing safety belts when travelling in taxis and other vehicles.

The **K53 learners programme** initiative helps secondary school students, mostly from disadvantaged communities, prepare for their K53 learner's licence test. The programme provides practical advice on obtaining a learner's licence and guidance on the defensive driving system as well as mock learner's licence tests. Not only does this programme contribute to better driving skills and behaviours, but it also opens doors in terms of future employment opportunities or income generation.

The **school bus driver training** programme educates bus drivers on the basic principles of defensive driving and how to safely transport children in high-risk environments. The **truck blind-spot exercise** helps people better understand the limitations experienced by drivers of heavy-duty goods trucks so that they can adjust their behaviour to avoid dangerous and potentially fatal incidents.

In partnership with Wheel Well, the **Imperial Car Seats for Kids** campaign drives awareness around the importance and correct use of car seats and child restraints, and encourages people in Johannesburg to donate their old car seats to families who cannot afford one. Wheel Well cleans, conducts safety assessments to ensure the seats are free of defects and distributes the donated seats to those in need. To date, nearly 10 000 car seats have been distributed.

The **Brake and Tyre Watch** initiative is designed to raise transport operator awareness around efficient braking and tyre checking and preventative maintenance on trucks. The project also provides traffic officials with specialised knowledge to identify unroadworthy heavy vehicles and remove them from our roads.



92 **Focus area:**
Strengthen CSI partnerships to increase impact *continued*

2021 highlights

- The partnership with the Department of Basic Education strengthened; the Active Education facilitators are fully supported, at times provided with vehicle escorts and they received their COVID-19 vaccinations in the government’s teacher vaccine rollout programme.
- Partnered with the Bakwena Platinum Corridor Concessionaire to provide 1 600 reflective sashes to learners in eight schools in the North West province located along the N1/N4 toll route. The ‘walking safety belt’ is worn as part of the school uniform, helping to keep children visible to drivers especially in low visibility situations. Sashes also serve as constant road safety reminders for community members.
- Since F2019, the road safety awareness programme has reached 135 schools across nine provinces, delivering the K53 programme to approximately 88 100 aspirant drivers. In F2021, the activations were undertaken on a class-by-class basis to maintain social distancing.
- Provided the Department of Basic Education with digital copies of the learning programme to support its planned migration to online learning.
- Since F2019, *Be safe, Be smart* COVID-19 talks have reached 135 schools, reaching 57 105 learners in the Free State, Gauteng, Limpopo, North West and Western Cape provinces. The talks educate children 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. This programme was delivered in place of our road safety initiatives, which were hindered in F2020 due to COVID-19.
- Towards the end of 2020, the Imperial Wanderers Stadium served as a collection and drop-off point for children’s car seats while running an education campaign with Hot FM 91.9 on the importance of buckling up and restraining children while driving. During this 10-day campaign, 99 seats were collected and the Road Accident Fund donated 200 car seats.
- Since the inception of the Imperial road safety programme in 2012, and including the COVID-19 talks, we have reached 1 562 schools and seen 1,25 million learners across all nine provinces as well as Eswatini. Based on our social media engagement, the campaign is well received by communities, teachers and learners.



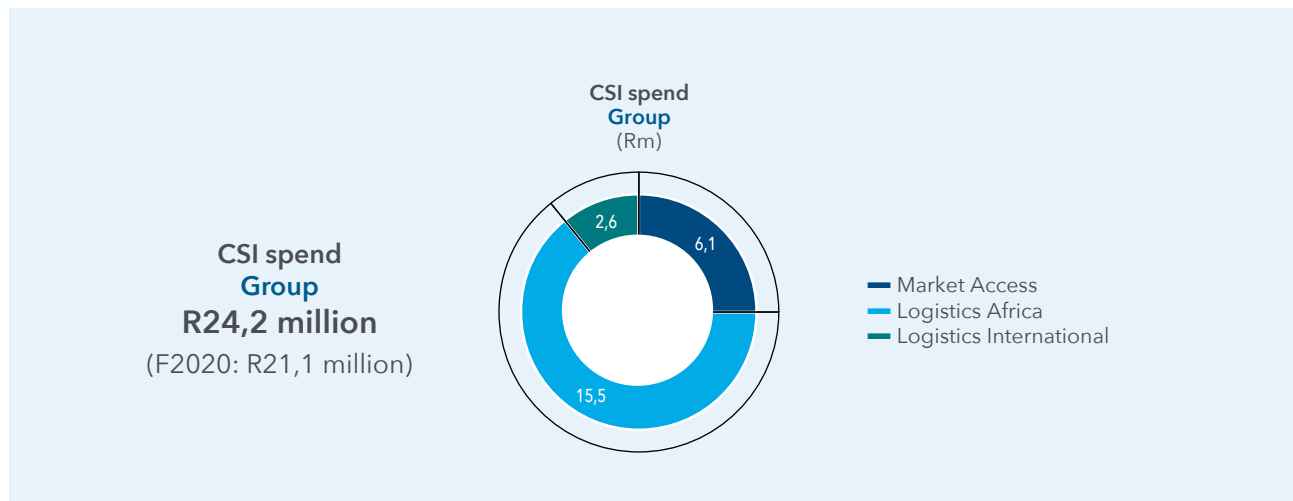
Social concerns addressed

- Education.
- Road safety.

Target: reach 180 schools in F2022 - 65 for road safety awareness, 50 for K53 training and 65 for COVID-19 talks.



2021 performance review



Group

- To respond to the civil unrest experienced in South Africa in July 2021, Imperial delivered over 2 500 food parcels to affected employees and their families. In addition, donations of R1 million and R3 million were made to Gift of the Givers and the Solidarity Fund, respectively, to assist the crisis response.
- Market Access supported CHICA House in Namibia. The home provides accommodation for children with cancer who are undergoing treatment. It can accommodate 16 mother-and-child stays at a time, providing three nutritional meals a day, transportation to treatment centres and psychosocial group therapy.
- Logistics Africa in partnership with a client supported Save a Child (a home that takes care of differently abled children), and we supported the Smile Foundation (assists children with any type of facial abnormality to receive corrective plastic and reconstructive surgery) and the Charlotte Maxeke Academic Hospital following the fire at the hospital.
- Logistics International continued its long tradition of Christmas donations. The three charities supported in December 2020 included:
 - St. Raphael Knights of Malta Hospice Centre in Duisburg, Germany, supporting families caring for loved ones afflicted by chronic illness.
 - The Villa Pardoes project in the Netherlands, enabling families who look after a seriously ill child to spend a free week at a holiday complex near Eindhoven.
 - A children's home in Bnin near Poznań, Poland - a secure and caring home for 28 socially-disadvantaged children of all ages.

 **Indicator report:** page 126.

Looking forward

Priorities to achieve our targets and objectives:

- **Group and Logistics Africa:** advance strategic CSI initiatives and aim to grow reputable partnerships.
- **Market Access:** identify new strategic CSI projects in key African markets of operation.

Striving for **zero harm** to people and the environment



Strict standards are applied to our fleet to ensure safety, compliance and product quality requirements are met.



GOVERNANCE

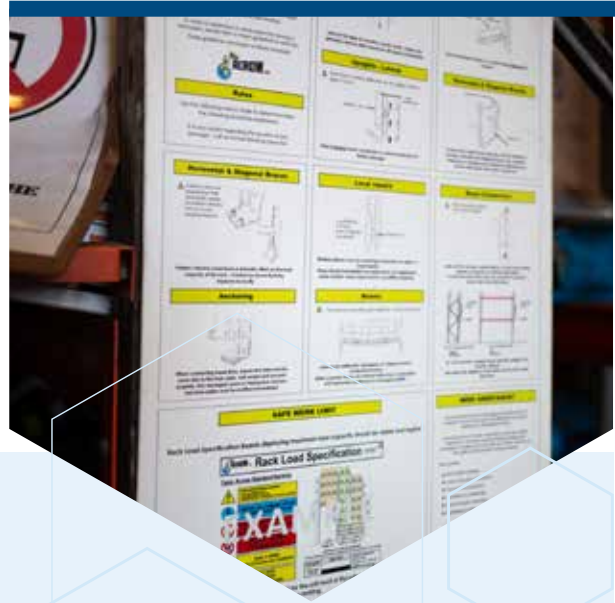
5



Governance for ethical business



Upholding fair business practices and high supply chain standards, protecting human rights and privacy



Why demonstrating consistently ethical business conduct matters

As an employer, supplier, client, taxpayer and investment, Imperial ranks among South Africa's larger companies, with a direct or indirect impact on tens of thousands of lives in our operations around the world. Our performance and progress are founded on the provision of competitively priced products and services of high quality, conducted in accordance with all applicable laws and regulations, and high ethical standards.

We are subject to a vast array of legislation across multiple jurisdictions and sectors, including legislation that pertains to product responsibility, labour practice, health and safety, environmental management, and data privacy and information security. This requires an unwavering focus on regulatory compliance and strong governance practices particularly in the pharmaceutical space. Our commitment to upholding ethical business conduct has enabled us to acquire business in countries where regulation is underdeveloped or poorly enforced, and governance standards are inconsistent. We adopt a zero-tolerance approach to bribery and corruption.

Across Africa the logistics industry faces a number of challenges limiting its ability to harness its full economic potential. These challenges include limited accessibility or lack of transport and energy infrastructure, the fragmented nature of the industry, regional differences in regulation and border controls, security risks and bribery and corruption. Imperial has a deep understanding of regional nuances, regulations, languages and challenges through its on-the-ground operations and distribution networks across many African markets. This not only positions us to absorb many risks clients, principals and customers (collectively referred to as clients) would typically face when accessing these markets, but also to grow local logistics and supply chain capacity in numerous industries.

COVID-19 has exacerbated underlying and longstanding failures regarding equality and access to economic opportunities, which will be further impacted by the effects of climate change. Companies are expected to enhance their social licence to operate, giving rise to mounting pressure for improved ESG performance. According to PwC's 2020 analysis, assets in sustainable investment products in Europe alone are forecast to reach €7,6 trillion by 2025, outnumbering conventional funds.

Imperial's ESG strategy is designed to ensure that we realise our commitment to becoming a purpose-driven organisation that creates sustainable, long-term value for all our stakeholders. We are embedding ESG practices into our daily business activities to ensure we proactively manage our impacts on people and the planet, beyond compliance requirements. This means investing in our employees; cultivating a diverse and inclusive work environment; serving our clients exceptionally and transparently; strengthening the communities in which we live and work; upholding human rights in the value chain; and promoting environmental stewardship. This underpins our industry, market and country legitimacy, and reputation as a trusted partner.

2021 highlights



Developed and approved an ESG strategy and framework



2 680

employees received training and internal certification on anti-bribery and corruption (Africa)



1 208

employees completed code of conduct training (Europe)



Zero

material financial or data losses from cyberattacks (group)



R10,243 billion¹

total spend with suppliers (South Africa)

- Published our first United Nations (UN) Global Compact communication on progress:



Progress as a signatory to the UN Global Compact:

<https://www.imperiallogistics.com/pdf/sustainability-reports/imperial-ungc-cop-july-2021.pdf>.

- Established a data protection governance structure covering our operations in Africa.
- Revised Market Access' subcontractor agreements to include adherence to Imperial's anti-bribery and corruption policy and environmental considerations.
- Conducted a supply chain study for the South African National Office of the World Wide Fund for Nature (WWF-SA) on the potential to produce sustainable aviation fuel in South Africa.

Recognition

Nominated among the **top four finalists for the Risk Insights IRMSA ESG Sustainability Award** (November 2021).

Link to material themes and issues

- Financial controls, strict capital and cost management.
- Business continuity.
- Investing in digital and IT.
- ESG integration.
- ESG performance, disclosure and reporting.
- Local relevance and legitimacy.



Our material issues: page 27.

Related content



Our values: page 6.



Our ESG operating context, risks and opportunities: page 14.



Socioeconomic impact assessments studies for South Africa and Nigeria: <https://www.imperiallogistics.com/socio-economic-impact-assessment.php>.

¹ Total procurement spend in South Africa (after exclusions) at the end of May 2021.

98 Why demonstrating consistently ethical business conduct matters continued

Our ESG focus areas



Targets and objectives

Group

- Maintain a no-compromise approach to governance.
- No incidents of material successful cybersecurity attacks.
- Maintain or improve key ESG ratings.

Market Access and Logistics Africa

- Complete anti-bribery and corruption training with internal certification for targeted employees with access to email by the end of F2022.

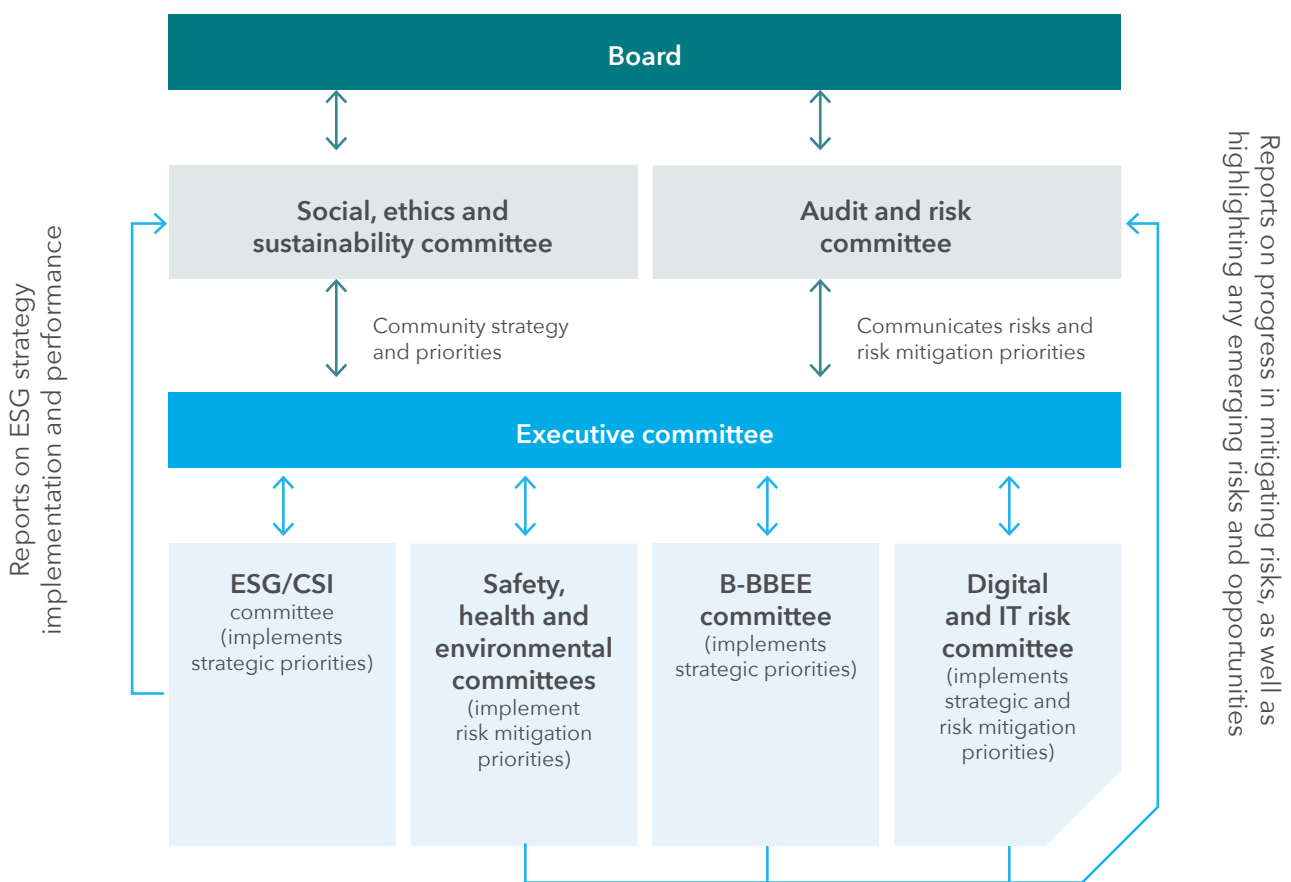
Market Access

- No material deviations from client supply chain standards.



Governance of ethics, social and environmental impacts

We operate a robust governance framework aligned to the South Africa Companies Act and the King Report on Corporate Governance for South Africa (2016)^{TM1} (King IV), with comprehensive governance oversight, defined limits of authority and flexibility to adapt to a changing environment. The governance structures below are tasked with ensuring that ethics, and social and environmental performance and impact are given the right level of attention within the group and that responsible practices are in place to manage these aspects. Through these structures we aim to ensure that capital allocation decisions uphold our ethics, are considerate of national priorities and are socially relevant and environmentally responsible.



¹ King IV: Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Governance of ethics, social and environmental impacts continued

Imperial board

The board of directors is ultimately responsible for ESG performance (including people and culture matters) and is kept abreast of all critical concerns and regulatory matters to ensure it has effective oversight of ESG aspects. It delegates responsibility for ESG issues to the group SES committee and the executive management team.

Group audit and risk committee
(board committee)

The group audit and risk committee assists the board in fulfilling its fiduciary duty to shareholders by overseeing the trustworthiness of Imperial's financial reporting, reviewing the internal and external audit process, assessing the functionality of internal controls, setting the appetite and tolerance for risk and ensuring that the group's risk management systems are adequate. The committee comprises five independent non-executive directors with the necessary experience, and technical and general expertise in terms of our strategy and operating context to apply healthy scepticism. The collective skills of the committee and attendees include commerce, finance, law, industry and information security. The audit and risk committee meets quarterly, and is updated on all key risks, including ESG risks.

Group SES committee
(board committee)

The SES committee has a statutory mandate to ensure that citizenship and stewardship are intrinsic to our daily business conduct. It brings a social conscience to board and group decisions, ensuring balance between the group's need to compete for limited resources in the interest of commercial success, with the need to sustain the health of the broader ecosystem we live in, with its interconnected social, economic and natural elements.

The committee has an approved annual work plan, complies with the requirements of the Companies Act, and follows the established guidelines of King IV. It monitors our performance in social and economic development, good corporate citizenship, environment, health and safety, consumer relationships, and labour and employment. It also oversees the management of the whistle-blowing hotline and the actions taken when misconduct is identified.

 **RSES committee work plan:**
<https://www.imperiallogistics.com/esg-reporting.php>

The SES committee meets quarterly and is chaired by an independent non-executive director. It has five members - four non-executive directors, including the group chairman, and the group CEO.

Executive committee

The group executive committee monitors the integration of ESG into daily business practices. The executive vice president of corporate affairs and investor relations, who is responsible for ESG, is a member of the group executive committee team and reports to the committee on ESG performance in all businesses.

ESG/CSI committee
(management committee)

A dedicated ESG/CSI committee supports the SES committee, providing strategic oversight on good corporate practices including ESG, corporate social investment (CSI) and enterprise development. The committee also approves CSI and enterprise development projects and spend to ensure they align with our strategic objectives, and reviews safety, compliance and environmental matters. The committee meets quarterly and members include representatives at a group and divisional level. The executive vice president of corporate affairs and investor relations chairs the committee.

Broad-based black economic empowerment (B-BBEE) committee (management committee)

A newly established B-BBEE governance committee provides leadership and direction in the implementation of B-BBEE in our South African operating companies. It is responsible for approving and monitoring progress on the B-BBEE plan, and understanding changes to the B-BBEE Codes of Good Practice and their business implications. The committee will meet quarterly and is chaired by the executive vice president for people and culture.

Safety, health and environmental (SHE) committees

In South Africa, a bi-annual SHE committee is attended by safety champions, managing directors and occupational health and safety representatives. The committee implements SHE policies, manages environmental and safety compliance, designs and implements prevention plans for potential negative impacts, addresses incidents and near misses, reviews SHE audits, implements action plans and raises environmental awareness.

At Logistics International, quarterly health and safety committee meetings include safety experts, senior management representation, site management, the Works Council and the company doctor. Risk assessments, incidents and compliance are the primary discussion topics.

Digital and IT risk committee

The digital and IT risk committee ensures that Imperial's digital and IT risk management processes align with business objectives and sufficiently reduce risks to a tolerable level, while executing within Imperial's cost and change appetite. The committee's responsibilities include overseeing the development and implementation of a policy and plan for a systematic, disciplined and effective digital and IT risk management strategy and approach, integrated with internal control, compliance, governance and cybersecurity processes. The committee reports to the audit and risk committee quarterly.

Management within businesses

In Market Access, the pharmaceutical businesses have regulatory heads who manage industry compliance matters. In Logistics Africa, each operating company has a dedicated health, safety, sustainability and environmental (HSSE) executive (or equivalent) who monitors and manages ESG and alignment with the group ESG strategy.

Logistics International's SHE and Sustainability Department centralises the co-ordination and management of ESG issues in collaboration with representatives from the business' operating units. The department provides assurance on the quality and sustainability of our initiatives in Europe and ensures that specialist knowledge and best practices are shared among the operating companies.



ESG-related policies

<https://www.imperiallogistics.com/policies.php>

Governance of ethics, social and environmental impacts continued

Governance of ethics

Our moral and ethical duty requires that we always act with the highest standards of integrity and honesty in delivering our strategy. Upholding fair business practices and respecting and protecting human rights underpins our company values. The overarching governance body for ethics matters is the SES committee, alongside the audit and risk committee with its oversight on data privacy and information security.

Group code of conduct

Our code of conduct defines our commitment to fair business practices and the respectful treatment of our employees, clients and business partners and anyone affected by our business activities. The code reflects our commitment to personal integrity and honesty, which we believe are important values that set the foundation for a successful company. It applies to all employees and guides them in meeting our expectation that our business is always conducted in accordance with our values, the applicable law and professional standards. The code of conduct serves as an overarching reference for aligning the various codes of ethics and conducts across the group.

The application of the code of conduct to suppliers and subcontractors differs across our businesses; however, the objective remains the same to ensure our suppliers and subcontractors adhere to acceptable conduct. This is addressed in one of three ways:

- **Market Access healthcare business:** the third-party code of conduct is reviewed in the due diligence process to assess alignment with Imperial's code of conduct; or
- **Lead Logistics Provider business:** suppliers and subcontractors are required to adopt the Imperial code of conduct, typically through our transporter agreements; or
- **Logistics International and the Imres business within Market Access:** a specific supplier code of conduct is in place which all suppliers and subcontractors must adopt.

The code of conduct covers human rights, working and social standards, conflicts of interest, anti-corruption, fair competition, anti-money laundering and anti-terrorism, the handling of company assets and data protection and security, among other imperatives. It also highlights the importance we place on employee health and safety, and environmental conservation.

 **Code of conduct:**
<https://www.imperiallogistics.com/policies.php>

Conflicts of interest policy

The group's conflicts of interest policy guides directors on acting with due care, diligence and in the best interests of the group when discharging their responsibilities. Directors must declare and avoid conflicts of interest, and are required to disclose any advantages gained in discharging their duties on behalf of Imperial.

Group anti-bribery and corruption policy

Our policy is to conduct all business with transparency and integrity. The group anti-bribery and corruption policy promotes standards and behaviour to prevent bribery, corruption and anti-competitive collusive practices in the various jurisdictions in which we operate. Responsibility for the policy and approach resides within the group risk function, reporting to the group risk executive.

Human rights

We strive to foster a culture and working environment where our employees treat each other with respect, dignity, courtesy and fairness, promoting equal opportunity for all. We do not tolerate harassment or unfair discrimination in our working environments. Equality and diversity are entrenched in our values and recruitment and remuneration guiding principles. We comply with the local labour legislation in all our countries of operation and with all our collective bargaining agreements.

We adhere to the principles embodied in the Universal Declaration of Human Rights; are guided by the International Bill of Human Rights and the International Labour Organization's (ILO) Core Labour Standards and its Tripartite Declaration of Principles; and recognise the Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises and the UN's Guiding Principles on Business and Human Rights.

Respect for human rights is included in our code of conduct, our code of conduct - corporate and social responsibility procurement guidelines, various people and culture policies (for example those dealing with disciplinary action, grievances, and right to associate) and the climate change and environmental sustainability framework and strategy. We adopt a zero-tolerance approach to child labour and human trafficking. We expect our supply chain to be free of abusive or inhumane practices, and will not hesitate to terminate agreements and relationships that contravene international human rights standards.

Responsibility for overseeing human rights implementation is shared widely, from our people and culture function (for example, freedom of association, diversity and inclusion, and employment conditions) and the procurement function (including supply chain practices and standards) to corporate affairs (stakeholder engagement and CSI). The SES committee is the responsible governing body.

 **Progress as a signatory to the UN Global Compact:**
<https://www.imperiallogistics.com/esg-reporting.php>

Data privacy and information security

We place high priority on protecting the sensitive information of all our stakeholders and respecting their right to privacy. Our information security and privacy office addresses information and communications technology (ICT) legislative and regulatory compliance in all of the locations in which Imperial operates.

Our information security and privacy office resides within the group risk function, and has a direct reporting line to the group risk executive. This ensures that information security and data privacy management are directly aligned with the group's risk reporting structures. The executive of digital and IT security engages closely with the digital and IT function, ensuring that the applicable technical security controls are applied. The executive of digital and IT security is also a member of the digital and IT executive committee, to ensure that information security and data privacy activities remain aligned to the group's IT strategy.

Information security and data privacy risk and activity reports are considered at a monthly digital and IT risk committee whose membership comprises internal experts with long-standing information security experience and IT qualifications.

Our minimum information security standard applies group-wide, and aligns to the key provisions of International Organization for Standardization (ISO) ISO 27001 (information security management) and BS 10012 (personal information management). It covers human resources, asset management, information classification, access control (access rights are audited annually), encryption (for remote access as well as confidential and highly confidential information), malware and technical vulnerability management, mobile devices, incident management and auditing, among other aspects. Existing policies are reviewed annually and new policies incorporated when required.

Governance of social impacts

The overarching governance body for social matters is the SES committee, to which responsible managers account for Imperial's social performance. The committee's work plan covers people and culture management, diversity and inclusion, SHE, B-BBEE in South Africa, and community initiatives. The deliberations of the ESG/CSI committee are also reported to the SES committee.

Our newly established B-BBEE governance committee in South Africa will provide leadership and direction in the implementation of B-BBEE in our South African operating companies and oversee reporting. The transformation, diversity and inclusion department provides guidance to operating companies on employment equity and other B-BBEE matters, monitors B-BBEE progress and regularly reports on B-BBEE progress to the executive vice president of people and culture, who is a member of divisional boards and the executive committee. It is through the executive vice president of people and culture that material B-BBEE issues are reported to the SES committee. Our B-BBEE rating, measured against the current Road Freight Sector Codes, is submitted to the JSE Limited. The management teams of each operating company are involved in the planning and implementation of B-BBEE initiatives.

Incentives for executives and managing directors in South Africa are linked to transformation progress, and remain in place despite the tougher economic environment, as our leaders are expected to develop new approaches to meet our employment equity targets despite external factors.

The global women's forum (see page 62) meets quarterly to drive the attraction and retention of women, and to increase the representation of women at all levels. It reports on key issues to the group executive committee and SES committee.

Onsite safety committees in Logistics Africa and Logistics International oversee the alignment and implementation of health and safety objectives. In Market Access, business management teams are responsible for managing SHE and follow the SHE standards implemented in South Africa. Our road safety policies and standards are regularly reviewed to include new risks identified by driver experiences. Health and safety performance is reported quarterly to the SES committee.

Key policies

- Board diversity policy.
- Various people and culture policies to govern leave, industrial relations, relationship at work, vulnerable employees, disciplinary action, grievances, and right to associate etc.
- Compliance governance policy.
- Administrative Adjudication of Road Traffic Offences (AARTO) policy.
- CSI policy.

Governance of environmental impacts and climate change

The board is ultimately responsible for climate-related issues and its responsibilities in this regard include, among others:

- Assessing the identified climate-related risks and opportunities and the effectiveness of how these are managed.
- Reviewing the resilience of the business strategy considering identified climate-related risks and opportunities.

The board receives information on material risks and opportunities that could result from climate change from the governance structures set out on page 100.

The group CEO is responsible for ensuring the implementation of our business strategy, and directing and managing overall resources to achieve strategic objectives. As our strategy, strategic objectives and resources are all impacted by climate change, the group CEO is the highest management-level position with responsibility for climate-related issues and ensuring that adequate resources are in place to manage these. The group CEO, in turn, delegates responsibility to his direct reports and sequentially throughout the organisation.

The group CEO's climate-related responsibilities include:

- Overseeing the process to identify and manage climate-related risks and opportunities.
- Operationalising the business strategy considering climate-related risks and opportunities.
- Overseeing the implementation of the ESG strategy.

At executive committee level the executive vice president of corporate affairs and investor relations is responsible for climate-related issues and is assisted by the vice president of group ESG and the group sustainability executive.

Key policies

- Group health, safety and environmental policy statement.
- Climate change and environmental sustainability framework and strategy.
- Environmental management standards.
- Group biodiversity policy.

Governance of ethics, social and environmental impacts continued

How we measure performance

We choose to do ethical and compliant business even at the cost of competitiveness. Our processes are robust starting with due diligence, and include regular internal compliance audits across all operations. Site audits are also conducted by pharmaceutical manufacturers, clients and third-party assurance bodies, providing an additional layer of external assurance. These audits ensure we are adhering to high supply chain standards and that best practice is being followed in handling products throughout the value chain. Our operating companies are also subject to inspections by regulatory authorities and are required to report to regulators to maintain their licences.

The perception of ethical behaviour by our leaders is measured in employee engagement and leadership surveys, as well as in leadership performance evaluations.

The whistle-blowing hotline enables the identification, investigation, correction and reporting of governance and ethics infringements (see page 106).

 **ESG performance rankings:** page 23.

Stakeholder engagement on governance issues

In South Africa, we are members of the Road Freight Association, an industry body that drives ethics and compliance in the industry. This membership enables us to collaborate with our peers on implementing ethical practices in the transport sector. Similarly, we are members of Business Leadership South Africa, the National Business Initiative and the Chief Financial Officer's South Africa Forum, among others. Our industry association memberships across all our geographies of operation help us to identify and prepare for upcoming legislation. It is through these memberships and formal government consultation processes that we

constructively engage on policy development, contributing towards effective regulation that maintains best practices within our industry. We do not make financial contributions to political parties.

Part of our client proposition is to manage supply chain risks and ensure the resilience of their supply chains in a changing world. We have kept our clients updated on our contingency plans to minimise the impact of COVID-19 disruptions in the supply chain. As part of an ongoing effort to create engagement and awareness among clients, we launched a digital external newsletter in F2021 which features thought leadership articles, case studies, sizeable new and renewed business, and our ESG and CSI initiatives.

During the year, we attended to numerous requests from clients and funders relating to our ESG performance. Some funders have requested improved alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our ESG ratings and assessment by independent parties are published to assist stakeholder assessment and this year's ESG report provides more disclosure in line with the TCFD framework.

 **TCFD index:** page 128.

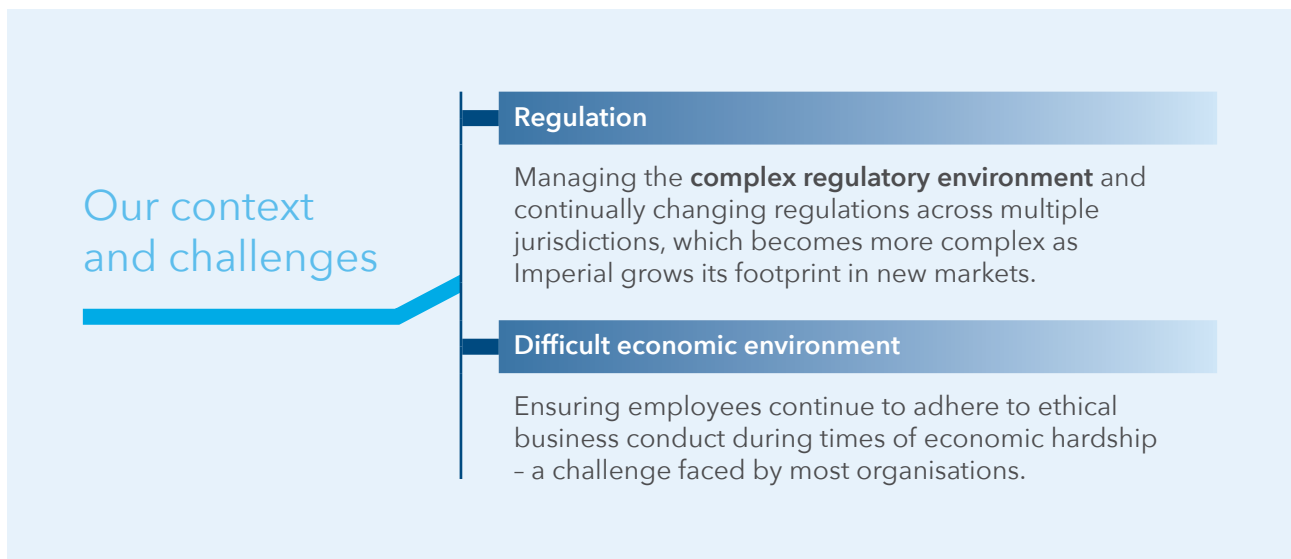
We have long-term partnerships with suppliers and subcontractors, which enable us to work with them to achieve cost and operational efficiencies over time, and foster innovation. Subcontractor engagement sessions and one-on-one engagements are used to address subcontractor matters, including safety performance. As we green our fleets, we hope that this will encourage our subcontractors to follow suit, and open the door for deeper engagement on ESG matters.

Ensuring the accuracy of our data is a high priority to enhance credibility among our stakeholders. The key international frameworks set out alongside inform our commitments and approach to ESG and reporting.

 **Our key stakeholders:** page 19.

External commitments and frameworks	E	S	G
King Report on Corporate Governance for South Africa (2016)	✓	✓	✓
UN Global Compact (Imperial is a signatory)	✓	✓	✓
UN Sustainable Development Goals (SDGs)			
UN Women's Empowerment Principles		✓	
Global Reporting Initiative	<p>General 102-11, 102-15, 102-44</p> <p>Economic 201-2</p> <p>Environment 302-1, 303 (2018), 305-1, 305-2, 306-2, 306-3, 307-1</p>	<p>General 102-8, 102-9, 102-12, 102-15, 102-41, 102-43, 102-44, 102-47</p> <p>Economic 202-2, 203-1, 203-2, 204-1</p> <p>Social 401-1, 403 (2018), 404-2, 405-1, 413-1, 413-2, 416-2</p>	<p>General 102-12, 102-15, 102-16, 102-17</p> <p>Economic 205-3, 206-1</p> <p>Social 406-1, 407-1, 408-1, 409-1, 418-1, 419-1</p>
Responsible Care® Global Charter	✓	✓	
Task Force on Climate-related Financial Disclosures	✓		✓
Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice (dtic Codes).		✓	

Ensure ethical and compliant business conduct



What we are doing

We adopt a zero-tolerance approach to unethical behaviour and bribery and corruption, and have the processes in place to discourage, identify and prosecute wrongdoing. Our approach to ethics also covers our board of directors and third parties who act on our behalf.

Our people are encouraged to express their concerns in an open and direct manner, and are required to report any circumstances that may indicate an infringement of laws and internal directives, including allegations of harassment and discrimination. An independent and anonymous whistle-blowing hotline is managed by Deloitte, and services most of our operating countries, including Europe and China. It is available to our people and external stakeholders, and reports can be made in a language local to their country. Retaliation against whistle-blowers is not tolerated. All reports received through the whistle-blowing hotline are thoroughly investigated with oversight from the group risk executive, group internal audit and the CEO of the business concerned.

Ethics, anti-bribery and corruption, and the whistle-blowing hotline are topics covered in induction programmes for new employees. Information on the whistle-blowing hotline is also covered in toolbox talks and displayed in onsite posters. Anti-bribery and corruption training covers our anti-bribery and corruption policy, red flags that could signal fraud and case study scenarios.

Phase two of the online training on our updated anti-bribery and corruption policy is underway for targeted employees with access to email across our African operations. Training also covers the Foreign Corrupt Practices Act, as many of our international clients are subject to the Act or similar legislation such as the United Kingdom's Bribery Act. For our employees working in the healthcare businesses, ethics-related refresher training is undertaken annually. In South Africa, senior managers receive training on the Competition Act, which in F2022 will be extended to include South African operating companies within Market Access.

Training is also delivered on our anti-discrimination and anti-harassment policy, including sexual and racial harassment.

Logistics International provides training on the code of conduct, corruption prevention and antitrust law; and provides employees with a guideline on competition law.

Targeted senior managers are required to confirm annually that they have read, understood and agree to comply with the local anti-bribery and corruption policy and are not in violation of its requirements.

Business management teams are responsible for keeping abreast of regulatory changes and governance standards that pertain to their markets and businesses to ensure our licences are maintained. Compliance and legal officers meet in a quarterly forum to:

- Monitor and report on emerging and key legislative and compliance matters.
- Formulate group plans to facilitate the implementation of new legislation.
- Where applicable, co-ordinate group responses to draft legislation published for public comment.

Divisional legal functions regularly review compliance to contract terms and conditions, and ensure contracts are up to date and in line with legislative and commercial changes.

A tax tool and local tax specialists ensure that we adhere to tax legislation across all our jurisdictions.

When acquiring a business, compliance with local and international laws and regulations is included in the due diligence process. All acquisitions are measured against our compliance standards and are subjected to compliance risk assessments. We have further strengthened our due diligence process to heighten scrutiny of business and ESG-related risks. If required, risk and governance personnel are seconded to new acquisitions in other African markets to help them meet our standards.

2021 performance review



Group

- Of the 38 whistle-blowing reports (F2020: 41), no tip-offs concerned Market Access, 36 concerned Logistics Africa and two concerned Logistics International. The four alleged corruption reports were investigated with no evidence of wrongdoing. At the time of reporting, 35 reports had been investigated and closed.
- Internal compliance and risk audits and assessments, as well as client and regulator audits, did not identify any material concerns relating to bribery and corruption, or risks to freedom of association or collective bargaining, child labour, or forced or compulsory labour within Imperial. Imperial did not incur any significant fines or non-monetary sanctions for regulatory non-compliance.
- No public legal cases regarding corruption were brought against Imperial or its employees during the reporting period.
- No legal actions are pending or were completed during the reporting period regarding anti-competitive behaviour and violations of antitrust and monopoly legislation.
- 2 680 employees across Africa successfully completed anti-bribery and corruption training (F2020: 1 359), equating to 24% of this workforce to date.
- Rolled out an extensive communication campaign to remind our 25 000 staff that we have zero tolerance for dishonest conduct.
- In Logistics International, 1 208 employees successfully completed code of conduct training, 1 214 completed corruption prevention training and 941 completed training on antitrust law.



Whistle-blowing hotline details

Toll free: different numbers are used in different countries (displayed on posters)
 Email: imperial@tip-offs.com
 Website: www.tip-offs.com

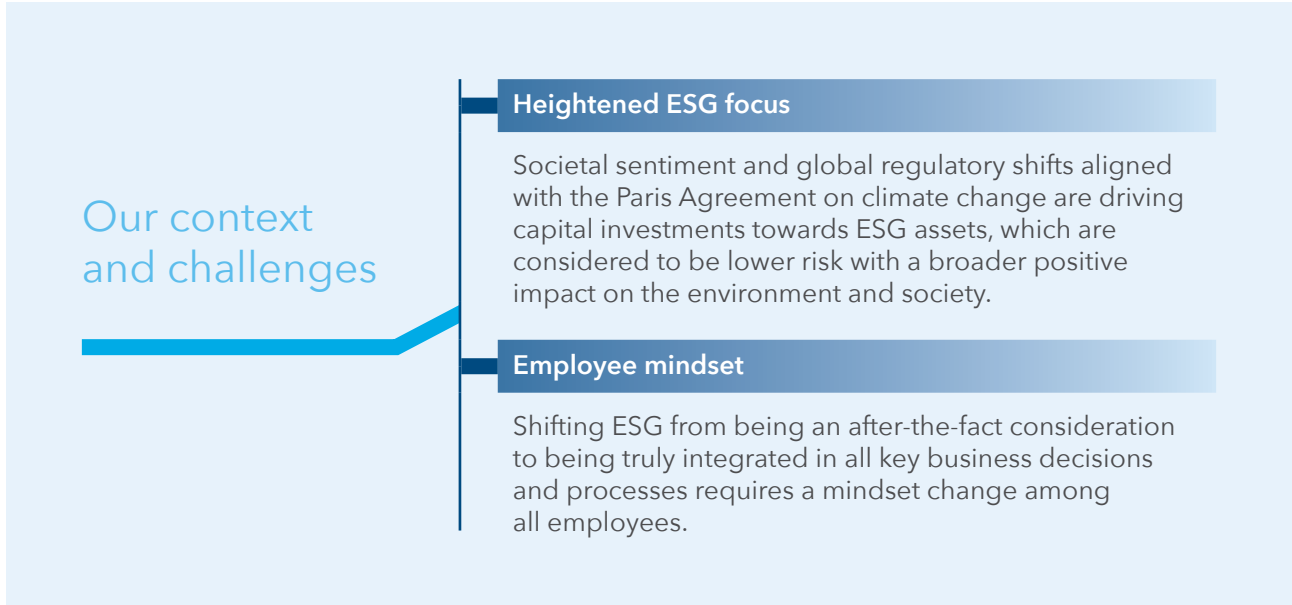
Indicator report: page 127.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** use the risk management system to assess how well the group 'lives' its values and abides by its business principles.
- **Group:** continue to roll out the anti-bribery and corruption training programme to employees, and find ways to deliver training to those who do not have email addresses.
- **Market Access and Logistics Africa:** build robust capabilities to ensure we keep up to date with changing regulation.
- **Market Access and Logistics Africa:** find ways to overcome cultural barriers and encourage the use of the whistle-blowing hotline in all African markets.
- **Market Access:** deliver the anti-bribery and corruption training to targeted suppliers in Africa in F2022.

Focus area: Integrate ESG into governance and risk management processes



Our ESG framework

Our ESG framework is guided by the Deming Cycle and was co-created through management workshops during F2021, with a stated vision of zero harm to people and the environment. Our wider enterprise-wide risk management system explicitly incorporates ESG-related risk, adopting a risk averse approach to ESG.



How we measure performance

Our ESG strategy has defined objectives against which we will measure our performance, and new prioritised targets for climate change mitigation. Our ESG reporting, participation in widely recognised ESG assessments and engagement with stakeholders helps us understand how external stakeholders are assessing our risks and performance. We participate in a number of globally recognised assessments, which interrogate our policies and practices on a comprehensive range of ESG topics - these include EcoVadis, CDP, FTSE4Good and Institutional Shareholder Services (ISS), among others. Our results can be found on page 23.



What we are doing

We are working to extend robust ESG processes and practices across the group and into strategic and daily operational decision making and business practice to ensure ESG is effectively managed as a business fundamental.

During the year, we furthered our ESG journey, conducting three ESG strategy workshops with the executive committees of group functions, Logistics Africa and Market Access. This included an ESG maturity assessment to inform our ESG strategic priorities. We also conducted a socioeconomic impact assessment study of our operations in South Africa and

Nigeria (see page 17). These exercises have enabled a better understanding of where our activities directly and indirectly impact our stakeholders, industries and societies; what our stakeholders' needs are; what our ESG priorities are; and where improvements can be made in our ESG practices and performance. The maturity assessment workshops were facilitated by an external consultant. Through this process we identified our key focus areas, critical implementation enablers and key measures.

Management's assessment of our ESG maturity rated Imperial overall in the 'compliant' category. We aspire to improve this rating to the 'proactive' category by 2025, building on our strong compliance foundation. This means improving our governance systems, risk management and controls to ensure that effective, risk-based practices deliver sustainable results that, in turn, deliver long-term value for our stakeholders.

The results of the maturity assessment together with further one-on-one discussions with Imperial's leaders were used to develop an ESG strategy. The ESG strategy went through three levels of approval, being the executive committee and the SES committee, with board approval obtained in May 2021. Implementation of the strategy and change management are scheduled for F2022.

 **Our ESG strategy:** page 21.

2021 performance review

Group

- Areas that received particular attention by the SES committee included health and safety, the ESG strategy, the socioeconomic impact assessment study, and how Imperial could contribute to South Africa's vaccine rollout programme.
- Appointed a group vice president of ESG, who is responsible for managing and driving ESG strategy and objectives across Imperial.
- Included ESG as part of the formal due diligence process for mergers and acquisitions.
- Our ESG-related policies are currently developed and implemented at an individual business level or divisional level. A working group has been established to review the ESG policy framework and ensure that our policies drive a uniform approach aligned to 'One Imperial' thinking.
- Six employees are signed up for the SDG Ambition Programme and the Young SDG Innovator's Programme, delivered by the UN Global Compact.
- We are developing a dashboard to monitor progress against our ESG strategic objectives, and engaging with operating companies on integrating ESG practices in their day-to-day activities and identifying action plans to meet our ESG objectives and targets.
- Key performance indicators informed by the ESG strategy are being included in the short-term incentives for the executive committee.

Looking forward

Priorities to achieve our targets and objectives:

Group

- Demonstrate visible leadership support to ensure that ESG is embraced as part of the 'One Imperial' and 'Gateway to Africa' strategy. ESG will be a regular agenda item in business executive committee meetings from F2022.
- Enhance our ability to identify and evaluate risks related to our ESG targets and objectives, and to respond and escalate these risks timeously.
- Mature our TCFD alignment, particularly around climate change scenarios and risk.
- Develop programmes and make resources available to drive meaningful improvement in the integration of the ESG strategy into day-to-day business practices. Our immediate focus will be to complete the development of the ESG dashboard to track progress, assign accountability for ESG focus areas, roll out an ESG awareness campaign as part of change management, implement ESG training, and set standard definitions for metrics and targets.

110 **Focus area:**
Embed information security and data privacy

Our context and challenges

- Cyberattacks**
 Email remains the most common vector of attack, with **increasing instances** globally of phishing, social engineering and malware implementation. In addition, our increasing reliance on cloud and other digital technologies requires greater emphasis on cyber and information security.
- Data regulation**
 Complying with all privacy and data protection legislation in all countries of operation is **complex and costly**.

What we are doing

We adhere to regulation that applies to the use of information and communications technology (ICT), as well as the collection, processing, sharing, retention and destruction of information in all forms. Data protection standards have been formulated, and internal (between group entities) and external data transfer agreements put in place to ensure we comply with the Protection of Personal Information (POPI) Act and relevant ICT legislation in South Africa, privacy legislation across Africa and the General Data Protection Regulation in the European Union. The advent of COVID-19 was a real-world test for business continuity capability, and our operations succeeded in continuing unabated with information security not being compromised, despite shifting a number of our employees offsite.

As new policies are published, they are supported by employee awareness campaigns, and training if required. The information security representatives and privacy custodians in individual operating companies receive monthly internal training on policies, and they are required to report on the progress of policy implementation. This investment in training is key to ensuring that all our employees are aware of cyber and data privacy risks, the minimum safeguards we

require, and the associated behaviours and actions required of them. New recruits are screened prior to employment and our induction programme covers information security and data privacy. Disciplinary action is taken when employees breach our minimum information standard when processing information.

Regular cybersecurity assessments and external audits ensure continual improvement in our information security controls. Assessments are also undertaken to understand our maturity against best practices and regulatory compliance. We maintain close relationships with ICT experts to ensure continued compliance with relevant legislation in our planning and control implementation.

The information security and privacy office addresses compliance to ICT legislation in all our regions of operation, with local privacy co-ordinators appointed for each African region.

Our information security and data privacy obligations extend to our suppliers. Our contracts set out their responsibilities, accountabilities and liability considerations in this regard, and the state of third-party contracts is reviewed monthly. If necessary, we audit supplier adherence to our contract terms.

2021 performance review

Group

- There were no substantiated complaints or loss of client data (F2020: none).
- One material successful cybersecurity breach occurred but did not lead to material data or financial loss.

Market Access and Logistics Africa

- Established the group privacy office and a data protection governance structure; and appointed a data privacy officer, information officers and deputy information officers for the group and all operating companies, as well as privacy custodians.
- The information security and privacy office drafted 22 policies to govern how we manage information.
- New software has significantly enhanced our capacity to mitigate against security threats and implement privacy management processes. We also established a dedicated forum to track cyber risks.
- Held a cybersecurity and data protection awareness campaign for employees and induction programmes were updated to include cybersecurity and the protection of personal information. Training on legislation related to the privacy of personal information will be rolled out in F2022.

Logistics International

- 1 193 and 1 121 employees completed data protection and information security training programmes respectively.
- ISO 27001 certification for our head office and some automotive sites is underway, with external audits already completed.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** implement a group-wide information security strategy.
- **Market Access and Logistics Africa:** investigate additional training options for information security representatives and privacy custodians.

112 Focus area: Ensure high supply chain standards are upheld

Our context and challenges

Hazardous substances

We are a **significant player** in the bulk and packed fuel and gas sector in South Africa and in the chemical industry in Europe, as well as a primary supplier of fuels into various countries in sub-Saharan Africa.

Quality control

Developing customised transportation and warehousing solutions that **reduce the risk of product deterioration** and ensuring that quality control standards are met across a wide range of products in five industries. This applies to Imperial as well as our business partners.

Pharmaceutical standards

Strict governance and the compliance requirements of the international industry codes that our pharmaceutical principals are governed by, as well as local codes. These codes apply to Market Access as well as our contracted distributors.

What we are doing

Suppliers and subcontractors

In South Africa, as an initial step, we are working towards a more centre-led strategic procurement capability. This will enhance our procurement controls and governance, deliver efficiencies and improve our reporting.

The new capability aims to gradually increase group spend under central management, and standardise spend into categories to provide improved spend analytics and procurement data, including B-BBEE compliant supplier data management, and reduced exposure to procurement practice-related risks. It will also fulfil a guidance role on procurement policies and preferential procurement practices to achieve our B-BBEE targets. Operating companies will be able to receive assistance with their requests for bid, requests for information and requests for proposal. Part of the capability's forward-looking objectives are to evaluate and implement supporting technology, and integrate ESG considerations into our procurement strategy and evaluation of potential suppliers and subcontractors.

Preferential procurement: page 79.

Our supplier base comprises primary suppliers, being other transport and distribution companies (subcontractors), original equipment manufacturers who are critical to ensuring we uphold the highest safety and fuel efficiency standards, suppliers of fuel and tyres, and telecommunications companies (key suppliers as we become more reliant on

digital technology, cloud-based applications and mobile connectivity). Our ancillary suppliers include landlords, property developers, technology providers and providers of security services, among others.

In South Africa, our significant expenditure on the maintenance of our fleet, procurement of tyres, fuel and spend with ancillary suppliers supports thousands of jobs.¹ Ethical behaviour, full compliance with all laws including anti-bribery and corruption, health and safety, labour and environmental laws, and Imperial minimum standards, are requirements that all our suppliers and subcontractors are expected to meet. In South Africa, the B-BBEE scorecard rating is also a priority.

Group code of conduct: page 102.

Our subcontractors are held to the same road safety standards as our businesses. In South Africa, background checks are performed when onboarding new subcontractors and we ensure they have proven and well-documented operational capabilities and a good industry reputation and service track record. Our operating companies are responsible for ensuring that subcontractors align to our mandatory standards, defined within the standard assessment questionnaire. Subcontractors are assessed annually on their financial standing and safety performance (roadworthiness, driver management and compliance) using the international Safety and Quality Assessment System (SQAS)². They are required to attend annual training provided by Imperial, which focuses on the efficient operation of vehicles and the environmental impact

¹ Source: Imperial's socioeconomic impact assessment for South Africa.

² The European Chemical Industry Council manages the SQAS system and ensures its integrity. This is also localised in South Africa as the SQAS-Africa system, managed by the Chemical and Allied Industries Association.

of non-economical driving. Kilometres travelled and, where available, weight of payloads are monitored and reported monthly to our business management teams.

In Market Access, our supplier and subcontractor contracts require adherence to ethical practices; however, audits are not conducted as our supplier base largely consists of reputable and well-established multinational service providers.

In Europe, suppliers and subcontractors are screened to ensure the business complies with international anti-terrorist financing regulations. Key subcontractors are regularly audited to ensure compliance with our safety standards.

Product responsibility

Safety and quality control are standard requirements in our client and principal contracts. Across the healthcare, chemicals and automotive industries we are differentiated by our SHE practices and expertise. In this approach we consider best practice and industry guidelines, as well as our own expertise.

Key legal, contract and regulatory compliance relating to our business activities include:

- **Warehouses:** building regulations, suitability of facilities for the products stored and meeting client standard operating procedures.
- **Transportation:** regulations relating to dangerous goods and other regulated substances, as well as roadworthiness and suitability of our fleet and the fleets of our subcontractors.
- **Pharmaceutical:** product safety regulations.
- **Training:** employee training on the required standards in terms of aspects such as fire response, first aid, and responsible driving and operation of mechanical equipment.

Specialised training is provided to employees working in the healthcare, consumer goods, fuel, gas, chemical and automotive businesses that require specialised safety and quality control procedures. A highlight for Logistics International, has been the rebuild of a defective tanker into a practical training site, where learners can enter the tanker and learn about transporting liquids.



Our businesses are certified to various standards depending on the industry they are operating in and client requirements. To maintain these certifications our policies, standards and procedures are regularly updated and audited. Some of our key certifications relating to hazardous substances include SQAS certification – third-party assessments to evaluate the transportation of hazardous and low hazardous products – and accreditation from the International Cyanide Management Institute. Imperial Dedicated Contracts (IDC) is a member of the Chemical Allied Industries Association's Responsible Care® initiative, a voluntary commitment by the global chemical industry to drive continuous improvement in sustainable and ethical business conduct. Tanker Services Food & Chemicals is ISO 22000 certified for its food grade wash bays and is certified under the British Retail Consortium Food Safety Management System.

 **Road safety standards:** page 53.

 **Environmental standards:** page 29.

When transporting and storing pharmaceuticals and certain consumer goods – particularly food – temperature control, expiration management and cold-chain packaging are key. Effective security measures, 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.

Market Access has deep experience in terms of ethical practices in healthcare logistics on the African continent. We keep regular contact with key stakeholders in our countries of operation to ensure we remain abreast of any changes in pharmaceutical regulations. Our healthcare compliance standard covers the following:

- Patient safety (including collecting, reporting and following up on patient safety information and adverse events) across Imperial and our service providers, and holds us to acting timely on any findings.
- Ensuring product quality through compliance with good manufacturing, distribution and storage practices across Imperial and our service providers.
- Compliance to anti-bribery and corruption requirements across Imperial and our service providers.
- High-quality engagement with consumers, patients and healthcare professionals.

Imperial Health Sciences and IDC are licensed 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 pharmacovigilance¹ (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 skill to pilot changes in drug safety processes. In Nigeria, Imperial company, World Wide Commercial Ventures Limited, is a leading distributor of pharmaceutical products. Its employees, particularly the salesforce, receive specialised product training provided by principals on best practice handling of temperature-controlled products and safe product destruction.

¹ 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.

114 Focus area: Ensure high supply chain standards are upheld continued

Imres operates an enhanced serialisation capability, which enables traceability at all levels along the supply chain and authentication controls using Raman spectral techniques to identify molecules, providing a quick way to analyse medicines.

When perishable products (typically food) expire on store shelves, some clients require these products to be returned to Imperial facilities for safe disposal in accordance with the Waste Management Act. Pharmaceutical waste and other products that fail to meet required standards are destroyed in line with principals' requirements and local legislation, ensuring the safety of patients and protection of the environment.

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.

Hazardous substances

In the chemical and energy industry, our services range from importing raw materials, including customs clearance, to warehousing and distribution of dangerous substances. We have specialised capabilities (skills, processes and equipment) based on four decades of experience to handle, move and store hazardous products in line with increasingly stringent SHE standards, cleaning protocols and rigorous regulatory requirements. Periodic compliance verification is undertaken on the quality of equipment maintenance. SHE due diligence is conducted for new clients wanting us to store, handle and distribute hazardous substances or whenever we take over a site that deals with high-risk products. Assessments are also undertaken to understand the suitability of the product to be stored in our facilities. These actions ensure that effective and sufficient controls are in place to manage risks, and to identify legislative compliance requirements and potential negative impacts to the environment.

We operate 16 dangerous goods warehouses in Europe that have robust temperature control systems and the latest safety-enhancing technology, including state-of-the-art fire prevention systems, specialised high-security gas cylinder

chambers, sophisticated gas warning systems, technical ventilation to avoid high-risk air mixes, explosion protection, and water, foam or carbon dioxide (CO₂) fire extinguishing systems. In the Hamburg warehouse, we have specialised high-security gas cylinder chambers; and absorption units that rapidly filter escaping gas, ensuring that only uncontaminated waste air is fed back into the atmosphere. In addition, we also operate a few warehouses customised to store lithium batteries.

In South Africa, customised advanced fuel measuring technology in our fuel transport fleet minimises the risk of cross-product contamination. The contamination sensors can identify minute quantities of fuel and determine, based on density, the type of fuel (petrol or diesel). Prior to the introduction of contamination sensors, we reported 37 contaminations in F2018. After implementation, the number of contaminations has diminished, reducing the cost to one third of the pre-implementation baseline.

Frequent training and safety data sheets ensure drivers and product handlers know how to safely handle hazardous substances. Disaster preparedness is achieved through simulated training, and engaging external stakeholders such as emergency responders, local authorities and the communities at risk.

In Europe, trucks transporting chemicals and loading areas are fitted with state-of-the-art equipment. For example, some trailers have multi-chamber tanks, where some chambers can be heated and others are rubber-lined to transport corrosive chemicals. Other safety features include stability systems, level indicators and immobilisers that prevent vehicle movement if ladders are lowered or valves are open.

Loss of product to the environment is very infrequent given our strict safety protocols. However, in the event of a road accident or storage incident, reputable and accredited service providers are used to recover vehicles and product, and our emergency response protocol ensures that appropriate procedures are followed during scene clean-up, particularly when hazardous substances 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. All environmental incidents and spills are thoroughly investigated and reported, and any lessons learnt are used to continuously improve processes.

 **Zero harm to people:** page 52.

2021 performance review

Market Access

- Enhanced the risk management process for all Imperial-owned distributors of healthcare products, including aligning risk management understanding and methodology, training the in-country quality leads (generally acting as risk champions) and implementing our group-wide risk management platform to capture risk and ensure oversight by the risk office.
- We are revising the due diligence process undertaken ahead of signing agreements with subcontractors, to include a review of the entity's code of conduct and anti-bribery and corruption policies to identify and advise on areas of critical non-alignment to Imperial's policies. Going forward, adherence to our anti-bribery and corruption policy as well as certain environmental considerations will be mandatory requirements in our agreements.
- Appointed a quality and compliance director in the healthcare operation.

Logistics Africa

- Conducted 11 SHE audits of key subcontractors, around 25% of the subcontractor base in South Africa (F2020: 11).
- No material incidents of non-compliance with laws and regulations concerning health and safety impacts of products and services.
- No material chemical spills occurred.

 **Indicator report:** page 127.

Looking forward

Priorities to achieve our targets and objectives:

- **Group:** ensure our healthcare subcontractors apply high quality and product safety compliance standards.
- **Market Access:** implement a central quality management system for healthcare businesses followed by a phased rollout across the Imperial-owned subcontractors to enhance our ability to meet principals' need for central oversight.
- **Logistics Africa:** develop the centre-led procurement approach that considers ESG in our procurement processes.



Focus area: Ensure high supply chain standards are upheld continued



Imperial keeps abreast of the accelerating pace of innovation within the logistics industry

We invest in digital advancements and technologies to strengthen our capabilities in building an organisation for the future. Key to our digitisation journey are our supply chain control towers that use a world-class enablement system (One Network¹) to integrate demand, supply and logistics management, enabling end-to-end real-time visibility of the entire logistics lifecycle (including across multiple countries). We use control towers to drive efficiencies, and to provide our clients with customised solutions that enhance their supply chain capabilities and drive continuous improvement based on robust data. Put simply, One Network allows all parties in the

supply chain to plan, collaborate and execute on a shared transaction in real time to achieve highly synchronised and optimised supply chain outcomes.

In terms of quality management, the platform guards against product deterioration and waste, reducing excess inventory and product obsolescence. From a resource point of view, the movement of goods from suppliers to store, warehouse or manufacturing plant is optimised, reducing fuel consumption. The platform also assists the management of vehicle inspections, damage reporting, adherence to health and safety protocols and journey plans, and driving behaviour.

Customised control tower solutions are typically self-funded through efficiency improvements and cost savings, which accrue to our clients. Key benefits include a 65% to 75% reduction in effort, 20% to 30% reduction in inventory levels, 75% to 80% reduction in waste, reduced CO₂ equivalent (CO₂e) emissions, improved cost management and up to 1% improvement in cost of goods sold.

To keep abreast of the accelerating pace of innovation within the logistics industry, we created a disruptive innovation fund in partnership with Newtown Partners. The fund focuses on high-potential start-ups in freight logistics, supply chain management and health technology that use emerging technologies and disruptive business models to drive value. We made an initial capital investment of USD20 million.

At September 2021, the fund had invested in nine portfolio companies – Field Intelligence a digital pharmaceutical distributor operating in Kenya and Nigeria; Shypple a digital freight forwarder operating between Asia and Europe; RedBird a provider of rapid diagnostic tests to pharmacies in Ghana; Lori Systems a digital road freight exchange operating in East and West Africa (who has partnered with Imperial to launch in SADC during 2021); Fulfilment Bridge a cross-border digital logistics service provider serving e-commerce merchants in Middle East North Africa; MDaaS Global a health tech company building and operating a network of modern, technology-enabled diagnostic centres across Nigeria; Clockwork Logistics a business-to-business (B2B) provider of a highly configurable delivery platform and driver application; Cheefa an asset-light e-pharmacy marketplace that creates a distribution channel in Egypt and Saudi Arabia; and Portcast a Singapore-based B2B software-as-a-service platform that provides real-time vessel and container tracking and dynamic demand forecasting.

¹ Recently rated a technology leader in its class by Nucleus Research and Gartner. Imperial is the African partner for One Network.

Imperial's partnership with a major client to go green is presented as a success story at the South African Institute for Industrial Engineers Green Conference in 2020

In 2012, we were contracted to help a major client manage its new centralised outbound distribution model, requiring a larger transport operation and the capability to balance vehicle supply from third parties with demand for stock from stores.

In 2020, our contract was extended to include a One Network technology-enabled logistics control tower. The centralisation of transport services and the control tower have enabled our client to achieve:

- Over R600 million in transport cost savings.
- A 16% year-on-year volume increase with the centralisation of suppliers.
- A 49% reduction in vehicle turnaround time.
- A 79% increase in volume with a 5% increase in fleet.
- A distribution unit/handling unit improvement of 32%.
- A 3% fuel reduction per 100 kilometres (km) travelled (ie saving 1 litre of fuel/100 km).
- A 16% reduction in annual CO₂e, ie a reduction of 7 000 tonnes a year.



Imperial investigates sustainable aviation fuel production for the WWF-SA

We conducted a supply chain optimisation study for the South African National Office of the WWF-SA on the conversion of potential alternative feedstocks to sustainable aviation fuel (SAF) to advance the goal of aviation decarbonisation.

To significantly scale up SAF production requires a diversified feedstock base, including waste biomass and industrial waste gases. The dispersed nature of biomass and waste means that logistics is a key component of the SAF value chain, and an important determinant of its competitiveness relative to conventional (fossil) aviation fuels.

The study aimed to identify the ideal supply routes for a number of alternative candidate feedstocks, considering eight different SAF-production pathways (identified by the WWF and their research partners), in terms of cost, reliability of supply and greenhouse gas emissions.

The research consortium comprised the WWF-SA, the Centre for Process Engineering at Stellenbosch University, the Council for Scientific and Industrial Research, and Imperial. We compiled the network overview for the various pathways and consolidated the relevant data required for analysis. The nine-week study culminated in suggested locations for intermediate and final processing facilities for each pathway; the total cost calculated for each pathway (comprising feedstock, processing and transport costs); and the CO₂e emissions for each transport leg of each pathway. Cost curves and pathway comparisons were developed to highlight differing yields, cost and CO₂e emissions between pathways to support the identification of the most cost-effective supply network.

The study will be used by WWF-SA to highlight opportunities to produce sustainable aviation fuel in South Africa and provide the basis for further policy and industrial engagements.

Striving for **zero harm** to people and the environment



ADDITIONAL INFORMATION

6



120 **Indicator report****Environment indicators**

	2021	2020	2019
FUEL CONSUMPTION			
Market Access			
Road fuel usage (litres)	2 552 974* ▼	6 060 616	8 037 483
Non-road fuel usage (litres)	266 627* ▼	295 006	-
Logistics Africa			
Road fuel usage (litres)	106 281 724* ▼	111 513 894	130 186 325
Non-road fuel usage (litres)	1 686 645* ▲	1 185 017	1 118 532
Logistics International			
Road fuel usage (litres)	21 617 210* ▼	23 805 315	26 004 574
Non-road fuel usage (litres) ¹	6 735 152* ▼	57 563 747	48 792 317
Total fuel consumption (litres)	139 140 332* ▼	200 423 595	214 139 231
PURCHASED ELECTRICITY			
Market Access (kilowatt hours)	5 582 972* ▼	6 356 603	6 649 859
Logistics Africa (kilowatt hours)	30 570 335* ▼	35 307 912	64 613 178
Logistics International (kilowatt hours)	26 137 031* ▼	28 428 430	35 615 290
Total purchased electricity (kilowatt hours)	62 290 338* ▼	70 092 945	106 878 327
RENEWABLE ENERGY			
Solar energy generated (kilowatt hours)	1 359 559 ▲	763 006	-
EMISSIONS			
Market Access			
Scope 1 emissions (tCO ₂ e)	7 698* ▼	17 343	21 845
Scope 2 emissions (tCO ₂ e)	2 397* ▼	2 631	2 560
Total Scope 1 and Scope 2 emissions (tCO ₂ e)	10 095* ▼	19 974	24 405
Scope 3 emissions (tCO ₂ e)	19* ▼	197	422
Total emissions for Market Access (tCO₂e)	10 114* ▼	20 171	24 827
Logistics Africa			
Scope 1 emissions (tCO ₂ e)	289 672* ▼	302 715	355 352
Scope 2 emissions (tCO ₂ e)	30 187* ▼	34 954	63 962
Total Scope 1 and Scope 2 emissions (tCO ₂ e)	319 859* ▼	337 669	419 314
Scope 3 emissions (tCO ₂ e)	482* ▼	999	1 794
Total emissions for Logistics Africa (tCO₂e)	320 341* ▼	338 668	421 108
Logistics International			
Scope 1 emissions (tCO ₂ e)	79 140* ▼	201 827	187 788
Scope 2 emissions (tCO ₂ e)	12 037* ▼	13 197	16 488
Total Scope 1 and Scope 2 emissions (tCO ₂ e)	91 177* ▼	215 024	204 276
Scope 3 emissions (tCO ₂ e)	141* ▼	1 058	1 521
Total emissions for Logistics International (tCO₂e)	91 318* ▼	216 082	205 797

¹ The 88% decrease in non-road fuel consumed is attributable to the sale of shipping business, reducing our demand for heavy fuel oil.

KEY

- ▲/▼ Satisfied with performance. ■ Unchanged and satisfied.
▼/▲ Area for improvement. ■ Unchanged and remains an area for improvement.

* Assured (see the independent limited assurance report).

- Not measured at the time.

Environment indicators continued

	2021		2020	2019
WATER PURCHASED FROM MUNICIPALITIES				
Market Access (kilolitres)	21 004*	▲	19 307	22 005
Logistics Africa (kilolitres)	261 132*	▼	326 109	397 801
Logistics International (kilolitres)	64 952*	▲	60 689	68 214
Total water purchased from municipalities (kilolitres)	347 088*	▼	406 105	488 020
WASTE (LOGISTICS AFRICA)¹				
General waste (tonnes)	1 034	▼	1 501	-
Safe disposal (tonnes)	2 021	▼	3 438	-
Hazardous waste (tonnes)	647	▼	881	-
Total waste (tonnes)	3 703	▼	5 820	-
Recycling (tonnes) ¹	701	▼	1 070	-
Percentage of general waste (%)	68	▼	71	-
Waste oil recycled (litres)	14 415	▼	49 213	-
ENVIRONMENTAL COMPLIANCE				
Fines or penalties for environmental incidents	0	■	0	0

¹ Paper, cardboard, plastic, cans and bottles.

Methodology used: Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition). The boundary used is operational control.

Social – workforce indicators

	2021		2020	2019
NUMBER OF EMPLOYEES				
Total number of employees at June (group)	25 432		26 201	27 463
Regional breakdown				
Market Access (%)	50		12	11
Logistics Africa (%)	15		51	56
Logistics International (%)	35		37	33
VOLUNTARY TURNOVER RATE				
Market Access (%)	6	▼	8	12
Logistics Africa (%) ¹	12	▲	2	21
Logistics International (%)	20	▲	16	18
EMPLOYEE REPRESENTATION				
(employees covered by collective bargaining agreements)				
South Africa – NBCRFLI representation (%)	18		20	34
Germany (%)	75		68	69

¹ Fewer employees left Imperial in F2020 given uncertainties relating to COVID-19.

KEY

▲▼ Satisfied with performance. ■ Unchanged and satisfied.
▼▲ Area for improvement. ■ Unchanged and remains an area for improvement.

* Assured (see the independent limited assurance report).

- Not measured at the time.

122 **Indicator report** continued

Social - workforce indicators continued

Occupational levels	Men (number)		Women (number)		Foreign nationals (number)	Total (number)	Black representation (89%)		
	Black	White	Black	White			2021 actual	2021 target	2020 actual
Top management	12	30	6	1	1	50	36	23	42
Senior management	38	113	24	48	1	224	28	32	32
Middle management	388	303	198	178	10	1 077	54	49	45
Junior management	519	123	480	131	17	1 270	79	80	77
Semi-skilled	6 115	115	1 109	190	51	7 580	95	95	95
Unskilled	1 866	6	558	1	21	2 452	99	98	98
Non-permanent	126	4	58	0	0	188	98		91
Total employees	9 064	694	2 433	549	101	12 841	89		89
Differently abled	120	12	180	9	1	322	93	81	81

Note: The Imperial scorecard covers all South African operations, including employees in South Africa who work for the Market Access business.

	2021	2020	2019
BOARD COMPOSITION			
Black women (%)	40	25	33
Black men (%)	10	12	11
White men (%)	50	63	56
WOMEN REPRESENTATION			
Group			
Overall (%)	23 ▼	24	24
Top management (%)	16 ▲	12	17
Senior management (%) ¹	23 ▲	14	27
Middle management (%)	29 ▲	32	31

¹ In F2020, we implemented a new job grading system, which accounts for the variance between years.

KEY

- ▲ Satisfied with performance.
- ▼ Area for improvement.
- Unchanged and satisfied.
- Unchanged and remains an area for improvement.

Social - workforce indicators continued

	2021	2020	2019
TRAINING¹			
Market Access			
Training and development spend (R)	0* ▼	423 453	2 733 092
Average training and development spend per employee (R)	0 ▼	129	885
Number of training hours ²	0* ▼	3 113	2 824
Average training hours per employee	0 ▼	1,0	0,9
Logistics Africa			
Training and development spend (Rm)	246,4 * ▲	99,1	159,7
Average training and development spend per employee (R)	19 335 ▲	7 471	10 503
Number of training hours	1 366 210* ▲	887 966	622 692
Average training hours per employee	107 ▲	66,9	40,9
Leadership			
Executive development programme	0 ■	0	25
Women's development programme	840 ▲	414	220
The Youth Development Programme			
Employees registered for tertiary qualifications	315 ▼	523	481
Employees registered for a learnership	481 ▼	633	627
Participants on the graduate programme (June)	25 ▼	52	38
- Percentage that are black	80 ▼	85	63
- Percentage that are women	64 ▼	71	44
2021 graduate programme intake	4 ▼	44	11
- Percentage that are black	100 ³ ▲	80	27
- Percentage that are women	100 ³ ▲	57	1
Logistics International			
Training and development spend (Rm)	0* ▼	28,7	29,9
Average training and development spend per employee (R)	0 ▼	2 974	3 257
Number of training hours ⁴	0* ▼	2 603	2 712
UNEMPLOYED LEARNERS IN SOUTH AFRICA			
Learners registered for a learnership, apprenticeship or internship	309 ▲	174	559
Percentage of learners who are black (%)	99 ▲	91	97
Percentage of learners who are black women (%)	60 ▲	42	52
Percentage of learners who are differently abled (%)	70 ▲	46	43

¹ There is no direct link between training spend and training hours, as training hours includes training delivered by our principals.

² Online training (for example, anti-bribery and corruption and ethics training) is not recorded in these statistics.

³ Targets: maintain 70% black representation and 50% women representation on the annual graduate programme intake.

⁴ Total number of training hours delivered to all employees is not currently recorded centrally, however, once the new learning management system is implemented the scope of this metric will be expanded. During F2021, Logistics International employees received training on the code of conduct, data protection, IT security, corruption prevention and antitrust laws.

KEY

▲/▼ Satisfied with performance. ■ Unchanged and satisfied.
▼/▲ Area for improvement. ■ Unchanged and remains an area for improvement.

* Assured (see the independent limited assurance report).

124 **Indicator report** continued**Social - workforce indicators** continued

	2021	2020	2019
ROAD SAFETY			
Market Access			
Road kilometres travelled (million)	21,3*	31,7	39,4
Road accidents (company)	3* ▲	2	0
Road accidents per million kilometres	0,141* ▲	0,063	0
Road fatalities (company)	0* ■	0	0
Road fatalities per million kilometres	0* ■	0	0
Logistics Africa			
Road kilometres travelled (million)	275,7*	271,9	318,4
Road accidents (company)	795* ▲	67	67
Road accidents per million kilometres	2,884* ▲	0,246	0,210
Road fatalities (company)	2* ▲	1	2
Road fatalities per million kilometres	0,007* ▲	0,004	0,006
Logistics International			
Road kilometres travelled (million)	64,0*	72,6	75,7
Road accidents (company)	45* ▲	29	32
Road accidents per million kilometres	0,703* ▲	0,399	0,423
Road fatalities (company)	0* ■	0	0
Road fatalities per million kilometres	0* ■	0	0

Note: the table reflects the number of accidents, injuries and fatalities among our permanent and non-permanent employees, excluding third parties, partners, subcontractors and their employees.

From F2021, all accidents and incidents are reported irrespective of the minimum value of damage (which in prior years equated to R60 000).

KEY

- ▲ Satisfied with performance. ■ Unchanged and satisfied.
▼▲ Area for improvement. ■ Unchanged and remains an area for improvement.

* Assured (see the independent limited assurance report).

- Not measured at the time.

Social - workforce indicators continued

	2021
ROAD AND NON-ROAD SAFETY	
Market Access	
Days lost due to injuries	84
LTIFR/200 000 hours	0,12*
Injury incident rate/100 employees	0,10*
Injury severity rate	21,00*
Injury severity rate million hours worked	3,24*
Fatalities	0
Fatalities/million hours worked	0*
Logistics Africa	
Days lost due to injuries	635
LTIFR/200 000 hours	1,11*
Injury incident rate/100 employees	0,97*
Injury severity rate	5,16*
Injury severity rate million hours worked	0,23*
Fatalities	2
Fatalities/million hours worked	0,09*
Logistics International	
Days lost due to injuries	3 680
LTIFR/200 000 hours	2,60*
Injury incident rate/100 employees	2,54*
Injury severity rate	16,43*
Injury severity rate million hours worked	0,95*
Fatalities	1
Fatalities/million hours worked	0,06*

Note: the table reflects the number of accidents, injuries and fatalities among our permanent and non-permanent employees, excluding third parties, partners, subcontractors and their employees, and includes all accidents and incidents. This is the first year that these metrics have been clearly defined and assured.

KEY

- ▲▼ Satisfied with performance. ■ Unchanged and satisfied.
▼▲ Area for improvement. ■ Unchanged and remains an area for improvement.

* Assured (see the independent limited assurance report).

- Not measured at the time.

126 **Indicator report** continued**Social - community indicators**

	2021		2020	2019
PREFERENTIAL PROCUREMENT¹				
Procurement spend with 51% black-owned businesses (Rm)	3 022	▼	3 056	3 661
Against the dtic Codes 50% target (%)	34	▲	25	27
Procurement spend with 30% black women-owned businesses (Rm)	1 330	▲	1 176	1 195
Against the dtic Codes 12% target (%)	15	▲	10	8
Procurement spend with QSEs and EMEs (Rm)	2 599	▼	2 689	2 858
Against the dtic Codes 15% target (%)	25	▲	22	26
ENTERPRISE DEVELOPMENT				
Enterprise development spend (Rm) ²	30	▲	29	27
Breakdown of spend				
Sinawe Fund (%)	64		66	74
Unjani Clinics (%)	15		16	15
Other (%)	21		18	11
Unjani Clinics				
Investment in Unjani Clinics (Rm)	4,6	▼	4,9	3,8
Number of clinics (including mobile)	94		75	63
Number of people employed	346	▲	267	Over 205
Number of patient consultations at June (cumulative since January 2013)	>2,04 million		>1,37 million	>915 000
COMMUNITY UPLIFTMENT				
Market Access (Rm)	6,1	▼	7,9	3,8
Logistics Africa (Rm)	15,5	▲	12,4	17,6
Logistics International (Rm)	2,6	▲	0,8	0,8
Total CSI spend (Rm)	24,2*	▲	21,1	22,2
Qualifying socioeconomic spend (B-BBEE scorecard) (Rm) ³	9,9	▲	4,5	8,8

¹ At the time of reporting, the B-BBEE management report was not yet available, so some reported figures may change slightly after publication.

² Based on this spend, full points were achieved for the F2021 enterprise development pillar of the B-BBEE scorecard.

³ Based on this spend, full points were achieved for the F2021 socioeconomic development pillar of the B-BBEE scorecard.

KEY

- ▲▲ Satisfied with performance. ■ Unchanged and satisfied.
▼▲ Area for improvement. ■ Unchanged and remains an area for improvement.

* Assured (see the independent limited assurance report).

Governance indicators

	2021	2020	2019
WHISTLE-BLOWING HOTLINE			
Category:			
- Fraud	2	5	6
- Governance	0	3	2
- Human resources ¹	22	26	31
- Enquiry	1	1	2
- Other crime	0	0	0
- Corruption	4	3	11
- Theft	6	3	6
- Fleet management irregularities	0	0	2
- Procurement irregularities	3	0	2
Total number of tip-offs registered	38	41	62
TIP-OFF STATUS²			
Disciplinary action taken	2	-	-
Insufficient evidence to investigate	2	-	-
Matter addressed through internal processes	7	-	-
No evidence of wrongdoing	22	-	-
No action taken	2	-	-
Under investigation	3	-	-
Total number of tip-offs registered	38	-	-
SPILLS			
Logistics Africa²			
Chemicals (litres)	8 065	-	-
Oil (litres)	44	-	-
Fuel (litres)	1 772	-	-
Other (litres)	66 500	-	-
Total volume of spills (litres)	76 381	-	-
Number of significant spills	0 ▼	1	1

¹ Includes no incidents of alleged discrimination.

² Reported for the first time. All spills were of small volumes and were contained onsite (eg at service station forecourts or contained within delivery manholes). 'Other' covers low hazard products such as milk.

KEY

- ▲ Satisfied with performance. ■ Unchanged and satisfied.
- ▼ Area for improvement. ■ Unchanged and remains an area for improvement.
- Not measured at the time.

Task Force on Climate-related Financial Disclosures Index

Detailed disclosure on Imperial’s management of climate change-related issues can be found in our most recent CDP submission at <https://www.imperiallogistics.com/esg-reporting.php>. At the time of reporting, we had submitted our 2021 disclosure; however, the results had not yet been released. However, our management approach to climate change remains fairly consistent year on year. Once the CDP releases the 2021 results, around October 2021, our latest submission will be uploaded to this link, replacing our 2020 response.

Governance	More information	
<p>Disclose the organisations governance on climate-related risks and opportunities.</p>	<p>Board oversight Describe the board’s oversight of climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C1/C1.1 • Governance of environmental impacts and climate change Pages 100 and 103 • Integrate ESG into governance and risk management processes Page 108
	<p>Role of management Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C1/C1.2 • Governance of environmental impacts and climate change Pages 100 and 103
Strategy	More information	
<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning, where such information is material.</p>	<p>Identify risks and opportunities Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C2/C2.3a • ESG report: our ESG operating context, risks and opportunities Page 14
	<p>Impact on investment strategy Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C3/C3.3 and C3.4 • ESG report: climate change and strategy Page 30
	<p>Resilience of investment strategy Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C3/C3.2a • ESG report: climate change and strategy Page 30

Risk management	More information
<p>Disclose how the organisation identifies, assesses and manages climate-related risks.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C2/C2.2 • ESG report: climate change and strategy Page 30 • Corporate governance report I Page 5
<p>Processes for identifying and assessing risks and opportunities Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C2/C2.2 • ESG report: climate change and strategy Page 30 • ESG report: improve energy efficiency and investigate alternative fuels Page 31 • ESG report: reduce GHG emissions Page 36
<p>Processes for managing risks and opportunities Describe the organisation's processes for managing climate-related risks.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C2/C2.2 • ESG report: climate change and strategy Page 30 • ESG report: improve energy efficiency and investigate alternative fuels Page 31 • ESG report: reduce GHG emissions Page 36
<p>Integration into risk management processes Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into existing risk management processes.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C2/C2.2 • ESG report: climate change and strategy Page 30 • Corporate governance report I Page 14
Metrics and targets	More information
<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C2/C2.1b • ESG report: environment chapter starting on page 26
<p>Disclose the metrics Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C6 • ESG report: improve energy efficiency and investigate alternative fuels Page 31
<p>Disclose emissions Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas emissions, and the related risks.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C4/CC4.1a • ESG report: targets and objectives Pages 21 and 26
<p>Disclose the targets Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<ul style="list-style-type: none"> • CDP Climate Response 2020: C4/CC4.1a • ESG report: targets and objectives Pages 21 and 26

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The Directors
Imperial Logistics Limited
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79 Boeing Road East

Independent Limited Assurance Report to the Directors of Imperial Logistics Limited

We have performed our limited assurance engagement in respect of the selected non-financial key performance indicators (subject matter) to be published in the Imperial Logistics Limited Integrated Annual Report for the year ended 30 June 2021.

The subject matter comprises the selected key performance indicators conducted in accordance with management’s basis of preparation, as supported by the Global Reporting Initiative Standards (GRI Standards), as prepared by the responsible party, during the year ended 30 June 2021.

The terms of management’s basis of preparation comprise the criteria by which the company’s compliance is to be evaluated for purposes of our limited assurance engagement. The key performance indicators include:

Category	Indicators	Metric
Safety	Kilometres travelled	Kilometres
	Road accidents	Absolute
	Accidents per million kilometres	Ratio
	Road Fatalities (company)	Absolute
	Fatalities per million kilometres	Ratio
	Lost time injury frequency rate (LTIFR)	Ratio
	Injury severity rate (per million hours worked) (ISR)	Ratio
	Injury incident rate (per 100 employees) (IIR)	Ratio
	Fatality Rate (per million hours worked)	Ratio
Injury Severity Rate (DAFW/LTI)	Ratio	
Environmental	Diesel consumed - Normal engine	Litres
	Petrol consumed - Normal engine	Litres
	Electricity consumed	Kilowatt hours
	Scope 1 emissions	Carbon emission tonnes (tCO ₂ e)
	Scope 2 emissions	Carbon emission tonnes (tCO ₂ e)
	Scope 3 emissions - Air travel	Carbon emission tonnes (tCO ₂ e)
	Municipal Water consumed	Litres
Social	Training hours	Hours
	Training spend	Rand
	CSI spend	Rand

Directors' responsibility

The directors being the responsible party, and where appropriate, those charged with governance are responsible for the key performance indicators information, in accordance with management's basis of preparation.

The responsible party is responsible for:

- ensuring that the key performance indicators are properly prepared and presented in accordance with management's basis of preparation;
- confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information; and
- designing, establishing and maintaining internal controls to ensure that the key performance indicators are properly prepared and presented in accordance with management's basis of preparation.

Assurance Practitioner's responsibility

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historic Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement with the aim of obtaining limited assurance regarding the subject matter of the engagement.

We shall not be responsible for reporting on any non-financial key performance indicator transactions beyond the period covered by our limited assurance engagement.

Independence and Other Ethical Requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Deloitte applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We have performed our procedures on the subject matter, the non-financial key performance indicators of Imperial Logistics Limited, as prepared by management in accordance with management's basis of preparation for the year ended 30 June 2021.

Our evaluation included performing such procedures as we considered necessary which included:

- interviewing management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process for the selected subject matter;
- testing the systems and processes to generate, collate, aggregate, validate and monitor the source data used to prepare the selected subject matter for disclosure in the Report,
- inspecting supporting documentation and performed analytical review procedures; and
- evaluating whether the selected key performance indicator disclosures are consistent with our overall knowledge and experience of sustainability processes at Imperial Logistics Limited.

Our assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the non-financial key performance indicator information has been presented, in all material respects, in accordance with management's basis of preparation.

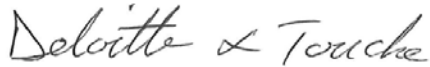
Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the selected non-financial key performance indicators as set out in the subject matter paragraph (of our report) for the year ended 30 June 2021, is not prepared, in all material respects, in accordance with management's basis of preparation.

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Other matters

Our report includes the provision of limited assurance on the "Lost time injury frequency rate (LTIFR)", "Injury severity rate (per million hours worked) (ISR)", "Injury incident rate (per 100 employees) (IIR)", "Fatality Rate (per million hours worked)" and "Injury Severity Rate (DAFW/LTI)" for the year ended 30 June 2021. We were previously not required to provide assurance on these indicators.

The logo for Deloitte & Touche, featuring the company name in a stylized, cursive script.

Deloitte & Touche
Registered Auditors

Per Mark Victor
Partner
28 September 2021

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